

UNAUDITED SEMI-ANNUAL REPORT

# FRANKLIN TEMPLETON ALTERNATIVE FUNDS

société d'investissement à capital variable

September 30, 2023



FRANKLIN  
TEMPLETON

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## UNAUDITED SEMI-ANNUAL REPORT

For the period ended September 30, 2023

This report shall not constitute an offer or a solicitation of an offer to buy shares of Franklin Templeton Alternative Funds (the "Company"). Subscriptions are to be made on the basis of the current prospectus and its addendum as the case may be, where available the relevant Key Information Documents ("KIDs") or Key Investor Information Documents ("KIIDs"), a copy of the latest available audited annual report and, if published thereafter, the latest unaudited semi-annual report.

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## General Information

As at September 30, 2023

### **société d'investissement à capital variable**

8A, rue Albert Borschette, L-1246 Luxembourg, Grand Duchy of Luxembourg  
(Registered with the registre de commerce et des sociétés, Luxembourg, under number B 236840)

### **BOARD OF DIRECTORS:**

#### **Chairwoman**

*Caroline Carroll*

Director

FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED

Cannon Place, 78 Cannon Street, London EC4N 6HL  
United Kingdom

#### **Directors**

*A. Craig Blair*

Director

FRANKLIN TEMPLETON INTERNATIONAL SERVICES S.à r.l.

8A, rue Albert Borschette  
L-1246 Luxembourg  
Grand Duchy of Luxembourg

*William Jackson*

Non-executive Director

2 St Clair Terrace, Edinburgh EH10 5NW, Scotland  
United Kingdom

*Hans-J. Wisser*

Independent Director

Kälberstücksweg 37  
61350 Bad Homburg  
Germany

### **MANAGEMENT COMPANY:**

FRANKLIN TEMPLETON INTERNATIONAL SERVICES S.à r.l.

8A, rue Albert Borschette, L-1246 Luxembourg  
Grand Duchy of Luxembourg

### **REGISTERED OFFICE:**

8A, rue Albert Borschette, L-1246 Luxembourg  
Grand Duchy of Luxembourg

### **PRINCIPAL DISTRIBUTOR:**

FRANKLIN TEMPLETON INTERNATIONAL SERVICES S.à r.l.

8A, rue Albert Borschette, L-1246 Luxembourg  
Grand Duchy of Luxembourg

### **ADMINISTRATIVE AGENT:**

J.P. MORGAN SE, LUXEMBOURG BRANCH  
European Bank & Business Centre  
6C, route de Trèves, L-2633 Senningerberg  
Grand Duchy of Luxembourg

### **DEPOSITORY:**

J.P. MORGAN SE, LUXEMBOURG BRANCH  
European Bank & Business Centre  
6C, route de Trèves, L-2633 Senningerberg  
Grand Duchy of Luxembourg

### **REGISTRAR AND TRANSFER AGENT:**

VIRTUS PARTNERS FUND SERVICES LUXEMBOURG S.à r.l.  
8A, rue Albert Borschette  
L-1246 Luxembourg  
Grand Duchy of Luxembourg

### **AUDITOR:**

PRICEWATERHOUSECOOPERS, Société coopérative  
2, rue Gerhard Mercator, L-2182 Luxembourg  
Grand Duchy of Luxembourg

### **LEGAL ADVISERS:**

ELVINGER HOSS PRUSSEN, société anonyme  
2, Place Winston Churchill, L-1340 Luxembourg  
Grand Duchy of Luxembourg

# Report of the Investment Managers

## Six months to September 30, 2023

In broad terms, financial markets were mixed during the six-month reporting period ended 30 September 2023, as global bonds generally declined and global equities collectively rose. Turmoil that occurred in the banking industry during March had calmed by the early part of the period, despite the takeover of a mid-sized US bank by authorities on 1 May. Financial market concern then turned to the negotiations around the US debt ceiling, with worries intensifying in May amidst uncertainty over whether a deal would be reached before the US Treasury Department ran out of money; ultimately, the debt limit was suspended until January 2025. Despite these concerns, financial markets benefitted during most of the period's first four months from generally easing inflation rates and resilient economic growth in major developed markets, along with investor optimism about a potential end to central bank rate hikes. However, investor risk appetite soured during the period's final two months as it became clearer that key central banks like the US Federal Reserve (Fed) intend to hold interest rates higher for longer. Rising sovereign bond yields and energy prices, along with China's property market crisis and Fitch Ratings' downgrade of US long-term debt, further weighed on financial markets. On the economic front, global manufacturing activity continued contracting during the six-month period, while global services activity expanded at the slowest pace in eight months. The International Monetary Fund projected global growth at 3.0% for both 2023 and 2024 in its July World Economic Outlook.

European stocks collectively fell during the six-month period and underperformed equity markets in all major regions, all in US-dollar terms. In the period's first four months, the region's stocks advanced amidst the banking industry's stabilisation, the region's generally cooling inflation and resilient gross domestic product (GDP) growth, and investors' hopes for a pause in interest-rate increases from the European Central Bank (ECB). Later in the period, however, concerns about weaker monthly economic data in Europe, the potential effects of China's economic slowdown on European companies, still-high inflation despite recent cooling, possible further rate hikes by the ECB, surging oil prices and higher sovereign bond yields pressured the region's stocks. In the second quarter, GDP grew sequentially in the eurozone at a modest pace. The currency bloc's manufacturing activity contracted sharply during the six-month period, while its services activity contracted in August and September after expanding for seven consecutive months. The ECB raised its key refinancing rate four times during the period to reach the highest level since 2001. Elsewhere in Europe, the United Kingdom's GDP expansion moderated sequentially in the second quarter. UK manufacturing activity continued to contract during the period, while services activity contracted in August and September after expanding for six consecutive months. The Bank of England increased its key rate in May, June and August to the highest level since 2008 but paused in September.

US stocks generally rose during the six-month period and outperformed stocks in most developed and emerging market countries (all in US-dollar terms), as the gains in the period's first four months overcame losses in the last two months. Better-than-expected corporate earnings reports, the suspension of the debt ceiling, subsiding concerns about US regional banks, enthusiasm for artificial intelligence (AI), resilient economic growth, and hopes for an end to the Fed's campaign of interest-rate hikes bolstered US stocks in April through July. However, Fitch Ratings downgraded the country's credit rating to AA+ from AAA early in August, and US stocks fell during August and September amidst a significant rise in US Treasury yields as the Fed indicated it would keep interest rates higher for longer than investors had previously expected. The Fed raised the federal funds target rate in May, left it unchanged in June, and raised it in July to the highest level since 2001 before pausing again in September. In August, the core personal consumption expenditures price index—which excludes food and energy prices and is the Fed's preferred inflation gauge—reached the lowest level since May 2021 but remained significantly higher than the Fed's 2.0% long-run inflation target. US GDP growth moderated in the second quarter, while recent employment reports have indicated a cooling but resilient labour market. Meanwhile, US manufacturing activity remained in contraction during the six-month period, while services activity continued to expand.

In Asia, stocks declined overall (in US-dollar terms) for the six-month period. The region's stocks performed well in the period's first four months amidst investor enthusiasm for technology-related stocks, expectations for slower rate hikes or a pause by key developed market central banks, and optimism about additional stimulus from the Chinese government. However, Asian stocks fell during the rest of the period as investors worried about China's weaker economic growth and troubled property market, along with higher global sovereign bond yields and energy prices. China's GDP grew at a slower rate sequentially in the second quarter. The country's manufacturing activity contracted in April and July but expanded in May, June, August and September, while its services activity expanded in September for the ninth consecutive month. In June, the People's Bank of China (PBoC) cut the one-year loan prime rate (LPR), which is used in corporate and household loans, and the five-year LPR, which is used as a mortgage reference. The PBoC surprised financial markets in August when it reduced its short- and medium-term rates; additionally, the central bank lowered the one-year LPR to a record-low but left the five-year LPR unchanged. In September, the PBoC cut the cash reserve requirement ratio for banks to the lowest level since 2007. Elsewhere in Asia, Japan's GDP grew in the second quarter at a faster sequential rate. The country's manufacturing activity

returned to growth in May after contracting for the previous six months but contracted again from June through September, while its services activity continued to expand during the period. At its April, June and July meetings, the Bank of Japan (BoJ) held its benchmark interest rate unchanged and maintained the 0.5% cap on the 10-year Japanese government bond (JGB) yield. However, the BoJ stated in July that it will treat “the upper and lower bounds of the range as references, not as rigid limits.” At its September meeting, the BoJ kept its benchmark rate unchanged and said it would buy 10-year JGBs “without setting an upper limit” in an effort to maintain the yield at around 0.0%.

Most sovereign bond yields rose over the six months under review, though a handful of emerging market bond yields declined. Over the period, the yield on the 10-year US Treasury note rose by 110 basis points (bps) to end September at 4.57%, while the yield on the 10-year German Bund rose 55 bps to 2.84%. Bond yields rose relatively sharply in other developed markets, including the United Kingdom (95 bps) and Canada (113 bps). Ten-year JGB yields rose by 43 bps over the period to 0.76%, following the BoJ’s decision to use greater flexibility in the measures it has been taking to control the yield of JGBs.

Looking forward, global growth has slowed to below trend but is stabilising in the developed world. Risks remain focused on the lagged effects of tighter monetary policy and bank lending standards. Inflation has moderated, and we anticipate this move to continue. We maintain a modestly cautious stance towards riskier assets, despite recession probabilities declining, as we think a more optimistic view is fully discounted in asset prices. In broad terms, global equities have faced near-term earnings pressures but have been supported by higher valuations in recent months and optimism over the impact of AI. Despite this, earnings expectations remain vulnerable to ongoing profit margin pressures. Longer-term equity fundamentals are still relatively supportive, in our view. Bond valuations are attractive in the long term, in our assessment, fully reflecting monetary policy that is still expected to tighten a little further. Growth headwinds and tight bank lending standards complement this view. High-quality corporate bond spreads remain modest and do not fully reflect the anticipated increase from currently low default rates.

**THE INVESTMENT MANAGERS**

October 2023

The information stated in this report represents historical data and is not an indication of future results.

## Fund Performance

Percentage change to September 30, 2023

|   | Reference Share Class       | Launch Date | 1 Month % | 3 Months % | 6 Months % | 1 Year % | Since Launch % |
|---|-----------------------------|-------------|-----------|------------|------------|----------|----------------|
| Franklin K2 Actusray European Alpha UCITS Fund          | EB PF (acc) EUR             | 12 Dec 22   | 3.5       | 3.7        | 3.6        | -        | 6.7            |
| Franklin K2 Athena Risk Premia UCITS Fund               | A (acc) USD                 | 18 Jun 21   | 2.1       | 3.5        | 3.2        | 7.1      | 11.0           |
| Franklin K2 Bardin Hill Arbitrage UCITS Fund            | EB PF (acc) USD             | 30 Sep 19   | 1.0       | 2.3        | 1.6        | 4.3      | 16.3           |
| Franklin K2 Cat Bond UCITS Fund                         | I (acc) USD                 | 18 Jun 21   | 1.0       | 3.9        | 7.8        | 12.3     | 11.7           |
| Franklin K2 Electron Global UCITS Fund                  | A PF (acc) USD <sup>1</sup> | 30 Sep 19   | (5.9)     | (10.6)     | (9.1)      | (4.7)    | 39.6           |
| Franklin K2 Ellington Structured Credit UCITS Fund      | A (acc) USD <sup>1</sup>    | 30 Sep 19   | 1.0       | 2.6        | 5.9        | 9.5      | 16.3           |
| Franklin K2 Wellington Technology Long Short UCITS Fund | EB PF (acc) USD             | 30 Sep 19   | (4.5)     | (1.7)      | 6.2        | 3.8      | (8.6)          |

The performance is based on the net asset values as calculated on the last business day of the period. Those net asset values reflect the market prices of the investments as of the last business day of the period. The performance is based on the change of the net asset value per share. The period to date performance includes the period from April 01, 2023 until September 30, 2023.

<sup>1</sup> The inception date is for the Fund, however the reference share class launched at a later date.

The Fund Performance disclosed in this table is the performance of the reference share class in base currency of the Fund.

Information on other share classes is available on request. This report shall not constitute an offer or a solicitation of an offer to buy shares. Subscriptions are to be made on the basis of the current prospectus, where available the relevant Key Information Documents ("KIDs") or Key Investor Information Documents ("KIIDs"), a copy of the latest available audited annual report and, if published thereafter, the latest unaudited semi-annual report. The price of shares and income from them can go down as well as up and you may not get back the full amount that you invested. Past performance is no guarantee of future performance. Currency fluctuations may affect the value of investments.

Data source: Performance – Franklin Templeton and JPMorgan

## Statement of Net Assets

As at September 30, 2023

|   | Total<br>(USD)     | Franklin K2<br>ActusRay<br>European Alpha<br>UCITS Fund<br>(EUR) | Franklin K2<br>Athena Risk<br>Premia UCITS<br>Fund<br>(USD) |
|---|--------------------|--|---|
| <b>ASSETS</b>   |                    |  |   |
| Investments in securities at market value (note 2(b))                   | 422,884,712        | –  | –   |
| Cash at bank and at brokers   | 120,228,836        | 72,901,839   | 4,530,443   |
| Time deposits (note 3)  | 175,772,100        | –  | 77,442,500  |
| Amounts receivable on sale of investments                               | 466,748            | 70,864   | –   |
| Amounts receivable on subscriptions                                     | 544,531            | 502,900  | –   |
| Interest and dividends receivable, net                                  | 1,625,989          | –  | –   |
| Unrealised profit on forward foreign exchange contracts (notes 2(c), 4) | 867,006            | 96,984   | 6,548   |
| Unrealised profit on financial future contracts (notes 2(d), 5)         | 435,765            | –  | 293,687   |
| Unrealised profit on interest rate swap contracts (notes 2(e), 6)       | 568,431            | –  | –   |
| Unrealised profit on total return swap contracts (notes 2(f), 7)        | 2,096,270          | –  | 1,736,258   |
| Unrealised profit on contract for differences (notes 2(g), 8)           | 10,316,213         | 6,682,973  | –   |
| Option contracts at market value (notes 2(i), 9)                        | 508,230            | –  | –   |
| Other receivables   | 111,312            | 33,538   | 380   |
| <b>TOTAL ASSETS</b>   | <b>736,426,143</b> | <b>80,289,098</b>  | <b>84,009,816</b>   |
| <b>LIABILITIES</b>  |                    |  |   |
| Amounts payable on purchases of investments                             | 2,526,255          | –  | –   |
| Amounts payable on redemptions  | 6,828,630          | –  | 11,489  |
| Investment management fees payable (note 10)                            | 217,830            | 22,682   | 2,352   |
| Performance fees payable (note 11)                                      | 743,123            | 286,183  | –   |
| Unrealised loss on forward foreign exchange contracts (notes 2(c), 4)   | 4,704,535          | 57,583   | 171,107   |
| Unrealised loss on financial future contracts (notes 2(d), 5)           | 266,654            | –  | 260,063   |
| Unrealised loss on interest rate swap contracts (notes 2(e), 6)         | 71,933             | –  | –   |
| Unrealised loss on total return swap contracts (notes 2(f), 7)          | 1,202,834          | –  | 386,157   |
| Unrealised loss on contract for differences (notes 2(g), 8)             | 8,333,025          | 6,901,488  | –   |
| Option contracts at market value (notes 2(i), 9)                        | 298,573            | –  | –   |
| Taxes and expenses payable  | 640,818            | 62,924   | 175,834   |
| <b>TOTAL LIABILITIES</b>  | <b>25,834,210</b>  | <b>7,330,860</b>   | <b>1,007,002</b>  |
| <b>TOTAL NET ASSETS</b>   | <b>710,591,933</b> | <b>72,958,238</b>  | <b>83,002,814</b>   |
| <b>THREE YEAR ASSET SUMMARY</b>   |                    |  |   |
| March 31, 2023  | 755,433,022        | 63,786,187   | 112,534,206   |
| March 31, 2022  | 837,313,103        | –  | 23,441,863  |
| March 31, 2021  | 610,911,651        | –  | –   |



## Statement of Net Assets

As at September 30, 2023

| Franklin K2<br>Bardin Hill<br>Arbitrage UCITS<br>Fund<br>(USD) | Franklin K2 Cat<br>Bond UCITS<br>Fund<br>(USD) | Franklin K2<br>Electron Global<br>UCITS Fund<br>(USD) | Franklin K2<br>Ellington<br>Structured Credit<br>UCITS Fund<br>(USD) | Franklin K2<br>Wellington<br>Technology Long<br>Short UCITS<br>Fund<br>(USD) |
|--|--|---|--|--|
| 110,921,372  | 111,372,269                                    | 126,898,229   | 64,845,335   | 8,847,507  |
| 8,173,424  | 1,650,047                                      | 15,719,785  | 1,201,614  | 11,882,121   |
| 4,938,100  | 20,659,100                                     | 58,701,100  | 14,031,300   | –  |
| 374,384  | –  | –   | –  | 17,447   |
| 10,761   | –  | 2,107   | –  | –  |
| 19,436   | 1,054,463                                      | 98,455  | 450,859  | 2,776  |
| 389,428  | –  | 185,931   | 150,406  | 32,162   |
| –  | –  | 142,078   | –  | –  |
| –  | –  | –   | 568,431  | –  |
| –  | –  | –   | –  | 360,012  |
| 73,223   | –  | 3,177,789   | –  | –  |
| 453,310  | –  | –   | –  | 54,920   |
| 19,010   | 563  | 23,526  | 32,020   | 357  |
| <b>125,372,448</b>   | <b>134,736,442</b>                             | <b>204,949,000</b>                                    | <b>81,279,965</b>  | <b>21,197,302</b>  |
| –  | –  | 1,196,085   | 1,250,000  | 80,170   |
| 124,180  | –  | 6,692,961   | –  | –  |
| 28,494   | 24,111   | 82,538  | 41,589   | 14,767   |
| 238,100  | –  | 78,743  | 123,729  | –  |
| 879,116  | 1,065,277                                      | 1,827,298   | 137,962  | 562,898  |
| –  | –  | 6,591   | –  | –  |
| –  | –  | –   | 71,933   | –  |
| –  | –  | –   | –  | 816,677  |
| 125,670  | –  | 911,142   | –  | –  |
| 298,293  | –  | –   | –  | 280  |
| 106,783  | 64,511   | 155,345   | 39,674   | 32,148   |
| <b>1,800,636</b>   | <b>1,153,899</b>                               | <b>10,950,703</b>                                     | <b>1,664,887</b>   | <b>1,506,940</b>   |
| <b>123,571,812</b>   | <b>133,582,543</b>                             | <b>193,998,297</b>                                    | <b>79,615,078</b>  | <b>19,690,362</b>  |
| 157,072,819  | 125,443,759                                    | 231,935,500   | 33,029,090   | 23,643,868   |
| 200,628,084  | 107,346,785                                    | 223,542,787   | 40,806,086   | 83,668,395   |
| 187,389,294  | –  | 98,586,552  | 60,782,654   | 118,033,319  |

## Statement of Operations and Changes in Net Assets

For the period ended September 30, 2023

|  | Total<br>(USD)      | Franklin K2<br>ActusRay European<br>Alpha UCITS Fund<br>(EUR) | Franklin K2 Athena<br>Risk Premia UCITS<br>Fund<br>(USD) |
|--|---------------------|---|--|
| <b>NET ASSETS AT THE BEGINNING OF THE PERIOD</b>                                 | <b>755,433,022</b>  | <b>63,786,187</b>   | <b>112,534,206</b>                                       |
| Currency translation adjustment  | (1,744,920)         | –   | –  |
|  | 753,688,102         | 63,786,187  | 112,534,206  |
| <b>INCOME</b>  |                     |   |  |
| Dividends (net of withholding taxes) (note 2(k))                                 | 1,099,466           | –   | –  |
| Interest income on debt securities (net of withholding taxes) (note 2(k))        | 14,066,533          | 557,291   | 2,330,176  |
| Bank interest (note 2(k))  | 94,171              | 11,796  | –  |
| Net interest income on swaps (note 2(k))   | 37,450              | –   | 16,678   |
| <b>TOTAL INCOME</b>  | <b>15,297,620</b>   | <b>569,087</b>  | <b>2,346,854</b>   |
| <b>EXPENSES</b>  |                     |   |  |
| Investment management fees, maintenance and service charges (notes 10,13 and 15) | 2,126,814           | 130,506   | 46,236   |
| Performance fees (note 11)   | 743,123             | 286,183   | –  |
| Administration and transfer agency fees  | 630,545             | 34,540  | 19,685   |
| Directors fees   | 5,900               | 326   | 875  |
| Subscription tax (note 14)   | 90,642              | 3,518   | 4,850  |
| Custodian fees   | 135,134             | 15,566  | 1,894  |
| Audit fees   | 153,958             | 17,248  | 18,246   |
| Printing and publishing expenses   | 16,221              | 265   | 2,051  |
| Bank charges   | 39,548              | –   | –  |
| Net interest expenses on swaps   | 22,923              | –   | –  |
| Other charges (note 20)  | 480,038             | 15,048  | 47,227   |
| <b>TOTAL EXPENSES</b>  | <b>4,444,846</b>    | <b>503,200</b>  | <b>141,064</b>   |
| Expenses reimbursement (note 16)   | (627,789)           | (12,142)  | (9,182)  |
| <b>NET EXPENSES</b>  | <b>3,817,057</b>    | <b>491,058</b>  | <b>131,882</b>   |
| <b>NET PROFIT/(LOSS) FROM INVESTMENTS</b>  | <b>11,480,563</b>   | <b>78,029</b>   | <b>2,214,972</b>   |
| Net realised profit/(loss) on sale of investments                                | 1,442,479           | –   | –  |
| Net realised profit/(loss) on forward foreign exchange contracts                 | 2,750,984           | (4,566)   | (57,605)   |
| Net realised profit/(loss) on financial future contracts                         | (1,280,215)         | –   | 190,501  |
| Net realised profit/(loss) on interest rate swap contracts                       | (7,510,975)         | 734,302   | –  |
| Net realised profit/(loss) on total return swap contracts                        | 943,504             | –   | (308,818)  |
| Net realised profit/(loss) on contract for differences                           | 953,669             | 865,277   | –  |
| Net realised profit/(loss) on option contracts                                   | (2,950,145)         | –   | –  |
| Net realised profit/(loss) on foreign exchange transactions                      | 4,508,828           | 1,630,736   | (283)  |
| <b>NET REALISED PROFIT/(LOSS) FOR THE PERIOD</b>                                 | <b>10,338,692</b>   | <b>3,303,778</b>  | <b>2,038,767</b>   |
| Change in net unrealised appreciation/(depreciation) on:                         |                     |   |  |
| Investments  | (9,835,991)         | –   | –  |
| Forward foreign exchange contracts   | (9,684,501)         | 76,980  | (376,973)  |
| Financial future contracts   | 761,539             | –   | 33,624   |
| Interest rate swap contracts   | (132,963)           | –   | –  |
| Total return swap contracts  | 1,044,329           | –   | 1,318,353  |
| Option contracts   | 342,321             | –   | –  |
| Contract for differences   | 479,359             | (95,942)  | –  |
| Foreign exchange transactions  | 2,296,957           | (66,385)  | 4  |
| <b>NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS</b>           | <b>(4,390,258)</b>  | <b>3,218,431</b>  | <b>3,013,775</b>   |
| <b>MOVEMENT OF CAPITAL</b>   |                     |   |  |
| Issue of shares  | 200,743,802         | 12,539,892  | 15,307,697   |
| Redemption of shares   | (237,684,066)       | (6,583,629)   | (47,491,099)   |
| Equalisation (note 19)   | (519,759)           | (2,643)   | (356,516)  |
|  | (37,460,023)        | 5,953,620   | (32,539,918)   |
| Dividends paid/accumulated   | (1,245,888)         | –   | (5,249)  |
| <b>NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF MOVEMENT IN CAPITAL</b>  | <b>(38,705,911)</b> | <b>5,953,620</b>  | <b>(32,545,167)</b>                                      |
| <b>NET ASSETS AT THE END OF THE PERIOD</b>                                       | <b>710,591,933</b>  | <b>72,958,238</b>   | <b>83,002,814</b>  |

\*Please refer note 1 for fund events.

## Statement of Operations and Changes in Net Assets

For the period ended September 30, 2023

| Franklin K2 Bardin Hill Arbitrage UCITS Fund (USD) | Franklin K2 Cat Bond UCITS Fund (USD) | Franklin K2 Chilton Equity Long Short UCITS Fund* (USD) | Franklin K2 Electron Global UCITS Fund (USD) | Franklin K2 Ellington Structured Credit UCITS Fund (USD) | Franklin K2 Wellington Technology Long Short UCITS Fund (USD) |
|--|---------------------------------------|---|--|--|---|
| 157,072,819  | 125,443,759                           | 2,594,472   | 231,935,500                                  | 33,029,090   | 23,643,868  |
| -  | -                                     | -   | -  | -  | -   |
| 157,072,819  | 125,443,759                           | 2,594,472   | 231,935,500                                  | 33,029,090   | 23,643,868  |
| 384,341  | -                                     | 2,791   | 703,317                                      | -  | 9,017   |
| 254,719  | 6,820,642                             | 88  | 1,961,845                                    | 2,074,406  | 35,492  |
| 44,831   | -                                     | 448   | -  | 2,881  | 33,541  |
| -  | -                                     | -   | -  | 20,772   | -   |
| <b>683,891</b>                                     | <b>6,820,642</b>                      | <b>3,327</b>  | <b>2,665,162</b>                             | <b>2,098,059</b>   | <b>78,050</b>   |
| 565,370  | 196,758                               | 3,090   | 828,619                                      | 213,815  | 134,956   |
| 238,100  | -                                     | -   | 78,743                                       | 123,729  | -   |
| 150,228  | 92,000                                | 567   | 246,547                                      | 62,567   | 22,435  |
| 1,305  | 1,018                                 | 25  | 1,862  | 247  | 223   |
| 18,046   | 6,884                                 | 47  | 39,617                                       | 16,183   | 1,296   |
| 38,556   | 2,489                                 | 2,817   | 40,911                                       | 15,585   | 16,426  |
| 21,392   | 14,433                                | 25,245  | 28,400                                       | 14,573   | 13,435  |
| 3,295  | 2,731                                 | 221   | 5,388  | 1,106  | 1,149   |
| -  | -                                     | -   | 39,548                                       | -  | -   |
| -  | -                                     | -   | -  | -  | 22,923  |
| 216,449  | 56,230                                | 6,846   | 105,611                                      | 16,612   | 15,154  |
| <b>1,252,741</b>                                   | <b>372,543</b>                        | <b>38,858</b>   | <b>1,415,246</b>                             | <b>464,417</b>   | <b>227,997</b>  |
| (244,751)  | (18,961)                              | (34,977)  | (229,294)                                    | (40,987)   | (36,801)  |
| <b>1,007,990</b>                                   | <b>353,582</b>                        | <b>3,881</b>  | <b>1,185,952</b>                             | <b>423,430</b>   | <b>191,196</b>  |
| <b>(324,099)</b>                                   | <b>6,467,060</b>                      | <b>(554)</b>  | <b>1,479,210</b>                             | <b>1,674,629</b>   | <b>(113,146)</b>  |
| 1,550,044  | (265,776)                             | 114,019   | (647,814)                                    | 89,218   | 602,788   |
| 1,079,538  | (735,342)                             | 28,579  | 516,057                                      | 142,423  | 1,782,161   |
| -  | -                                     | -   | (1,470,716)                                  | -  | -   |
| -  | -                                     | -   | (8,673,231)                                  | 385,956  | -   |
| -  | -                                     | -   | -  | -  | 1,252,322   |
| 7,878  | -                                     | 580   | 30,445                                       | -  | -   |
| (2,876,224)  | -                                     | -   | -  | -  | (73,921)  |
| (1,682,194)  | 180                                   | (18,028)  | 4,363,041                                    | 121,172  | 936   |
| <b>(2,245,057)</b>                                 | <b>5,466,122</b>                      | <b>124,596</b>  | <b>(4,403,008)</b>                           | <b>2,413,398</b>   | <b>3,451,140</b>  |
| 1,860,377  | 3,825,850                             | (89,998)  | (16,228,921)                                 | 801,700  | (4,999)   |
| (1,807,289)  | (2,027,840)                           | (16,212)  | (4,357,836)                                  | (57,799)   | (1,121,935)   |
| -  | -                                     | -   | 727,915                                      | -  | -   |
| -  | -                                     | -   | -  | (132,963)  | -   |
| -  | -                                     | -   | -  | -  | (274,024)   |
| 325,699  | -                                     | -   | -  | -  | 16,622  |
| (210,889)  | -                                     | 33,138  | 758,539                                      | -  | -   |
| 2,053,343  | -                                     | (613)   | 348,092                                      | (33,765)   | 78  |
| <b>(23,816)</b>                                    | <b>7,264,132</b>                      | <b>50,911</b>   | <b>(23,155,219)</b>                          | <b>2,990,571</b>   | <b>2,066,882</b>  |
| 60,747,179   | 15,549,007                            | 32  | 47,462,149                                   | 48,420,424   | 213   |
| (94,221,388)                                       | (14,593,812)                          | (2,645,298)   | (62,106,828)                                 | (3,644,866)  | (6,020,601)   |
| (2,982)  | (80,543)                              | (117)   | (137,305)                                    | 60,498   | -   |
| <b>(33,477,191)</b>                                | <b>874,652</b>                        | <b>(2,645,383)</b>                                      | <b>(14,781,984)</b>                          | <b>44,836,056</b>  | <b>(6,020,388)</b>  |
| -  | -                                     | -   | -  | (1,240,639)  | -   |
| (33,477,191)                                       | 874,652                               | (2,645,383)   | (14,781,984)                                 | 43,595,417   | (6,020,388)   |
| <b>123,571,812</b>                                 | <b>133,582,543</b>                    | <b>-</b>  | <b>193,998,297</b>                           | <b>79,615,078</b>  | <b>19,690,362</b>   |

## Statistical Information

|   | Total<br>Expense Ratio<br>September 30,<br>2023<br>(See note 21) | Shares<br>Outstanding<br>as at<br>September 30,<br>2023 | Net Asset Value<br>per share<br>as at<br>September 30,<br>2023 | Net Asset Value<br>per share<br>as at<br>March 31,<br>2023 | Net Asset Value<br>per share<br>as at<br>March 31,<br>2022 |
|---|--|---|--|--|--|
| <b>Franklin K2 ActusRay European Alpha UCITS Fund - EUR</b>               |  |   |  |  |  |
| A PF (acc) USD-H1 (hedged)  | 2.29%  | 2,500.000   | 10.75  | 10.33  | –  |
| EB PF (acc) EUR   | 1.05%  | 1,975,073.811   | 10.67  | 10.30  | –  |
| EB PF (acc) USD-H1 (hedged)   | 1.05%  | 295,182.927   | 10.82  | 10.36  | –  |
| EO PF (acc) EUR   | 1.30%  | 953,820.777   | 10.67  | 10.30  | –  |
| EO PF (acc) USD-H1 (hedged)   | 1.30%  | 103,136.910   | 10.81  | 10.36  | –  |
| I PF (acc) EUR  | 1.55%  | 100.000   | 10.64  | 10.29  | –  |
| I PF (acc) USD-H1 (hedged)  | 1.55%  | 2,500.000   | 10.80  | 10.35  | –  |
| W PF (acc) USD-H1 (hedged)  | 1.59%  | 2,500.000   | 10.79  | 10.35  | –  |
| X (acc) EUR   | 0.15%  | 3,139,512.923   | 10.93  | 10.41  | –  |
| Y (acc) EUR   | 0.15%  | 29,474.997  | 109.37   | 104.18   | –  |
| <b>Franklin K2 Athena Risk Premia UCITS Fund - USD</b>                    |  |   |  |  |  |
| A (acc) USD   | 1.54%  | 213,804.769   | 11.10  | 10.76  | 9.90   |
| EB (acc) EUR-H1 (hedged)  | 0.60%  | 167,878.113   | 10.89  | 10.60  | 9.89   |
| EB (acc) USD  | 0.60%  | 150.952   | 11.35  | 10.95  | 9.97   |
| EO (acc) EUR-H1 (hedged)  | 0.75%  | 827,110.231   | 10.84  | 10.57  | 9.88   |
| EO (acc) USD  | 0.75%  | 150.910   | 11.31  | 10.92  | 9.96   |
| I (acc) EUR   | 0.90%  | 100.533   | 10.28  | 9.70   | –  |
| I (acc) EUR-H1 (hedged)   | 0.90%  | 2,577.560   | 10.80  | 10.54  | 9.86   |
| I (acc) USD   | 0.90%  | 336,630.540   | 11.26  | 10.89  | 9.95   |
| W (acc) USD   | 0.94%  | 100.000   | 10.57  | 10.22  | –  |
| Y (acc) USD   | 0.15%  | 5,653,658.090   | 11.45  | 11.02  | 10.00  |
| Y (Bdis) AUD-H1 (hedged)  | 0.15%  | 102,593.818   | 10.31  | 10.07  | –  |
| <b>Franklin K2 Bardin Hill Arbitrage UCITS Fund - USD</b>                 |  |   |  |  |  |
| A PF (acc) USD  | 2.29%  | 41,455.589  | 10.99  | 10.89  | 10.81  |
| EB PF (acc) EUR-H1 (hedged)   | 0.93%  | 445,686.557   | 10.89  | 10.84  | 10.86  |
| EB PF (acc) USD   | 0.93%  | 1,450.000   | 11.63  | 11.45  | 11.23  |
| EO PF (acc) EUR-H1 (hedged)   | 1.05%  | 3,805,350.569   | 10.75  | 10.69  | 10.73  |
| EO PF (acc) USD   | 1.05%  | 516,500.000   | 11.41  | 11.26  | 11.06  |
| I PF (acc) EUR  | 1.55%  | 132,325.434   | 9.71   | 9.33   | –  |
| I PF (acc) EUR-H1 (hedged)  | 1.55%  | 411,974.153   | 10.62  | 10.58  | 10.66  |
| I PF (acc) USD  | 1.55%  | 750,198.811   | 11.21  | 11.08  | 10.93  |
| S PF (acc) EUR-H1 (hedged)  | 1.05%  | 2,418.965   | 10.08  | 10.03  | –  |
| S PF (acc) USD  | 1.05%  | 5,316,713.000   | 10.23  | 10.10  | –  |
| W PF (acc) USD  | 1.59%  | 91.575  | 11.21  | 11.08  | 10.93  |
| <b>Franklin K2 Cat Bond UCITS Fund - USD</b>                              |  |   |  |  |  |
| EB (acc) EUR-H1 (hedged)  | 0.70%  | 3,619,402.707   | 10.85  | 10.14  | 10.23  |
| EB (acc) USD  | 0.70%  | 510,900.000   | 11.27  | 10.43  | 10.27  |
| EO (acc) EUR-H1 (hedged)  | 0.85%  | 2,962,757.472   | 10.80  | 10.10  | 10.20  |
| EO (acc) USD  | 0.85%  | 115.487   | 11.23  | 10.40  | 10.26  |
| I (acc) EUR-H1 (hedged)   | 1.05%  | 22,737.184  | 10.73  | 10.05  | 10.17  |
| I (acc) USD   | 1.05%  | 105.688   | 11.17  | 10.36  | 10.24  |
| W (acc) USD*  | 1.11%  | 100.000   | 10.30  | –  | –  |
| Y (acc) USD   | 0.13%  | 4,612,285.151   | 11.39  | 10.52  | 10.31  |
| <b>Franklin K2 Chilton Equity Long Short UCITS Fund - USD<sup>2</sup></b> |  |   |  |  |  |
| A PF (acc) USD  | –  | –   | –  | 9.93   | 10.79  |
| EO PF (acc) EUR-H1 (hedged)   | –  | –   | –  | 9.35   | 10.36  |
| I PF (acc) EUR-H1 (hedged)  | –  | –   | –  | 9.30   | 10.34  |
| I PF (acc) USD  | –  | –   | –  | 9.89   | 10.67  |
| S PF (acc) USD  | –  | –   | –  | 10.14  | 10.92  |
| S PF (acc) USD-H4E (BRL) (hedged)   | –  | –   | –  | 10.38  | 11.08  |
| W PF (acc) USD  | –  | –   | –  | 10.20  | 11.01  |
| <b>Franklin K2 Electron Global UCITS Fund - USD</b>                       |  |   |  |  |  |
| A PF (acc) EUR-H1 (hedged)  | 2.29%  | 65,669.136  | 8.79   | 9.74   | –  |
| A PF (acc) SGD*   | 2.29%  | 134.485   | 9.11   | –  | –  |
| A PF (acc) SGD-H1 (hedged)*   | 2.29%  | 3,362.125   | 8.79   | –  | –  |
| A PF (acc) USD  | 2.29%  | 108,212.823   | 13.96  | 15.36  | 13.78  |
| EB PF (acc) EUR-H2 (hedged)   | 0.90%  | 1,960,000.000   | 14.48  | 15.93  | 14.38  |
| EO PF (acc) EUR-H2 (hedged)   | 1.05%  | 694,398.416   | 13.75  | 15.15  | 13.81  |
| EO PF (acc) USD   | 1.05%  | 130,400.001   | 14.72  | 16.04  | 14.30  |
| I PF (acc) EUR-H1 (hedged)  | 1.55%  | 575,424.326   | 13.44  | 14.86  | 13.59  |

## Statistical Information

|  | Total<br>Expense Ratio<br>September 30,<br>2023<br>(See note 21) | Shares<br>Outstanding<br>as at<br>September 30,<br>2023 | Net Asset Value<br>per share<br>as at<br>September 30,<br>2023 | Net Asset Value<br>per share<br>as at<br>March 31,<br>2023 | Net Asset Value<br>per share<br>as at<br>March 31,<br>2022 |
|--|--|---|--|--|--|
| <b>Franklin K2 Electron Global UCITS Fund - USD (continued)</b>      |  |   |  |  |  |
| I PF (acc) EUR-H2 (hedged)   | 1.55%  | 215,936.928   | 13.40  | 14.80  | 13.58  |
| I PF (acc) SGD*  | 1.55%  | 134.485   | 9.12   | –  | –  |
| I PF (acc) SGD-H1 (hedged)*  | 1.55%  | 3,362.125   | 8.80   | –  | –  |
| I PF (acc) USD   | 1.55%  | 1,235,312.512   | 14.31  | 15.65  | 14.00  |
| J PF (acc) EUR-H1 (hedged)   | 0.75%  | 4,675,716.088   | 9.94   | 10.94  | 9.90   |
| J PF (acc) USD   | 0.75%  | 6,075,387.261   | 10.46  | 11.39  | 9.98   |
| J PF (Qdis) GBP-H1 (hedged)  | 0.75%  | 1,930.162   | 10.23  | 11.16  | 9.94   |
| S PF (acc) USD-H4E (BRL) (hedged) <sup>Ω</sup>                       | –  | –   | –  | 12.48  | 11.18  |
| W PF (acc) EUR-H1 (hedged)*  | 1.59%  | 2,223.408   | 8.82   | –  | –  |
| W PF (acc) GBP-H1 (hedged)   | 1.59%  | 287,132.310   | 10.05  | 11.07  | 10.00  |
| W PF (acc) USD   | 1.59%  | 325,705.824   | 14.25  | 15.65  | 14.07  |
| <b>Franklin K2 Ellington Structured Credit UCITS Fund - USD</b>      |  |   |  |  |  |
| A (acc) USD  | 2.24%  | 94.518  | 11.63  | 10.98  | 10.93  |
| EB PF (acc) EUR-H1 (hedged)  | 0.80%  | 114,133.606   | 10.60  | 10.09  | 10.13  |
| EO PF (acc) EUR-H1 (hedged)  | 0.95%  | 754,456.388   | 10.52  | 10.03  | 10.06  |
| EO PF (acc) USD  | 0.95%  | 407,069.000   | 11.10  | 10.51  | 10.36  |
| I (acc) EUR-H1 (hedged)  | 1.30%  | 2,596.054   | 10.38  | 9.85   | 9.93   |
| I (acc) USD  | 1.30%  | 501,504.641   | 10.96  | 10.31  | 10.17  |
| S (Mdis) USD   | 1.05%  | 5,921,945.503   | 10.10  | 9.82   | 10.12  |
| W (acc) EUR-H1 (hedged)  | 1.34%  | 3,294.748   | 10.61  | 10.06  | 10.14  |
| W (acc) GBP-H1 (hedged)  | 1.34%  | 2,875.450   | 10.94  | 10.30  | 10.20  |
| W (acc) USD  | 1.34%  | 92.251  | 11.94  | 11.22  | 11.08  |
| <b>Franklin K2 Wellington Technology Long Short UCITS Fund - USD</b> |  |   |  |  |  |
| A PF (acc) USD   | 2.24%  | 104,486.105   | 8.03   | 7.62   | 9.75   |
| EB PF (acc) USD  | 0.90%  | 2,500.003   | 9.14   | 8.61   | 10.87  |
| EO PF (acc) EUR-H1 (hedged)  | 1.05%  | 15,000.000  | 8.24   | 7.87   | 10.28  |
| EO PF (acc) USD  | 1.05%  | 54,738.000  | 8.96   | 8.45   | 10.68  |
| I PF (acc) EUR-H1 (hedged)   | 1.50%  | 3,253.741   | 8.03   | 7.69   | 10.08  |
| I PF (acc) USD   | 1.50%  | 9,683.426   | 8.67   | 8.20   | 10.41  |
| I PF (acc) USD-H4 (BRL) (hedged)                                     | 1.50%  | 1,829,868.176   | 9.89   | 9.03   | 11.37  |
| W PF (acc) USD   | 1.54%  | 248.688   | 8.23   | 7.78   | 9.88   |

\*This Fund / share class was launched during the period

<sup>Ω</sup>This Fund / share class was closed during the period

# Notes to Financial Statements

## For the period ended September 30, 2023

### Note 1 - The Company

Franklin Templeton Alternative Funds ("FTAF" or the "Company") is a collective investment undertaking pursuant to Part I of the amended Luxembourg law of December 17, 2010 on undertakings for collective investment and qualifies as a société d'investissement à capital variable. The Company was incorporated in Luxembourg on August 1, 2019, for an undetermined period. At the date of this report, it offers shares in 7 sub-funds of the Company (the "Funds"). The Board of Directors of the Company may authorise the creation of additional Funds in future with different investment objectives.

The Company aims to provide investors with a choice of Funds investing in a wide range of transferable securities and other eligible assets on a worldwide basis and featuring a diverse array of investment objectives, including capital growth and income. The overall objective of the Company is to seek to minimise investment exposure through diversification and to provide Shareholders with the benefit of a portfolio managed by Franklin Templeton Investments, according to its successful time-tested investment selection methods.

#### Fund closure

Franklin K2 EMSO Emerging Markets UCITS Fund was closed on November 09, 2022. The remaining amount of cash at bank is USD 57,055 as at September 30, 2023. The management company is monitoring the cash which will be used to cover costs linked to liquidation.

Franklin K2 Chilton Equity Long Short UCITS Fund was put into liquidation effective May 05, 2023 and closed with a final NAV on May 15, 2023. The remaining amount of cash at bank is USD 30,889 as at September 30, 2023. The management company is monitoring the cash which will be used to cover costs linked to liquidation.

As of September 30, 2023, the above cash balance is still open and there is no Shareholder in the Fund. The cash accounts will be closed as soon as all invoices are paid. In case of remaining cash, the amount will be distributed to Shareholders that were still invested at closure.

### Note 2 - Significant accounting policies

#### (a) General

The financial statements are prepared in accordance with the regulations of the Grand Duchy of Luxembourg relating to investment funds under the going concern basis of accounting except for Franklin K2 Chilton Equity Long Short UCITS Fund. As such, the financial statements for this sub-fund has been prepared on a liquidation basis.

#### (b) Investment in securities

Securities which are listed on a stock exchange or traded on any other organised market are valued at the last available price on such exchange or market which is normally the principal market for each security, and those securities dealt in on an over-the-counter market are valued in a manner as near as possible to that for quoted securities.

Securities not listed on any stock exchange nor traded on any organised market are valued at the last available price, or if such price is not representative of their fair value, they are valued prudently and in good faith on the basis of their reasonably foreseeable sales prices.

In accordance with the provisions of the current prospectus, Market Level Fair Valuation may be implemented to protect the interests of the Company's shareholders against market timing practices, as market timers may seek to exploit possible delays between the change in the value of a Fund's portfolio holdings and the Net Asset Value of the Fund's Shares in Funds that hold significant investments in foreign securities because certain foreign markets close several hours ahead of the US markets, and in Funds that hold significant investments in small-cap securities, high-yield ("junk") bonds and other types of investments which may not be frequently traded.

**Note 2 - Significant accounting policies (continued)****(b) Investment in securities (continued)**

The Company's directors are using several methods to reduce the risk of market timing. As at September 30, 2023, a Market Level Fair Valuation was applied to the following sub-Funds:

Franklin K2 Bardin Hill Arbitrage UCITS Fund  
Franklin K2 Electron Global UCITS Fund  
Franklin K2 Wellington Technology Long Short UCITS Fund

The Company has procedures to determine the fair value of individual securities and other assets for which market prices are not readily available or which may not be reliably priced. In such circumstances, the price of such investment shall be adjusted in accordance with the procedures adopted, as determined by or under the direction of the Board of Directors.

During the accounting period under review, gains and losses on investment securities sold were computed on the average cost basis.

During the accounting period under review, discounts and premiums were amortised to income over the period to maturity.

For mortgage-backed and other similar holdings with scheduled debt paydowns, the Funds record accruals, based on their historical experience, for anticipated paydowns. Such accruals are recorded as a reduction or increase to the related holdings as disclosed on the Schedule of Investments and are included in the related unrealised appreciation/depreciation on investments shown on the "Statement of Operations and Changes in Net Assets".

Money market instruments are valued at market value.

On February 24, 2022, Russia began military operations in the sovereign territory of Ukraine. The current political and financial uncertainty surrounding Russia and Ukraine has increased market volatility and the economic risk of investing in securities in these countries and other impacted countries within the region. Due to the sanctions, actions by governments, developments in Ukraine itself and other circumstances, the Manager continues to assess the impact on valuation and liquidity and will take any potential actions needed, in accordance with the Funds' valuation policies and procedures.

**(c) Forward foreign exchange contracts**

Forward foreign exchange contracts are valued at the forward rate applicable at the "Statement of Net Assets" date for the remaining period until maturity. Gains or losses resulting from forward foreign exchange contracts are recognised in the "Statement of Operations and Changes in Net Assets".

**(d) Financial future contracts**

The Company may enter into financial future contracts to gain exposure to market changes. A financial future contract is an agreement between two parties to buy or sell a security for a set price on a future date. Required initial margin deposits of cash or securities are maintained by a broker in a segregated account. Subsequent payments, known as variation margin, are made or received by the Company depending on the fluctuations in the value of the underlying securities. Such variation margin is accounted for as unrealised gains or losses until the contract is closed, at which time the gains or losses are reclassified to realised gains or losses. Realised and unrealised gains and losses are included in the "Statement of Operations and Changes in Net Assets".

**(e) Interest rate swap contracts**

Interest rate swap contracts are used to hedge the risk of changes in interest rates and are agreements between two parties to exchange cash flows based on a notional principal amount. The net interest received or paid on interest rate swap contract agreements is accrued daily as interest income/expense.

## **Note 2 - Significant accounting policies (continued)**

### **(e) Interest rate swap contracts (continued)**

Interest rate swap contracts are marked to market daily based upon quotations from the market makers and the change, if any, is recorded as an unrealised gain or loss in the "Statement of Operations and Changes in Net Assets". When the swap contract is terminated early, the Fund records a realised gain or loss equal to the difference between the current net present value and the executed net present value. Any outstanding interest accrual is recorded as either a net receivable or net payable.

The risks of interest rate swap contracts include changes in market conditions and the possible inability of the counterparty to fulfil its obligations under the agreement.

### **(f) Total return swap contracts**

A total return swap is an agreement in which one party makes payments based on a set rate, either fixed or variable, while the other party makes payments based on the return of an underlying asset, which includes both the income it generates and any capital gains.

Total return swap contracts are marked to market daily based upon quotations from the market makers and the change in value, if any, is recorded as an unrealised gain or loss in the "Statement of Operations and Changes in Net Assets".

When the swap contract is terminated early, the Fund records a realised gain or loss equal to the difference between the current net present value and the executed net present value. Any outstanding interest accrual is recorded as either a net receivable or net payable.

The risks of total return swap contracts include changes in market conditions and the possible inability of the counterparty to fulfil its obligations under the agreement.

### **(g) Contracts for difference**

Contracts for difference are contracts entered into between a broker and the Fund under which the parties agree to make payments to each other so as to replicate the economic consequences of holding a long or short position in the underlying security. Contracts for difference also mirror any corporate actions that take place.

Upon entering into contracts for difference, the Fund may be required to pledge to the broker an amount of cash and/or other assets equal to a certain percentage of the contract amount ("initial margin"). Subsequently, payments known as "variation margin" are made or received by the Fund periodically depending on fluctuations in the value of the underlying security.

The market value of CFDs is determined by the last known traded price on the exchange on which the underlying securities or assets are traded or admitted for trading. For underlying securities traded on markets closing after the time of the valuation, last known prices as of this time or such other time may be used.

Contracts for differences are marked to market daily based upon quotations from the market makers and the change in value, if any, is recorded as an unrealised gain or loss in the "Statement of Operations and Changes in Net Assets". Any payment received or paid to initiate a contract is recorded as a liability or asset in the "Statement of Net Assets". When the contract is terminated early, the Fund records a realised gain or loss for any payments received or paid.

### **(h) Credit default swap contracts**

A credit default swap contract is a credit derivative transaction in which two parties enter into an agreement, whereby one party pays the other a fixed periodic payment for the specified life of the agreement. The other party makes no payments unless a credit event, relating to a predetermined reference asset, occurs. If such an event occurs, the party will then make a payment to the first party, and the swap will terminate. The value of the underlying securities shall be taken into account for the calculation of the investment and borrowing powers applicable to individual users.



**Note 2 - Significant accounting policies (continued)****(h) Credit default swap contracts (continued)**

Credit default swap contracts are marked to market daily based upon quotations from the market makers and the change in value, if any, is recorded as an unrealised gain or loss in the “Statement of Operations and Changes in Net Assets”. Any payment received or paid to initiate a contract is recorded as a liability or asset in the “Statement of Net Assets”. When the swap contract is terminated early, the Fund records a realised gain or loss for any payments received or paid.

The risks of credit default swap contracts include unfavourable changes in interest rates, an illiquid secondary market and the possible inability of the counterparty to fulfil its obligations under the agreement, which may be in excess of the amount reflected in the “Statement of Net Assets”. As at September 30, 2023, the fund's had no exposure.

**(i) Option contracts**

Options are contracts entitling the holder to purchase or sell a specified number of shares or units of a particular security at a specified price at any time until the contract-stated expiration date. Options purchased are recorded as investments; options written (sold) are recorded as liabilities. When the exercise of an option results in a cash settlement, the difference between the premium (original option value) and the settlement proceeds is accounted for as a realised gain or loss. When securities are acquired or delivered upon exercise of an option, the acquisition cost or sale proceeds are adjusted by the amount of the premium. When an option is closed, the difference between the premium and the cost to close the position is accounted for as a realised gain or loss. When an option expires, the premium is accounted for as a realised gain for options written or as a realised loss for options purchased.

The risks include price movements in the underlying securities, the possibility there may be an illiquid options market, or the inability of the counterparties to fulfil their obligations under the contract.

The Company writes options on securities, futures and interest rate swaps (“swaptions”). These options are settled in cash and subject the Company to unlimited risk of loss. The Company, however, is not subject to credit risk on written options as the counterparty has already performed its obligation by paying the premium at the inception of the contract.

The market values are recorded under “Option Contracts at Market Value” in the “Statement of Net Assets”.

**(j) Foreign exchange transactions**

Transactions expressed in currencies other than each Fund's currency are translated into each Fund's currency at the exchange rates applicable on the transaction dates.

Assets and liabilities designated in currencies other than each Fund's currency are translated into each Fund's currency at the appropriate exchange rates ruling at the period end. Gains and losses on foreign exchange transactions are recognised in the “Statement of Operations and Changes in Net Assets” in determining the results for the accounting period.

The reference currency of the Company as reflected in the financial statements is U.S. dollar. The principal exchange rates applied as at September 30, 2023, are as follows:

|     |        |     |          |     |         |
|-----|--------|-----|----------|-----|---------|
| AUD | 1.5555 | EUR | 0.9459   | PLN | 4.3681  |
| BRL | 5.0267 | GBP | 0.8197   | SEK | 10.9254 |
| CAD | 1.3583 | HKD | 7.8307   | SGD | 1.3672  |
| CHF | 0.9154 | JPY | 149.4350 | ZAR | 18.9323 |
| DKK | 7.0546 | NOK | 10.6977  |     |         |

The above exchange rates have been rounded to four decimal places.

The list of the currency abbreviations is available in note 23.

**(k) Income**

Dividends are credited to income on their ex-dividend date. Interest income is accrued on a daily basis and includes the amortisation of premiums and accretion of discounts, where applicable. Bank interest is credited to the funds upon receipt. Swap interest where applicable is recorded in accordance with the terms of the relevant swap deal.

## Note 2 - Significant accounting policies (continued)

### (l) Formation expenses

Formation expenses associated with the launch of the new Funds are expensed as incurred.

### (m) Swing pricing

A Fund may suffer reduction of the Net Asset Value per Share due to Investors purchasing, selling and/or switching in and out of the Fund at a price that does not reflect the dealing costs associated with this Fund's portfolio trades undertaken by the Investment Manager to accommodate cash inflows or outflows.

To Counter this dilution impact and to protect Shareholders' interests, a swing pricing mechanism may be adopted by the Company as part of its valuation policy.

The Fund operates a swing pricing mechanism which is applied when the total estimated capital activity (aggregate of estimated inflows and outflows) at a Fund level exceeds a pre-determined threshold, as determined as a percentage of the net assets of that Fund for the Valuation Day. Funds can operate a full swing pricing mechanism where the threshold is set to zero or a partial swing pricing mechanism where the threshold is greater than zero.

Typically, such adjustment will increase the Net Asset Value per Share when there are net inflows into the Fund and decrease the Net Asset Value per Share when there are net outflows. The Net Asset Value per Share of each Share Class in a Fund will be calculated separately but any adjustment will, in percentage terms, affect the Net Asset Value per Share of each Share Class in a Fund identically. Swing pricing does not address the specific circumstances of each individual investor transaction.

The adjustments will seek to reflect the anticipated prices at which the Fund will be buying and selling assets, as well as estimated transaction costs. Investors are advised that the volatility of the Fund's Net Asset Value might not reflect the true portfolio performance as a consequence of the application of swing pricing.

The size of the adjustment impact is determined by factors such as the volume of transactions, the purchase or sale prices of the underlying investments and the valuation method adopted to calculate the value of such underlying investments of the Fund.

The swing pricing mechanism may be applied across all Funds of the Company. The extent of the price adjustment will be reset by the Company on a periodic basis to reflect an approximation of current dealing and other costs. Such adjustment may vary from Fund to Fund and under normal market conditions will not exceed 2% of the original Net Asset Value per Share. The Board of Directors can approve an increase of this limit in case of exceptional circumstances, unusually large Shareholders trading activities, and if it is deemed to be in the best interest of Shareholders.

The Management Company mandates authority to the Swing Pricing Oversight Committee to implement and on a periodic basis review, the operational decisions associated with swing pricing. This committee is responsible for decisions relating to swing pricing and the ongoing approval of swing factors which form the basis of pre-determined standing instructions.

The price adjustment is available on request from the Management Company at its registered office.

On certain share classes, the Management Company may be entitled to a Performance Fee which will be based on the unswung NAV.

In the case of a swing pricing event on the last day of the period end, the net assets as disclosed in the "Statement of Net Assets", exclude the swing pricing adjustment, however, the net asset value per share as at last day of the period end, as disclosed in the Statistical Information, would include the swing pricing adjustment.

As at September 30, 2023 the below swing pricing adjustments affected the net asset value per share of the following Fund:  
- Franklin K2 Cat Bond UCITS Fund

During the period ended September 30, 2023, swing pricing adjustments affected the net asset value per share of the following Funds:  
- Franklin K2 Bardin Hill Arbitrage UCITS Fund

**Note 2 - Significant accounting policies (continued)****(m) Swing pricing (continued)**

- Franklin K2 Cat Bond UCITS Fund
- Franklin K2 Chilton Equity Long Short UCITS Fund
- Franklin K2 Electron Global UCITS Fund
- Franklin K2 Ellington Structured Credit UCITS Fund

**Note 3 - Time deposits ("TDs")**

As at September 30, 2023, the Company had the following cash on time deposits:

| Fund Counterparty   | Value of TDs in Fund<br>Currency |            |
|---|----------------------------------|------------|
| <b>Franklin K2 Athena Risk Premia UCITS Fund</b>          |                                  |            |
| Bank of Montreal  | USD                              | 15,488,500 |
| Credit Agricole Corporate and Investment Bank             | USD                              | 15,488,500 |
| National Bank of Canada                                   | USD                              | 15,488,500 |
| Royal Bank of Canada                                      | USD                              | 15,488,500 |
| Toronto-Dominion Bank (The)                               | USD                              | 15,488,500 |
|   |                                  | 77,442,500 |
| <b>Franklin K2 Bardin Hill Arbitrage UCITS Fund</b>       |                                  |            |
| Credit Agricole Corporate and Investment Bank             | USD                              | 1,777,700  |
| National Bank of Canada                                   | USD                              | 1,679,000  |
| Royal Bank of Canada                                      | USD                              | 1,481,400  |
|   |                                  | 4,938,100  |
| <b>Franklin K2 Cat Bond UCITS Fund</b>                    |                                  |            |
| Credit Agricole Corporate and Investment Bank             | USD                              | 7,437,300  |
| National Bank of Canada                                   | USD                              | 7,024,100  |
| Royal Bank of Canada                                      | USD                              | 6,197,700  |
|   |                                  | 20,659,100 |
| <b>Franklin K2 Electron Global UCITS Fund</b>             |                                  |            |
| Credit Agricole Corporate and Investment Bank             | USD                              | 21,132,400 |
| National Bank of Canada                                   | USD                              | 19,958,400 |
| Royal Bank of Canada                                      | USD                              | 17,610,300 |
|   |                                  | 58,701,100 |
| <b>Franklin K2 Ellington Structured Credit UCITS Fund</b> |                                  |            |
| Credit Agricole Corporate and Investment Bank             | USD                              | 5,051,300  |
| National Bank of Canada                                   | USD                              | 4,770,700  |
| Royal Bank of Canada                                      | USD                              | 4,209,300  |
|   |                                  | 14,031,300 |

**Note 4 - Forward foreign exchange contracts**

As at September 30, 2023, the Company had entered into the following outstanding contracts:

**Franklin K2 ActusRay European Alpha UCITS Fund**

| Purchases   | Sales     |     | Maturity Date | Unrealised profit/(loss) EUR |          |
|---|-----------|-----|---------------|------------------------------|----------|
| Forward foreign exchange contracts used for efficient portfolio management: |           |     |               |                              |          |
| CHF   | 50,000    | EUR | 52,528        | 11/30/2023                   | (662)    |
| EUR   | 1,043,557 | GBP | 900,000       | 11/30/2023                   | 7,210    |
| GBP   | 100,000   | EUR | 116,494       | 11/30/2023                   | (1,344)  |
| NOK   | 500,000   | EUR | 43,314        | 11/30/2023                   | 859      |
| PLN   | 5,000,000 | EUR | 1,107,171     | 11/30/2023                   | (29,037) |
| PLN   | 2,000,000 | USD | 485,227       | 11/30/2023                   | (26,540) |
| SEK   | 4,000,000 | EUR | 336,748       | 11/30/2023                   | 9,526    |

**Note 4 - Forward foreign exchange contracts (continued)**

**Franklin K2 ActusRay European Alpha UCITS Fund (continued)**

| Purchases  |           | Sales |           | Maturity Date | Unrealised profit/(loss) EUR |
|--|-----------|-------|-----------|---------------|------------------------------|
| USD  | 480,544   | PLN   | 2,000,000 | 11/30/2023    | 22,122                       |
|  |           |       |           |               | (17,866)                     |
| Forward foreign exchange contracts used for share class hedging: |           |       |           |               |                              |
| USD  | 4,304,259 | EUR   | 4,012,239 | 10/13/2023    | 57,267                       |
|  |           |       |           |               | 57,267                       |
|  |           |       |           |               | <b>39,401</b>                |

The above contracts were opened with the below counterparties:

|                |               |
|----------------|---------------|
| J.P. Morgan    | 57,267        |
| Morgan Stanley | (17,866)      |
|                | <b>39,401</b> |

**Franklin K2 Athena Risk Premia UCITS Fund**

| Purchases  |            | Sales |            | Maturity Date | Unrealised profit/(loss) USD |
|--|------------|-------|------------|---------------|------------------------------|
| Forward foreign exchange contracts used for share class hedging: |            |       |            |               |                              |
| AUD  | 1,063,609  | USD   | 683,162    | 10/13/2023    | 931                          |
| EUR  | 11,426,744 | USD   | 12,257,012 | 10/13/2023    | (171,107)                    |
| USD  | 675,116    | EUR   | 632,985    | 10/13/2023    | 5,617                        |
|  |            |       |            |               | <b>(164,559)</b>             |

The above contracts were opened with the below counterparties:

|             |                  |
|-------------|------------------|
| J.P. Morgan | (164,559)        |
|             | <b>(164,559)</b> |

**Franklin K2 Bardin Hill Arbitrage UCITS Fund**

| Purchases   |            | Sales |            | Maturity Date | Unrealised profit/(loss) USD |
|---|------------|-------|------------|---------------|------------------------------|
| Forward foreign exchange contracts used for efficient portfolio management: |            |       |            |               |                              |
| AUD   | 3,777,000  | USD   | 2,435,784  | 12/20/2023    | (587)                        |
| EUR   | 108,000    | USD   | 114,787    | 12/20/2023    | (170)                        |
| GBP   | 5,426,000  | USD   | 6,724,007  | 12/20/2023    | (99,974)                     |
| NOK   | 8,100,000  | USD   | 758,672    | 12/20/2023    | 264                          |
| USD   | 13,821,937 | AUD   | 21,390,000 | 12/20/2023    | 30,867                       |
| USD   | 3,132,342  | DKK   | 21,777,000 | 12/20/2023    | 30,938                       |
| USD   | 2,422,255  | EUR   | 2,259,000  | 12/20/2023    | 24,856                       |
| USD   | 18,918,837 | GBP   | 15,260,000 | 12/20/2023    | 289,508                      |
| USD   | 1,063,199  | NOK   | 11,411,000 | 12/20/2023    | (5,964)                      |
|   |            |       |            |               | 269,738                      |
| Forward foreign exchange contracts used for share class hedging:            |            |       |            |               |                              |
| EUR   | 51,224,370 | USD   | 54,951,711 | 10/13/2023    | (772,421)                    |
| USD   | 1,470,646  | EUR   | 1,378,151  | 10/13/2023    | 12,995                       |
|   |            |       |            |               | (759,426)                    |
|   |            |       |            |               | <b>(489,688)</b>             |

The above contracts were opened with the below counterparties:

|             |                  |
|-------------|------------------|
| Barclays    | 269,738          |
| J.P. Morgan | (759,426)        |
|             | <b>(489,688)</b> |

**Note 4 - Forward foreign exchange contracts (continued)****Franklin K2 Cat Bond UCITS Fund**

| Purchases  |            | Sales |            | Maturity Date | Unrealised profit/(loss) USD |
|--|------------|-------|------------|---------------|------------------------------|
| Forward foreign exchange contracts used for share class hedging: |            |       |            |               |                              |
| EUR  | 70,854,895 | USD   | 76,007,496 | 10/13/2023    | (1,065,277)                  |
|  |            |       |            |               | <b>(1,065,277)</b>           |

The above contracts were opened with the below counterparties:

|             |                    |
|-------------|--------------------|
| J.P. Morgan | (1,065,277)        |
|             | <b>(1,065,277)</b> |

**Franklin K2 Electron Global UCITS Fund**

| Purchases   |            | Sales |            | Maturity Date | Unrealised profit/(loss) USD |
|---|------------|-------|------------|---------------|------------------------------|
| Forward foreign exchange contracts used for efficient portfolio management: |            |       |            |               |                              |
| BRL   | 27,348,750 | USD   | 5,458,614  | 11/10/2023    | (46,600)                     |
| USD   | 5,525,000  | BRL   | 27,348,750 | 11/10/2023    | 112,986                      |
| EUR   | 1,496,509  | USD   | 1,582,395  | 12/15/2023    | 5,281                        |
| USD   | 2,139,011  | EUR   | 1,988,919  | 12/15/2023    | 28,928                       |
|   |            |       |            |               | <b>100,595</b>               |

Forward foreign exchange contracts used for share class hedging:

|     |            |     |            |            |                    |
|-----|------------|-----|------------|------------|--------------------|
| EUR | 61,830,263 | USD | 66,329,184 | 10/13/2023 | (932,192)          |
| GBP | 3,193,564  | USD | 3,981,243  | 10/13/2023 | (84,542)           |
| SGD | 62,236     | USD | 45,720     | 10/13/2023 | (172)              |
| USD | 6,443,564  | EUR | 6,077,325  | 10/13/2023 | 15,663             |
| USD | 296,075    | GBP | 242,600    | 10/13/2023 | 61                 |
| USD | 1,536      | SGD | 2,104      | 10/13/2023 | (3)                |
| EUR | 50,109,110 | USD | 53,770,341 | 10/16/2023 | (763,789)          |
| USD | 10,045,609 | EUR | 9,474,742  | 10/16/2023 | 23,012             |
|     |            |     |            |            | <b>(1,741,962)</b> |
|     |            |     |            |            | <b>(1,641,367)</b> |

The above contracts were opened with the below counterparties:

|                |                    |
|----------------|--------------------|
| J.P. Morgan    | (1,741,962)        |
| Morgan Stanley | 100,595            |
|                | <b>(1,641,367)</b> |

**Franklin K2 Ellington Structured Credit UCITS Fund**

| Purchases   |            | Sales |            | Maturity Date | Unrealised profit/(loss) USD |
|---|------------|-------|------------|---------------|------------------------------|
| Forward foreign exchange contracts used for efficient portfolio management: |            |       |            |               |                              |
| USD   | 11,213,415 | EUR   | 10,472,155 | 12/20/2023    | 99,679                       |
| USD   | 2,907,597  | GBP   | 2,340,175  | 12/20/2023    | 50,724                       |
|   |            |       |            |               | <b>150,403</b>               |
| Forward foreign exchange contracts used for share class hedging:            |            |       |            |               |                              |
| EUR   | 9,188,010  | USD   | 9,855,178  | 10/13/2023    | (137,149)                    |
| GBP   | 30,667     | USD   | 38,232     | 10/13/2023    | (813)                        |
| USD   | 33,516     | EUR   | 31,685     | 10/13/2023    | 3                            |
|   |            |       |            |               | <b>(137,959)</b>             |
|   |            |       |            |               | <b>12,444</b>                |

The above contracts were opened with the below counterparties:

|             |               |
|-------------|---------------|
| J.P. Morgan | 12,444        |
|             | <b>12,444</b> |

#### Note 4 - Forward foreign exchange contracts (continued)

##### Franklin K2 Wellington Technology Long Short UCITS Fund

| Purchases   |             | Sales |             | Maturity Date | Unrealised profit/(loss) USD |
|---|-------------|-------|-------------|---------------|------------------------------|
| Forward foreign exchange contracts used for efficient portfolio management: |             |       |             |               |                              |
| JPY   | 295,800,000 | USD   | 2,050,720   | 12/20/2023    | (44,824)                     |
|   |             |       |             |               | <u>(44,824)</u>              |
| Forward foreign exchange contracts used for share class hedging:            |             |       |             |               |                              |
| BRL   | 100,743,246 | USD   | 20,557,958  | 10/03/2023    | (515,733)                    |
| USD   | 20,068,998  | BRL   | 100,743,246 | 10/03/2023    | 26,772                       |
| EUR   | 155,285     | USD   | 166,584     | 10/13/2023    | (2,341)                      |
| USD   | 5,244       | EUR   | 4,921       | 10/13/2023    | 39                           |
| BRL   | 91,247,497  | USD   | 18,066,665  | 11/03/2023    | 5,351                        |
|   |             |       |             |               | <u>(485,912)</u>             |
|   |             |       |             |               | <u>(530,736)</u>             |

The above contracts were opened with the below counterparties:

|                |                  |
|----------------|------------------|
| J.P. Morgan    | (485,912)        |
| Morgan Stanley | (44,824)         |
|                | <u>(530,736)</u> |

#### Note 5 - Open positions on financial future contracts

As at September 30, 2023, the Company had entered into the following outstanding contracts:

##### Franklin K2 Athena Risk Premia UCITS Fund

| Number of contracts purchased/(sold) | Description                 | Counterparty | Trading currency | Commitment USD | Unrealised profit/(loss) USD |
|--------------------------------------|-----------------------------|--------------|------------------|----------------|------------------------------|
| Bond Future                          |                             |              |                  |                |                              |
| 278                                  | US 2 Year Note, 12/29/2023  | J.P. Morgan  | USD              | 56,353,641     | (260,063)                    |
| (119)                                | US 10 Year Note, 12/19/2023 | J.P. Morgan  | USD              | (12,859,438)   | 287,895                      |
| 16                                   | US Ultra Bond, 12/19/2023   | J.P. Morgan  | USD              | 1,899,000      | 5,792                        |
|                                      |                             |              |                  |                | <u>33,624</u>                |

##### Franklin K2 Electron Global UCITS Fund

| Number of contracts purchased/(sold) | Description                        | Counterparty   | Trading currency | Commitment USD | Unrealised profit/(loss) USD |
|--------------------------------------|------------------------------------|----------------|------------------|----------------|------------------------------|
| Index Future                         |                                    |                |                  |                |                              |
| (96)                                 | EURO STOXX 50 Index, 12/15/2023    | Morgan Stanley | EUR              | (4,266,892)    | 34,894                       |
| 165                                  | FTSE China A50 Index, 10/30/2023   | Morgan Stanley | USD              | 2,078,670      | (6,591)                      |
| (4)                                  | NASDAQ 100 Emini Index, 12/15/2023 | Morgan Stanley | USD              | (1,189,320)    | 64,454                       |
| (4)                                  | S&P 500 Emini Index, 12/15/2023    | Morgan Stanley | USD              | (865,100)      | 42,730                       |
|                                      |                                    |                |                  |                | <u>135,487</u>               |

#### Note 6 - Open positions on interest rate swap contracts

As at September 30, 2023, the Company had entered into the following outstanding contracts:

##### Franklin K2 Ellington Structured Credit UCITS Fund

| Nominal amount | Description                                     | Counterparty | Maturity date | Trading currency | Unrealised profit/(loss) USD |
|----------------|---|--------------|---------------|------------------|------------------------------|
| 1,000,000      | Receive floating SOFR 1 day<br>Pay fixed 1.36%  | J.P. Morgan  | 03/08/2024    | USD              | 39,374                       |
| 1,894,000      | Receive floating SOFR 1 day<br>Pay fixed 3.448% | J.P. Morgan  | 05/15/2026    | USD              | 56,813                       |
| 2,000,000      | Receive floating SOFR 1 day<br>Pay fixed 4%     | J.P. Morgan  | 09/20/2026    | USD              | 34,322                       |
| 1,500,000      | Receive floating SOFR 1 day<br>Pay fixed 4%     | J.P. Morgan  | 12/20/2026    | USD              | 16,609                       |

**Note 6 - Open positions on interest rate swap contracts (continued)**

**Franklin K2 Ellington Structured Credit UCITS Fund (continued)**

| Nominal amount | Description                                     | Counterparty | Maturity date | Trading currency | Unrealised profit/(loss) USD |
|----------------|---|--------------|---------------|------------------|------------------------------|
| 1,000,000      | Receive floating SOFR 1 day<br>Pay fixed 1.418% | J.P. Morgan  | 03/08/2027    | USD              | 119,729                      |
| 800,000        | Receive fixed 3.795%<br>Pay floating SOFR 1 day | J.P. Morgan  | 07/19/2028    | USD              | (23,001)                     |
| 1,457,000      | Receive floating SOFR 1 day<br>Pay fixed 3.308% | J.P. Morgan  | 04/03/2030    | USD              | 87,824                       |
| 1,000,000      | Receive floating SOFR 1 day<br>Pay fixed 1.521% | J.P. Morgan  | 03/08/2032    | USD              | 213,760                      |
| 800,000        | Receive fixed 3.545%<br>Pay floating SOFR 1 day | J.P. Morgan  | 07/19/2033    | USD              | (48,932)                     |
|                |   |              |               |                  | <b>496,498</b>               |

**Note 7 - Open positions on total return swap contracts**

As at September 30, 2023, the Company had entered into the following outstanding contracts:

**Franklin K2 Athena Risk Premia UCITS Fund**

| Trading currency | Nominal amount | Fund receives   | Fund pays                      | Counterparty  | Maturity date | Market Value / Unrealised profit/(loss) USD |
|------------------|----------------|-----------------|--------------------------------|---------------|---------------|---|
| USD              | 15,126,938     | CIFXCADM Index  | Spread of 0% on Notional       | Citibank      | 07/02/2024    | 216,897                                     |
| USD              | 31,666,262     | DBCOWNVU Index  | Spread of (0.188)% on Notional | Deutsche Bank | 07/02/2024    | 1,209,321                                   |
| USD              | 16,609,051     | DBCRCFMNU Index | Spread of (0.188)% on Notional | Deutsche Bank | 07/02/2024    | 310,040                                     |
| USD              | 58,334,560     | CIFXPPDD Index  | Spread of 0.030% on Notional   | Citibank      | 07/02/2024    | (128,376)                                   |
| USD              | 27,171,410     | DBCAUCTT index  | Spread of (0.500)% on Notional | Deutsche Bank | 07/03/2024    | (90,226)                                    |
| USD              | 8,286,565      | DBCRCFLBU Index | Spread of (0.188)% on Notional | Deutsche Bank | 07/02/2024    | (71,638)                                    |
| USD              | 4,892,808      | JPUSFLOW Index  | Spread of 0.100% on Notional   | J.P. Morgan   | 07/03/2024    | (95,917)                                    |
|                  |                |                 |                                |               |               | <b>1,350,101</b>                            |

**Franklin K2 Wellington Technology Long Short UCITS Fund**

| Trading currency | Nominal amount | Fund receives            | Fund pays   | Counterparty   | Maturity date | Market Value / Unrealised profit/(loss) USD |
|------------------|----------------|--------------------------|---|----------------|---------------|---|
| JPY              | 14,069,699     | SCREEN Holdings Co. Ltd. | JPY TONAR 1 day 0%  | Morgan Stanley | 05/18/2033    | 227   |
| JPY              | 14,273,820     | SCREEN Holdings Co. Ltd. | JPY TONAR 1 day (0.350)%                                      | Morgan Stanley | 05/18/2033    | 224   |
| USD              | 240,474        | ASPEED Technology, Inc.  | USD OBFR 1 day 0%   | J.P. Morgan    | 05/09/2028    | 7,658                                       |
| USD              | 103,795        | Dynatrace, Inc.          | USD OBFR 1 day 0%   | Morgan Stanley | 05/18/2033    | 539   |
| USD              | 362,922        | KLA Corp.                | USD OBFR 1 day 0%   | Morgan Stanley | 05/18/2033    | 3,011                                       |
| USD              | 92,843         | Lam Research Corp.       | USD OBFR 1 day 0%   | Morgan Stanley | 05/18/2033    | 706   |
| USD              | 1,489,855      | USD OBFR 1 day 0%        | NASDAQ-100 Total Return Index                                 | Morgan Stanley | 05/16/2033    | 49,601                                      |
| USD              | 2,781,115      | USD OBFR 1 day 0%        | PHLX Semiconductor Index                                      | Morgan Stanley | 05/16/2033    | 36,512                                      |
| USD              | 58,982         | USD OBFR 1 day 0%        | PHLX Semiconductor Index                                      | Morgan Stanley | 05/16/2033    | 648   |
| USD              | 79,492         | Rambus, Inc.             | USD OBFR 1 day 0%   | Morgan Stanley | 05/18/2033    | 226   |
| USD              | 3,694,111      | USD OBFR 1 day 0%        | Russell Midcap Growth Index Total Return                      | Morgan Stanley | 05/16/2033    | 89,735                                      |
| USD              | 3,489,748      | USD OBFR 1 day 0%        | Russell Midcap Growth Index Total Return                      | Morgan Stanley | 05/16/2033    | 83,566                                      |
| USD              | 2,053,255      | USD OBFR 1 day 0%        | S&P 500 Equal weighted Consumer Discretion Total Return Index | Morgan Stanley | 05/16/2033    | 87,081                                      |
| USD              | 1,329          | Splunk Inc.              | USD OBFR 1 day 0%   | Morgan Stanley | 05/18/2033    | 278   |
| JPY              | 14,055,000     | Disco Corp.              | JPY TONAR 1 day 0%  | J.P. Morgan    | 05/10/2028    | (1,770)                                     |
| JPY              | 18,215,999     | Disco Corp.              | JPY TONAR 1 day 0%  | Morgan Stanley | 05/18/2033    | (87)  |
| JPY              | 22,415,819     | Ebara Corp.              | JPY TONAR 1 day 0%  | Morgan Stanley | 05/18/2033    | (8,307)                                     |
| JPY              | 12,431,249     | Nikon Corp.              | JPY TONAR 1 day 0%  | Morgan Stanley | 05/18/2033    | (4,064)                                     |

**Note 7 - Open positions on total return swap contracts (continued)**

**Franklin K2 Wellington Technology Long Short UCITS Fund (continued)**

| Trading currency | Nominal amount | Fund receives                               | Fund pays          | Counterparty   | Maturity date | Market Value / Unrealised profit/(loss) USD |
|------------------|----------------|---|--------------------|----------------|---------------|---|
| JPY              | 17,554,650     | Nikon Corp.                                 | JPY TONAR 1 day 0% | J.P. Morgan    | 05/10/2028    | (368)                                       |
| JPY              | 33,792,290     | Renesas Electronics Corp.                   | JPY TONAR 1 day 0% | J.P. Morgan    | 05/10/2028    | (13,658)                                    |
| JPY              | 26,689,770     | Shibaura Mechatronics Corp.                 | JPY TONAR 1 day 0% | J.P. Morgan    | 05/10/2028    | (26,071)                                    |
| JPY              | 36,678,720     | Sony Group Corp.                            | JPY TONAR 1 day 0% | J.P. Morgan    | 05/10/2028    | (4,713)                                     |
| JPY              | 20,002,790     | Tokyo Electron Ltd.                         | JPY TONAR 1 day 0% | J.P. Morgan    | 05/10/2028    | (7,739)                                     |
| JPY              | 14,450,700     | Tokyo Electron Ltd.                         | JPY TONAR 1 day 0% | Morgan Stanley | 05/18/2033    | (6,425)                                     |
| JPY              | 5,749,920      | Tokyo Seimitsu Co. Ltd.                     | JPY TONAR 1 day 0% | J.P. Morgan    | 05/10/2028    | (2,088)                                     |
| JPY              | 8,874,000      | Tokyo Seimitsu Co. Ltd.                     | JPY TONAR 1 day 0% | Morgan Stanley | 05/18/2033    | (1,241)                                     |
| JPY              | 21,952,211     | Ulvac, Inc.                                 | JPY TONAR 1 day 0% | J.P. Morgan    | 05/10/2028    | (7,708)                                     |
| JPY              | 16,683,000     | Ulvac, Inc.                                 | JPY TONAR 1 day 0% | Morgan Stanley | 05/18/2033    | (2,091)                                     |
| USD              | 158,678        | Accton Technology Corp.                     | USD OBFR 1 day 0%  | Morgan Stanley | 05/18/2033    | (5,104)                                     |
| USD              | 120,767        | Airbnb, Inc.                                | USD OBFR 1 day 0%  | Morgan Stanley | 05/18/2033    | (4,865)                                     |
| USD              | 403,406        | Alphabet, Inc. 'A'                          | USD OBFR 1 day 0%  | Morgan Stanley | 05/18/2033    | (19,798)                                    |
| USD              | 197,274        | Alphabet, Inc. 'A'                          | USD OBFR 1 day 0%  | J.P. Morgan    | 05/09/2028    | (7,776)                                     |
| USD              | 337,867        | Alphabet, Inc. 'C'                          | USD OBFR 1 day 0%  | Morgan Stanley | 05/18/2033    | (16,256)                                    |
| USD              | 262,483        | Alphabet, Inc. 'C'                          | USD OBFR 1 day 0%  | J.P. Morgan    | 05/09/2028    | (10,186)                                    |
| USD              | 1,275,513      | Amazon.com, Inc.                            | USD OBFR 1 day 0%  | J.P. Morgan    | 05/09/2028    | (98,466)                                    |
| USD              | 505,633        | ASML Holding NV                             | USD OBFR 1 day 0%  | J.P. Morgan    | 05/09/2028    | (58,720)                                    |
| USD              | 259,762        | Avago Technologies Ltd.                     | USD OBFR 1 day 0%  | Morgan Stanley | 05/18/2033    | (5,416)                                     |
| USD              | 99,034         | BILL Holdings, Inc.                         | USD OBFR 1 day 0%  | Morgan Stanley | 05/18/2033    | (925)                                       |
| USD              | 380,098        | Ceridian HCM Holding, Inc.                  | USD OBFR 1 day 0%  | J.P. Morgan    | 05/09/2028    | (26,887)                                    |
| USD              | 146,902        | Datadog, Inc.                               | USD OBFR 1 day 0%  | J.P. Morgan    | 05/09/2028    | (10,836)                                    |
| USD              | 80,273         | Datadog, Inc.                               | USD OBFR 1 day 0%  | Morgan Stanley | 05/18/2033    | (3,057)                                     |
| USD              | 44,807         | Dynatrace, Inc.                             | USD OBFR 1 day 0%  | J.P. Morgan    | 05/09/2028    | (1,167)                                     |
| USD              | 12,476         | EPAM Systems, Inc.                          | USD OBFR 1 day 0%  | J.P. Morgan    | 05/09/2028    | (244)                                       |
| USD              | 153,621        | FleetCor Technologies, Inc.                 | USD OBFR 1 day 0%  | Morgan Stanley | 05/18/2033    | (10,091)                                    |
| USD              | 191,015        | Global Payments, Inc.                       | USD OBFR 1 day 0%  | J.P. Morgan    | 05/09/2028    | (17,020)                                    |
| USD              | 97,045         | Hansol Chemical Co. Ltd.                    | USD OBFR 1 day 0%  | J.P. Morgan    | 05/10/2028    | (3,392)                                     |
| USD              | 46,568         | HubSpot, Inc.                               | USD OBFR 1 day 0%  | Morgan Stanley | 05/18/2033    | (1,820)                                     |
| USD              | 297,313        | Intuit, Inc.                                | USD OBFR 1 day 0%  | J.P. Morgan    | 05/09/2028    | (22,373)                                    |
| USD              | 102,773        | Intuit, Inc.                                | USD OBFR 1 day 0%  | Morgan Stanley | 05/18/2033    | (5,336)                                     |
| USD              | 747,418        | Marvell Technology Group Ltd.               | USD OBFR 1 day 0%  | J.P. Morgan    | 05/09/2028    | (50,978)                                    |
| USD              | 253,972        | Mastercard, Inc.                            | USD OBFR 1 day 0%  | Morgan Stanley | 05/18/2033    | (11,655)                                    |
| USD              | 203,912        | MercadoLibre, Inc.                          | USD OBFR 1 day 0%  | Morgan Stanley | 05/18/2033    | (19,104)                                    |
| USD              | 270,279        | Meta Platforms, Inc.                        | USD OBFR 1 day 0%  | Morgan Stanley | 05/18/2033    | (489)                                       |
| USD              | 106,637        | Micron Technology, Inc.                     | USD OBFR 1 day 0%  | Morgan Stanley | 05/18/2033    | (2,980)                                     |
| USD              | 67,830         | Micron Technology, Inc.                     | USD OBFR 1 day 0%  | J.P. Morgan    | 05/09/2028    | (2,402)                                     |
| USD              | 155,768        | Microsoft Corp.                             | USD OBFR 1 day 0%  | J.P. Morgan    | 05/09/2028    | (8,502)                                     |
| USD              | 151,241        | Microsoft Corp.                             | USD OBFR 1 day 0%  | Morgan Stanley | 05/18/2033    | (6,851)                                     |
| USD              | 635,176        | MongoDB, Inc.                               | USD OBFR 1 day 0%  | Morgan Stanley | 05/18/2033    | (29,477)                                    |
| USD              | 250,471        | Nova Ltd.                                   | USD OBFR 1 day 0%  | Morgan Stanley | 05/18/2033    | (437)                                       |
| USD              | 1,201,543      | NVIDIA Corp.                                | USD OBFR 1 day 0%  | Morgan Stanley | 05/18/2033    | (12,643)                                    |
| USD              | 204,030        | Okta, Inc.                                  | USD OBFR 1 day 0%  | Morgan Stanley | 05/18/2033    | (7,078)                                     |
| USD              | 54,918         | ON Semiconductor Corp.                      | USD OBFR 1 day 0%  | J.P. Morgan    | 05/09/2028    | (3,696)                                     |
| USD              | 393,582        | Palo Alto Networks, Inc.                    | USD OBFR 1 day 0%  | J.P. Morgan    | 05/09/2028    | (18,353)                                    |
| USD              | 196,484        | Palo Alto Networks, Inc.                    | USD OBFR 1 day 0%  | Morgan Stanley | 05/18/2033    | (5,003)                                     |
| USD              | 194,496        | Quanta Computer, Inc.                       | USD OBFR 1 day 0%  | J.P. Morgan    | 05/09/2028    | (7,235)                                     |
| USD              | 511,169        | ServiceNow, Inc.                            | USD OBFR 1 day 0%  | J.P. Morgan    | 05/09/2028    | (34,363)                                    |
| USD              | 419,069        | Shopify, Inc.                               | USD OBFR 1 day 0%  | Morgan Stanley | 05/18/2033    | (53,087)                                    |
| USD              | 66,655         | Shopify, Inc.                               | USD OBFR 1 day 0%  | J.P. Morgan    | 05/09/2028    | (11,593)                                    |
| USD              | 230,695        | Spotify Technology SA                       | USD OBFR 1 day 0%  | J.P. Morgan    | 05/09/2028    | (7,527)                                     |
| USD              | 59,150         | Spotify Technology SA                       | USD OBFR 1 day 0%  | Morgan Stanley | 05/18/2033    | (1,557)                                     |
| USD              | 353,279        | Taiwan Semiconductor Manufacturing Co. Ltd. | USD OBFR 1 day 0%  | J.P. Morgan    | 05/09/2028    | (21,254)                                    |
| USD              | 151,628        | Taiwan Semiconductor Manufacturing Co. Ltd. | USD OBFR 1 day 0%  | Morgan Stanley | 05/18/2033    | (10,487)                                    |
| USD              | 42,640         | Trupanion, Inc.                             | USD OBFR 1 day 0%  | Morgan Stanley | 05/18/2033    | (2,433)                                     |
| USD              | 60,778         | Uber Technologies, Inc.                     | USD OBFR 1 day 0%  | Morgan Stanley | 05/18/2033    | (2,047)                                     |



**Note 7 - Open positions on total return swap contracts (continued)**

**Franklin K2 Wellington Technology Long Short UCITS Fund (continued)**

| Trading currency | Nominal amount | Fund receives              | Fund pays               | Counterparty   | Maturity date | Market Value / Unrealised profit/(loss) USD |
|------------------|----------------|----------------------------|-------------------------|----------------|---------------|---|
| USD              | 163,337        | Unimicron Technology Corp. | USD OBFR 1 day 0%       | J.P. Morgan    | 05/09/2028    | (13,703)                                    |
| USD              | 72,794         | Unimicron Technology Corp. | USD OBFR 1 day 0%       | Morgan Stanley | 05/18/2033    | (7,335)                                     |
| USD              | 67,006         | Unimicron Technology Corp. | USD OBFR 1 day (0.550)% | Morgan Stanley | 05/18/2033    | (6,762)                                     |
| USD              | 107,403        | WEX, Inc.                  | USD OBFR 1 day 0%       | Morgan Stanley | 05/18/2033    | (7,122)                                     |
| USD              | 177,213        | Wiwynn Corp.               | USD OBFR 1 day 0%       | Morgan Stanley | 05/18/2033    | (5,099)                                     |
| USD              | 734            | Wiwynn Corp.               | USD OBFR 1 day 0%       | J.P. Morgan    | 05/09/2028    | (41)  |
| USD              | 91,991         | Wolfspeed, Inc.            | USD OBFR 1 day 0%       | J.P. Morgan    | 05/09/2028    | (15,176)                                    |
| USD              | 109,612        | Wolfspeed, Inc.            | USD OBFR 1 day 0%       | Morgan Stanley | 05/18/2033    | (14,143)                                    |
|                  |                |                            |                         |                |               | <b>(456,665)</b>                            |

**Note 8 - Open positions on contract for differences**

As at September 30, 2023, the Company had entered into the following outstanding contracts:

**Franklin K2 ActusRay European Alpha UCITS Fund**

| Trading currency | Nominal amount | Fund receives   | Fund pays   | Counterparty  | Maturity date | Global exposure EUR | Unrealised profit/(loss) EUR |
|------------------|----------------|---|---|---------------|---------------|---------------------|------------------------------|
| CHF              | 1,646          | Receive SARON 1 day (0.360)%  | Pay Performance of the underlying equity/ bond basket of 1 Securities.  | Goldman Sachs | 08/14/2026    | (120,140)           | 2,311                        |
| CHF              | 109,572        | Receive SARON 1 day (0.360)%  | Pay Performance of the underlying equity/ bond basket of 28 Securities. | Goldman Sachs | 05/18/2026    | (7,766,408)         | 628,275                      |
| CHF              | 2,040          | Receive Performance of the underlying equity/ bond basket of 1 Securities.  | Pay SARON 1 day 0.290%  | Goldman Sachs | 08/03/2026    | 484,081             | 48,651                       |
| CHF              | 504,699        | Receive Performance of the underlying equity/ bond basket of 20 Securities. | Pay SARON 1 day 0.290%  | Goldman Sachs | 05/18/2026    | 6,625,317           | (624,965)                    |
| CHF              | 1,497          | Receive Performance of the underlying equity/ bond basket of 1 Securities.  | Pay SARON 1 day 0.290%  | Goldman Sachs | 09/25/2026    | 11,002              | 11,002                       |
| CHF              | 1,497          | Receive Performance of the underlying equity/ bond basket of 1 Securities.  | Pay SARON 1 day 0.290%  | Goldman Sachs | 07/24/2026    | 184,078             | (46,374)                     |
| CHF              | 23,238         | Receive Performance of the underlying equity/ bond basket of 8 Securities.  | Pay SARON 1 day 0.290%  | Goldman Sachs | 05/15/2026    | 2,450,904           | (295,225)                    |
| CHF              | 14,598         | Receive Performance of the underlying equity/ bond basket of 1 Securities.  | Pay SARON 1 day 0.290%  | Goldman Sachs | 06/01/2026    | 217,698             | 20,780                       |
| CHF              | 278            | Receive SARON 1 day (0.360)%  | Pay Performance of the underlying equity/ bond basket of 1 Securities.  | Goldman Sachs | 10/02/2026    | (58,463)            | (1,292)                      |
| CHF              | 3,765          | Receive SARON 1 day (0.360)%  | Pay Performance of the underlying equity/ bond basket of 3 Securities.  | Goldman Sachs | 08/13/2026    | (481,804)           | 6,955                        |
| CHF              | 6,040          | Receive SARON 1 day (2.162)%  | Pay Performance of the underlying equity/ bond basket of 1 Securities.  | Goldman Sachs | 05/18/2026    | (314,902)           | (83,415)                     |
| CHF              | 800            | Receive SARON 1 day (0.360)%  | Pay Performance of the underlying equity/ bond basket of 1 Securities.  | Goldman Sachs | 07/24/2026    | (144,069)           | 6,489                        |

**Note 8 - Open positions on contract for differences (continued)**

**Franklin K2 ActusRay European Alpha UCITS Fund (continued)**

| Trading currency | Nominal amount | Fund receives<br>Fund pays  | Counterparty   | Maturity date | Global exposure<br>EUR | Unrealised profit/(loss)<br>EUR |
|------------------|----------------|---|----------------|---------------|------------------------|---------------------------------|
| CHF              | 2,067          | Receive Performance of the underlying equity/<br>bond basket of 1 Securities.<br>Pay SARON 1 day 0.290%     | Goldman Sachs  | 06/19/2026    | 273,101                | (2,746)                         |
| CHF              | 459            | Receive SARON 1 day (0.360)%<br>Pay Performance of the underlying equity/<br>bond basket of 2 Securities.   | Goldman Sachs  | 09/17/2026    | (78,932)               | 5,474                           |
| CHF              | 1,774          | Receive SARON 1 day (0.360)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.   | Goldman Sachs  | 06/05/2026    | (385,397)              | 35,365                          |
| CHF              | 1,867          | Receive SARON 1 day (0.360)%<br>Pay Performance of the underlying equity/<br>bond basket of 2 Securities.   | Goldman Sachs  | 06/19/2026    | (147,059)              | 10,186                          |
| CHF              | 1,724          | Receive SARON 1 day (0.350)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.   | Morgan Stanley | 12/20/2024    | (132,896)              | 9,978                           |
| CHF              | 591            | Receive SARON 1 day (0.750)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.   | Goldman Sachs  | 05/18/2026    | (51,359)               | (10,076)                        |
| CHF              | 860,393        | Receive SARON 1 day (0.650)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.   | Goldman Sachs  | 05/18/2026    | (328,402)              | 147,660                         |
| CHF              | 1,831          | Receive SARON 1 day (1.000)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.   | Goldman Sachs  | 09/17/2026    | (118,061)              | 6,393                           |
| CHF              | 271            | Receive Performance of the underlying equity/<br>bond basket of 1 Securities.<br>Pay SARON 1 day 0.290%     | Goldman Sachs  | 10/01/2026    | 21,786                 | 152                             |
| CHF              | 3,080          | Receive Performance of the underlying equity/<br>bond basket of 1 Securities.<br>Pay SARON 1 day 0.290%     | Goldman Sachs  | 08/14/2026    | 299,189                | 24,723                          |
| CHF              | 1,200          | Receive Performance of the underlying equity/<br>bond basket of 1 Securities.<br>Pay SARON 1 day 0.290%     | Goldman Sachs  | 05/22/2026    | 118,207                | 19,245                          |
| DKK              | 368,366        | Receive CIBOR 1 Week (0.275)%<br>Pay Performance of the underlying equity/<br>bond basket of 10 Securities. | SEB            | 11/28/2024    | (3,391,866)            | 303,624                         |
| DKK              | 6,799          | Receive CIBOR 1 Week (1.319)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.  | SEB            | 11/28/2024    | (67,030)               | 26,996                          |
| DKK              | 221,533        | Receive Performance of the underlying equity/<br>bond basket of 18 Securities.<br>Pay CIBOR 1 Week 0.275%   | SEB            | 11/28/2024    | 4,846,357              | (47,313)                        |
| DKK              | 574            | Receive Performance of the underlying equity/<br>bond basket of 1 Securities.<br>Pay CIBOR 1 Week 0.275%    | SEB            | 10/03/2023    | 39,603                 | (167)                           |
| DKK              | 1,963          | Receive CIBOR 1 Week (0.750)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.  | SEB            | 11/28/2024    | (70,375)               | 2,002                           |
| DKK              | 2,888          | Receive CIBOR 1 Week (0.500)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.  | SEB            | 11/28/2024    | (136,682)              | 31                              |
| EUR              | 2,366,112      | Receive Performance of the underlying equity/<br>bond basket of 64 Securities.<br>Pay EuroSTR 1 day 0.400%  | Goldman Sachs  | 05/15/2026    | 19,366,049             | (786,002)                       |
| EUR              | 262,849        | Receive Performance of the underlying equity/<br>bond basket of 4 Securities.<br>Pay EuroSTR 1 day 0.400%   | Goldman Sachs  | 08/14/2026    | 879,825                | (47,523)                        |
| EUR              | 1,011,885      | Receive EONIA 1 day (0.300)%<br>Pay Performance of the underlying equity/<br>bond basket of 39 Securities.  | Morgan Stanley | 12/20/2024    | (9,498,401)            | 684,080                         |

**Note 8 - Open positions on contract for differences (continued)****Franklin K2 ActusRay European Alpha UCITS Fund (continued)**

| Trading currency | Nominal amount | Fund receives<br>Fund pays   | Counterparty   | Maturity date | Global exposure<br>EUR | Unrealised profit/(loss)<br>EUR |
|------------------|----------------|--|----------------|---------------|------------------------|---------------------------------|
| EUR              | 3,142,720      | Receive EuroSTR 1 day (0.220)%<br>Pay Performance of the underlying equity/<br>bond basket of 30 Securities. | Goldman Sachs  | 05/15/2026    | (9,336,895)            | 357,948                         |
| EUR              | 36,639         | Receive EuroSTR 1 day (0.270)%<br>Pay Performance of the underlying equity/<br>bond basket of 8 Securities.  | Goldman Sachs  | 05/15/2026    | (2,401,191)            | (124,707)                       |
| EUR              | 217,296        | Receive EuroSTR 1 day (0.170)%<br>Pay Performance of the underlying equity/<br>bond basket of 22 Securities. | Goldman Sachs  | 05/15/2026    | (6,525,312)            | 437,607                         |
| EUR              | 24,905         | Receive EuroSTR 1 day (0.220)%<br>Pay Performance of the underlying equity/<br>bond basket of 2 Securities.  | Goldman Sachs  | 05/25/2026    | (171,499)              | 71,029                          |
| EUR              | 722,379        | Receive Performance of the underlying equity/<br>bond basket of 18 Securities.<br>Pay EONIA 1 day 0.350%     | Morgan Stanley | 12/20/2024    | 4,044,868              | 133,477                         |
| EUR              | 1,329,130      | Receive EONIA 1 day (0.350)%<br>Pay Performance of the underlying equity/<br>bond basket of 15 Securities.   | Morgan Stanley | 12/20/2024    | (4,878,857)            | (91,948)                        |
| EUR              | 618,398        | Receive Performance of the underlying equity/<br>bond basket of 42 Securities.<br>Pay EONIA 1 day 0.300%     | Morgan Stanley | 12/20/2024    | 10,805,497             | (672,041)                       |
| EUR              | 8,652          | Receive EuroSTR 1 day (0.850)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.  | Goldman Sachs  | 05/14/2026    | (345,466)              | 175,290                         |
| EUR              | 8,458          | Receive Performance of the underlying equity/<br>bond basket of 1 Securities.<br>Pay EuroSTR 1 day 0.400%    | Goldman Sachs  | 06/11/2026    | 240,083                | (75,924)                        |
| EUR              | 1,715          | Receive EuroSTR 1 day (1.700)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.  | Goldman Sachs  | 05/15/2026    | (5,874)                | 5,034                           |
| EUR              | 556            | Receive EuroSTR 1 day (0.270)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.  | Goldman Sachs  | 07/03/2026    | (257,071)              | (63,223)                        |
| EUR              | 108,137        | Receive EuroSTR 1 day (0.220)%<br>Pay Performance of the underlying equity/<br>bond basket of 2 Securities.  | Goldman Sachs  | 09/14/2026    | (372,377)              | 17,379                          |
| EUR              | 185,707        | Receive Performance of the underlying equity/<br>bond basket of 3 Securities.<br>Pay EuroSTR 1 day 0.400%    | Goldman Sachs  | 09/17/2026    | 799,981                | 52,016                          |
| EUR              | 20,977         | Receive EuroSTR 1 day (0.431)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.  | Goldman Sachs  | 05/15/2026    | (41,618)               | 11,681                          |
| EUR              | 111,647        | Receive EuroSTR 1 day (0.500)%<br>Pay Performance of the underlying equity/<br>bond basket of 3 Securities.  | Goldman Sachs  | 05/15/2026    | (809,242)              | 164,180                         |
| EUR              | 18,697         | Receive EuroSTR 1 day (0.270)%<br>Pay Performance of the underlying equity/<br>bond basket of 2 Securities.  | Goldman Sachs  | 09/10/2026    | (398,489)              | 4,128                           |
| EUR              | 47,819         | Receive EuroSTR 1 day (7.500)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.  | Goldman Sachs  | 09/14/2026    | (53,079)               | 1,876                           |
| EUR              | 4,077          | Receive EuroSTR 1 day (1.350)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.  | Goldman Sachs  | 05/15/2026    | (109,159)              | 35,616                          |
| EUR              | 2,924          | Receive EuroSTR 1 day (0.170)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.  | Goldman Sachs  | 08/31/2026    | (132,820)              | 14,305                          |
| EUR              | 19,631         | Receive Performance of the underlying equity/<br>bond basket of 6 Securities.<br>Pay EuroSTR 1 day 0.400%    | Goldman Sachs  | 06/05/2026    | 1,390,777              | (25,038)                        |

**Note 8 - Open positions on contract for differences (continued)**

**Franklin K2 ActusRay European Alpha UCITS Fund (continued)**

| Trading currency | Nominal amount | Fund receives<br>Fund pays  | Counterparty   | Maturity date | Global exposure<br>EUR | Unrealised profit/(loss)<br>EUR |
|------------------|----------------|---|----------------|---------------|------------------------|---------------------------------|
| EUR              | 13,006         | Receive Performance of the underlying equity/<br>bond basket of 2 Securities.<br>Pay EuroSTR 1 day 0.400%   | Goldman Sachs  | 06/01/2026    | 510,169                | (55,577)                        |
| EUR              | 4,758          | Receive Performance of the underlying equity/<br>bond basket of 1 Securities.<br>Pay EuroSTR 1 day 0.400%   | Goldman Sachs  | 08/07/2026    | 201,476                | (5,073)                         |
| EUR              | 17,304         | Receive EuroSTR 1 day (0.750)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities. | Goldman Sachs  | 05/15/2026    | (541,969)              | (109,440)                       |
| EUR              | 441,007        | Receive Performance of the underlying equity/<br>bond basket of 13 Securities.<br>Pay ESTR O/N 0.275%       | SEB            | 11/28/2024    | 3,455,879              | (414,672)                       |
| EUR              | 2,996          | Receive EuroSTR 1 day (0.170)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities. | Goldman Sachs  | 08/10/2026    | (247,027)              | 29,520                          |
| EUR              | 80,773         | Receive Performance of the underlying equity/<br>bond basket of 3 Securities.<br>Pay EuroSTR 1 day 0.400%   | Goldman Sachs  | 07/09/2026    | 547,703                | (69,006)                        |
| EUR              | 36,639         | Receive EuroSTR 1 day (0.220)%<br>Pay Performance of the underlying equity/<br>bond basket of 3 Securities. | Goldman Sachs  | 10/02/2026    | (109,804)              | (2,276)                         |
| EUR              | 40,034         | Receive EONIA 1 day (2.338)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.   | Morgan Stanley | 12/20/2024    | (227,357)              | 32,181                          |
| EUR              | 20,723         | Receive Performance of the underlying equity/<br>bond basket of 2 Securities.<br>Pay EuroSTR 1 day 0.400%   | Goldman Sachs  | 09/28/2026    | 240,500                | (33,708)                        |
| EUR              | 112,977        | Receive Performance of the underlying equity/<br>bond basket of 5 Securities.<br>Pay EuroSTR 1 day 0.400%   | Goldman Sachs  | 05/14/2026    | 1,662,444              | (15,081)                        |
| EUR              | 42,407         | Receive EuroSTR 1 day (0.650)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities. | Goldman Sachs  | 05/15/2026    | (284,105)              | 51,675                          |
| EUR              | 51,465         | Receive EuroSTR 1 day (0.700)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities. | Goldman Sachs  | 05/15/2026    | (200,880)              | 62,814                          |
| EUR              | 1,415          | Receive EuroSTR 1 day (0.270)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities. | Goldman Sachs  | 05/14/2026    | (225,642)              | 6,778                           |
| EUR              | 12,292         | Receive Performance of the underlying equity/<br>bond basket of 2 Securities.<br>Pay EuroSTR 1 day 0.400%   | Goldman Sachs  | 09/11/2026    | 466,996                | 15,815                          |
| EUR              | 51,656         | Receive EuroSTR 1 day (0.220)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities. | Goldman Sachs  | 08/17/2026    | (190,356)              | 42,711                          |
| EUR              | 50,240         | Receive Performance of the underlying equity/<br>bond basket of 3 Securities.<br>Pay EuroSTR 1 day 0.400%   | Goldman Sachs  | 08/21/2026    | 768,114                | 14,776                          |
| EUR              | 17,871         | Receive EuroSTR 1 day (0.170)%<br>Pay Performance of the underlying equity/<br>bond basket of 2 Securities. | Goldman Sachs  | 08/21/2026    | (357,432)              | 4,832                           |
| EUR              | 30,589         | Receive Performance of the underlying equity/<br>bond basket of 3 Securities.<br>Pay EuroSTR 1 day 0.400%   | Goldman Sachs  | 10/02/2026    | 64,694                 | 24                              |
| EUR              | 25,733         | Receive EuroSTR 1 day (0.220)%<br>Pay Performance of the underlying equity/<br>bond basket of 2 Securities. | Goldman Sachs  | 07/24/2026    | (289,495)              | 51,186                          |
| EUR              | 10,921         | Receive EuroSTR 1 day (0.270)%<br>Pay Performance of the underlying equity/<br>bond basket of 3 Securities. | Goldman Sachs  | 05/21/2026    | (607,568)              | 39,788                          |

**Note 8 - Open positions on contract for differences (continued)**

**Franklin K2 ActusRay European Alpha UCITS Fund (continued)**

| Trading currency | Nominal amount | Fund receives<br>Fund pays   | Counterparty   | Maturity date | Global exposure<br>EUR | Unrealised profit/(loss)<br>EUR |
|------------------|----------------|--|----------------|---------------|------------------------|---------------------------------|
| EUR              | 56,982         | Receive ESTR O/N (0.275)%<br>Pay Performance of the underlying equity/<br>bond basket of 5 Securities.       | SEB            | 11/28/2024    | (858,651)              | (17,990)                        |
| EUR              | 11,829         | Receive EuroSTR 1 day (0.220)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.  | Goldman Sachs  | 09/04/2026    | (269,419)              | 20,750                          |
| EUR              | 60,991         | Receive EuroSTR 1 day (0.220)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.  | Goldman Sachs  | 08/14/2026    | (255,064)              | 61,240                          |
| EUR              | 17,995         | Receive EONIA 1 day (2.500)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.    | Morgan Stanley | 12/20/2024    | (100,359)              | (1,730)                         |
| EUR              | 932            | Receive EONIA 1 day (6.000)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.    | Morgan Stanley | 12/20/2024    | (16,278)               | 149                             |
| EUR              | 3,778          | Receive ESTR O/N (0.391)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.       | SEB            | 11/28/2024    | (65,823)               | (9,232)                         |
| EUR              | 15,233         | Receive EuroSTR 1 day (0.220)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.  | Goldman Sachs  | 08/28/2026    | (268,253)              | 16,665                          |
| EUR              | 30,818         | Receive EONIA 1 day (0.531)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.    | Morgan Stanley | 12/20/2024    | (594,772)              | (104,995)                       |
| EUR              | 1,331          | Receive EuroSTR 1 day (17.850)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities. | Goldman Sachs  | 05/15/2026    | (77,392)               | 18,440                          |
| EUR              | 20,671         | Receive Performance of the underlying equity/<br>bond basket of 1 Securities.<br>Pay EuroSTR 1 day 0.400%    | Goldman Sachs  | 08/13/2026    | 457,674                | 12,054                          |
| EUR              | 18,304         | Receive EuroSTR 1 day (0.400)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.  | Goldman Sachs  | 05/15/2026    | (224,945)              | (32,861)                        |
| EUR              | 22,169         | Receive Performance of the underlying equity/<br>bond basket of 1 Securities.<br>Pay EuroSTR 1 day 0.400%    | Goldman Sachs  | 05/29/2026    | 321,455                | 2,158                           |
| EUR              | 222,034        | Receive Performance of the underlying equity/<br>bond basket of 3 Securities.<br>Pay EuroSTR 1 day 0.400%    | Goldman Sachs  | 06/12/2026    | 290,365                | (110,345)                       |
| EUR              | 9,356          | Receive EONIA 1 day (2.375)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.    | Morgan Stanley | 12/20/2024    | (193,482)              | 73,161                          |
| EUR              | 761            | Receive EuroSTR 1 day (0.170)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.  | Goldman Sachs  | 07/31/2026    | (15,692)               | 3,234                           |
| EUR              | 1,053          | Receive EuroSTR 1 day (0.220)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.  | Goldman Sachs  | 07/09/2026    | (117,288)              | 3,650                           |
| EUR              | 3,366          | Receive EuroSTR 1 day (0.270)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.  | Goldman Sachs  | 10/01/2026    | (46,114)               | 743                             |
| EUR              | 44,799         | Receive EuroSTR 1 day (0.220)%<br>Pay Performance of the underlying equity/<br>bond basket of 2 Securities.  | Goldman Sachs  | 09/11/2026    | (377,092)              | 6,671                           |
| EUR              | 30,640         | Receive Performance of the underlying equity/<br>bond basket of 1 Securities.<br>Pay EuroSTR 1 day 0.400%    | Goldman Sachs  | 06/19/2026    | 225,243                | (13,872)                        |
| EUR              | 13,972         | Receive EuroSTR 1 day (0.220)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.  | Goldman Sachs  | 06/11/2026    | (369,140)              | 6,093                           |

**Note 8 - Open positions on contract for differences (continued)**

**Franklin K2 ActusRay European Alpha UCITS Fund (continued)**

| Trading currency | Nominal amount | Fund receives<br>Fund pays  | Counterparty   | Maturity date | Global exposure<br>EUR | Unrealised profit/(loss)<br>EUR |
|------------------|----------------|---|----------------|---------------|------------------------|---------------------------------|
| EUR              | 394,621        | Receive EuroSTR 1 day (4.750)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities. | Goldman Sachs  | 05/15/2026    | (118,472)              | 8,288                           |
| EUR              | 4,173          | Receive ESTR O/N (8.417)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.      | SEB            | 11/28/2024    | (202,724)              | (102,202)                       |
| EUR              | 13,021         | Receive Performance of the underlying equity/<br>bond basket of 1 Securities.<br>Pay EuroSTR 1 day 0.400%   | Goldman Sachs  | 08/28/2026    | 245,730                | (20,141)                        |
| EUR              | 9,355          | Receive Performance of the underlying equity/<br>bond basket of 1 Securities.<br>Pay EuroSTR 1 day 0.400%   | Goldman Sachs  | 08/17/2026    | 302,669                | (7,869)                         |
| EUR              | 3,308          | Receive EONIA 1 day (7.500)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.   | Morgan Stanley | 12/20/2024    | (136,290)              | 921                             |
| EUR              | 1,577          | Receive EuroSTR 1 day (6.000)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities. | Goldman Sachs  | 05/28/2026    | (61,127)               | 13,827                          |
| EUR              | 1,424          | Receive EuroSTR 1 day (7.000)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities. | Goldman Sachs  | 05/28/2026    | (3,902)                | 538                             |
| EUR              | 1,263          | Receive EuroSTR 1 day (3.400)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities. | Goldman Sachs  | 08/20/2026    | (161,119)              | 1,097                           |
| EUR              | 45,697         | Receive ESTR O/N (0.345)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.      | SEB            | 11/28/2024    | (346,964)              | (19,322)                        |
| EUR              | 4,529          | Receive Performance of the underlying equity/<br>bond basket of 1 Securities.<br>Pay EuroSTR 1 day 0.400%   | Goldman Sachs  | 06/08/2026    | 304,173                | (39,925)                        |
| EUR              | 7,363          | Receive ESTR O/N (0.386)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.      | SEB            | 11/28/2024    | (235,871)              | 52,560                          |
| EUR              | 41,545         | Receive ESTR O/N (0.277)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.      | SEB            | 11/28/2024    | (308,462)              | 49,765                          |
| EUR              | 33,708         | Receive EuroSTR 1 day (0.600)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities. | Goldman Sachs  | 05/15/2026    | (391,176)              | (12,314)                        |
| EUR              | 2,808          | Receive EuroSTR 1 day (1.450)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities. | Goldman Sachs  | 05/15/2026    | (410,587)              | 10,943                          |
| EUR              | 25,485         | Receive EuroSTR 1 day (0.750)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities. | Goldman Sachs  | 05/28/2026    | (334,238)              | 9,912                           |
| EUR              | 35,154         | Receive Performance of the underlying equity/<br>bond basket of 2 Securities.<br>Pay EuroSTR 1 day 0.400%   | Goldman Sachs  | 09/10/2026    | 381,247                | (7,201)                         |
| EUR              | 4,352          | Receive ESTR O/N (3.885)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.      | SEB            | 11/28/2024    | (225,338)              | 70,082                          |
| EUR              | 1,121          | Receive EuroSTR 1 day (0.170)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities. | Goldman Sachs  | 10/02/2026    | (112,721)              | (5,140)                         |
| EUR              | 3,545          | Receive EuroSTR 1 day (0.220)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities. | Goldman Sachs  | 07/23/2026    | (314,623)              | 22,012                          |
| EUR              | 2,594          | Receive ESTR O/N (0.393)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.      | SEB            | 11/28/2024    | (53,110)               | 4,821                           |

**Note 8 - Open positions on contract for differences (continued)****Franklin K2 ActusRay European Alpha UCITS Fund (continued)**

| Trading currency | Nominal amount | Fund receives<br>Fund pays   | Counterparty   | Maturity date | Global exposure<br>EUR | Unrealised profit/(loss)<br>EUR |
|------------------|----------------|--|----------------|---------------|------------------------|---------------------------------|
| EUR              | 76             | Receive EONIA 1 day (1.500)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.    | Morgan Stanley | 12/20/2024    | (61,332)               | 2,221                           |
| EUR              | 19,155         | Receive ESTR O/N (0.295)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.       | SEB            | 11/28/2024    | (133,231)              | 25,244                          |
| EUR              | 904            | Receive EuroSTR 1 day (0.550)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.  | Goldman Sachs  | 05/15/2026    | (181,024)              | 5,708                           |
| EUR              | 18,354         | Receive EONIA 1 day (1.125)%<br>Pay Performance of the underlying equity/<br>bond basket of 3 Securities.    | Morgan Stanley | 12/20/2024    | (363,125)              | 106,106                         |
| EUR              | 1,402          | Receive EONIA 1 day (9.625)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.    | Morgan Stanley | 12/20/2024    | (27,532)               | 5,176                           |
| EUR              | 18,118         | Receive Performance of the underlying equity/<br>bond basket of 1 Securities.<br>Pay EuroSTR 1 day 0.400%    | Goldman Sachs  | 07/16/2026    | 223,340                | (58,287)                        |
| EUR              | 5,475          | Receive ESTR O/N (17.500)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.      | SEB            | 11/28/2024    | (17,985)               | 14,962                          |
| EUR              | 2,661          | Receive EuroSTR 1 day (23.000)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities. | Goldman Sachs  | 05/15/2026    | (70,187)               | 41,713                          |
| EUR              | 3,096          | Receive EuroSTR 1 day (0.758)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.  | Goldman Sachs  | 05/15/2026    | (136,678)              | 37,160                          |
| EUR              | 61,813         | Receive EuroSTR 1 day (0.220)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.  | Goldman Sachs  | 06/12/2026    | (459,543)              | (13,769)                        |
| EUR              | 1,723          | Receive EONIA 1 day (2.875)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.    | Morgan Stanley | 12/20/2024    | (35,925)               | 193                             |
| EUR              | 8,671          | Receive EuroSTR 1 day (0.270)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.  | Goldman Sachs  | 08/07/2026    | (194,183)              | 36,194                          |
| EUR              | 10,520         | Receive Performance of the underlying equity/<br>bond basket of 1 Securities.<br>Pay EuroSTR 1 day 0.400%    | Goldman Sachs  | 07/27/2026    | 237,081                | 963                             |
| EUR              | 31,845         | Receive EONIA 1 day (5.500)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.    | Morgan Stanley | 12/20/2024    | (175,716)              | 13,366                          |
| EUR              | 8,608          | Receive EuroSTR 1 day (0.500)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.  | Goldman Sachs  | 07/03/2026    | (326,770)              | 13,470                          |
| EUR              | 13,269         | Receive Performance of the underlying equity/<br>bond basket of 1 Securities.<br>Pay EuroSTR 1 day 0.400%    | Goldman Sachs  | 05/21/2026    | 310,169                | (42,333)                        |
| EUR              | 65,873         | Receive ESTR O/N (0.297)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.       | SEB            | 11/28/2024    | (67,717)               | 21,848                          |
| GBP              | 13,134,944     | Receive Performance of the underlying equity/<br>bond basket of 96 Securities.<br>Pay SONIA 1 day 0.350%     | Morgan Stanley | 12/20/2024    | 26,285,758             | (614,460)                       |
| GBP              | 11,040,678     | Receive SONIA 1 day (0.300)%<br>Pay Performance of the underlying equity/<br>bond basket of 93 Securities.   | Morgan Stanley | 12/20/2024    | (24,363,724)           | 876,664                         |
| GBP              | 657            | Receive SONIA 1 day (1.806)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.    | Morgan Stanley | 12/20/2024    | (4,708)                | 333                             |

**Note 8 - Open positions on contract for differences (continued)**

**Franklin K2 ActusRay European Alpha UCITS Fund (continued)**

| Trading currency | Nominal amount | Fund receives<br>Fund pays  | Counterparty   | Maturity date | Global exposure<br>EUR | Unrealised profit/(loss)<br>EUR |
|------------------|----------------|---|----------------|---------------|------------------------|---------------------------------|
| GBP              | 50,383         | Receive SONIA 1 day (4.000)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.   | Morgan Stanley | 12/20/2024    | (182,571)              | 13,218                          |
| GBP              | 6,902          | Receive SONIA 1 day (6.000)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.   | Morgan Stanley | 12/20/2024    | (12,864)               | 236                             |
| GBP              | 17,997         | Receive SONIA 1 day (12.125)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.  | Morgan Stanley | 12/20/2024    | (26,065)               | 2,843                           |
| GBP              | 246,321        | Receive SONIA 1 day (5.375)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.   | Morgan Stanley | 12/20/2024    | (216,181)              | (9,771)                         |
| GBP              | 32,792         | Receive SONIA 1 day (1.063)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.   | Morgan Stanley | 12/20/2024    | (88,931)               | 15,984                          |
| GBP              | 1,226,828      | Receive SONIA 1 day (1.125)%<br>Pay Performance of the underlying equity/<br>bond basket of 2 Securities.   | Morgan Stanley | 12/20/2024    | (411,545)              | 89,577                          |
| GBP              | 1,086,801      | Receive SONIA 1 day (14.625)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.  | Morgan Stanley | 12/20/2024    | (68,291)               | 12,289                          |
| GBP              | 34,893         | Receive SONIA 1 day (4.375)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.   | Morgan Stanley | 12/20/2024    | (21,230)               | 17,949                          |
| GBP              | 27,768         | Receive SONIA 1 day (1.000)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.   | Morgan Stanley | 12/20/2024    | (162,469)              | 27,092                          |
| NOK              | 571,916        | Receive NIBOR 1 Week (0.275)%<br>Pay Performance of the underlying equity/<br>bond basket of 11 Securities. | SEB            | 11/28/2024    | (2,598,663)            | 133,308                         |
| NOK              | 178,791        | Receive NIBOR 1 Week (4.250)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.  | SEB            | 11/28/2024    | (72,108)               | 36,634                          |
| NOK              | 2,487,117      | Receive Performance of the underlying equity/<br>bond basket of 28 Securities.<br>Pay NIBOR 1 Week 0.275%   | SEB            | 11/28/2024    | 6,702,135              | (362,708)                       |
| NOK              | 76,221         | Receive NIBOR 1 Week (1.000)%<br>Pay Performance of the underlying equity/<br>bond basket of 2 Securities.  | SEB            | 11/28/2024    | (215,374)              | 20,826                          |
| NOK              | 83,080         | Receive NIBOR 1 Week (6.750)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.  | SEB            | 11/28/2024    | (267,554)              | 37,592                          |
| NOK              | 10,633         | Receive NIBOR 1 Week (2.954)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.  | SEB            | 11/28/2024    | (299,816)              | 5,850                           |
| NOK              | 53,916         | Receive NIBOR 1 Week (2.421)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.  | SEB            | 11/28/2024    | (65,923)               | 9,655                           |
| NOK              | 280,343        | Receive NIBOR 1 Week (9.000)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.  | SEB            | 11/28/2024    | (153,942)              | 45,477                          |
| NOK              | 5,714          | Receive NIBOR 1 Week (0.342)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.  | SEB            | 11/28/2024    | (67,325)               | (872)                           |
| NOK              | 31,246         | Receive NIBOR 1 Week (0.310)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.  | SEB            | 11/28/2024    | (378,030)              | (24,157)                        |
| SEK              | 2,808,425      | Receive Performance of the underlying equity/<br>bond basket of 51 Securities.<br>Pay STIBOR 1 Week 0.275%  | SEB            | 11/28/2024    | 12,669,462             | (971,928)                       |



**Note 8 - Open positions on contract for differences (continued)**

**Franklin K2 ActusRay European Alpha UCITS Fund (continued)**

| Trading currency | Nominal amount | Fund receives<br>Fund pays   | Counterparty   | Maturity date | Global exposure<br>EUR | Unrealised profit/(loss)<br>EUR |
|------------------|----------------|--|----------------|---------------|------------------------|---------------------------------|
| SEK              | 333            | Receive STIBOR 1 Week (7.439)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.  | SEB            | 11/28/2024    | (810)                  | 1,020                           |
| SEK              | 1,192,240      | Receive STIBOR 1 Week (0.275)%<br>Pay Performance of the underlying equity/<br>bond basket of 29 Securities. | SEB            | 11/28/2024    | (8,021,815)            | 146,441                         |
| SEK              | 52,839         | Receive STIBOR 1 Week (0.675)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.  | SEB            | 11/28/2024    | (525,829)              | 111,028                         |
| SEK              | 7,888          | Receive STIBOR 1 Week (0.661)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.  | SEB            | 11/28/2024    | (211,844)              | (49,618)                        |
| SEK              | 66,187         | Receive STIBOR 1 Week (2.364)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.  | SEB            | 11/28/2024    | (124,864)              | 26,292                          |
| SEK              | 19,052         | Receive STIBOR 1 Week (1.365)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.  | SEB            | 11/28/2024    | (56,643)               | 26,512                          |
| SEK              | 24,761         | Receive STIBOR 1 Week (0.433)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.  | SEB            | 11/28/2024    | (69,507)               | 18,046                          |
| SEK              | 9,877          | Receive STIBOR 1 Week (0.484)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.  | SEB            | 11/28/2024    | (108,247)              | 53,249                          |
| SEK              | 61,993         | Receive STIBOR 1 Week (0.520)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.  | SEB            | 11/28/2024    | (407,477)              | 49,097                          |
| SEK              | 16,704         | Receive STIBOR 1 Week (11.500)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities. | SEB            | 11/28/2024    | (98,190)               | 20,703                          |
| SEK              | 24,698         | Receive STIBOR 1 Week (0.730)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.  | SEB            | 11/28/2024    | (238,537)              | 766                             |
| SEK              | 40,373         | Receive STIBOR 1 Week (0.351)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.  | SEB            | 11/28/2024    | (142,560)              | (35,576)                        |
| SEK              | 12,370         | Receive STIBOR 1 Week (2.500)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.  | SEB            | 11/28/2024    | (37,410)               | 24,269                          |
| USD              | 613,193        | Receive FEDEF 1 day (0.500)%<br>Pay Performance of the underlying equity/<br>bond basket of 8 Securities.    | Morgan Stanley | 12/20/2024    | (2,728,579)            | (49,311)                        |
| USD              | 942,059        | Receive Performance of the underlying equity/<br>bond basket of 22 Securities.<br>Pay FEDEF 1 day 1.250%     | Morgan Stanley | 12/20/2024    | 2,884,022              | (93,803)                        |
| USD              | 8,799          | Receive FEDEF 1 day (0.875)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.    | Morgan Stanley | 12/20/2024    | (237,793)              | 22,817                          |
| USD              | 19,407         | Receive FEDEF 1 day (1.750)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.    | Morgan Stanley | 12/20/2024    | (29,791)               | 524                             |
| USD              | 109,253        | Receive FEDEF 1 day (6.750)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.    | Morgan Stanley | 12/20/2024    | (167,376)              | 59,983                          |
| USD              | 2,491          | Receive FEDEF 1 day (1.375)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.    | Morgan Stanley | 12/20/2024    | (355,022)              | (55,955)                        |
| USD              | 19,917         | Receive FEDEF 1 day (10.875)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.   | Morgan Stanley | 12/20/2024    | (87,026)               | 83,889                          |

**Note 8 - Open positions on contract for differences (continued)**

**Franklin K2 ActusRay European Alpha UCITS Fund (continued)**

| Trading currency | Nominal amount | Fund receives<br>Fund pays   | Counterparty   | Maturity date | Global exposure<br>EUR | Unrealised profit/(loss)<br>EUR |
|------------------|----------------|--|----------------|---------------|------------------------|---------------------------------|
| USD              | 250,323        | Receive FEDEF 1 day (3.375)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.  | Morgan Stanley | 12/20/2024    | (69,988)               | (11,434)                        |
| USD              | 1,141          | Receive FEDEF 1 day (1.875)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.  | Morgan Stanley | 12/20/2024    | (2,489)                | 1,623                           |
| ZAR              | 5,221,108      | Receive Performance of the underlying equity/<br>bond basket of 24 Securities.<br>Pay SABOR 1 day 0.700%   | Morgan Stanley | 12/20/2024    | 4,724,621              | (141,215)                       |
| ZAR              | 2,702,951      | Receive SABOR 1 day (0.500)%<br>Pay Performance of the underlying equity/<br>bond basket of 18 Securities. | Morgan Stanley | 12/20/2024    | (5,237,667)            | (128,747)                       |
| ZAR              | 339,164        | Receive SABOR 1 day (1.250)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.  | Morgan Stanley | 12/20/2024    | (171,082)              | (29,593)                        |
| ZAR              | 290,854        | Receive SABOR 1 day (0.531)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.  | Morgan Stanley | 12/20/2024    | (344,648)              | 42,031                          |
| ZAR              | 141,293        | Receive SABOR 1 day (0.850)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.  | Morgan Stanley | 12/20/2024    | (29,645)               | 21,020                          |
|                  |                |  |                |               | <b>(218,515)</b>       |                                 |

**Franklin K2 ActusRay European Alpha UCITS Fund**

**Geographic distribution based on economic exposure:**

|                          | Global Exposure<br>EUR | % of Basket<br>Global<br>Exposure |
|--------------------------|------------------------|-----------------------------------|
| United Kingdom           | (2,180,246)            | (33.70)                           |
| Italy                    | (1,930,489)            | (29.84)                           |
| South Africa             | (1,835,206)            | (28.37)                           |
| Luxembourg               | (1,633,964)            | (25.26)                           |
| Belgium                  | (1,403,958)            | (21.70)                           |
| Poland                   | (1,025,832)            | (15.86)                           |
| Bermuda                  | (397,021)              | (6.13)                            |
| Singapore                | (352,997)              | (5.46)                            |
| Spain                    | (349,919)              | (5.41)                            |
| Australia                | (68,291)               | (1.06)                            |
| Iceland                  | (3,902)                | (0.06)                            |
| Cyprus                   | 55,090                 | 0.85                              |
| United States of America | 97,367                 | 1.51                              |
| Jersey                   | 151,032                | 2.33                              |
| Virgin Islands, British  | 156,814                | 2.42                              |
| Malta                    | 180,514                | 2.79                              |
| Guernsey                 | 301,640                | 4.66                              |
| Israel                   | 393,144                | 6.08                              |
| Turkey                   | 529,024                | 8.18                              |
| Switzerland              | 542,009                | 8.38                              |
| Isle of Man              | 560,776                | 8.67                              |
| France                   | 665,621                | 10.29                             |
| Netherlands              | 824,837                | 12.75                             |
| Austria                  | 1,032,965              | 15.97                             |
| Ireland                  | 1,159,139              | 17.92                             |
| Finland                  | 1,173,484              | 18.14                             |
| Denmark                  | 1,185,386              | 18.32                             |
| Sweden                   | 2,115,480              | 32.70                             |
| Germany                  | 2,992,326              | 46.26                             |
| Norway                   | 3,534,280              | 54.63                             |
|                          | 6,469,103              | 100.00                            |

**Note 8 - Open positions on contract for differences (continued)**

**Franklin K2 Bardin Hill Arbitrage UCITS Fund**

| Trading currency | Nominal amount | Fund receives<br>Fund pays  | Counterparty | Maturity date | Global exposure<br>USD | Unrealised profit/(loss)<br>USD |
|------------------|----------------|---|--------------|---------------|------------------------|---------------------------------|
| GBP              | 204,016        | Receive Performance of the underlying equity/<br>bond basket of 1 Securities.<br>Pay SONIA O/N 0.400%     | Barclays     | 10/17/2024    | 4,809,133              | 29,871                          |
| USD              | 7,726          | Receive USONBFR O/N (0.300)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities. | Barclays     | 08/15/2024    | (908,423)              | 20,242                          |
| USD              | 6,515          | Receive USONBFR O/N (0.300)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities. | Barclays     | 08/22/2024    | (766,034)              | 17,069                          |
| USD              | 20,910         | Receive USONBFR O/N (0.300)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities. | Barclays     | 10/16/2024    | (471,521)              | 1,046                           |
| USD              | 12,300         | Receive USONBFR O/N (0.300)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities. | Barclays     | 10/17/2024    | (277,365)              | 615                             |
| USD              | 1,813          | Receive Performance of the underlying equity/<br>bond basket of 1 Securities.<br>Pay USONBFR O/N 0.350%   | Barclays     | 08/26/2024    | 169,751                | (526)                           |
| USD              | 1,458          | Receive USONBFR O/N (0.300)%<br>Pay Performance of the underlying equity/<br>bond basket of 2 Securities. | Barclays     | 10/11/2024    | (417,688)              | (1,804)                         |
| USD              | 337            | Receive USONBFR O/N (0.300)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities. | Barclays     | 10/23/2024    | (279,905)              | (4,640)                         |
| USD              | 337            | Receive USONBFR O/N (0.300)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities. | Barclays     | 10/24/2024    | (279,905)              | (4,640)                         |
| USD              | 700            | Receive USONBFR O/N (0.300)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities. | Barclays     | 10/03/2024    | (581,406)              | (9,639)                         |
| USD              | 40,189         | Receive Performance of the underlying equity/<br>bond basket of 1 Securities.<br>Pay USONBFR O/N 0.350%   | Barclays     | 08/19/2024    | 3,762,896              | (11,655)                        |
| USD              | 1,036          | Receive USONBFR O/N (0.300)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities. | Barclays     | 10/04/2024    | (860,481)              | (14,266)                        |
| USD              | 80,993         | Receive Performance of the underlying equity/<br>bond basket of 1 Securities.<br>Pay USONBFR O/N 0.350%   | Barclays     | 08/15/2024    | 7,583,375              | (23,488)                        |
| USD              | 1,754          | Receive USONBFR O/N (0.300)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities. | Barclays     | 09/19/2024    | (1,456,837)            | (24,153)                        |
| USD              | 2,241          | Receive USONBFR O/N (0.300)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities. | Barclays     | 09/26/2024    | (1,861,330)            | (30,859)                        |
| USD              | 87,605         | Receive Performance of the underlying equity/<br>bond basket of 1 Securities.<br>Pay USONBFR O/N 0.400%   | Barclays     | 09/19/2024    | 2,614,133              | 4,380                           |
|                  |                |   |              |               |                        | <b>(52,447)</b>                 |

**Franklin K2 Bardin Hill Arbitrage UCITS Fund**

**Geographic distribution based on economic exposure:**

|                          | Global<br>Exposure<br>USD | % of Basket<br>Global<br>Exposure |
|--------------------------|---------------------------|-----------------------------------|
| Bermuda                  | 2,614,133                 | 24.25                             |
| United States of America | 3,355,127                 | 31.13                             |

**Note 8 - Open positions on contract for differences (continued)**

**Franklin K2 Bardin Hill Arbitrage UCITS Fund (continued)**

**Geographic distribution based on economic exposure: (continued)**

|                | Global<br>Exposure<br>USD | % of Basket<br>Global<br>Exposure |
|----------------|---------------------------|-----------------------------------|
| United Kingdom | 4,809,133                 | 44.62                             |
|                | <u>10,778,393</u>         | <u>100.00</u>                     |

**Franklin K2 Electron Global UCITS Fund**

| Trading<br>currency | Nominal<br>amount | Fund receives<br>Fund pays   | Counterparty   | Maturity<br>date | Global<br>exposure<br>USD | Unrealised<br>profit/(loss)<br>USD |
|---------------------|-------------------|--|----------------|------------------|---------------------------|------------------------------------|
| CAD                 | 114,543           | Receive DISC 1 day (0.350)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.   | Morgan Stanley | 08/20/2025       | (3,939,116)               | 334,795                            |
| EUR                 | 1,388,622         | Receive Performance of the underlying equity/<br>bond basket of 2 Securities.<br>Pay EONIA 1 day 0.400%    | Morgan Stanley | 10/16/2024       | 19,251,459                | (904,426)                          |
| EUR                 | 7,856             | Receive EONIA 1 day (0.450)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.  | Morgan Stanley | 02/05/2025       | (5,707,965)               | 134,304                            |
| EUR                 | 12,545            | Receive FEDEF 1 day (0.150)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.  | Morgan Stanley | 08/20/2025       | (4,724,220)               | 282,108                            |
| GBP                 | 24,584            | Receive Performance of the underlying equity/<br>bond basket of 1 Securities.<br>Pay SONIA 1 day 0.400%    | Morgan Stanley | 01/22/2025       | 1,355,418                 | 43,307                             |
| HKD                 | 34,085            | Receive HONIX 1 day (0.500)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.  | Morgan Stanley | 09/25/2025       | (1,050,167)               | (6,716)                            |
| JPY                 | 13,385            | Receive MUTSC 1 day (0.400)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.  | Morgan Stanley | 08/14/2025       | (2,098,389)               | 143,043                            |
| USD                 | 463,501           | Receive FEDEF 1 day (0.350)%<br>Pay Performance of the underlying equity/<br>bond basket of 26 Securities. | Morgan Stanley | 10/06/2023       | (38,844,913)              | 1,759,899                          |
| USD                 | 2,717             | Receive FEDEF 1 day (0.530)%<br>Pay Performance of the underlying equity/<br>bond basket of 1 Securities.  | Morgan Stanley | 10/06/2023       | (203,992)                 | 19,209                             |
| USD                 | 5,167             | Receive FEDEF 1 day (0.150)%<br>Pay Performance of the underlying equity/<br>bond basket of 2 Securities.  | Morgan Stanley | 08/20/2025       | (9,064,069)               | 461,124                            |
|                     |                   |  |                |                  |                           | <u>2,266,647</u>                   |

**Franklin K2 Electron Global UCITS Fund**

**Geographic distribution based on economic exposure:**

|                          | Global<br>Exposure<br>USD | % of Basket<br>Global<br>Exposure |
|--------------------------|---------------------------|-----------------------------------|
| United States of America | (57,514,591)              | 127.74                            |
| Canada                   | (3,939,115)               | 8.74                              |
| Japan                    | (2,098,389)               | 4.66                              |
| China                    | (1,050,167)               | 2.33                              |
| Ireland                  | 324,849                   | (0.72)                            |
| France                   | 7,682,916                 | (17.06)                           |
| Germany                  | 11,568,543                | (25.69)                           |
|                          | <u>(45,025,954)</u>       | <u>100.00</u>                     |

**Note 9 - Open positions on option contracts**

As at September 30, 2023, the Company had entered into the following outstanding contracts:

**Franklin K2 Bardin Hill Arbitrage UCITS Fund**

| Purchase/<br>Sale<br>position | Description   | Counterparty   | Trading<br>currency | Number of<br>contracts<br>purchased/<br>(sold) | Commitment<br>USD | Market<br>value<br>USD | Unrealised<br>profit/(loss)<br>USD |
|-------------------------------|---|----------------|---------------------|--|-------------------|------------------------|------------------------------------|
| Equity Option                 |   |                |                     |  |                   |                        |                                    |
| Purchase                      | BlackBerry Ltd., Call Option, Strike Price 4.00, Jan. 2024          | Morgan stanley | USD                 | 248  | 116,808           | 25,296                 | (19,252)                           |
| Sale                          | BlackBerry Ltd., Call Option, Strike Price 6.00, Jan. 2024          | Morgan stanley | USD                 | (248)  | 116,808           | (5,456)                | 10,149                             |
| Sale                          | Capri Holdings Ltd., Put Option, Strike Price 40.00, Feb. 2024      | Morgan stanley | USD                 | (244)  | 1,283,684         | (9,760)                | 4,728                              |
| Purchase                      | Capri Holdings Ltd., Put Option, Strike Price 50.00, Jun. 2024      | Morgan stanley | USD                 | 400  | 2,104,400         | 79,000                 | (18,012)                           |
| Purchase                      | Capri Holdings Ltd., Put Option, Strike Price 50.00, Feb. 2024      | Morgan stanley | USD                 | 244  | 1,283,684         | 21,350                 | (19,747)                           |
| Sale                          | EQRx, Inc., Call Option, Strike Price 2.50, Jan. 2024               | Morgan stanley | USD                 | (656)  | 145,632           | (13,120)               | (1,005)                            |
| Sale                          | Horizon Therapeutics plc, Put Option, Strike Price 60.00, Jan. 2024 | Morgan stanley | USD                 | (629)  | 7,276,901         | (4,717)                | 107,225                            |
| Sale                          | Horizon Therapeutics plc, Put Option, Strike Price 60.00, Dec. 2023 | Morgan stanley | USD                 | (188)  | 2,174,972         | (940)                  | 23,024                             |
| Purchase                      | Horizon Therapeutics plc, Put Option, Strike Price 85.00, Oct. 2023 | Morgan stanley | USD                 | 850  | 9,833,650         | 21,250                 | (13,430)                           |
| Sale                          | Hostess Brands, Inc., Put Option, Strike Price 27.00, Oct. 2023     | Morgan stanley | USD                 | (66)   | 219,846           | (330)                  | 3,705                              |
| Purchase                      | Manchester United plc, Call Option, Strike Price 25.00, Dec. 2023   | Morgan stanley | USD                 | 300  | 3,470,700         | 37,500                 | (29,400)                           |
| Sale                          | Manchester United plc, Call Option, Strike Price 30.00, Dec. 2023   | Morgan stanley | USD                 | (300)  | 3,470,700         | (15,000)               | 13,167                             |
| Sale                          | Seagen, Inc., Call Option, Strike Price 210.00, Oct. 2023           | Morgan stanley | USD                 | (143)  | 3,033,745         | (58,630)               | 3,928                              |
| Sale                          | Seagen, Inc., Call Option, Strike Price 220.00, Oct. 2023           | Morgan stanley | USD                 | (334)  | 7,085,810         | (11,690)               | 24,205                             |
| Purchase                      | Seagen, Inc., Put Option, Strike Price 160.00, Dec. 2023            | Morgan stanley | USD                 | 482  | 10,225,630        | 26,510                 | (167,359)                          |
| Purchase                      | Sovos Brands, Inc., Call Option, Strike Price 25.00, Feb. 2024      | Morgan stanley | USD                 | 73   | 164,615           | 1,460                  | 253                                |
| Purchase                      | Sovos Brands, Inc., Call Option, Strike Price 25.00, Nov. 2023      | Morgan stanley | USD                 | 296  | 667,480           | 5,920                  | 1,546                              |
| Purchase                      | Spirit Airlines, Inc., Call Option, Strike Price 20.00, Jan. 2024   | Morgan stanley | USD                 | 794  | 1,310,100         | 235,024                | 15,458                             |
| Sale                          | Spirit Airlines, Inc., Call Option, Strike Price 22.50, Jan. 2024   | Morgan stanley | USD                 | (794)  | 1,310,100         | (178,650)              | (20,274)                           |
|                               |   |                |                     |  |                   | 155,017                | (81,091)                           |
|                               |   |                |                     |  |                   | <b>155,017</b>         | <b>(81,091)</b>                    |

**Franklin K2 Wellington Technology Long Short UCITS Fund**

| Purchase/<br>Sale<br>position | Description   | Counterparty   | Trading<br>currency | Number of<br>contracts<br>purchased/<br>(sold) | Commitment<br>USD | Market<br>value<br>USD | Unrealised<br>profit/(loss)<br>USD |
|-------------------------------|---|----------------|---------------------|--|-------------------|------------------------|------------------------------------|
| Equity Option                 |   |                |                     |  |                   |                        |                                    |
| Purchase                      | Advanced Micro Devices, Inc., Put Option, Strike Price 95.00, Oct. 2023 | Morgan stanley | USD                 | 28   | 287,896           | 700                    | (6,197)                            |
| Purchase                      | Block, Inc., Put Option, Strike Price 44.00, Oct. 2023                  | Morgan stanley | USD                 | 42   | 185,892           | 7,014                  | (20)                               |
| Purchase                      | HubSpot, Inc., Put Option, Strike Price 470.00, Oct. 2023               | Morgan stanley | USD                 | 12   | 591,000           | 9,120                  | (5,541)                            |
| Sale                          | MongoDB, Inc., Call Option, Strike Price 450.00, Oct. 2023              | Morgan stanley | USD                 | (10)   | 345,860           | (280)                  | 1,583                              |
| Purchase                      | MongoDB, Inc., Put Option, Strike Price 330.00, Oct. 2023               | Morgan stanley | USD                 | 17   | 587,962           | 12,138                 | (7,322)                            |

## Note 9 - Open positions on option contracts (continued)

### Franklin K2 Wellington Technology Long Short UCITS Fund (continued)

| Purchase/<br>Sale<br>position | Description  | Counterparty   | Trading<br>currency | Number of<br>contracts<br>purchased/<br>(sold) | Commitment<br>USD | Market<br>value<br>USD | Unrealised<br>profit/(loss)<br>USD |
|-------------------------------|--|----------------|---------------------|--|-------------------|------------------------|------------------------------------|
| Purchase                      | NVIDIA Corp., Put Option, Strike Price 400.00, Oct. 2023                     | Morgan stanley | USD                 | 16   | 695,984           | 864                    | (8,512)                            |
| Purchase                      | ServiceNow, Inc., Put Option, Strike Price 530.00, Oct. 2023                 | Morgan stanley | USD                 | 6  | 335,376           | 3,204                  | (3,658)                            |
|                               |  |                |                     |  |                   | <u>32,760</u>          | <u>(29,667)</u>                    |
| Index Option                  |  |                |                     |  |                   |                        |                                    |
| Purchase                      | Nasdaq 100 Reduced Value Index, Put Option, Strike Price 2,870.00, Oct. 2023 | Morgan stanley | USD                 | 8  | 2,354,440         | 21,880                 | (4,707)                            |
|                               |  |                |                     |  |                   | <u>54,640</u>          | <u>(34,374)</u>                    |

## Note 10 - Investment management fees

The Management Company receives from the Company a monthly investment management fee equivalent to a certain percentage per annum (as detailed below) of each Fund's average daily net assets during the accounting period. When Funds invest in other Franklin Templeton funds, a management fee is not applied to the amounts invested. The following percentages apply in respect of the different Funds as at September 30, 2023.

The Investment Managers will be remunerated by the Management Company out of the investment management fee received from the Company.

No management fee is payable by an investor on the acquisition of Class X and Class Y shares, instead a fee is paid to the Investment Manager or affiliates under a separate agreement.

|   | Class A | Class EB | Class EO | Class I | Class J     | Class S     | Class W |
|---|---------|----------|----------|---------|-------------|-------------|---------|
| Franklin K2 ActusRay European Alpha UCITS Fund                | 1.45%   | 0.75%    | 1.00%    | 1.25%   | –           | –           | 1.25%   |
| Franklin K2 Athena Risk Premia UCITS Fund                     | 0.70%   | 0.30%    | 0.45%    | 0.60%   | –           | –           | 0.60%   |
| Franklin K2 Bardin Hill Arbitrage UCITS Fund                  | 1.45%   | 0.63%    | 0.75%    | 1.25%   | –           | Up to 1.25% | 1.25%   |
| Franklin K2 Cat Bond UCITS Fund                               | –       | 0.40%    | 0.55%    | 0.75%   | –           | –           | 0.75%   |
| Franklin K2 Chilton Equity Long Short UCITS Fund <sup>#</sup> | 1.40%   | 0.60%    | 0.75%    | 1.20%   | –           | Up to 1.20% | 1.20%   |
| Franklin K2 Electron Global UCITS Fund                        | 1.45%   | 0.60%    | 0.75%    | 1.25%   | Up to 1.25% | Up to 1.25% | 1.25%   |
| Franklin K2 Ellington Structured Credit UCITS Fund            | 1.40%   | 0.50%    | 0.65%    | 1.00%   | –           | Up to 1.00% | 1.00%   |
| Franklin K2 Wellington Technology Long Short UCITS Fund       | 1.40%   | 0.60%    | 0.75%    | 1.20%   | –           | –           | 1.20%   |

<sup>#</sup>Please refer Note 1 for fund events.

## Note 11 - Performance fees

The Management Company may be entitled to receive from the net assets attributable to a Share Class an annual performance-based incentive fee (the "Performance Fee") which, if applicable, will be calculated and accrued daily and payable as of the end of each fiscal reporting period.

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 (i) the increase in the Target Benchmark over the same period and (ii) the applicable High Water Mark point as defined in the Prospectus.

If Shareholders redeem all or part of their Shares before the end of a Performance Period, any accrued Performance Fee with respect to such Shares will crystallise on that Dealing Day and will then become payable.

The following performance fees apply in respect of the PF shares as at September 30, 2023.

**Note 11 - Performance fees (continued)**

| <b>Sub-fund and Share Classes</b>                                   | <b>Sub-fund<br/>currency</b> | <b>Performance<br/>fees</b> | <b>Performance<br/>fees (amount)</b> | <b>Percentage<br/>of average<br/>net assets</b> | <b>Target benchmark</b>          |
|---|------------------------------|-----------------------------|--------------------------------------|---|----------------------------------|
| <b>Franklin K2 ActusRay European Alpha UCITS Fund</b>               |                              |                             |                                      |   |                                  |
| A PF (acc) USD-H1 (hedged)  | EUR                          | 20.0%                       | 223                                  | –   | N/A                              |
| EB PF (acc) EUR   | EUR                          | 20.0%                       | 169,839                              | 0.25%   | N/A                              |
| EB PF (acc) USD-H1 (hedged)   | EUR                          | 20.0%                       | 29,134                               | 0.04%   | N/A                              |
| EO PF (acc) EUR   | EUR                          | 20.0%                       | 76,578                               | 0.11%   | N/A                              |
| EO PF (acc) USD-H1 (hedged)   | EUR                          | 20.0%                       | 9,924                                | 0.01%   | N/A                              |
| I PF (acc) EUR  | EUR                          | 20.0%                       | 8                                    | –   | N/A                              |
| I PF (acc) USD-H1 (hedged)  | EUR                          | 20.0%                       | 239                                  | –   | N/A                              |
| W PF (acc) USD-H1 (hedged)  | EUR                          | 20.0%                       | 238                                  | –   | N/A                              |
| <b>Franklin K2 Bardin Hill Arbitrage UCITS Fund</b>                 |                              |                             |                                      |   |                                  |
| A PF (acc) USD  | USD                          | 12.5%                       | 697                                  | –   | N/A                              |
| EB PF (acc) EUR-H1 (hedged)   | USD                          | 10.0%                       | 134                                  | –   | N/A                              |
| EB PF (acc) USD   | USD                          | 10.0%                       | 32                                   | –   | N/A                              |
| EO PF (acc) EUR-H1 (hedged)   | USD                          | 20.0%                       | 2,197                                | –   | N/A                              |
| EO PF (acc) USD   | USD                          | 20.0%                       | 22,859                               | 0.02%   | N/A                              |
| I PF (acc) EUR  | USD                          | 12.5%                       | –                                    | –   | N/A                              |
| I PF (acc) EUR-H1 (hedged)  | USD                          | 12.5%                       | –                                    | –   | N/A                              |
| I PF (acc) USD  | USD                          | 12.5%                       | 11,181                               | 0.01%   | N/A                              |
| S PF (acc) EUR-H1 (hedged)  | USD                          | 20.0%                       | 34                                   | –   | N/A                              |
| S PF (acc) USD  | USD                          | 20.0%                       | 200,964                              | 0.15%   | N/A                              |
| W PF (acc) USD  | USD                          | 12.5%                       | 2                                    | –   | N/A                              |
| <b>Franklin K2 Chilton Equity Long Short UCITS Fund<sup>⊖</sup></b> |                              |                             |                                      |   |                                  |
| A PF (acc) USD  | USD                          | 15.0%                       | –                                    | –   | N/A                              |
| EO PF (acc) EUR-H1 (hedged)   | USD                          | 20.0%                       | –                                    | –   | N/A                              |
| I PF (acc) EUR-H1 (hedged)  | USD                          | 15.0%                       | –                                    | –   | N/A                              |
| I PF (acc) USD  | USD                          | 15.0%                       | –                                    | –   | N/A                              |
| S PF (acc) USD  | USD                          | 15.0%                       | –                                    | –   | N/A                              |
| S PF (acc) USD-H4E (BRL) (hedged)                                   | USD                          | 15.0%                       | –                                    | –   | N/A                              |
| W PF (acc) USD  | USD                          | 15.0%                       | –                                    | –   | N/A                              |
| <b>Franklin K2 Electron Global UCITS Fund</b>                       |                              |                             |                                      |   |                                  |
| A PF (acc) EUR-H1 (hedged)  | USD                          | 15.0%                       | –                                    | –   | N/A                              |
| A PF (acc) SGD <sup>*</sup>   | USD                          | 15.0%                       | –                                    | –   | N/A                              |
| A PF (acc) SGD-H1 (hedged) <sup>*</sup>                             | USD                          | 15.0%                       | –                                    | –   | N/A                              |
| A PF (acc) USD  | USD                          | 15.0%                       | 499                                  | –   | N/A                              |
| EB PF (acc) EUR-H2 (hedged)   | USD                          | 10.0%                       | 462                                  | –   | N/A                              |
| EO PF (acc) EUR-H2 (hedged)   | USD                          | 20.0%                       | 16,988                               | 0.01%   | N/A                              |
| EO PF (acc) USD   | USD                          | 20.0%                       | –                                    | –   | N/A                              |
| I PF (acc) EUR-H1 (hedged)  | USD                          | 15.0%                       | 390                                  | –   | N/A                              |
| I PF (acc) EUR-H2 (hedged)  | USD                          | 15.0%                       | –                                    | –   | N/A                              |
| I PF (acc) SGD <sup>*</sup>   | USD                          | 15.0%                       | –                                    | –   | N/A                              |
| I PF (acc) SGD-H1 (hedged) <sup>*</sup>                             | USD                          | 15.0%                       | –                                    | –   | N/A                              |
| I PF (acc) USD  | USD                          | 15.0%                       | 4,039                                | –   | N/A                              |
| J PF (acc) EUR-H1 (hedged)  | USD                          | 18.0%                       | 35,598                               | 0.02%   | Euro Short-term Rate             |
| J PF (acc) USD  | USD                          | 18.0%                       | 14,968                               | 0.01%   | Secured Overnight Financing Rate |
| J PF (Qdis) GBP-H1 (hedged)   | USD                          | 18.0%                       | –                                    | –   | Sterling Overnight Index Average |
| S PF (acc) USD-H4E (BRL) (hedged) <sup>⊖</sup>                      | USD                          | 15.0%                       | 5,791                                | –   | N/A                              |
| W PF (acc) EUR-H1 (hedged) <sup>*</sup>                             | USD                          | 15.0%                       | –                                    | –   | N/A                              |
| W PF (acc) GBP-H1 (hedged)  | USD                          | 15.0%                       | –                                    | –   | N/A                              |
| W PF (acc) USD  | USD                          | 15.0%                       | 8                                    | –   | N/A                              |
| <b>Franklin K2 Ellington Structured Credit UCITS Fund</b>           |                              |                             |                                      |   |                                  |
| EB PF (acc) EUR-H1 (hedged)   | USD                          | 10.0%                       | 6,780                                | 0.01%   | N/A                              |
| EO PF (acc) EUR-H1 (hedged)   | USD                          | 15.0%                       | 77,413                               | 0.13%   | N/A                              |
| EO PF (acc) USD   | USD                          | 15.0%                       | 39,536                               | 0.07%   | N/A                              |
| <b>Franklin K2 Wellington Technology Long Short UCITS Fund</b>      |                              |                             |                                      |   |                                  |
| A PF (acc) USD  | USD                          | 15.0%                       | –                                    | –   | N/A                              |
| EB PF (acc) USD   | USD                          | 12.5%                       | –                                    | –   | N/A                              |
| EO PF (acc) EUR-H1(hedged)  | USD                          | 20.0%                       | –                                    | –   | N/A                              |
| EO PF (acc) USD   | USD                          | 20.0%                       | –                                    | –   | N/A                              |
| I PF (acc) EUR-H1 (hedged)  | USD                          | 15.0%                       | –                                    | –   | N/A                              |
| I PF (acc) USD  | USD                          | 15.0%                       | –                                    | –   | N/A                              |
| I PF (acc) USD-H4 (BRL) (hedged)                                    | USD                          | 15.0%                       | –                                    | –   | N/A                              |
| W PF (acc) USD  | USD                          | 15.0%                       | –                                    | –   | N/A                              |

\* This fund/share class was launched during the period.

⊖ This fund/share class was closed during the period.

### Note 12 - Soft commission

Consistent with obtaining best execution, brokerage commissions on portfolio transactions for the Company may be directed by the Investment Managers to broker-dealers in recognition of research services furnished by them as well as for services rendered in the execution of orders by such broker-dealers.

The receipt of investment research and information and related services permits the Investment Managers to supplement their own research and analysis and makes available to them the views and information of individuals and research staffs of other firms.

Such services do not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries or direct money payment, which are paid for directly by the Investment Managers.

### Note 13 - Connected party transactions

Certain directors of the Company are or may also be officers and/or directors of the Management Company. All transactions with connected parties were entered into in the ordinary course of business and under normal commercial terms.

The investment management fees that are accrued by the Company in respect of the Management Company are detailed in note 10 to the financial statements.

There are no connected brokers in Franklin Templeton, and no transactions were entered into with connected brokers during the period ended September 30, 2023.

During the period ended September 30, 2023, the Company accrued administration and transfer agency fees and shares' maintenance and service charges in respect of Franklin Templeton International Services S.à r.l. as Management Company and Principal Distributor of the Funds.

### Note 14 - Taxation

Under current tax laws and practice, the Company is not liable in the Grand Duchy of Luxembourg to any taxes on income or on realised or unrealised capital gains.

The Company is liable in the Grand Duchy of Luxembourg to a tax of 0.05% per annum, such tax being paid quarterly, and calculated on the net asset value of each Fund at the end of each relevant quarter. This tax is not applicable for the portion of the assets of a Fund invested in other undertakings for collective investment that have already been subject to such tax. A reduced tax rate of 0.01% may apply to Share Classes reserved for Institutional Investors.

Investment income received or capital gains realised by the Company may be subject to tax in the countries of origin. All liabilities in respect of taxes payable on unrealised capital gains on investments are provided for as soon as there is a reasonable certainty that a liability will crystallise.

No stamp duty or other tax is payable in the Grand Duchy of Luxembourg on the issue of shares in the Company.

The Company is registered for Value Added Tax in the Grand Duchy of Luxembourg and subject to account for Value Added Tax in accordance with current law.

### Note 15 - Share classes

Class A shares: are offered for subscription to retail investors and will also be available to Institutional Investors. Purchases of Class A shares are subject to any entry charge of up to 5.75% and maintenance charge of up to 0.50% per annum of the applicable average net asset value is deducted and paid to the Principal Distributor. This charge is accrued daily and is deducted and paid monthly to the Principal Distributor.

Class EB shares: these "early bird" share classes are only offered to institutional investors who invest at Fund launch as more fully described in the current issuing document of the Company. Purchases of Class EB shares are not subject to any entry, maintenance or servicing charges.



**Note 15 - Share classes (continued)**

Class EO shares: these "early bird open" share classes are only offered to institutional investors who invest at Fund launch or to institutional investors who entered into an advisory or investment management agreement with K2/D&S Management Co., L.L.C., the Management Company or its affiliates prior to Fund launch as more fully described in the current issuing document of the Company. Purchases of Class EB shares are not subject to any entry, maintenance or servicing charges.

Class I shares: are offered to institutional investors as more fully described in the current prospectus of the Company. Purchases of Class I shares are not subject to any entry, maintenance or servicing charges.

Class J shares: shall only be offered in limited circumstances by invitation to intermediaries, distributors, platforms and/or Brokers/Dealers as more fully described in the current prospectus of the Company. Purchases of Class J shares are not subject to any entry, maintenance or servicing charges.

Class S shares: shall only be offered in limited circumstances by invitation to intermediaries, distributors, platforms and/or Brokers/Dealers as more fully described in the current prospectus of the Company. Purchases of Class S shares are not subject to any entry, maintenance or servicing charges.

Class W shares: are offered through intermediaries, distributors, platforms and/or Brokers/Dealers as more fully described in the current prospectus of the Company. Intermediaries or distributors selling Class W Shares may apply their own selling charges, but which should not exceed 5.75%. Purchases of Class W shares are not subject to any entry, maintenance or servicing charges.

Class X shares: may only be offered to Institutional Investors, in certain limited circumstances, at the discretion of the Management Company or the Investment Manager and its affiliates as more fully described in the current prospectus of the Company. Purchases of Class X shares are not subject to any entry, maintenance or servicing charges.

Class Y shares: may only be offered to Institutional Investors, in certain limited circumstances, at the discretion of the Management Company and/or its affiliates as more fully described in the current prospectus of the Company. Purchases of Class Y shares are not subject to any entry, maintenance or servicing charges.

Accumulating shares (acc): do not distribute any dividends but the income attributable is reflected in the increased value of the shares. All other terms and conditions are the same as those which apply to distributing share classes.

Distributing shares: may have different frequencies. (Mdis) share classes distribute monthly, (Qdis) share classes distribute quarterly and (Bdis) share classes distribute bi-annually.

Performance fee classes: are classes that are subject to performance fees and are denoted by the inclusion of "PF" in their names.

Hedged share classes: In respect of hedged share classes, the Company offers the following alternatives:

- H1: in order to reduce exchange rate fluctuations and return fluctuations, the base currency exposure of the fund is hedged into the hedged share class alternative currency.
- H2: a hedging strategy is applied in order to reduce the risk of currency movements between the currency of the hedged share class and other material currencies of the securities and cash held by the Fund.
- H4: where currency controls imposed by a country's monetary authority prevent free movement of currency ("Restricted Currency"), another hedging methodology is used. The share class is denominated in the base currency of the Fund but hedges the Fund's base currency into a specified Restricted Currency for investors in that Restricted Currency.

**Note 16 - Expenses reimbursement**

On a daily basis, for share classes where the expenses are capped, the level of expenses is calculated and compared to the cap and where the level of expenses is higher than the cap, this difference is booked as a decrease of expense (the "waiver fees"). The performance fees do not form part of the capped expenses. On a monthly basis the waiver fees are deducted from the fees received by Franklin Templeton International Services S.à r.l.

### Note 16 - Expenses reimbursement (continued)

The amount of waiver fees is disclosed as “Expenses reimbursement” in the “Statement of Operations and Changes in Net Assets”.

### Note 17 - Statement of changes in the investment portfolio

A list, specifying for each Fund total purchases and sales transacted during the period under review, may be obtained, upon request, at the registered office of the Company.

### Note 18 - Transaction costs

Transaction costs are costs incurred to acquire and dispose of financial assets or liabilities. They include fees and commissions paid to agents, brokers and dealers. During the period ended September 30, 2023, the Company incurred the following transaction costs:

| Fund Name   | Currency | Amount* |
|---|----------|---------|
| Franklin K2 ActusRay European Alpha UCITS Fund          | EUR      | –       |
| Franklin K2 Athena Risk Premia UCITS Fund               | USD      | 4,726   |
| Franklin K2 Bardin Hill Arbitrage UCITS Fund            | USD      | 600,883 |
| Franklin K2 Cat Bond UCITS Fund                         | USD      | –       |
| Franklin K2 Chilton Equity Long Short UCITS Fund†       | USD      | 1,103   |
| Franklin K2 Electron Global UCITS Fund                  | USD      | 87,074  |
| Franklin K2 Ellington Structured Credit UCITS Fund      | USD      | –       |
| Franklin K2 Wellington Technology Long Short UCITS Fund | USD      | 14,138  |

\*Please refer Note 1 for fund events.

†For debt securities and derivatives, transaction costs are not separately identifiable from the purchase price of the security and therefore cannot be disclosed separately.

### Note 19 - Equalisation

The Funds use an accounting practice known as equalisation, by which a portion of the proceeds from issue and costs of redemption of shares, equivalent on a per share basis to the amount of undistributed investment income on the date of the transaction, is credited or charged to undistributed income which is disclosed as equalisation in the “Statement of Operations and Changes in Net Assets”. As a result, undistributed investment income per share is unaffected by issue or redemptions of shares. However, in respect of any Fund offering only Accumulation Shares, the Board of Directors reserve the right not to apply equalization.

### Note 20 - Other Charges

Other expenses mainly consist of legal fees, registration & filing fees, paying agent fees, tax fees and shareholders reporting fee.

### Note 21 - Total Expense Ratio

The Total Expense Ratio (“TER”), expressed as a percentage, represents how the total annualised expenses of each share class relate to the average net assets of each share class for the period ended September 30, 2023. The total expenses comprise the investment management fees, maintenance and service charges, the administration and transfer agency fees, the custodian fees and other expenses. However, TER does not include performance fees as summarised in the “Statement of Operations and Changes in Net Assets”.

For share classes launched during the period, the TER is annualised.

### Note 22 - Global Credit facility

Effective February 3, 2023, the Company together with other European and U.S. registered investment funds managed by Franklin Templeton Investments (individually, “Borrower”; collectively, “Borrowers”), entered into a joint syndicated senior unsecured credit facility totalling USD 2,675 million (Global Credit Facility) to provide a source of funds to the Borrowers for temporary and emergency purposes, including the ability, to meet future unanticipated or unusually large redemption requests.

**Note 22 - Global Credit facility (continued)**

Under the terms of the Global Credit Facility, the Company will, in addition to interest charged on any borrowings made by the company and other costs incurred by the Company, pay its share of fees and expenses incurred in connection with the implementation and maintenance of the Global Credit Facility, based upon its relative share of the aggregate net assets of all of the Borrowers, including an annual commitment fee based upon the unused portion of the Global Credit Facility.

During the financial period ended September 30, 2023, the Company did not use the Global Credit Facility.

**Note 23 - Abbreviations****Countries**

|     |                      |     |                |     |             |     |                          |
|-----|----------------------|-----|----------------|-----|-------------|-----|--------------------------|
| ARE | United Arab Emirates | CYM | Cayman Islands | IRL | Ireland     | SGP | Singapore                |
| AUS | Australia            | DEU | Germany        | ISR | Israel      | SP  | Supranational            |
| BMD | Bermuda              | DNK | Denmark        | ITA | Italy       | USA | United States of America |
| BRA | Brazil               | FRA | France         | JEY | Jersey      |     |                          |
| CAN | Canada               | GBR | United Kingdom | JPN | Japan       |     |                          |
| CHN | China                | HKG | Hong Kong      | NLD | Netherlands |     |                          |

**Currencies**

|     |                   |     |                        |     |                 |     |                    |
|-----|-------------------|-----|------------------------|-----|-----------------|-----|--------------------|
| AUD | Australian Dollar | DKK | Danish Krone           | JPY | Japanese Yen    | SGD | Singapore Dollar   |
| BRL | Brazilian Real    | EUR | Euro                   | NOK | Norwegian Krone | USD | US Dollar          |
| CAD | Canadian Dollar   | GBP | British Pound Sterling | PLN | Polish Zloty    | ZAR | South African Rand |
| CHF | Swiss Franc       | HKD | Hong Kong Dollar       | SEK | Swedish Krona   |     |                    |

**Note 24 - Subsequent events**

There have been no subsequent events since the period end.

## Schedule of Investments, September 30, 2023

## Franklin K2 Bardin Hill Arbitrage UCITS Fund

(Currency - USD)

| Number of shares<br>or face value | Description   | Country<br>code | Trading<br>currency | Market<br>value   | % of net<br>assets |
|-----------------------------------|---|-----------------|---------------------|-------------------|--------------------|
|                                   | TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL<br>STOCK EXCHANGE LISTING |                 |                     |                   |                    |
|                                   | <b>SHARES</b>   |                 |                     |                   |                    |
|                                   | <b>Biotechnology</b>  |                 |                     |                   |                    |
| 54,250                            | Seagen, Inc.  | USA             | USD                 | 11,509,137        | 9.31               |
| 95,005                            | Horizon Therapeutics plc  | USA             | USD                 | 10,991,128        | 8.90               |
| 79,139                            | Abcam plc, ADR  | GBR             | USD                 | 1,790,916         | 1.45               |
| 656,730                           | EQRx, Inc.  | USA             | USD                 | 1,457,941         | 1.18               |
|                                   |   |                 |                     | <u>25,749,122</u> | <u>20.84</u>       |
|                                   | <b>Capital Markets</b>  |                 |                     |                   |                    |
| 260,513                           | Greenhill & Co., Inc.   | USA             | USD                 | 3,855,592         | 3.12               |
| 81,548                            | Sculptor Capital Management, Inc. 'A'                                     | USA             | USD                 | 945,957           | 0.77               |
|                                   |   |                 |                     | <u>4,801,549</u>  | <u>3.89</u>        |
|                                   | <b>Chemicals</b>  |                 |                     |                   |                    |
| 6,882                             | Covestro AG, Reg. S, 144A   | DEU             | EUR                 | 370,079           | 0.30               |
|                                   |   |                 |                     | <u>370,079</u>    | <u>0.30</u>        |
|                                   | <b>Consumer Staples Distribution &amp; Retail</b>                         |                 |                     |                   |                    |
| 208,395                           | Albertsons Cos., Inc. 'A'   | USA             | USD                 | 4,740,986         | 3.84               |
|                                   |   |                 |                     | <u>4,740,986</u>  | <u>3.84</u>        |
|                                   | <b>Electric Utilities</b>   |                 |                     |                   |                    |
| 790,297                           | Origin Energy Ltd.  | AUS             | AUD                 | 4,450,113         | 3.60               |
| 12,095                            | PNM Resources, Inc.   | USA             | USD                 | 539,558           | 0.44               |
|                                   |   |                 |                     | <u>4,989,671</u>  | <u>4.04</u>        |
|                                   | <b>Electronic Equipment, Instruments &amp; Components</b>                 |                 |                     |                   |                    |
| 167,977                           | Hollysys Automation Technologies Ltd.                                     | CHN             | USD                 | 3,332,664         | 2.70               |
|                                   |   |                 |                     | <u>3,332,664</u>  | <u>2.70</u>        |
|                                   | <b>Entertainment</b>  |                 |                     |                   |                    |
| 90,784                            | Manchester United plc 'A'   | GBR             | USD                 | 1,796,616         | 1.45               |
| 17,014                            | TKO Group Holdings, Inc.  | USA             | USD                 | 1,430,197         | 1.16               |
| 1,983                             | Activision Blizzard, Inc.   | USA             | USD                 | 185,668           | 0.15               |
|                                   |   |                 |                     | <u>3,412,481</u>  | <u>2.76</u>        |
|                                   | <b>Financial Services</b>   |                 |                     |                   |                    |
| 1,241,173                         | Network International Holdings plc, Reg. S, 144A                          | ARE             | GBP                 | 5,909,014         | 4.78               |
|                                   |   |                 |                     | <u>5,909,014</u>  | <u>4.78</u>        |
|                                   | <b>Food Products</b>  |                 |                     |                   |                    |
| 1,238,856                         | United Malt Group Ltd.  | AUS             | AUD                 | 3,926,876         | 3.18               |
| 1,682,806                         | Costa Group Holdings Ltd.   | AUS             | AUD                 | 3,375,592         | 2.73               |
| 41,917                            | Hostess Brands, Inc. 'A'  | USA             | USD                 | 1,396,255         | 1.13               |
|                                   |   |                 |                     | <u>8,698,723</u>  | <u>7.04</u>        |
|                                   | <b>Health Care Providers &amp; Services</b>                               |                 |                     |                   |                    |
| 23,266                            | Amedisys, Inc.  | USA             | USD                 | 2,173,044         | 1.76               |
| 129,649                           | Synlab AG   | DEU             | EUR                 | 1,383,051         | 1.12               |
| 161                               | Enhabit, Inc.   | USA             | USD                 | 1,811             | —                  |
|                                   |   |                 |                     | <u>3,557,906</u>  | <u>2.88</u>        |
|                                   | <b>Health Care Technology</b>   |                 |                     |                   |                    |
| 60,511                            | NextGen Healthcare, Inc.  | USA             | USD                 | 1,435,926         | 1.16               |
|                                   |   |                 |                     | <u>1,435,926</u>  | <u>1.16</u>        |
|                                   | <b>Hotels, Restaurants &amp; Leisure</b>                                  |                 |                     |                   |                    |
| 179,967                           | NEOGAMES SA   | ISR             | USD                 | 4,859,109         | 3.93               |
| 289,502                           | F45 Training Holdings, Inc.   | USA             | USD                 | 6,659             | 0.01               |
|                                   |   |                 |                     | <u>4,865,768</u>  | <u>3.94</u>        |
|                                   | <b>Independent Power and Renewable Electricity Producers</b>              |                 |                     |                   |                    |
| 112,739                           | Energy Harbor Corp.   | USA             | USD                 | 9,016,302         | 7.30               |
|                                   |   |                 |                     | <u>9,016,302</u>  | <u>7.30</u>        |
|                                   | <b>Interactive Media &amp; Services</b>                                   |                 |                     |                   |                    |
| 31,265                            | Adevinta ASA  | FRA             | NOK                 | 308,014           | 0.25               |
|                                   |   |                 |                     | <u>308,014</u>    | <u>0.25</u>        |
|                                   | <b>Media</b>  |                 |                     |                   |                    |
| 415,300                           | Clear Channel Outdoor Holdings, Inc.                                      | USA             | USD                 | 656,174           | 0.53               |
|                                   |   |                 |                     | <u>656,174</u>    | <u>0.53</u>        |

Franklin K2 Bardin Hill Arbitrage UCITS Fund (continued)

(Currency - USD)

| Number of shares<br>or face value   | Description  | Country<br>code | Trading<br>currency | Market<br>value           | % of net<br>assets  |
|---|--|-----------------|---------------------|---------------------------|---------------------|
| <b>Metals &amp; Mining</b>  |  |                 |                     |                           |                     |
| 13,805  | United States Steel Corp.                          | USA             | USD                 | 448,386                   | 0.36                |
|   |  |                 |                     | <u>448,386</u>            | <u>0.36</u>         |
| <b>Oil, Gas &amp; Consumable Fuels</b>  |  |                 |                     |                           |                     |
| 16,954  | Denbury, Inc.                                      | USA             | USD                 | 1,661,662                 | 1.34                |
|   |  |                 |                     | <u>1,661,662</u>          | <u>1.34</u>         |
| <b>Pharmaceuticals</b>  |  |                 |                     |                           |                     |
| 103,810   | Dechra Pharmaceuticals plc                         | GBR             | GBP                 | 4,787,696                 | 3.87                |
|   |  |                 |                     | <u>4,787,696</u>          | <u>3.87</u>         |
| <b>Semiconductors &amp; Semiconductor Equipment</b>                                 |  |                 |                     |                           |                     |
| 800,685   | eMagin Corp.                                       | USA             | USD                 | 1,593,363                 | 1.29                |
|   |  |                 |                     | <u>1,593,363</u>          | <u>1.29</u>         |
| <b>Software</b>   |  |                 |                     |                           |                     |
| 53,512  | VMware, Inc. 'A'                                   | USA             | USD                 | 8,908,678                 | 7.21                |
| 29,629  | SimCorp A/S  | DNK             | DKK                 | 3,077,155                 | 2.49                |
| 14,624  | New Relic, Inc.                                    | USA             | USD                 | 1,252,107                 | 1.01                |
| 1,042,662   | Infomedia Ltd.                                     | AUS             | AUD                 | 1,057,351                 | 0.86                |
| 418,679   | Alfa Financial Software Holdings plc, Reg. S, 144A | GBR             | GBP                 | 942,482                   | 0.76                |
| 4,821   | ESI Group  | FRA             | EUR                 | 772,196                   | 0.62                |
| 4,269   | Splunk, Inc.                                       | USA             | USD                 | 624,341                   | 0.51                |
| 77,022  | Kaleyra, Inc.                                      | ITA             | USD                 | 557,639                   | 0.45                |
|   |  |                 |                     | <u>17,191,949</u>         | <u>13.91</u>        |
| <b>Textiles, Apparel &amp; Luxury Goods</b>   |  |                 |                     |                           |                     |
| 64,412  | Capri Holdings Ltd.                                | USA             | USD                 | 3,388,715                 | 2.74                |
|   |  |                 |                     | <u>3,388,715</u>          | <u>2.74</u>         |
| <b>TOTAL SHARES</b>   |  |                 |                     | <u>110,916,150</u>        | <u>89.76</u>        |
| <b>WARRANTS</b>   |  |                 |                     |                           |                     |
| <b>Capital Markets</b>  |  |                 |                     |                           |                     |
| 5,341   | Social Leverage Acquisition Corp. I 02/17/2028     | USA             | USD                 | 306                       | —                   |
| 828   | RMG Acquisition Corp. III 12/31/2027               | USA             | USD                 | 108                       | —                   |
| 2,273   | Jaws Mustang Acquisition Corp. 01/30/2026          | USA             | USD                 | 91                        | —                   |
| 165   | CC Neuberger Principal Holdings III 12/31/2027     | USA             | USD                 | 34                        | —                   |
| 171   | Apollo Strategic Growth Capital II 12/31/2027      | USA             | USD                 | 13                        | —                   |
|   |  |                 |                     | <u>552</u>                | <u>—</u>            |
| <b>Electronic Equipment, Instruments &amp; Components</b>                           |  |                 |                     |                           |                     |
| 8,514   | Movella Holdings, Inc. 12/31/2027                  | USA             | USD                 | 335                       | —                   |
|   |  |                 |                     | <u>335</u>                | <u>—</u>            |
| <b>Health Care Equipment &amp; Supplies</b>   |  |                 |                     |                           |                     |
| 30,385  | Spectral AI, Inc. 12/31/2027                       | USA             | USD                 | 3,950                     | —                   |
|   |  |                 |                     | <u>3,950</u>              | <u>—</u>            |
| <b>IT Services</b>  |  |                 |                     |                           |                     |
| 2,095   | Core Scientific, Inc. 01/19/2027                   | USA             | USD                 | 378                       | —                   |
|   |  |                 |                     | <u>378</u>                | <u>—</u>            |
| <b>Media</b>  |  |                 |                     |                           |                     |
| 106   | Innovid Corp. 'A' 12/31/2027                       | ISR             | USD                 | 7                         | —                   |
|   |  |                 |                     | <u>7</u>                  | <u>—</u>            |
| <b>TOTAL WARRANTS</b>   |  |                 |                     | <u>5,222</u>              | <u>—</u>            |
| <b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b> |  |                 |                     | <u>110,921,372</u>        | <u>89.76</u>        |
| <b>TOTAL INVESTMENTS</b>  |  |                 |                     | <u><b>110,921,372</b></u> | <u><b>89.76</b></u> |

## Schedule of Investments, September 30, 2023

## Franklin K2 Cat Bond UCITS Fund

(Currency - USD)

| Number of shares<br>or face value | Description   | Country<br>code | Trading<br>currency | Market<br>value | % of net<br>assets |
|-----------------------------------|---|-----------------|---------------------|-----------------|--------------------|
|                                   | TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL<br>STOCK EXCHANGE LISTING               |                 |                     |                 |                    |
|                                   | <b>BONDS</b>  |                 |                     |                 |                    |
|                                   | <b>Corporate Bonds</b>  |                 |                     |                 |                    |
| 3,525,000                         | Everglades Re II Ltd., 144A, FRN 11.102% 05/15/2028                                     | BMD             | USD                 | 3,429,296       | 2.57               |
| 3,250,000                         | Queen Street 2023 RE DAC, 144A, FRN 12.935% 12/08/2028                                  | IRL             | USD                 | 3,347,500       | 2.50               |
| 3,000,000                         | Acorn Re Ltd., 144A, FRN 7.942% 05/07/2025  | BMD             | USD                 | 2,948,400       | 2.21               |
| 2,175,000                         | Northshore Re II Ltd., 144A, FRN 11.018% 01/08/2027                                     | BMD             | USD                 | 2,173,260       | 1.63               |
| 1,975,000                         | Everglades Re II Ltd., 144A, FRN 11.762% 05/15/2028                                     | BMD             | USD                 | 1,874,670       | 1.40               |
| 975,000                           | Everglades Re II Ltd., 144A, FRN 11.342% 05/15/2028                                     | BMD             | USD                 | 938,413         | 0.70               |
| 900,000                           | Easton Re Pte. Ltd., 144A, FRN 9.976% 01/08/2027  | SGP             | USD                 | 904,253         | 0.68               |
| 925,000                           | Herbie Re Ltd., 144A, FRN 11.998% 01/08/2025  | BMD             | USD                 | 903,054         | 0.68               |
| 775,000                           | Titania RE Ltd., 144A, FRN 10.48% 06/21/2028  | BMD             | USD                 | 766,126         | 0.57               |
| 750,000                           | Blue Halo Re Ltd., 144A, FRN 15.192% 02/24/2025   | BMD             | USD                 | 735,056         | 0.55               |
| 750,000                           | Sanders RE II Ltd., 144A, FRN 17.23% 04/07/2025   | BMD             | USD                 | 709,088         | 0.53               |
| 325,000                           | Kilimanjaro III Re Ltd., 144A, FRN 15.356% 12/19/2027                                   | BMD             | USD                 | 323,156         | 0.24               |
|                                   |   |                 |                     | 19,052,272      | 14.26              |
|                                   | <b>Supranational</b>  |                 |                     |                 |                    |
| 2,813,000                         | International Bank for Reconstruction & Development, 144A, FRN<br>12.167% 07/13/2024    | SP              | USD                 | 2,771,508       | 2.07               |
| 1,850,000                         | International Bank for Reconstruction & Development, 144A, FRN<br>15.587% 07/13/2024    | SP              | USD                 | 1,834,830       | 1.37               |
| 1,750,000                         | International Bank for Reconstruction & Development, 144A, FRN<br>10.082% 03/31/2026    | SP              | USD                 | 1,791,388       | 1.34               |
| 1,250,000                         | International Bank for Reconstruction & Development, 144A, FRN<br>14.587% 06/13/2024    | SP              | USD                 | 1,235,938       | 0.93               |
| 1,175,000                         | International Bank for Reconstruction & Development, 144A, FRN<br>9.087% 06/13/2024     | SP              | USD                 | 1,173,766       | 0.88               |
|                                   |   |                 |                     | 8,807,430       | 6.59               |
|                                   | <b>TOTAL BONDS</b>  |                 |                     | 27,859,702      | 20.85              |
|                                   | <b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN<br/>OFFICIAL STOCK EXCHANGE LISTING</b> |                 |                     | 27,859,702      | 20.85              |
|                                   | TRANSFERABLE SECURITIES DEALT IN ON ANOTHER<br>REGULATED MARKET                         |                 |                     |                 |                    |
|                                   | <b>BONDS</b>  |                 |                     |                 |                    |
|                                   | <b>Corporate Bonds</b>  |                 |                     |                 |                    |
| 4,000,000                         | SD Re Ltd., 144A, FRN 14.682% 11/19/2031  | BMD             | USD                 | 3,909,000       | 2.93               |
| 3,750,000                         | Long Point Re IV Ltd., 144A, FRN 9.696% 06/01/2026                                      | CYM             | USD                 | 3,738,750       | 2.80               |
| 3,768,000                         | Cape Lookout Re Ltd., 144A, FRN 9.166% 03/22/2028                                       | BMD             | USD                 | 3,720,052       | 2.78               |
| 3,575,000                         | Alamo Re Ltd., 144A, FRN 12.622% 06/07/2028   | BMD             | USD                 | 3,537,641       | 2.65               |
| 3,250,000                         | Gateway Re Ltd., 144A, FRN 18.442% 02/24/2026   | USA             | USD                 | 3,426,800       | 2.56               |
| 2,750,000                         | Everglades Re II Ltd., 144A 0% 01/16/2028   | BMD             | USD                 | 2,639,312       | 1.98               |
| 2,675,000                         | Sakura RE Ltd., 144A, FRN 9.444% 04/07/2029   | BMD             | USD                 | 2,615,348       | 1.96               |
| 2,500,000                         | Cape Lookout Re Ltd., 144A, FRN 11.966% 04/28/2030                                      | BMD             | USD                 | 2,547,937       | 1.91               |
| 2,500,000                         | Wrigley Re Ltd., 144A, FRN 12.362% 08/07/2027   | BMD             | USD                 | 2,528,250       | 1.89               |
| 2,425,000                         | Acorn Re Ltd., 144A, FRN 9.792% 11/06/2026  | BMD             | USD                 | 2,442,278       | 1.83               |
| 2,250,000                         | Ursa Re II Ltd., 144A, FRN 12.394% 12/06/2025   | BMD             | USD                 | 2,346,469       | 1.76               |
| 2,250,000                         | Phoenician Re Ltd., 144A, FRN 8.34% 12/14/2024  | BMD             | USD                 | 2,219,344       | 1.66               |
| 2,000,000                         | Lightning Re, 144A, FRN 16.442% 03/31/2030  | USA             | USD                 | 2,095,100       | 1.57               |
| 2,000,000                         | Alamo Re Ltd., 144A, FRN 13.942% 06/07/2026   | BMD             | USD                 | 2,036,950       | 1.52               |
| 2,000,000                         | Torrey Pines Re Ltd., 144A, FRN 10.454% 06/05/2031                                      | BMD             | USD                 | 2,028,100       | 1.52               |
| 1,750,000                         | Hypatia Ltd., 144A, FRN 14.909% 04/08/2030  | BMD             | USD                 | 1,825,731       | 1.37               |
| 1,800,000                         | Ursa Re II Ltd., 144A, FRN 9.386% 12/07/2027  | BMD             | USD                 | 1,797,750       | 1.35               |
| 1,750,000                         | Locke Tavern Re Ltd., 144A, FRN 4.75% 04/09/2026  | BMD             | USD                 | 1,782,769       | 1.33               |
| 1,825,000                         | Torrey Pines Re Pte. Ltd., 144A, FRN 9.374% 06/07/2029                                  | BMD             | USD                 | 1,781,063       | 1.33               |
| 1,750,000                         | Citrus Re Ltd., 144A, FRN 14.354% 06/07/2030  | BMD             | USD                 | 1,759,231       | 1.32               |
| 1,775,000                         | Torrey Pines Re Pte. Ltd., 144A, FRN 10.224% 06/07/2029                                 | BMD             | USD                 | 1,741,541       | 1.30               |
| 1,750,000                         | Black Kite Re Ltd., 144A, FRN 12.321% 06/09/2025  | HKG             | USD                 | 1,735,169       | 1.30               |
| 1,750,000                         | Nakama Re Pte. Ltd., 144A, FRN 8.034% 10/13/2026  | SGP             | USD                 | 1,717,888       | 1.29               |
| 1,675,000                         | Kendall Re Ltd., 144A, FRN 9.397% 05/02/2028  | BMD             | USD                 | 1,663,987       | 1.24               |
| 1,500,000                         | Atlas Capital Reinsurance 2022 DAC, 144A, FRN<br>15.013% 06/06/2028                     | IRL             | USD                 | 1,530,975       | 1.15               |
| 1,500,000                         | Residential Reinsurance 2022 Ltd., 144A, FRN 12.426% 12/06/2029                         | CYM             | USD                 | 1,506,750       | 1.13               |
| 1,500,000                         | Ursa Re II Ltd., 144A, FRN 10.394% 06/16/2025   | BMD             | USD                 | 1,496,888       | 1.12               |

Franklin K2 Cat Bond UCITS Fund (continued)

(Currency - USD)

| Number of shares<br>or face value | Description   | Country<br>code | Trading<br>currency | Market<br>value           | % of net<br>assets  |
|-----------------------------------|---|-----------------|---------------------|---------------------------|---------------------|
| 1,500,000                         | Gateway Re Ltd., 144A, FRN 14.022% 05/12/2025                                 | USA             | USD                 | 1,474,162                 | 1.10                |
| 1,500,000                         | Cape Lookout Re Ltd., 144A, FRN 10.816% 03/28/2029                            | BMD             | USD                 | 1,456,200                 | 1.09                |
| 1,250,000                         | Ursa Re II Ltd., 144A, FRN 15.644% 12/06/2025                                 | BMD             | USD                 | 1,309,500                 | 0.98                |
| 1,250,000                         | Gateway Re II Ltd., 144A, FRN 14.942% 04/27/2026                              | BMD             | USD                 | 1,268,250                 | 0.95                |
| 1,250,000                         | Bayou Re Ltd., 144A, FRN 18.193% 05/26/2030                                   | BMD             | USD                 | 1,266,469                 | 0.95                |
| 1,250,000                         | Everglades Re II Ltd., 144A, FRN 13.192% 05/19/2025                           | BMD             | USD                 | 1,197,750                 | 0.90                |
| 1,000,000                         | Commonwealth RE Ltd., 144A, FRN 8.946% 07/08/2025                             | BMD             | USD                 | 1,006,425                 | 0.75                |
| 1,000,000                         | Alamo Re Ltd., 144A, FRN 12.692% 06/07/2025                                   | BMD             | USD                 | 1,002,150                 | 0.75                |
| 1,000,000                         | Ursa Re II Ltd., 144A, FRN 11.704% 12/07/2027                                 | BMD             | USD                 | 997,325                   | 0.75                |
| 1,000,000                         | Matterhorn Re Ltd., 144A, FRN 10.564% 03/24/2025                              | BMD             | USD                 | 978,125                   | 0.73                |
| 1,000,000                         | Gateway Re Ltd., 144A 0% 01/09/2024   | USA             | USD                 | 961,975                   | 0.72                |
| 750,000                           | Mona Lisa Re Ltd., 144A, FRN 17.768% 01/08/2030                               | BMD             | USD                 | 804,319                   | 0.60                |
| 750,000                           | Stabilitas Re Ltd., 144A, FRN 13.928% 06/05/2030                              | BMD             | USD                 | 769,106                   | 0.58                |
| 750,000                           | Torrey Pines Re Ltd., 144A, FRN 10.919% 06/06/2025                            | BMD             | USD                 | 750,694                   | 0.56                |
| 750,000                           | Catahoula II Re Pte. Ltd., 144A, FRN 14.943% 06/16/2025                       | SGP             | USD                 | 737,231                   | 0.55                |
| 750,000                           | Hestia Re Ltd., 144A, FRN 14.926% 04/22/2025                                  | BMD             | USD                 | 732,019                   | 0.55                |
| 675,000                           | Herbie Re Ltd., 144A, FRN 14.398% 07/08/2027                                  | BMD             | USD                 | 681,311                   | 0.51                |
| 675,000                           | Kendall Re Ltd., 144A, FRN 11.647% 05/02/2028                                 | BMD             | USD                 | 675,894                   | 0.51                |
| 675,000                           | Sussex Capital UK Pcc Ltd., 144A, FRN 13.717% 01/08/2028                      | GBR             | USD                 | 652,286                   | 0.49                |
| 500,000                           | Sakura RE Ltd., 144A, FRN 18.935% 01/06/2030                                  | BMD             | USD                 | 531,988                   | 0.40                |
| 500,000                           | Veraison Re Ltd., 144A, FRN 11.943% 03/10/2031                                | BMD             | USD                 | 528,388                   | 0.39                |
| 425,000                           | Sierra Ltd., 144A, FRN 8.142% 01/31/2025                                      | BMD             | USD                 | 423,640                   | 0.32                |
| 500,000                           | Topanga Re Ltd., 144A, FRN 22.084% 01/08/2028                                 | BMD             | USD                 | 357,925                   | 0.27                |
| 325,000                           | Sierra Ltd., 144A, FRN 10.192% 01/31/2025                                     | BMD             | USD                 | 322,944                   | 0.24                |
| 250,000                           | SD Re Ltd., 144A, FRN 14.182% 11/19/2031                                      | BMD             | USD                 | 242,156                   | 0.18                |
| 200,000                           | Residential Reinsurance 2021 Ltd., 144A, FRN 7.926% 06/06/2028                | CYM             | USD                 | 190,500                   | 0.14                |
| 34,707                            | Frontline Re Ltd., 144A, FRN 5.494% 07/06/2026                                | BMD             | USD                 | 19,089                    | 0.01                |
| 209,000                           | Pelican IV Re Ltd., 144A, FRN 10.798% 05/07/2027                              | BMD             | USD                 | 3,673                     | –                   |
|                                   |   |                 |                     | <u>83,512,567</u>         | <u>62.52</u>        |
|                                   | <b>TOTAL BONDS</b>  |                 |                     | <u>83,512,567</u>         | <u>62.52</u>        |
|                                   | <b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER<br/>REGULATED MARKET</b> |                 |                     | <u>83,512,567</u>         | <u>62.52</u>        |
|                                   | <b>TOTAL INVESTMENTS</b>  |                 |                     | <u><b>111,372,269</b></u> | <u><b>83.37</b></u> |

## Schedule of Investments, September 30, 2023

## Franklin K2 Electron Global UCITS Fund

(Currency - USD)

| Number of shares<br>or face value | Description   | Country<br>code | Trading<br>currency | Market<br>value           | % of net<br>assets  |
|-----------------------------------|---|-----------------|---------------------|---------------------------|---------------------|
|                                   | TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL<br>STOCK EXCHANGE LISTING               |                 |                     |                           |                     |
|                                   | <b>SHARES</b>   |                 |                     |                           |                     |
|                                   | <b>Automobile Components</b>  |                 |                     |                           |                     |
| 349,460                           | Goodyear Tire & Rubber Co. (The)  | USA             | USD                 | 4,343,788                 | 2.24                |
|                                   |   |                 |                     | <u>4,343,788</u>          | <u>2.24</u>         |
|                                   | <b>Construction &amp; Engineering</b>   |                 |                     |                           |                     |
| 162,323                           | MasTec, Inc.  | USA             | USD                 | 11,682,386                | 6.02                |
| 50,304                            | Quanta Services, Inc.   | USA             | USD                 | 9,410,369                 | 4.85                |
|                                   |   |                 |                     | <u>21,092,755</u>         | <u>10.87</u>        |
|                                   | <b>Construction Materials</b>   |                 |                     |                           |                     |
| 131,436                           | CRH plc   | USA             | USD                 | 7,193,492                 | 3.71                |
|                                   |   |                 |                     | <u>7,193,492</u>          | <u>3.71</u>         |
|                                   | <b>Electric Utilities</b>   |                 |                     |                           |                     |
| 149,908                           | Constellation Energy Corp.  | USA             | USD                 | 16,351,965                | 8.43                |
| 592,747                           | PG&E Corp.  | USA             | USD                 | 9,561,009                 | 4.93                |
| 147,193                           | Edison International  | USA             | USD                 | 9,315,845                 | 4.80                |
|                                   |   |                 |                     | <u>35,228,819</u>         | <u>18.16</u>        |
|                                   | <b>Electrical Equipment</b>   |                 |                     |                           |                     |
| 196,673                           | Fluence Energy, Inc. 'A'  | USA             | USD                 | 4,521,512                 | 2.33                |
| 44,278                            | Emerson Electric Co.  | USA             | USD                 | 4,275,927                 | 2.20                |
| 221,077                           | Enovix Corp.  | USA             | USD                 | 2,774,516                 | 1.43                |
| 187,764                           | Sunrun, Inc.  | USA             | USD                 | 2,358,316                 | 1.22                |
| 71,335                            | Shoals Technologies Group, Inc. 'A'   | USA             | USD                 | 1,301,864                 | 0.67                |
|                                   |   |                 |                     | <u>15,232,135</u>         | <u>7.85</u>         |
|                                   | <b>Ground Transportation</b>  |                 |                     |                           |                     |
| 97,687                            | Uber Technologies, Inc.   | USA             | USD                 | 4,492,625                 | 2.31                |
|                                   |   |                 |                     | <u>4,492,625</u>          | <u>2.31</u>         |
|                                   | <b>Independent Power and Renewable Electricity Producers</b>                            |                 |                     |                           |                     |
| 853,517                           | AES Corp. (The)   | USA             | USD                 | 12,973,458                | 6.69                |
| 165,348                           | NextEra Energy Partners LP  | USA             | USD                 | 4,910,836                 | 2.53                |
| 429,059                           | Sunnova Energy International, Inc.  | USA             | USD                 | 4,492,248                 | 2.32                |
| 31,707                            | Vistra Corp.  | USA             | USD                 | 1,052,038                 | 0.54                |
|                                   |   |                 |                     | <u>23,428,580</u>         | <u>12.08</u>        |
|                                   | <b>Industrial Conglomerates</b>   |                 |                     |                           |                     |
| 143,700                           | General Electric Co.  | USA             | USD                 | 15,886,035                | 8.19                |
|                                   |   |                 |                     | <u>15,886,035</u>         | <u>8.19</u>         |
|                                   | <b>TOTAL SHARES</b>   |                 |                     |                           |                     |
|                                   | <b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN<br/>OFFICIAL STOCK EXCHANGE LISTING</b> |                 |                     |                           |                     |
|                                   |   |                 |                     | <u>126,898,229</u>        | <u>65.41</u>        |
|                                   | <b>TOTAL INVESTMENTS</b>  |                 |                     |                           |                     |
|                                   |   |                 |                     | <u><b>126,898,229</b></u> | <u><b>65.41</b></u> |



## Schedule of Investments, September 30, 2023

## Franklin K2 Ellington Structured Credit UCITS Fund

(Currency - USD)

| Number of shares<br>or face value | Description  | Country<br>code | Trading<br>currency | Market<br>value | % of net<br>assets |
|-----------------------------------|--|-----------------|---------------------|-----------------|--------------------|
|                                   | TRANSFERABLE SECURITIES DEALT IN ON ANOTHER<br>REGULATED MARKET  |                 |                     |                 |                    |
|                                   | <b>BONDS</b>   |                 |                     |                 |                    |
|                                   | <b>Asset-Backed Securities</b>   |                 |                     |                 |                    |
| 3,000,000                         | FHLMC STACR Remic Trust, Series 2022-DNA3, 144A, FRN<br>9.665% 04/25/2042                                | USA             | USD                 | 3,141,487       | 3.95               |
| 3,000,000                         | Connecticut Avenue Securities Trust, Series 2022-R02, 144A, FRN<br>9.815% 01/25/2042                     | USA             | USD                 | 3,076,232       | 3.86               |
| 2,970,000                         | Accunia European CLO I DAC, Series 1A, 144A, FRN<br>9.943% 07/15/2030                                    | IRL             | EUR                 | 3,009,075       | 3.78               |
| 3,000,000                         | Connecticut Avenue Securities Trust, Series 2020-R02, 144A, FRN<br>8.429% 01/25/2040                     | USA             | USD                 | 3,006,450       | 3.78               |
| 2,500,000                         | Connecticut Avenue Securities Trust, Series 2023-R05, 144A, FRN<br>10.065% 06/25/2043                    | USA             | USD                 | 2,612,121       | 3.28               |
| 2,000,000                         | FHLMC STACR Remic Trust, Series 2020-DNA5, 144A, FRN<br>16.815% 10/25/2050                               | USA             | USD                 | 2,585,401       | 3.25               |
| 2,500,000                         | Tricon Residential Trust, Series 2021-SFR1, 144A<br>3.692% 07/17/2038                                    | USA             | USD                 | 2,180,580       | 2.74               |
| 1,750,000                         | FHLMC Stacr Trust, Series 2019-HQA1, 144A, FRN<br>17.679% 02/25/2049                                     | USA             | USD                 | 2,171,542       | 2.73               |
| 2,000,000                         | Connecticut Avenue Securities Trust, Series 2022-R01, 144A, FRN<br>11.315% 12/25/2041                    | USA             | USD                 | 2,022,037       | 2.54               |
| 2,000,000                         | Blackrock MT Hood CLO X LLC, Series 2023-1A, 144A, FRN<br>11.725% 04/20/2035                             | CYM             | USD                 | 2,014,672       | 2.53               |
| 1,880,000                         | Generate CLO 2 Ltd., Series 3A, 144A, FRN 9.188% 10/20/2029  | CYM             | USD                 | 1,877,425       | 2.36               |
| 2,120,153                         | Bayview Financial Acquisition Trust, Series 2006-D, FRN<br>6.033% 12/28/2036                             | USA             | USD                 | 1,618,042       | 2.03               |
| 1,500,000                         | FHLMC STACR Remic Trust, Series 2022-DNA4, 144A, FRN<br>10.565% 05/25/2042                               | USA             | USD                 | 1,590,448       | 2.00               |
| 1,302,000                         | Oat Hill NO 3 plc, Series 3, Reg. S, FRN 8.688% 05/29/2046   | GBR             | GBP                 | 1,549,653       | 1.95               |
| 1,500,000                         | Avoca CLO XVI DAC, Series 16X, Reg. S, FRN 6.863% 07/15/2031   | NLD             | EUR                 | 1,546,232       | 1.94               |
| 1,412,000                         | Palmerston Park CLO DAC, Series 1X, Reg. S, FRN<br>9.03% 04/18/2030                                      | IRL             | EUR                 | 1,490,886       | 1.87               |
| 1,550,000                         | LoanCore Issuer Ltd., Series 2018-CRE1, 144A, FRN<br>8.397% 05/15/2028                                   | CYM             | USD                 | 1,489,017       | 1.87               |
| 1,500,000                         | Progress Residential Trust, Series 2022-SFR5, 144A<br>6.618% 06/17/2039                                  | USA             | USD                 | 1,441,772       | 1.81               |
| 1,270,000                         | Connecticut Avenue Securities Trust, Series 2019-HRP1, 144A, FRN<br>14.679% 11/25/2039                   | USA             | USD                 | 1,381,425       | 1.74               |
| 1,126,000                         | Together Asset-Backed Securitisation 2023-1st1 plc, Series 2023-<br>1ST1X, Reg. S, FRN 9.893% 01/20/2067 | GBR             | GBP                 | 1,377,888       | 1.73               |
| 1,370,000                         | Tikehau CLO DAC, Series 2015-1X, Reg. S, FRN<br>7.133% 08/04/2034  | IRL             | EUR                 | 1,376,646       | 1.73               |
| 1,460,000                         | Progress Residential Trust, Series 2020-SFR1, 144A<br>5.268% 04/17/2037                                  | USA             | USD                 | 1,373,882       | 1.73               |
| 906,377                           | RALI Trust, Series 2007-QO3, FRN 5.834% 03/25/2047   | USA             | USD                 | 1,258,427       | 1.58               |
| 1,160,000                         | FHLMC Stacr Remic Trust, Series 2020-HQA2, 144A, FRN<br>9.529% 03/25/2050                                | USA             | USD                 | 1,255,744       | 1.58               |
| 1,250,000                         | Golub Capital Partners CLO 69M, Series 2023-69A, 144A, FRN<br>0% 11/09/2036                              | USA             | USD                 | 1,250,000       | 1.57               |
| 1,453,602                         | Home Partners of America Trust, Series 2021-2, 144A<br>3.799% 12/17/2026                                 | USA             | USD                 | 1,242,544       | 1.56               |
| 1,090,000                         | Trinitas Euro CLO III DAC, Series 3X, Reg. S, FRN<br>10.021% 01/25/2037                                  | IRL             | EUR                 | 1,160,157       | 1.46               |
| 1,000,000                         | Connecticut Avenue Securities Trust, Series 2022-R03, 144A, FRN<br>15.165% 03/25/2042                    | USA             | USD                 | 1,115,144       | 1.40               |
| 1,000,000                         | STACR Trust, Series 2018-DNA3, 144A, FRN 13.179% 09/25/2048  | USA             | USD                 | 1,112,255       | 1.40               |
| 1,310,000                         | Progress Residential Trust, Series 2021-SFR8, 144A<br>3.181% 10/17/2038                                  | USA             | USD                 | 1,110,691       | 1.40               |
| 1,090,000                         | Toro European CLO DAC, Series 6X, Reg. S, FRN<br>7.161% 01/12/2032                                       | IRL             | EUR                 | 1,080,825       | 1.36               |
| 1,000,000                         | Halsey CLO 7 Ltd., Series 2023-7A, 144A, FRN<br>11.099% 07/20/2036                                       | JEY             | USD                 | 1,011,082       | 1.27               |
| 1,000,000                         | Invesco CLO Ltd., Series 2022-3A, 144A, FRN 10.346% 10/22/2035   | JEY             | USD                 | 1,006,694       | 1.26               |
| 1,000,000                         | FHLMC STACR Remic Trust, Series 2020-DNA2, 144A, FRN<br>10.229% 02/25/2050                               | USA             | USD                 | 1,003,975       | 1.26               |

**Franklin K2 Ellington Structured Credit UCITS Fund** (continued)

(Currency - USD)

| Number of shares<br>or face value | Description   | Country<br>code | Trading<br>currency | Market<br>value          | % of net<br>assets  |
|-----------------------------------|---|-----------------|---------------------|--------------------------|---------------------|
| 1,000,000                         | Connecticut Avenue Securities Trust, Series 2021-R03, 144A, FRN 10.815% 12/25/2041            | USA             | USD                 | 997,313                  | 1.25                |
| 969,949                           | Preferred Residential Securities 06-1 plc, Series 2006-1X, Reg. S, FRN 4.795% 12/15/2043      | GBR             | EUR                 | 963,543                  | 1.21                |
| 1,427,826                         | Citigroup Mortgage Loan Trust, Series 2015-RP2, 144A 4.25% 01/25/2053                         | USA             | USD                 | 932,527                  | 1.17                |
| 940,000                           | TRTX Issuer Ltd., Series 2019-FL3, 144A, FRN 7.897% 10/15/2034                                | CYM             | USD                 | 880,710                  | 1.11                |
| 592,462                           | First Franklin Mortgage Loan Trust, Series 2003-FF1, FRN 8.059% 03/25/2033                    | USA             | USD                 | 726,626                  | 0.91                |
| 388,702                           | Bear Stearns Asset-Backed Securities I Trust, Series 2007-HE3, FRN 5.654% 04/25/2037          | USA             | USD                 | 640,134                  | 0.80                |
| 620,000                           | Madison Park Funding XIII Ltd., Series 2014-13A, 144A, FRN 8.432% 04/19/2030                  | CYM             | USD                 | 616,145                  | 0.77                |
| 553,180                           | J.P. Morgan Mortgage Trust, Series 2004-A6, FRN 4.146% 12/25/2034                             | USA             | USD                 | 447,418                  | 0.56                |
| 317,028                           | Impac Secured Assets CMN Owner Trust, Series 2004-1 5.526% 03/25/2034                         | USA             | USD                 | 279,117                  | 0.35                |
| 275,542                           | Bayview Financial Revolving Asset Trust, Series 2005-A, 144A, FRN 8.233% 02/28/2040           | USA             | USD                 | 199,768                  | 0.25                |
| 176,530                           | Banc of America Funding Trust, Series 2004-A, FRN 4.882% 09/20/2034                           | USA             | USD                 | 157,367                  | 0.20                |
| 2,623,567                         | Citigroup Mortgage Loan Trust, Series 2015-RP2, 144A, FRN 0.974% 01/25/2053                   | USA             | USD                 | 123,433                  | 0.15                |
| 211,730                           | Citigroup Global Markets Mortgage Securities VII, Inc., Series 1998-AQ1 7% 06/25/2028         | USA             | USD                 | 109,747                  | 0.14                |
| 150,811                           | Citigroup Mortgage Loan Trust, Series 2015-RP2, 144A 0% 01/25/2053                            | USA             | USD                 | 51,357                   | 0.06                |
| 42,675                            | WaMu Mortgage-Backed Pass-Through Certificates Trust, Series 2006-AR6, FRN 4.552% 08/25/2036  | USA             | USD                 | 36,285                   | 0.05                |
| 35,277                            | Countrywide, Series 2002-3, FRN 6.174% 05/25/2032   | USA             | USD                 | 35,143                   | 0.04                |
| 43,806                            | Alternative Loan Trust, Series 2004-J8 0% 09/25/2034  | USA             | USD                 | 28,764                   | 0.04                |
| 33,892                            | BCAP LLC Trust, Series 2008-RR2, 144A 5.5% 11/25/2034   | USA             | USD                 | 27,735                   | 0.03                |
| 21,191                            | CSFB Mortgage-Backed Pass-Through Certificates Trust, Series 2003-AR30, FRN 4.437% 01/25/2034 | USA             | USD                 | 16,037                   | 0.02                |
| 15,992                            | Merrill Lynch Bank Mortgage Loan Trust, Series 2002-3, 144A, FRN 6.647% 04/15/2026            | USA             | USD                 | 15,992                   | 0.02                |
| 15,837                            | Morgan Stanley Mortgage Loan Trust, Series 2005-6AR, FRN 4.778% 11/25/2035                    | USA             | USD                 | 10,232                   | 0.01                |
| 8,827                             | Impac CMB Trust, Series 2005-6, FRN 6.559% 10/25/2035   | USA             | USD                 | 9,491                    | 0.01                |
|                                   |   |                 |                     | <u>64,845,335</u>        | <u>81.45</u>        |
|                                   | <b>TOTAL BONDS</b>  |                 |                     | <u>64,845,335</u>        | <u>81.45</u>        |
|                                   | <b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>                     |                 |                     | <u>64,845,335</u>        | <u>81.45</u>        |
|                                   | <b>TOTAL INVESTMENTS</b>  |                 |                     | <u><b>64,845,335</b></u> | <u><b>81.45</b></u> |

## Schedule of Investments, September 30, 2023

## Franklin K2 Wellington Technology Long Short UCITS Fund

(Currency - USD)

| Number of shares<br>or face value | Description   | Country<br>code | Trading<br>currency | Market<br>value | % of net<br>assets |
|-----------------------------------|---|-----------------|---------------------|-----------------|--------------------|
|                                   | TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL<br>STOCK EXCHANGE LISTING |                 |                     |                 |                    |
|                                   | <b>SHARES</b>   |                 |                     |                 |                    |
|                                   | <b>Broadline Retail</b>   |                 |                     |                 |                    |
| 4                                 | MercadoLibre, Inc.  | BRA             | USD                 | 5,071           | 0.02               |
| 30                                | Amazon.com, Inc.  | USA             | USD                 | 3,814           | 0.02               |
|                                   |   |                 |                     | 8,885           | 0.04               |
|                                   | <b>Entertainment</b>  |                 |                     |                 |                    |
| 386                               | Netflix, Inc.   | USA             | USD                 | 145,754         | 0.74               |
| 1,583                             | Roku, Inc. 'A'  | USA             | USD                 | 111,744         | 0.57               |
|                                   |   |                 |                     | 257,498         | 1.31               |
|                                   | <b>Financial Services</b>   |                 |                     |                 |                    |
| 2,973                             | WEX, Inc.   | USA             | USD                 | 559,192         | 2.84               |
| 9,475                             | Block, Inc. 'A'   | USA             | USD                 | 419,363         | 2.13               |
| 335                               | Mastercard, Inc. 'A'  | USA             | USD                 | 132,630         | 0.67               |
| 4,748                             | Wise plc 'A'  | GBR             | GBP                 | 39,595          | 0.20               |
| 128                               | FleetCor Technologies, Inc.   | USA             | USD                 | 32,684          | 0.17               |
|                                   |   |                 |                     | 1,183,464       | 6.01               |
|                                   | <b>Ground Transportation</b>  |                 |                     |                 |                    |
| 13,002                            | Uber Technologies, Inc.   | USA             | USD                 | 597,962         | 3.04               |
|                                   |   |                 |                     | 597,962         | 3.04               |
|                                   | <b>Household Durables</b>   |                 |                     |                 |                    |
| 7,789                             | Nikon Corp.   | JPN             | JPY                 | 82,033          | 0.42               |
|                                   |   |                 |                     | 82,033          | 0.42               |
|                                   | <b>Insurance</b>  |                 |                     |                 |                    |
| 8,827                             | Trupanion, Inc.   | USA             | USD                 | 248,921         | 1.26               |
|                                   |   |                 |                     | 248,921         | 1.26               |
|                                   | <b>Interactive Media &amp; Services</b>                                   |                 |                     |                 |                    |
| 954                               | Meta Platforms, Inc. 'A'  | USA             | USD                 | 286,400         | 1.45               |
| 3,337                             | Pinterest, Inc. 'A'   | USA             | USD                 | 90,199          | 0.46               |
|                                   |   |                 |                     | 376,599         | 1.91               |
|                                   | <b>IT Services</b>  |                 |                     |                 |                    |
| 4,011                             | Shopify, Inc. 'A'   | CAN             | USD                 | 218,880         | 1.11               |
| 852                               | EPAM Systems, Inc.  | USA             | USD                 | 217,848         | 1.11               |
| 6,890                             | Squarespace, Inc. 'A'   | USA             | USD                 | 199,603         | 1.01               |
| 1,732                             | Okta, Inc. 'A'  | USA             | USD                 | 141,175         | 0.72               |
| 661                               | VeriSign, Inc.  | USA             | USD                 | 133,873         | 0.68               |
| 56                                | MongoDB, Inc. 'A'   | USA             | USD                 | 19,368          | 0.10               |
|                                   |   |                 |                     | 930,747         | 4.73               |
|                                   | <b>Semiconductors &amp; Semiconductor Equipment</b>                       |                 |                     |                 |                    |
| 479                               | Broadcom, Inc.  | USA             | USD                 | 397,848         | 2.02               |
| 3,390                             | ON Semiconductor Corp.  | USA             | USD                 | 315,100         | 1.60               |
| 2,710                             | Advanced Micro Devices, Inc.  | USA             | USD                 | 278,642         | 1.42               |
| 3,024                             | Micron Technology, Inc.   | USA             | USD                 | 205,723         | 1.04               |
| 4,461                             | Wolfspeed, Inc.   | USA             | USD                 | 169,964         | 0.86               |
| 267                               | Lam Research Corp.  | USA             | USD                 | 167,348         | 0.85               |
| 2,600                             | Rambus, Inc.  | USA             | USD                 | 145,054         | 0.74               |
| 2,001                             | Shibaura Mechatronics Corp.   | JPN             | JPY                 | 93,966          | 0.48               |
| 212                               | NVIDIA Corp.  | USA             | USD                 | 92,218          | 0.47               |
| 586                               | Tokyo Electron Ltd.   | JPN             | JPY                 | 80,043          | 0.41               |
| 1,421                             | Tokyo Seimitsu Co. Ltd.   | JPN             | JPY                 | 71,046          | 0.36               |
| 344                               | Disco Corp.   | JPN             | JPY                 | 63,556          | 0.32               |
| 3,765                             | Renesas Electronics Corp.   | JPN             | JPY                 | 57,510          | 0.29               |
| 573                               | Ulvac, Inc.   | JPN             | JPY                 | 20,646          | 0.10               |
| 112                               | SCREEN Holdings Co. Ltd.  | JPN             | JPY                 | 5,443           | 0.03               |
|                                   |   |                 |                     | 2,164,107       | 10.99              |
|                                   | <b>Software</b>   |                 |                     |                 |                    |
| 1,338                             | HubSpot, Inc.   | USA             | USD                 | 658,965         | 3.35               |
| 2,024                             | Microsoft Corp.   | USA             | USD                 | 639,078         | 3.25               |
| 3,669                             | Datadog, Inc. 'A'   | USA             | USD                 | 334,209         | 1.70               |
| 1,652                             | Atlassian Corp. 'A'   | USA             | USD                 | 332,895         | 1.69               |
| 6,885                             | Dynatrace, Inc.   | USA             | USD                 | 321,736         | 1.63               |
| 6,354                             | Gitlab, Inc. 'A'  | USA             | USD                 | 287,328         | 1.46               |
| 1,312                             | Splunk, Inc.  | USA             | USD                 | 191,880         | 0.97               |

**Franklin K2 Wellington Technology Long Short UCITS Fund** (continued)

(Currency - USD)

| <b>Number of shares<br/>or face value</b> | <b>Description</b>  | <b>Country<br/>code</b> | <b>Trading<br/>currency</b> | <b>Market<br/>value</b> | <b>% of net<br/>assets</b> |
|---|---|-------------------------|-----------------------------|-------------------------|----------------------------|
| 306                                       | ServiceNow, Inc.  | USA                     | USD                         | 171,042                 | 0.87                       |
| 240                                       | BILL Holdings, Inc.   | USA                     | USD                         | 26,057                  | 0.13                       |
| 36  | Intuit, Inc.  | USA                     | USD                         | 18,394                  | 0.09                       |
| 67  | Palo Alto Networks, Inc.  | USA                     | USD                         | 15,707                  | 0.08                       |
|   |   |                         |                             | <u>2,997,291</u>        | <u>15.22</u>               |
|   | <b>TOTAL SHARES</b>   |                         |                             | <u>8,847,507</u>        | <u>44.93</u>               |
|   | <b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN<br/>OFFICIAL STOCK EXCHANGE LISTING</b> |                         |                             | <u>8,847,507</u>        | <u>44.93</u>               |
|   | <b>TOTAL INVESTMENTS</b>  |                         |                             | <u><b>8,847,507</b></u> | <u><b>44.93</b></u>        |

## Additional Information

### Investment Manager

K2/D&S MANAGEMENT CO., LLC  
300 Atlantic Street, 12th Floor  
Stamford, CT 06901, U.S.A.

### Sub-Investment Managers

ACTUSRAYPARTNERS LIMITED  
Room 3, 42/F Lee Garden One  
33 Hysan Avenue, Causeway Bay  
Hong Kong

CHILTON INVESTMENT COMPANY, INC.  
1290 East Main Street  
Stamford, CT 06902, U.S.A.

WELLINGTON MANAGEMENT COMPANY, LLP  
280 Congress Street  
Boston, MA 02210, U.S.A.

ELECTRON CAPITAL PARTNERS, LLC  
10 East 53rd Street, 19th Floor  
New York, NY 10022, U.S.A.

ELLINGTON GLOBAL ASSET MANAGEMENT, LLC  
53 Forest Avenue  
Old Greenwich, CT 06870, U.S.A.

BARDIN HILL ARBITRAGE UCITS MANAGEMENT LP  
477 Madison Avenue, 8th Floor  
New York, NY 10022, U.S.A.

### Investment Managers per Fund as at September 30, 2023

#### Franklin K2 ActusRay European Alpha UCITS Fund

Investment Manager  
K2/D&S MANAGEMENT CO., LLC  
Sub-Investment Manager  
ACTUSRAYPARTNERS LIMITED

#### Franklin K2 Athena Risk Premia UCITS Fund

Investment Manager  
K2/D&S MANAGEMENT CO., LLC

#### Franklin K2 Bardin Hill Arbitrage UCITS Fund

Investment Manager  
K2/D&S MANAGEMENT CO., LLC  
Sub-Investment Manager  
BARDIN HILL ARBITRAGE UCITS MANAGEMENT L.P.

#### Franklin K2 Cat Bond UCITS Fund

Investment Manager  
K2/D&S MANAGEMENT CO., LLC

#### Franklin K2 Chilton Equity Long Short UCITS Fund (Closed on 15 May 2023)

Investment Manager  
K2/D&S MANAGEMENT CO., LLC  
Sub-Investment Manager  
CHILTON INVESTMENT COMPANY, INC.

#### Franklin K2 Electron Global UCITS Fund

Investment Manager  
K2/D&S MANAGEMENT CO., LLC  
Sub-Investment Manager  
ELECTRON CAPITAL PARTNERS, LLC

#### Franklin K2 Ellington Structured Credit UCITS Fund

Investment Manager  
K2/D&S MANAGEMENT CO., LLC  
Sub-Investment Manager  
ELLINGTON GLOBAL ASSET MANAGEMENT, LLC

#### Franklin K2 Wellington Technology Long Short UCITS Fund

Investment Manager  
K2/D&S MANAGEMENT CO., LLC  
Sub-Investment Manager  
WELLINGTON MANAGEMENT COMPANY, LLP

## Securities Financing Transactions (SFTs) and Total Return Swaps (TRS)

The Company engages in Securities Financing Transactions (as defined in Article 3 of Regulation (EU) 2015/2365, securities financing transactions include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions) through its exposure on total return swap contracts during the period, in accordance with Article 13 of Regulation. Information on total return swaps are detailed below.

### Global data

| Fund  | Fund Currency | Gross Volume of TRS <sup>1</sup> | Total TRS in % of net assets |
|---|---------------|----------------------------------|------------------------------|
| Franklin K2 Athena Risk Premia UCITS Fund               | USD           | 2,122,415                        | 2.56%                        |
| Franklin K2 Wellington Technology Long Short UCITS Fund | USD           | 1,176,689                        | 5.98%                        |

<sup>(1)</sup> absolute value of the unrealised gains/(losses)

### Total return swaps, ten largest counterparties

| Fund  | Fund Currency | Counterparties | Gross Volume of TRS <sup>1</sup> in Fund currency |
|---|---------------|----------------|---|
| Franklin K2 Athena Risk Premia UCITS Fund               | USD           | Citibank       | 345,273   |
| Franklin K2 Athena Risk Premia UCITS Fund               | USD           | Deutsche Bank  | 1,681,225   |
| Franklin K2 Athena Risk Premia UCITS Fund               | USD           | J.P. Morgan    | 95,917  |
| Franklin K2 Wellington Technology Long Short UCITS Fund | USD           | J.P. Morgan    | 523,663   |
| Franklin K2 Wellington Technology Long Short UCITS Fund | USD           | Morgan Stanley | 653,026   |

<sup>(1)</sup> absolute value of the unrealised gains/(losses)

When the fund have more than ten counterparties, only the ten largest counterparties would be disclosed based on exposure.

## Aggregate Transaction Data

### Total return swaps, maturity tenor and country of incorporation

| Fund  | Fund Currency | Maturity         | Country of incorporation of the Counterparty | Gross Volume of TRS <sup>1</sup> in Fund currency |
|---|---------------|------------------|--|---|
| Franklin K2 Athena Risk Premia UCITS Fund               | USD           | 3 to 12 months   | United States of America                     | 2,122,415   |
| Franklin K2 Wellington Technology Long Short UCITS Fund | USD           | more than 1 year | Japan  | 86,781  |
| Franklin K2 Wellington Technology Long Short UCITS Fund | USD           | more than 1 year | United States of America                     | 1,089,908   |

<sup>(1)</sup> absolute value of the unrealised gains/(losses)

All Funds engaged in total return swap contracts utilise bi-lateral settlement and clearing with their respective counterparty.

### Data on reuse of collateral

Collaterals received in relation to Total Return Swaps cannot be sold, re-invested or pledged.

### Safekeeping of collateral

All the collateral received in relation to Total Return Swaps is in custody at J.P. Morgan SE, Luxembourg Branch.

### Data on return and cost

The return and cost from total return swap contracts is accrued to the Funds.

### Collateral

The following table reports the collateral held as at September 30, 2023 to reduce counterparty exposure on OTC derivatives.

| Fund   | Counterparty | Collateral currency | Cash held as collateral | Sovereign Bonds held as collateral |
|--|--------------|---------------------|-------------------------|------------------------------------|
| Franklin K2 Ellington Structured Credit UCITS Fund | J.P. Morgan  | USD                 | 260,000                 | –                                  |

**Portfolio Turnover Ratio**

The portfolio turnover ratio, expressed as a percentage, is equal to the total of purchases and sales of securities netted against the total value of subscriptions and redemptions, over average net assets of the Fund for the period. It is effectively a measure of how frequently a Fund buys or sells securities.

The portfolio turnover ratio calculation is not applicable to Liquid Reserve and Money Market Funds, as such a ratio is not relevant to such Funds due to the short-term nature of the investments.

| <b>Sub-Funds</b>  | <b>Portfolio Turnover Ratio</b> |
|---|---------------------------------|
| Franklin K2 ActusRay European Alpha UCITS Fund          | (250.59)%                       |
| Franklin K2 Athena Risk Premia UCITS Fund               | 12.67%                          |
| Franklin K2 Bardin Hill Arbitrage UCITS Fund            | 564.92%                         |
| Franklin K2 Cat Bond UCITS Fund                         | 5.53%                           |
| Franklin K2 Electron Global UCITS Fund                  | 194.16%                         |
| Franklin K2 Ellington Structured Credit UCITS Fund      | 61.53%                          |
| Franklin K2 Wellington Technology Long Short UCITS Fund | 238.21%                         |

**Audited annual report and unaudited semi-annual reports**

The audited annual reports and unaudited semi-annual reports will be available on the local Franklin Templeton website, [www.franklintempleton.lu](http://www.franklintempleton.lu) or may be obtained, free of charge, on request at the registered office of the Company; they are only distributed to registered shareholders in those countries where local regulation so requires. The complete audited annual reports and unaudited semi-annual reports are available at the registered office of the Company.

## Franklin Templeton Office Directory

Further information regarding Franklin Templeton Alternative Funds is available from the following Franklin Templeton offices:

### EUROPE

#### FRANCE

##### FRANKLIN TEMPLETON INTERNATIONAL SERVICES

S.à r.l.,

##### French Branch

14, Bd de la Madeleine

F-75008 Paris

Tel: +33 1 89 82 00 10 Fax: +33 (0)1 40 73 86 10

Email: franklintempletonfrance@franklintempleton.com

#### GERMANY and AUSTRIA

##### FRANKLIN TEMPLETON INTERNATIONAL SERVICES

S.à r.l.,

##### Niederlassung Deutschland

Mainzer Landstr. 16

Postfach 11 18 03

60325 Frankfurt, Germany

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Germany Freefone: 08 00 0 73 80 02

Austria Freefone: 08 00 29 59 11

Email: info@franklintempleton.de

#### ITALY

##### FRANKLIN TEMPLETON INTERNATIONAL SERVICES

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20122 Milano, Italy

Tel: +39 02 3621 3320 Fax: +39 02 8545 9220

Italy Freefone: 800 915 919

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##### FRANKLIN TEMPLETON INTERNATIONAL SERVICES

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Grand Duchy of Luxembourg

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#### FRANKLIN TEMPLETON INTERNATIONAL SERVICES

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Tel +48 22 541 75 88 (only for retail investors from Poland)

Email: ClientServiceCEE@franklintempleton.com

#### ASIA

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