



Franklin Templeton Alternatives Funds Franklin K2 Cat Bond UCITS Fund

Alternative
LU2303826890
30 June 2023

Fund Fact Sheet

Fund Overview

Base Currency for Fund	USD
Total Net Assets (USD)	136 million
Fund Inception Date	18.06.2021
Number of Issuers	76
Benchmark	Secured Overnight Financing Rate (SOFR)
Investment Style	Alternative
Fund Domicile	Luxembourg
Fund Type	UCITS
Subscription	Daily
Redemption	Daily
Morningstar Category™	Other Bond
EU SFDR Category	Article 8

Summary of Investment Objective

The Fund's investment objective is to seek to generate attractive risk-adjusted returns over time with limited correlation to other asset classes through investment in a portfolio of natural catastrophe bonds. The Investment Manager seeks to achieve the Fund's investment objective through a systematic, proprietary rules-based process. Return is sought from a managed composition of the portfolio based on a set of rules that narrows the universe of catastrophe bonds through a screening and scoring process.

Fund Management

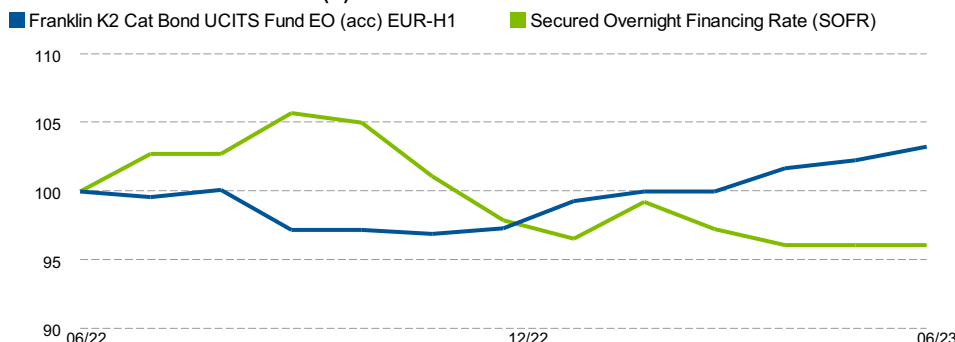
Michael Rich, CFA: United States

Asset Allocation

	%
Cat Bond	84.92
Cash	15.08

Performance

Past performance does not predict future returns.
Performance over 1 Year in EUR (%)



Discrete Annual Performance in EUR (%)

	06/22	06/21	06/20	06/19	06/18	06/17	06/16	06/15	06/14	06/13
	06/23	06/22	06/21	06/20	06/19	06/18	06/17	06/16	06/15	06/14
EO (acc) EUR-H1	3.27	0.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Performance in EUR (%)

	Cumulative	1 Yr
EO (acc) EUR-H1		3.27
Benchmark in EUR		-0.40

Calendar Year Performance in EUR (%)

	2022
EO (acc) EUR-H1	-3.63
Benchmark in EUR	8.48

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.

Top Holdings (% of NAV)

Peril Name	
California Wildfire	2.89
Multi-Peril	2.78
Multi-Peril	2.73
Texas Windstorm	2.64
Southeast US Windstorm	2.51

Fund Measures

Average Weighted Maturity	1.48 Years
Yield to Maturity	12.57%
Portfolio Spread	7.43%
Expected Loss	1.63%
Average Weight	1.12%
Standard Deviation (1 Yr)	4.09%

Share Class Information

Share Class	Incept Date	NAV	TER (%)	Fees		Dividends		Fund Identifiers		
				Max. Sales Charge (%)	Max. Annual Charge (%)	Frequency	Last Paid Date	Last Paid Amount	Bloomberg ID	ISIN
EO (acc) EUR-H1	18.06.2021	EUR 10.43	0.85	N/A	0.55	N/A	N/A	N/A	FRCBUEE LX	LU2303826890

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.

Expected Loss Contribution by Peril

	%
California Earthquake	15.61
Florida Windstorm	13.82
Texas Windstorm	12.06
Gulf of Mexico Windstorm	10.35
Northeast US Windstorm	8.99
Mexico Windstorm	7.26
Southeast US Windstorm	6.84
Mid Atlantic Windstorm	4.60
United States Convective Storm	3.63
California Wildfire	2.95
Japan Windstorm	2.67
Mexico Earthquake	2.08
Europe Windstorm	1.71
Pacific Northwest Earthquake	1.45
Other	1.40
Japan Earthquake	1.31
Hawaii Windstorm	0.94
New Madrid Earthquake	0.85
North America Earthquake	0.63
Caribbean Windstorm	0.26
Canada Earthquake	0.18
United States Winterstorm	0.15
Northeast US Earthquake	0.13
Great Basin Earthquake	0.06
Southeast US Earthquake	0.04
Midwest Earthquake	0.03
Alaska Earthquake	0.01

Historical Event Analysis

	% of NAV
Daria, 25 January 1990	-0.03
Hurricane Irma 2017 (US)	-0.04
Cyclone Lothar 1999 (Europe)	-0.10
Earthquake New Madrid 1812 (US)	-0.40
Earthquake Kanto 1923 (Japan)	-1.26
Nancy, 10 September 1961	-1.30
Vera, 20 September 1959	-1.30
Hurricane Andrew 1992 (US)	-4.21
Hurricane Katrina 2005 (US)	-4.22
Hurricane New England 1938 (US)	-5.83
Hurricane Galveston 1900 (US)	-10.48
Hurricane Great Miami 1926 (US)	-12.38
Earthquake San Francisco 1906 (US)	-17.22

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 intends to achieve its objective by investing in a portfolio of natural catastrophe bonds. The Fund is intended to Investors who adequately understand the risks triggered by the Fund's strategy and/or have already investment experience in that respect and have a risk tolerance high enough to absorb potential losses invested following the occurrence of extreme insurance disasters. As a result, the performance of the Fund can fluctuate moderately over time. Other significant risks include: catastrophe risk, counterparty risk, credit risk, liquidity risk. For a full discussion of all the risks applicable to this Fund, please refer to the "Risk Considerations" section of the current prospectus of Franklin Templeton Alternative Funds.

Important Information

This fund has been classified as Article 8 under the Regulation on sustainability related disclosures in the financial services sector (EU) 2019/2088. These are Funds which have an ESG integration approach and, in addition, have binding environmental and/or social characteristics in their investment process.

Further information in relation to the sustainability-related aspects of the Fund can be found at www.franklinresources.com/countries. Please review all of the fund's objectives and characteristics before investing.

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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: Bloomberg.

Source: RMS Miu.

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Performance: Effective 1 May 2023, the fund changed its benchmark to the Secured Overnight Financing Rate (SOFR). 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 Holdings: Information is historical and may not reflect current or future portfolio characteristics. All portfolio holdings are subject to change. The information provided is not a recommendation to purchase, sell, or hold any particular security.

Yield figures quoted should not be used as an indication of the income that has or will be received. Yield figures are based on the portfolio's underlying holdings and do not represent a payout of the portfolio.

Composition of Fund:

Expected Loss Contribution by Peril: Expected loss is a sum-product of the portfolio weights and individual expected losses. There can be no assurance that any investment strategy will achieve its objectives.

Historical Event Analysis: The information presented herein is intended to show the possible impact of certain material historical market events on the performance of the current portfolio, excluding portfolio income. There is no way to verify what the actual effect of such an event on the current portfolio would be, and the impact may have been different than the possible impact presented herein. The historical stress tests are done in the risk system by creating scenario risk profiles which best represent the characteristics of the stress event using events from the RMS stochastic event set. This analysis is for information purposes only, and should not be relied upon in making an investment decision. **Hypothetical performance is not an indicator or a guarantee of future performance.**