



Franklin Templeton Alternatives Funds Franklin K2 Ellington Structured Credit UCITS Fund

Alternative
LU2039786269
30 June 2023

Fund Fact Sheet

For Professional Client Use Only. Not for distribution to Retail Clients.

Fund Overview

Base Currency for Fund	USD
Total Net Assets (USD)	80 million
Fund Inception Date	30.09.2019
Number of Issuers Long (excl. cash)	44
Number of Issuers Short (excl. cash)	8
Benchmark	HFRX RV: Fixed Income Asset Backed Index, Bloomberg U.S. Aggregate Index
Investment Style	Alternative
Fund Domicile	Luxembourg
Fund Type	UCITS
Subscription	Daily
Redemption	Daily (Upon 5 Days' Notice)
Morningstar Category™	Other Bond

Summary of Investment Objective

The Fund's investment objective is to achieve total return over a full market cycle through a combination of current income, capital preservation and capital appreciation.

Fund Management

Mark Tecotzky: United States
Gregory Valli: United States

Portfolio Exposure (% of Total)

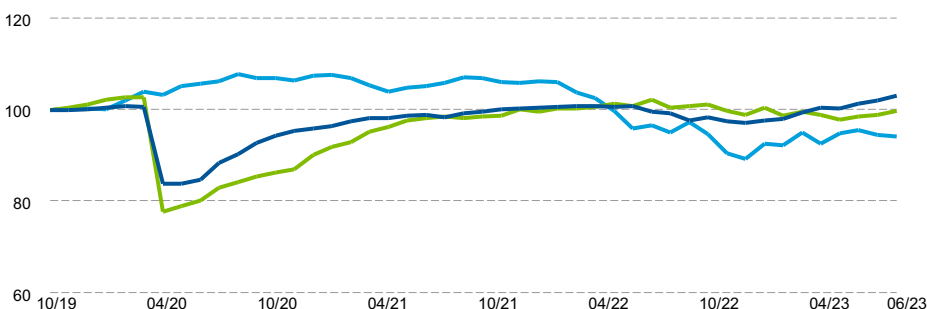
Gross Exposure	60.46
Net Exposure	39.62
Long Exposure	50.04
Short Exposure	-10.42

Performance

Past performance does not predict future returns.

Performance Since Inception in Share Class Currency (%)

■ Franklin K2 Ellington Structured Credit UCITS Fund EO PF (acc) EUR-H1 ■ HFRX RV: Fixed Income Asset Backed Index in USD
■ Bloomberg U.S. Aggregate Index in USD



Discrete Annual Performance in Share Class Currency (%)

	06/22	06/21	06/20	06/19	06/18	06/17	06/16	06/15	06/14	06/13
EO PF (acc) EUR-H1	3.83	0.91	11.31	N/A	N/A	N/A	N/A	N/A	N/A	N/A
HFRX RV: Fixed Income Asset Backed Index in USD	-0.47	-0.63	18.52	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bloomberg U.S. Aggregate Index in USD	-0.94	-10.29	-0.33	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Performance in Share Class Currency (%)

	Cumulative						Annualised	
	1 Mth	6 Mths	YTD	1 Yr	3 Yrs	Since Incept	3 Yrs	Since Incept
EO PF (acc) EUR-H1	0.98	5.10	5.10	3.83	16.62	3.09	5.26	0.82
HFRX RV: Fixed Income Asset Backed Index in USD	0.92	0.39	0.39	-0.47	14.83	-11.26	4.72	-3.14
Bloomberg U.S. Aggregate Index in USD	-0.36	2.09	2.09	-0.94	-11.43	-5.83	-3.97	-1.59

Calendar Year Performance in Share Class Currency (%)

	2022	2021	2020
EO PF (acc) EUR-H1	-2.49	4.25	-3.98
HFRX RV: Fixed Income Asset Backed Index in USD	-5.00	8.41	-15.75
Bloomberg U.S. Aggregate Index in USD	-13.01	-1.54	7.51
Bloomberg U.S. Aggregate Index in EUR	-7.31	5.93	-1.37

The fund's returns may increase or decrease as a result of changes to foreign exchange rates.

The value of shares in the fund and income received from it can go down as well as up, and investors may not get back the full amount invested. All performance data shown is in the currency stated, include reinvested dividends and are net of management fees. Sales charges and other commissions, taxes and other relevant costs paid by the investor are not included in the calculations. The fund offers other share classes subject to different fees and expenses, which will affect their performance.

Fund Measures

Value at Risk (VaR)	-1.95%
Standard Deviation (3 Yrs)	2.90%
Sharpe Ratio (3 Yrs)	1.77
Alpha (3 Yrs)	N/A
Beta (3 Yrs)	N/A
R-Squared (3 Yrs)	N/A
Correlation (3 Yrs)	N/A
% Maximum Drawdown (3 Yrs)	-3.57%
Drawdown Period:	N/A

Share Class Information

Share Class	Incept Date	NAV	TER (%)	Fees	Dividends		Fund Identifiers	
				Max. Annual Charge (%)	Frequency	Last Paid Date	Bloomberg ID	ISIN
EO PF (acc) EUR-H1	30.09.2019	EUR 10.31	0.95	0.65	N/A	N/A	N/A	FRESEOE LX LU2039786269

The Performance Fee is 15% a year of any returns the Fund achieves above an applicable High Water Mark. Please see the "Performance Fees" disclosure in the Important Information section. The charges are the fees the fund charges to investors to cover the costs of running the Fund. Additional costs, including transaction fees, will also be incurred. These costs are paid out by the Fund, which will impact on the overall return of the Fund.

Fund charges will be incurred in multiple currencies, meaning that payments may increase or decrease as a result of currency exchange fluctuations.

For Professional Client Use Only. Not for distribution to Retail Clients.**Composition of Fund**

Sector Exposure—Total	Long Exposure (% of Total)	Short Exposure (% of Total)	Gross Exposure (% of Total)	Net Exposure (% of Total)
Collateralised Mortgage Obligation	32.98	N/A	32.98	32.98
Collateralised Loan Obligation	10.79	N/A	10.79	10.79
Mortgage-Backed Securities	4.45	N/A	4.45	4.45
Asset-Backed Securities	1.72	N/A	1.72	1.72
Principal Only Securities	0.04	N/A	0.04	0.04
Others	0.07	-4.36	4.43	-4.29
Currency Derivatives	N/A	-6.06	6.06	-6.06

What Are the Key Risks?

The value of shares in the Fund and income received from it can go down as well as up and investors may not get back the full amount invested. Performance may also be affected by currency fluctuations. Currency fluctuations may affect the value of overseas investments. The Fund seeks to achieve its investment objective by principally investing in a diversified portfolio of credit-related transferable securities and financial derivative instruments by allocating its net assets through structured credit strategies. The Fund utilises financial derivative instruments for hedging, efficient portfolio management and/or investment purposes. The Fund may gain long and/or synthetic short exposure to a wide range of asset classes, including equities, fixed income and currencies. Such securities and investment instruments have historically been subject to price movements that may occur due to market or issue-specific factors. As a result, the performance of the Fund can fluctuate considerably over time. Other significant risks include: counterparty risk, credit risk, derivative instruments risk, liquidity risk, securitisation risk. For full details of all of the risks applicable to this Fund, please refer to the "Risk Considerations" section of the Fund in the current prospectus of Franklin Templeton Alternatives Funds.

Important Information**The Fund is only intended for institutional, professional and sophisticated investors.**

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Subscriptions to shares of the Fund can only be made on the basis of the current prospectus and where available, the relevant Key Information Document, accompanied by the latest available audited annual report and semi-annual report accessible on our website at www.franklintempleton.lu or which can be obtained, free of charge, from Franklin Templeton International Services, S.à r.l. - Supervised by the Commission de Surveillance du Secteur Financier - 8A, rue Albert Borschette, L-1246 Luxembourg. The value of shares in the Fund and income received from it can go down as well as up, and investors may not get back the full amount invested. No shares of the Fund may be directly or indirectly offered or sold to residents of the United States of America.

Shares of the Fund are not available for distribution in all jurisdictions and prospective investors should confirm availability with their local Franklin Templeton representative before making any plans to invest. An investment in the Fund entails risks, which are described in the Fund's prospectus and where available, in the relevant Key Information Document. Special risks may be associated with a Fund's investment in certain types of securities, asset classes, sectors, markets, currencies or countries and in the Fund's possible use of derivatives. These risks are more fully described in the Fund's prospectus and where available, in the relevant Key Information Document and should be read closely before investing. Information is historical and may not reflect current or future portfolio characteristics. All portfolio holdings are subject to change. References to particular industries, sectors or companies are for general information and are not necessarily indicative of a fund's holding at any one time. The Fund's documents are available from www.ftdocuments.com in English and German or can be requested via FT's European Facilities Service available at <https://www.eifs.lu/franklintempleton>. In addition, a Summary of Investor Rights is available from www.franklintempleton.lu/summary-of-investor-rights. The summary is available in English. The sub-fund(s) of FTAf are notified for marketing in multiple EU Member States under the UCITS Directive. FTAf can terminate such notifications for any share class and/or sub-fund at any time by using the process contained in Article 93a of the UCITS Directive.

For the avoidance of doubt, if you make a decision to invest, you will be buying units/shares in the Fund and will not be investing directly in the underlying assets of the Fund.

Benchmark related data provided by FactSet, as of the date of this document, unless otherwise noted.

Source: Hedge Fund Research, Inc. www.hedgefundresearch.com. The HFR indices are being used under license from Hedge Fund Research, Inc., which does not endorse or approve of any of the contents of this report.

Unlike most asset class indexes, HFR Index returns reflect fees and expenses.

Source: HedgeMark.

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Portfolio Exposure:

Gross Exposure: Gross exposure is the sum of the absolute value of all exposures, directly or through derivatives, as a percentage of total assets. The sum of the percentage of long positions and short (in absolute terms) positions.

Net Exposure: Net exposure is the sum of the total value of all exposures, directly or through derivatives, as a percentage of total assets. The percentage value of the long positions less the percentage value of the short positions.

Long Exposure: Sum of the long exposures, directly or through derivatives, as a percentage of total assets.

Short Exposure: Sum of the short exposures, directly or through derivatives, as a percentage of total assets.

Performance Benchmarks: Benchmarks provided for additional performance comparison are for informational purposes only; the fund manager does not intend for the portfolio to track them.

The HFRX RV: Fixed Income Asset Backed Index represents a measure of a broad universe of hedge fund strategies focused on investing to realize a spread between related instruments where at least one component is backed by physical collateral or other financial obligation other than those of a specific corporation. The Bloomberg US Aggregate Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market.

Performance Fee: 15% a year of any returns the Fund achieves above an applicable High Water Mark. The Performance Fee becomes due in the event of outperformance, that is, if the increase in the NAV during the relevant Performance Period (after deduction of any subscription and/or redemption fees levied) exceeds the applicable High Water Mark point. For more information, please see the Fund's prospectus.

Performance: References to indices are made for comparative purposes only and are provided to represent the investment environment existing during the time periods shown. When performance for either the portfolio or its benchmark has been converted, different foreign exchange closing rates may be used between the portfolio and its benchmark.

The share class shown has adopted a hedging strategy intended to reduce the effect of exchange rate movements between the currency of the Fund's investment strategy and the currency of the share class. The benchmark returns displayed are shown in the reference currency of the Fund's investment strategy (USD), while share class returns are shown in the reference currency of share class (EUR). As a result, the returns shown above reflect the effect of the hedging strategy and one can compare the returns of the Fund (net of fees) relative to its benchmark index without the impact of exchange rate movements on index returns.

Value-at-Risk (VAR): The expected maximum potential one-month loss at a 95% confidence level, calculated based on the Fund's holdings as of the report date using a historical simulation methodology.