

Fund Overview

Base Currency for Fund	USD
Total Net Assets (USD)	2.23 billion
Fund Inception Date	15.09.2014
Investment Style	Alternative
Fund Domicile	Luxembourg
Fund Type	UCITS
Subscription	Daily
Redemption	Daily
Minimum Investment	USD 500,000 or the equivalent in the relevant share class currency
Morningstar Category™	Alternative - Multistrategy

Summary of Investment Objective

The Fund's investment goal is to seek capital appreciation with lower volatility relative to the broad equity markets. The Fund seeks to achieve its investment goal by allocating its assets across multiple non-traditional or "alternative" strategies.

Fund Management

Brooks Ritchey: United States
Robert Christian: United States
Anthony M Zanolla, CFA: United States

Strategy Allocation (% of Invested Capital)

	Target	Actual
Long Short Equity	25-40	35.28
Event Driven	10-30	20.44
Relative Value	30-45	24.12
Global Macro	0-30	20.16

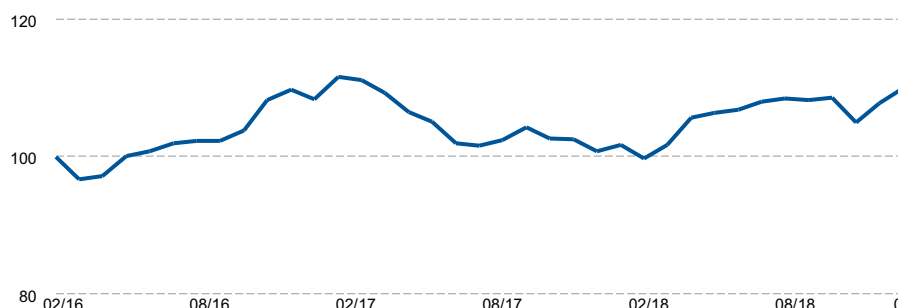
Portfolio Exposure (% of Total)

Gross Exposure	149.55
Net Exposure	47.42
Long Exposure	98.48
Short Exposure	-51.06

Performance

Performance over 3 Years in EUR (%)

■ Franklin K2 Alternative Strategies Fund W (acc) USD



Discrete Annual Performance in EUR (%)

	02/18	02/17	02/16	02/15	02/14
W (acc) USD	8.13	-8.82	11.64	-2.40	N/A
W (acc) EUR	8.19	-8.88	11.58	-1.88	N/A

Performance in EUR (%)

	Cumulative		Annualised	
	1 Yr	3 Yrs	3 Yrs	3 Yrs
W (acc) USD	8.13	10.07	3.25	3.25
W (acc) EUR	8.19	10.00	3.23	3.23

Calendar Year Performance in EUR (%)

	2018	2017	2016	2015
W (acc) USD	2.42	-6.59	6.98	10.94
W (acc) EUR	2.52	-6.75	7.06	11.49

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.

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 W (acc) USD share class launched on 13.11.2015. Performance data prior to that date is for the A (acc) USD share class launched on 15.09.2014 which has higher annual charges.

Top Exposures (% of Total)

Long Exposures (Equity Only)

Issuer Name (Equity)	
TWENTY-FIRST CENTURY FOX INC	1.43
INTEGRATED DEVICE TECHNOLOGY INC	1.22
RWE AG	1.06
TRIBUNE CO	1.03
HOME DEPOT INC/THE	0.94

Short Exposures (Equity Only)

Issuer Name (Equity)	
FISERV INC	-0.58
HARRIS CORP	-0.50
BHP BILLITON LTD	-0.35
INVITATION HOMES INC	-0.23
HUNTINGTON INGALLS INDUSTRIES INC	-0.19

Fund Measures

Standard Deviation (3 Yrs, USD)	3.31%
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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
W (acc) USD	13.11.2015	USD 11.15	1.95	N/A	1.75	N/A	N/A	N/A	FTKASWU LX	LU1309513338
W (acc) EUR	15.09.2014	EUR 13.21	1.95	N/A	1.75	N/A	N/A	N/A	FKASWAE LX	LU1093757646

Composition of Fund

Manager Allocation	% of Invested Capital	Relative Value	% of Invested Capital
Long Short Equity	35.28		24.12
Chilton Investment Company, LLC	10.91	Chatham Asset Management, LLC	11.09
Jennison Associates, LLC	7.88	Loomis Sayles & Company, L.P.	6.98
Impala Asset Management, LLC	6.11	Lazard Asset Management, LLC	6.06
Wellington Management Company, LLP	5.57	Global Macro	20.16
Portland Hill Asset Management Limited	4.80	Emso Asset Management Limited	8.67
Event Driven	20.44	Grantham, Mayo, Van Otterloo & Co. LLC	4.01
Bardin Hill Capital Management L.P.	10.23	H2O Asset Management	3.79
P. Schoenfeld Asset Management L.P.	10.22	Graham Capital Management, L.P.	3.69

Portfolio Data Derivatives Disclosures

Portfolio 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 targeted investment objective by allocating its assets across multiple "alternative" strategies and by investing in a wide range of assets. Such assets and investment instruments have historically been subject to price movements due to such factors as general stock market volatility, sudden changes in interest rates, or fluctuations in commodity prices. The Fund will seek to limit volatility using hedged strategies. As a result, the performance of the Fund can fluctuate moderately over time.

Other significant risks include: credit risk, derivatives risk, liquidity risk, operational risk, targeted return 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 Investment Funds.

Important Information

Issued by Franklin Templeton International Services, S.à r.l. Franklin Templeton Investment Funds (the "Fund") is a Luxembourg registered SICAV. Source for data and information provided by Franklin Templeton Investments, 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 Investments 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.

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

Please consult your financial advisor before deciding to invest.

Source: HedgeMark.

Important data provider notices and terms available at www.franklintempletondatasources.com.

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Strategy Allocation: Actual Allocation is a percentage of invested capital into fund managers (sub-advisors or co-managers) as of the end of the period. Target Allocations are as of the end of the period.

The Fund may shift allocations among strategies at any time. Further, K2 may determine in its sole discretion to not allocate to one or more of the strategies and/or to add new strategies.

Accordingly the above target allocations are presented for illustrative purposes only, and should not be viewed as predictive of the ongoing composition of the fund's portfolio (and its managers), which may change at any time.

Weightings as percentage of invested capital into fund managers (sub-advisors or co-managers). Holdings are subject to change. Due to rounding, the strategy breakdown may not equal 100%.

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.

Top Exposures: The Top Five Long and Short Exposures represent the five largest long and short equity issuer exposures of Franklin K2 Alternative Strategies 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.

Composition of Fund:

Manager Allocation: Manager allocation includes managers that have been appointed as sub-advisors or managers of investment funds. K2 may determine in its sole discretion to not allocate to one or more of the managers and/or to add new managers. Accordingly, the manager allocation is presented for illustrative purposes only, and should not be viewed as predictive of the ongoing composition of the Fund's portfolio, which may change at any time.

Weightings as percent of invested capital into fund managers (sub-advisors or co-managers). Percentage may not total 100% due to rounding. Information is historical and may not reflect current or future portfolio characteristics. All portfolio holdings are subject to change.