

Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

Product

Franklin K2 ActusRayPartners European Alpha UCITS Fund

Class EB PF (acc) USD-H1 • ISIN LU2511867314 • A sub-fund of Franklin Templeton Alternative Funds (UCITS)

Management company (and Manufacturer): Franklin Templeton International Services S.à r.l. ("FTIS"), part of the Franklin Templeton group of companies.

Website: www.franklintempleton.lu

Call (+352) 46 66 67-1 for more information

The Commission de Surveillance du Secteur Financier (CSSF) is responsible for supervising Franklin Templeton International Services S.à r.l. in relation to this Key Information Document.

This product is authorised in Luxembourg.

Date of Production of the KID: 01/04/2024

What is this product?

Type

The product is a share class of the sub-fund Franklin K2 ActusRayPartners European Alpha UCITS Fund (the "Fund") which is part of Franklin Templeton Alternative Funds, an open-ended investment company with variable capital (SICAV), qualifying as a UCITS.

Term

The Fund has no maturity date. The Fund could be closed under the conditions laid down in the current prospectus of the Fund.

Objectives

Investment Objective

The Fund aims to increase the value of its investments, with lower volatility relative to the European equity markets over the medium to long term.

Investment Policy

The Fund pursues an actively managed investment strategy and invests mainly in:

- listed European equity and equity-related securities issued by companies of any size or sectors which are located in, or doing significant business in Europe and other countries within the pan European time zones, through long-short equity strategies
- derivatives for hedging, efficient portfolio management and investment purposes

The Fund can invest to a lesser extent in:

- American depository receipts (limited to 15% of the Fund's assets)
- units of other mutual funds and exchange-traded funds (limited to 10% of the Fund's assets)

The benchmark of the Fund is the HFRXEH – Equity Market Neutral Index. The benchmark is used solely as a reference for Investors to compare against the Fund's performance. The Fund is not obliged to hold any of the benchmark constituents and may indeed invest up to 100% of its net assets outside the benchmark.

Share Class Policy

The income received from the Fund's investments is accumulated with the result of increasing the value of the shares.

For this share class, the manager applies a portfolio hedge that is intended to minimize the currency risk between the currency of the share class (which is in a non-base currency) and the base currency of the Fund.

Processing of subscription and redemption orders

You may request the sale of your shares on any Dealing Day (as defined in the current prospectus of the Fund).

Intended retail Investor

The Fund may appeal to investors looking to capital appreciation by investing in a listed equity and equity-linked securities and financial derivative instruments and willing to hold their investment over the medium to long term for a minimum period of 3 to 5 years. The Fund is suitable for investors who have an informed knowledge and/or experience of financial markets with the understanding that they may not get back the full amount invested in the Fund.

Depository

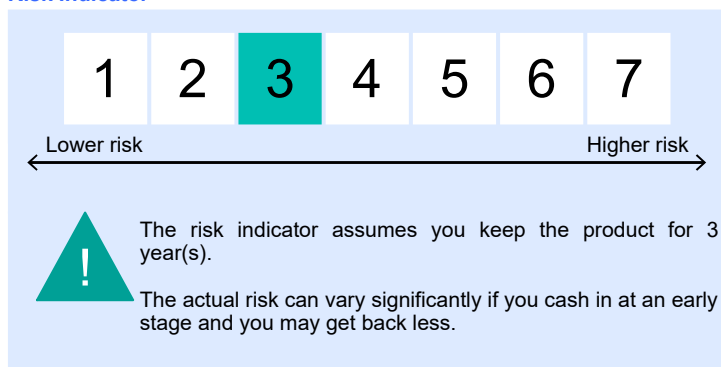
J.P. Morgan SE, Luxembourg Branch

Further Information

Please refer to the 'Other relevant information' section below.

What are the risks and what could I get in return?

Risk Indicator



The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets.

We have classified this product as 3 out of 7, which is a medium-low risk class. This rates the potential losses from future performance at a medium-low level, and poor market conditions are unlikely to impact the capacity to pay you.

Be aware of currency risk. In some circumstances, you may receive payment in a different currency, so that the final return you get may depend on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.

Other risks materially relevant to the product not included in the summary risk indicator:

- Derivative instruments risk
- Counterparty 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 the Fund.

This product does not include any protection from future market performance so you could lose some or all of your investment.

Performance Scenarios

The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back. What you will get from this product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted.

The unfavourable, moderate, and favourable scenarios shown are illustrations using the worst, average, and best performance of the product and the suitable benchmark over the last 10 years. Markets could develop very differently in the future.

Recommended holding period:

3 years

Example Investment:

10,000 USD

If you exit after 1 year

If you exit after 3 years

Scenarios

| | | | |
|--------------|---|------------|------------|
| Minimum | There is no minimum guaranteed return. You could lose some or all of your investment. | | |
| Stress | What you might get back after costs | 6,680 USD | 6,690 USD |
| | Average return each year | -33.20% | -12.54% |
| Unfavourable | What you might get back after costs | 8,650 USD | 8,860 USD |
| | Average return each year | -13.50% | -3.95% |
| Moderate | What you might get back after costs | 10,220 USD | 9,900 USD |
| | Average return each year | 2.20% | -0.33% |
| Favourable | What you might get back after costs | 13,120 USD | 13,400 USD |
| | Average return each year | 31.20% | 10.25% |

The stress scenario shows what you might get back in extreme market circumstances.

Unfavourable scenario: This type of scenario occurred for an investment using the benchmark as stated in the prospectus between March 2017 and March 2020.

Moderate scenario: This type of scenario occurred for an investment using the benchmark as stated in the prospectus between March 2016 and March 2019.

Favourable scenario: This type of scenario occurred for an investment using the benchmark as stated in the prospectus between December 2013 and December 2016.

What happens if Franklin Templeton International Services S.à r.l. is unable to pay out?

Franklin Templeton International Services S.à r.l. ("FTIS") is the management company of the Fund, but the assets of the Fund are held separately from FTIS by the depositary. J.P. Morgan SE, Luxembourg branch, as the appointed depositary, is liable to the Fund or its shareholders for losses caused by its negligent or intentional failure to fulfill its safekeeping or record-keeping obligations (cash could however be lost in case of default of the depositary or its delegates).

There is no compensation or guarantee scheme protecting you from a default of the Fund's depositary.

What are the costs?

The person advising on or selling you this product may charge you other costs. If so, this person will provide you with information about these costs and how they affect your investment.

Costs over Time

The tables show the amounts that are taken from your investment to cover different types of costs. These amounts depend on how much you invest, how long you hold the product and how well the product does. The amounts shown here are illustrations based on an example investment amount and different possible investment periods.

We have assumed:

- In the first year you would get back the amount that you invested (0% annual return). For the other holding periods we have assumed the product performs as shown in the moderate scenario
- USD 10,000 is invested

| | If you exit after 1 year | If you exit after 3 years |
|-------------------------------|---------------------------------|----------------------------------|
| Total costs | 115 USD | 346 USD |
| Annual cost impact (*) | 1.2% | 1.1% each year |

(*) This illustrates how costs reduce your return each year over the holding period. For example it shows that if you exit at the recommended holding period your average return per year is projected to be 0.8% before costs and -0.3% after costs.

We may share part of the costs with the person selling you the product to cover the services they provide to you. They will inform you of the amount.

Please note that the figures shown here do not include any additional fees that may be charged by your distributor, advisor or any insurance wrapper in which the fund may be placed.

Composition of Costs

| One-off costs upon entry or exit | | If you exit after 1 year |
|--|---|--------------------------|
| Entry costs | We do not charge an entry fee. | 0 USD |
| Exit costs | We do not charge an exit fee for this product, but the person selling you the product may do so. | 0 USD |
| Ongoing costs taken each year | | |
| Management fees and other administrative or operating costs | 1.05% of the value of your investment per year. This is an estimate based on actual costs over the last year. | 105 USD |
| Transaction costs | 0.03% of the value of your investment per year. This is an estimate of the costs incurred when we buy and sell the underlying investments for the product. The actual amount will vary depending on how much we buy and sell. | 3 USD |
| Incidental costs taken under specific conditions | | |
| Performance fees (and carried interest) | 20.00% a year of any returns the Fund achieves, subject to a High Water Mark principle. | 7 USD |

How long should I hold it and can I take money out early?

Recommended holding period: 3 year(s)

This Fund has no minimum required holding period. We consider that the 3 year recommended holding period is appropriate because the Fund is designed for medium-term investment. You may sell your shares on any dealing day. The value of your investments may go down as well as up irrespective of the period you are holding your investments, depending on such factors as the performance of the Fund, movements in stock and bond prices, and conditions in financial markets generally. Please contact your broker, financial adviser or distributor for information on any costs and charges relating to the sale of the shares.

How can I complain?

Investors who would like to receive the procedures relating to complaints handling or wish to make a complaint about the Fund, the operation of FTIS or the person advising on or selling the Fund, should go on the website www.franklintempleton.lu, contact Franklin Templeton International Services, S.à r.l., 8A, rue Albert Borschette L-1246 Luxembourg, or send an e-mail to the client service department at lucs@franklintempleton.com.

Other relevant information

For further information on the Objectives and Investment Policy of the Fund, please refer to the section "Fund Information, Objectives and Investment Policies" of the current prospectus. Copies of the latest prospectus and annual & semi-annual reports of Franklin Templeton Investment Funds are available in English and, selectively, in certain other languages, on the website www.ftidocuments.com, your local Franklin Templeton website, or may be obtained free of charge from Franklin Templeton International Services, S.à r.l., 8A, rue Albert Borschette, L- 1246 Luxembourg or your financial adviser. The latest prices and other information on the Fund (including other share classes of the Fund) are available from FTIS, www.fundinfo.com or www.franklintempleton.lu.

The past performance presenting on the last 1 year and previous performance scenario calculations are available under:

- https://docs.data2report.lu/documents/KID_PP/KID_annex_PP_FTI_LU2511867314_en.pdf.
- https://docs.data2report.lu/documents/KID_PS/KID_annex_PS_FTI_LU2511867314_en.pdf.