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Fund Overview

Base Currency for Fund	USD
Total Net Assets (USD)	223 million
Fund Inception Date	30.09.2019
Number of Issuers Long (excl. cash)	48
Number of Issuers Short (excl. cash)	52
Benchmark	MSCI World Utilities Sector Index, HFRX Equity Hedge Index
Investment Style	Alternative
Fund Domicile	Luxembourg
Fund Type	UCITS
Subscription	Daily
Redemption	Daily
Morningstar Category™	Alt - Long/Short Equity - Other

Summary of Investment Objective

The Fund's investment objective is to seek to achieve an absolute return by investing primarily in equity and equity-related securities of companies active in the infrastructure and global utility sector.

Fund Management

Jos Shaver: United States

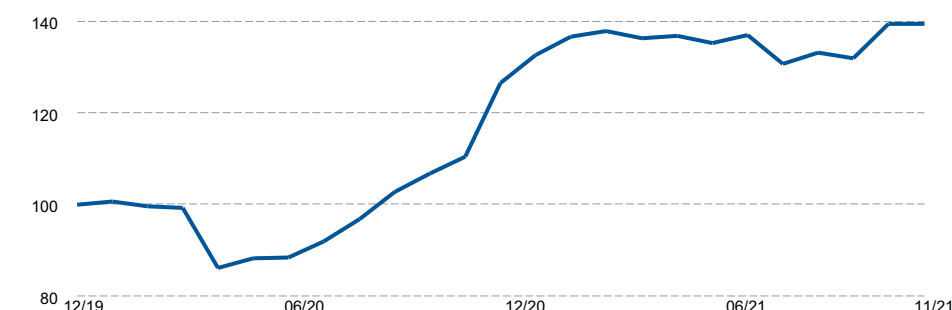
Portfolio Exposure (% of Total)

Gross Exposure	143.60
Net Exposure	24.50
Long Exposure	84.05
Short Exposure	-59.55

Performance

Performance Since Inception in Share Class Currency (%)

■ Franklin K2 Electron Global UCITS Fund I PF (acc) EUR-H2



Discrete Annual Performance in Share Class Currency (%)

	11/20	11/19	11/18	11/17	11/16
	11/21	11/20	11/19	11/18	11/17
I PF (acc) EUR-H2	10.10	N/A	N/A	N/A	N/A
MSCI World Utilities Sector Index in EUR	10.74	N/A	N/A	N/A	N/A
HFRX Equity Hedge Index in EUR	20.13	N/A	N/A	N/A	N/A

Performance in Share Class Currency (%)

	Cumulative				Annualised	
	1 Mth	6 Mths	YTD	1 Yr Since Incept	Since Incept	Since Incept
I PF (acc) EUR-H2	0.00	3.10	5.05	10.10	39.50	18.45
MSCI World Utilities Sector Index in EUR	0.49	7.64	11.11	10.74	9.50	4.72
HFRX Equity Hedge Index in EUR	0.69	11.48	18.77	20.13	13.37	6.59

Calendar Year Performance in Share Class Currency (%)

	2020
I PF (acc) EUR-H2	31.75
MSCI World Utilities Sector Index in EUR	-3.09
HFRX Equity Hedge Index in EUR	-3.99

Past performance is not an indicator or a guarantee of future performance. 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. Performance may also be affected by currency fluctuations. Currency fluctuations may affect the value of overseas investments. The fund offers other share classes subject to different fees and expenses, which will affect their performance. Please see the prospectus for details. Up to date performance figures can be found on our local website.

Top Exposures (% of Total)

Long Exposures (Equity Only)

Issuer Name	
AES CORP/THE	7.63
EXELON CORP	7.51
PG&E CORP	4.62
ENGIE SA	4.24
CONSOLIDATED EDISON INC	4.05

Short Exposures (Equity Only)

Issuer Name	
INDUSTRIALS	-5.39
MULTI-UTILITIES	-4.69
MULTI-UTILITIES	-3.98
ELECTRIC UTILITIES	-2.49
MICRO EMIN RUS2000	-2.49

Fund Measures

Value at Risk (VaR)	-6.96%
Standard Deviation (1 Yr)	9.29%
Sharpe Ratio (1 Yr)	1.16
Alpha (1 Yr)	11.21%
Beta (1 Yr)	0.01
R-Squared (1 Yr)	0.03%
Correlation (1 Yr)	0.02
% Maximum Drawdown (1 Yr)	-5.15%
Drawdown Period: 01/21-06/21	

Share Class Information

Share Class	Incept Date	NAV	TER (%) 31.10.2021	Fees		Dividends		Fund Identifiers	
				Max. Annual Charge (%)		Frequency	Last Paid Date	Last Paid Amount	Bloomberg ID
I PF (acc) EUR-H2	13.12.2019	EUR 13.95	1.45	1.25		N/A	N/A	N/A	FREGUIE LX
									ISIN
									LU2090056206

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.

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)	Net Exposure (% of Total)	Gross Exposure (% of Total)
North America	61.23	-36.48	24.74	97.71
Independent Power & Renewable Electricity Producers	14.39	N/A	14.39	14.39
Electric Utilities	13.86	-6.64	7.21	20.50
Electrical Equipment	12.16	-1.28	10.89	13.44
Construction & Engineering	7.66	N/A	7.66	7.66
Multi-Utilities	4.05	-3.98	0.07	8.03
Trading Companies & Distributors	2.77	-0.82	1.95	3.59
Road & Rail	2.15	N/A	2.15	2.15
Building Products	1.94	N/A	1.94	1.94
Air Freight & Logistics	0.85	-2.58	-1.73	3.43
Semiconductors & Semiconductor Equipment	0.67	-2.40	-1.74	3.07
Energy Equipment & Services	0.51	N/A	0.51	0.51
Software	0.22	N/A	0.22	0.22
Industrial Conglomerates	0.01	-0.74	-0.73	0.75
Chemicals	N/A	-0.03	-0.03	0.03
Automobiles	N/A	-0.15	-0.15	0.15
Oil, Gas & Consumable Fuels	N/A	-0.29	-0.29	0.29
Currency Derivatives	N/A	-0.31	-0.31	0.31
Electronic Equipment, Instruments & Components	N/A	-0.71	-0.71	0.71
Auto Components	N/A	-0.73	-0.73	0.73
Food Products	N/A	-0.73	-0.73	0.73
Equity Index	N/A	-4.59	-4.59	4.59
Gas Utilities	N/A	-5.12	-5.12	5.12
Industrials	N/A	-5.39	-5.39	5.39
Europe	15.19	-11.19	4.00	26.38
Multi-Utilities	7.30	-4.69	2.61	11.99
Electric Utilities	5.80	-1.56	4.24	7.36
Transportation Infrastructure	1.28	N/A	1.28	1.28
Energy Equipment & Services	0.43	N/A	0.43	0.43
Metals & Mining	0.38	N/A	0.38	0.38
Gas Utilities	N/A	-0.59	-0.59	0.59
Marine	N/A	-0.82	-0.82	0.82
Currency Derivatives	N/A	-3.53	-3.53	3.53

Sector Exposure—Total	Long Exposure (% of Total)	Short Exposure (% of Total)	Net Exposure (% of Total)	Gross Exposure (% of Total)
Asia Pacific	4.87	-7.15	-2.28	12.02
Chemicals	2.22	N/A	2.22	2.22
Gas Utilities	0.75	N/A	0.75	0.75
Household Durables	0.72	N/A	0.72	0.72
Machinery	0.70	N/A	0.70	0.70
Airlines	0.49	N/A	0.49	0.49
Technology Hardware, Storage & Peripherals	N/A	-0.08	-0.08	0.08
Semiconductors & Semiconductor Equipment	N/A	-0.09	-0.09	0.09
Others	N/A	-0.09	-0.09	0.09
Interactive Media & Services	N/A	-0.16	-0.16	0.16
Marine	N/A	-1.06	-1.06	1.06
Electric Utilities	N/A	-1.64	-1.64	1.64
Currency Derivatives	N/A	-4.04	-4.04	4.04
Global and Emerging Markets	2.76	-4.72	-1.96	7.48
Chemicals	1.13	N/A	1.13	1.13
Electrical Equipment	1.12	N/A	1.12	1.12
Water Utilities	0.51	N/A	0.51	0.51
Semiconductors & Semiconductor Equipment	N/A	-0.69	-0.69	0.69
Independent Power & Renewable Electricity Producers	N/A	-1.17	-1.17	1.17
Currency Derivatives	N/A	-2.86	-2.86	2.86

Portfolio Data Derivatives Disclosures

Portfolio Exposure, Top Exposure and Sector Exposure figures shown reflect certain derivatives held in the portfolio (or their underlying reference assets) and may not total 100% or may be negative due to rounding, use of derivatives, unsettled trades or other factors.

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 investing primarily in equity and equity-related securities of companies active in the global utility sector worldwide, as well as in derivatives. Such securities and investment instruments have historically been subject to price movements that may occur suddenly due to market or company-specific factors, or fluctuations in currency markets. As a result, the performance of the Fund can fluctuate considerably over time. Other significant risks include: counterparty risk, foreign currency risk, derivative instruments risk, equity risk, emerging markets 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 Alternative Funds.

Important Information

Issued by Franklin Templeton International Services, S.à r.l. Franklin Templeton Alternative Funds (the "Fund") is a Luxembourg registered SICAV. Source for data and information provided by Franklin Templeton, as of the date of this document, unless otherwise noted. This document does not constitute legal or tax advice nor investment advice or an offer for shares of the Fund. Subscriptions to shares of the Fund can only be made on the basis of the current prospectus and where available, the relevant Key Investor 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 Investor 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 Investor 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. 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.

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

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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 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 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 MSCI World Utilities Sector Index includes securities that are classified in the Utilities sector as per the Global Industry Classification Standard. The HFRX Equity Hedge Index represents a measure of a broad universe of long short equity hedge fund strategies.

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.

Top Exposures: The Top Long and Short Exposures represent the largest long and short equity issuer exposures of Franklin K2 Electron Global UCITS Fund as of the date indicated. Issuer exposures include actual security holdings and single security exposures obtained through the use of derivatives. Direct security holdings and derivatives exposures are combined for calculation purposes. These direct holdings and derivatives do not represent all of the securities purchased, sold or recommended for advisory clients, and the reader should not assume that investment in securities of the issuers listed was or will be profitable. The portfolio manager for the fund reserves the right to withhold release of information with respect to holdings that would otherwise be included in the top holdings list.

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.