

Fund Overview

Base Currency for Fund	USD
Total Net Assets (USD)	2.42 billion
Fund Inception Date	15.09.2014
Benchmark	ICE BofAML US 3-Month Treasury Bill Index, HFRX Global Hedge Fund Index
Morningstar Category™	Alternative - Multistrategy

Minimum Investment

Share Class	Initial	Subsequent
A (acc) USD	USD 1,000	USD 500
A (acc) SGD-H1	SGD 1,000	SGD 500

Summary of Investment Objective

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

Fund Management

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

Strategy Allocation (% of Invested Capital)

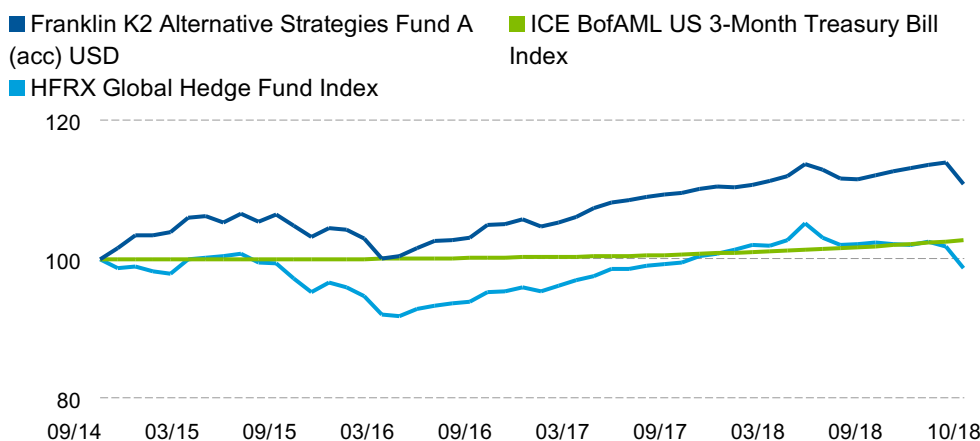
	Target	Actual
Long Short Equity	25-40	38.04
Event Driven	10-30	19.62
Relative Value	30-45	24.24
Global Macro	0-30	18.10

Portfolio Exposure (% of Total)

Gross Exposure	152.94
Net Exposure	28.66
Long Exposure	90.80
Short Exposure	-62.14

Performance

Performance Since Inception in Share Class Currency (%)



Performance in Share Class Currency (%)

	Cumulative					Annualised	
	1 Mth	3 Mths	YTD	1 Yr	Since Incept	3 Yrs	Since Incept
A (acc) USD	-2.73	-2.04	-0.99	0.09	10.40	1.98	2.43
After Sales Charge*	-7.59	-6.94	-5.94	-4.92	4.88	0.25	1.16
ICE BofAML US 3-Month Treasury Bill Index in USD	0.17	0.51	1.48	1.68	2.74	0.90	0.66
HFRX Global Hedge Fund Index in USD	-3.11	-3.34	-4.30	-3.53	-2.14	0.61	-0.52
A (acc) SGD-H1	-2.81	-2.21	-1.60	-0.63	10.60	1.62	2.47
After Sales Charge*	-7.67	-7.10	-6.52	-5.60	5.07	-0.10	1.21
ICE BofAML US 3-Month Treasury Bill Index in USD	0.17	0.51	1.48	1.68	2.74	0.90	0.66

Top Exposures (% of Total)

Long Exposures (Equity Only)

Issuer Name (Equity)	
SHIRE PLC	1.48
AETNA INC	1.45
TWENTY-FIRST CENTURY FOX INC	1.01
NEX GROUP PLC	1.00
MICROSOFT CORP	0.90

Short Exposures (Equity Only)

Issuer Name (Equity)	
DIAMONDBACK ENERGY INC	-0.87
CME GROUP INC	-0.56
TAKEDA PHARMACEUTICAL CO LTD	-0.43
PEBBLEBROOK HOTEL TRUST	-0.28
CVS HEALTH CORP	-0.27

Fund Measures

Standard Deviation (3 Yrs)	3.30%
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Share Class Information (For a full list of available share classes, please visit www.franklintempleton.com.sg.)

Share Class	Incept Date	NAV	TER (%)	Fees			
				Max. Sales Charge (%)	Max. Annual Charge (%)	Mgmt. Fee (%)	Max. Maint. Charge (%)
A (acc) USD	15.09.2014	USD 11.04	2.75	5.00	2.55	2.05	0.50
A (acc) SGD-H1	15.09.2014	SGD 11.06	2.75	5.00	2.55	2.05	0.50

Additional Share Class Information

Share Class	Incept Date	Subscription Type	Dividends			Fund Identifiers	
			Frequency	Last Paid Date	Last Paid Amount	Bloomberg ID	ISIN
A (acc) USD	15.09.2014	Cash	N/A	N/A	N/A	FKASAAU LX	LU1093756168
A (acc) SGD-H1	15.09.2014	Cash	N/A	N/A	N/A	FKAAASH LX	LU1093756325

Composition of Fund

Manager Allocation	% of Invested Capital	Relative Value (continued)	% of Invested Capital
Long Short Equity	38.04		
Chilton Investment Company, LLC	10.05	Loomis Sayles & Company, L.P.	6.90
Jennison Associates, LLC	8.74	Lazard Asset Management, LLC	5.62
Wellington Management Company, LLP	7.21	Basso Capital Management, L.P.	0.01
Impala Asset Management, LLC	6.19	Global Macro	18.10
Portland Hill Asset Management Limited	5.84	Emso Asset Management Limited	7.76
Event Driven	19.62	Graham Capital Management, L.P.	3.56
P. Schoenfeld Asset Management L.P.	10.56	Grantham, Mayo, Van Otterloo & Co. LLC	3.48
Bardin Hill Capital Management L.P.	9.06	H2O Asset Management	3.29
Relative Value	24.24		
Chatham Asset Management, LLC	11.71		

Portfolio Data Derivatives Disclosures

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

Important Information

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Unlike most asset class indexes, HFR Index returns reflect fees and expenses.

Source: HedgeMark.

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The Fund can use derivatives for hedging, efficient portfolio management and/or investment purposes.

Performance: Performance details provided are in the share class currency, based on NAV-NAV and include reinvested dividends. Performances of different share classes will vary. Please refer to the Fund Manager for more information.

References to indices are made for comparative purposes only and are provided to represent the investment environment existing during the time periods shown. When performance for either the portfolio or its benchmark has been converted, different foreign exchange closing rates may be used between the portfolio and its benchmark.

Benchmarks provided for additional performance comparison are for informational purposes only; the fund manager does not intend for the portfolio to track them. The Bank of America Merrill Lynch 3-Month US Treasury Index is provided as an Absolute Return benchmark. The HFRX Global Hedge Fund Index represents a measure of a broad universe of hedge fund strategies.

Fund Management: CFA® and Chartered Financial Analyst® are trademarks owned by CFA Institute.

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

Important Information (continued)

The Fund may shift allocations among strategies at any time. Further, K2 may determine in its sole discretion to not allocate to one or more of the strategies and/or to add new strategies. Accordingly the above target allocations are presented for illustrative purposes only, and should not be viewed as predictive of the ongoing composition of the fund's portfolio (and its managers), which may change at any time.

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

Portfolio Exposure:

Gross Exposure: Gross exposure is the sum of the absolute value of all exposures, directly or through derivatives, as a percentage of total assets. The sum of the percentage of long positions and short (in absolute terms) positions.

Net Exposure: Net exposure is the sum of the total value of all exposures, directly or through derivatives, as a percentage of total assets. The percentage value of the long positions less the percentage value of the short positions.

Long Exposure: Sum of the long exposures, directly or through derivatives, as a percentage of total assets.

Short Exposure: Sum of the short exposures, directly or through derivatives, as a percentage of total assets.

After Sales Charge*: Calculated based on initial sales charge of 5%; or 0% for Money Market Funds.

Performance Benchmarks: Benchmarks provided for additional performance comparison are for informational purposes only; the fund manager does not intend for the portfolio to track them. The ICE BofAML 3-Month US Treasury Index is provided as an absolute return benchmark. The HFRX Global Hedge Fund Index represents a measure of a broad universe of hedge fund strategies.

Top Exposures: The Top Five Long and Short Exposures represent the five largest long and short equity issuer exposures of Franklin K2 Alternative Strategies Fund as of the date indicated. Issuer exposures include actual security holdings and single security exposures obtained through the use of derivatives. Direct security holdings and derivatives exposures are combined for calculation purposes. These direct holdings and derivatives do not represent all of the securities purchased, sold or recommended for advisory clients, and the reader should not assume that investment in securities of the issuers listed was or will be profitable.

Composition of Fund:

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

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