

Fund Overview

Base Currency for Fund	USD
Total Net Assets (USD)	1.94 billion
Fund Inception Date	15.09.2014
Benchmark	ICE BofA US 3-Month Treasury Bill Index, HFRX Global Hedge Fund Index
Morningstar Category™	Multistrategy GBP

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

Ratings - W (acc) GBP-H1

Overall Morningstar Rating™: ★★★★★

Strategy Allocation (% of Invested Capital)

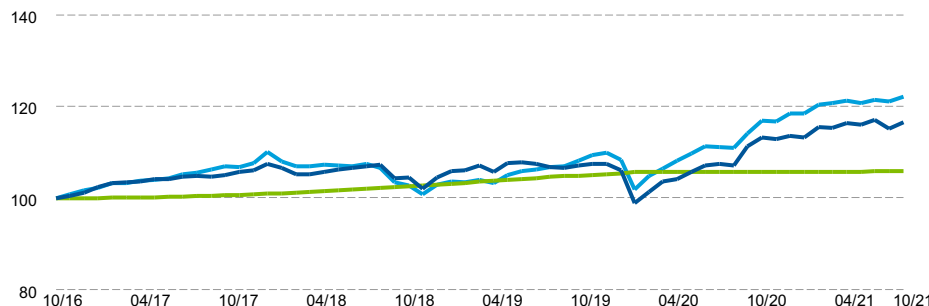
	Target	Actual
Long Short Equity	25-40	33.55
Event Driven	10-30	13.54
Relative Value	30-45	37.30
Global Macro	0-30	15.61

Portfolio Exposure (% of Total)

Gross Exposure	140.48
Net Exposure	50.58
Long Exposure	95.53
Short Exposure	-44.95

Performance
Performance over 5 Years in Share Class Currency (%)

■ Franklin K2 Alternative Strategies Fund W (acc) GBP-H1 ■ ICE BofA US 3-Month Treasury Bill Index in USD
■ HFRX Global Hedge Fund Index in USD


Discrete Annual Performance in Share Class Currency (%)

	10/20	10/19	10/18	10/17	10/16
	10/21	10/20	10/19	10/18	10/17
W (acc) GBP-H1	8.84	0.44	2.15	-0.71	5.15
ICE BofA US 3-Month Treasury Bill Index in USD	0.06	0.92	2.40	1.68	0.72
HFRX Global Hedge Fund Index in USD	10.09	3.69	3.53	-3.53	6.98

Performance in Share Class Currency (%)

	Cumulative								Annualised		
	1 Mth	3 Mths	6 Mths	YTD	1 Yr	3 Yrs	5 Yrs	Since Incept	3 Yrs	5 Yrs	Since Incept
W (acc) GBP-H1	1.22	0.40	0.81	2.90	8.84	11.67	16.59	24.41	3.75	3.12	3.11
ICE BofA US 3-Month Treasury Bill Index in USD	0.00	0.01	0.01	0.04	0.06	3.40	5.89	6.23	1.12	1.15	0.85
HFRX Global Hedge Fund Index in USD	0.90	1.20	1.53	4.51	10.09	18.19	21.97	15.66	5.73	4.05	2.06

Past performance is not an indicator or a guarantee of future performance. The value of shares in the Fund and income received from it can go down as well as up, and investors may not get back the full amount invested. Performance details provided are in share class currency, include the reinvested dividends gross of basic rate UK tax and are net of management fees. Sales charges and other commissions, other taxes and relevant costs to be paid by an investor are not included in the calculations. Performance may also be affected by currency fluctuations. Up to date performance figures can be found on our local website.

When performance for either the portfolio or its benchmark has been converted, different foreign exchange closing rates may be used between the portfolio and its benchmark.

The share class shown has adopted a hedging strategy intended to reduce the effect of exchange rate movements between the currency of the Fund's investment strategy and the currency of the share class. The benchmark returns displayed are shown in the reference currency of the Fund's investment strategy (USD), while share class returns are shown in the reference currency of share class (GBP). As a result, the returns shown above reflect the effect of the hedging strategy and one can compare the returns of the Fund (net of fees) relative to its benchmark index without the impact of exchange rate movements on index returns.

Please see Performance Benchmarks on the back of this page for important information on the benchmarks shown.

Top Exposures (% of Total)
Long Exposures (Equity Only)

Issuer Name (Equity)	
KANSAS CITY SOUTHERN	1.10
EXELON CORP	0.82
BALL CORP	0.66
ALPHABET INC	0.65
SHERWIN-WILLIAMS CO/THE	0.62

Short Exposures (Equity Only)

Issuer Name (Equity)	
APOLLO GLOBAL MANAGEMENT INC	-0.49
INDUSTRIALSELECTSECTORTR	-0.42
CANADIAN PACIFIC RAILWAY LTD	-0.29
MSPSLU	-0.23
ENCORE CAPITAL GROUP INC	-0.20

Fund Measures

Standard Deviation (5 Yrs)	4.94%
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Share Class Information (For a full list of available share classes, please visit your local website)

Share Class	Incept Date	NAV	Ongoing Charges (%)	Fees		Dividends		Fund Identifiers	
				Max. Sales Charge (%)	Max. Annual Charge (%)	Frequency	Last Paid Date	SEDOL	ISIN
W (acc) GBP-H1	15.09.2014	GBP 12.44	1.95	N/A	1.75	N/A	N/A	BQQPVP2	LU1093757562

Composition of Fund

Manager Allocation	% of Invested Capital		% of Invested Capital
Long Short Equity	33.55	Relative Value (continued)	
Portland Hill Asset Management Limited	7.43	Loomis Sayles & Company, L.P.	6.22
Chilton Investment Company, LLC	7.06	Apollo SA Management, LLC	6.06
Electron Capital Partners, LLC	6.50	Ellington Global Asset Management, LLC	5.71
Jennison Associates, LLC	6.40	Benefit Street Partners, LLC	3.10
Wellington Management Company, LLP	6.16	Global Macro	15.61
Event Driven	13.54	Emso Asset Management Limited	4.95
Bardin Hill Investment Partners L.P.	6.80	BlueBay Asset Management, LLP	4.75
P. Schoenfeld Asset Management L.P.	6.74	RV Capital Management Private, Ltd.	3.05
Relative Value	37.30	Graham Capital Management, L.P.	2.86
Lazard Asset Management, LLC	9.61		
One River Asset Management	6.60		

Portfolio Data Derivatives Disclosures

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

What Are the Key Risks?

The value of shares in the Fund and income received from it can go down as well as up and investors may not get back the full amount invested. Performance may also be affected by currency fluctuations. Currency fluctuations may affect the value of overseas investments. The Fund seeks to achieve its targeted investment objective by allocating its assets across multiple "alternative" strategies and by investing in a wide range of assets. Such assets and investment instruments have historically been subject to price movements due to such factors as general stock market volatility, sudden changes in interest rates, or fluctuations in commodity prices. The Fund will seek to limit volatility using hedged strategies. As a result, the performance of the Fund can fluctuate moderately over time. Other significant risks include: credit risk, foreign currency risk, derivative instruments risk, liquidity risk, multi-manager risk. For full details of all of the risks applicable to this Fund, please refer to the "Risk Considerations" section of the Fund in the current prospectus of Franklin Templeton Investment Funds.

Glossary

Standard Deviation: A measure of the degree to which a fund's return varies from the average of its previous returns. The larger the standard deviation, the greater the likelihood (and risk) that a fund's performance will fluctuate from the average return.

Important Information

Given the variety of investment options available today, we suggest investors seek guidance from a Financial Adviser.

This document is intended to be of general interest only and does not constitute legal or tax advice nor is it an offer for shares or invitation to apply for shares of the Franklin Templeton Investment Funds SICAV (the Fund). Nothing in this document should be construed as investment advice. Subscriptions to shares of the Fund can only be made on the basis of the current prospectus and where available, the relevant Key Investor Information Document, accompanied by the latest available audited annual report and the latest semi-annual report if published thereafter. No shares of the Fund may be directly or indirectly offered or sold to residents of the United States of America. Shares of the Fund are not available for distribution in all jurisdictions and prospective investors should confirm availability with their local Franklin Templeton representative before making any plans to invest. References to particular industries, sectors or companies are for general information and are not necessarily indicative of a Fund's holding at any one time. The value of shares in the Fund and income received from it can go down as well as up, and investors may not get back the full amount invested. All or most of the protections provided by the UK Regulatory System will not apply to Franklin Templeton Investment Funds (SICAV) Investors. An investment in the Fund entails risks which are described in the Fund's prospectus and where available, the relevant Key Investor Information Document. The Fund's documents are available from www.ftdocuments.com in English, Arabic, Czech, Danish, Dutch, Estonian, Finnish, French, German, Greek, Hungarian, Icelandic, Italian, Latvian, Lithuanian, Norwegian, Polish, Portuguese, Romanian, Slovak, Slovenian, Spanish and Swedish. In addition, a Summary of Investor Rights is available from franklintempleton.lu. The summary is available in English. The sub-funds of FTIF are notified for marketing in multiple EU Member States under the UCITS Directive. FTIF can terminate such notifications for any share class and/or sub-fund at any time by using the process contained in Article 93a of the UCITS Directive.

Source for data and information provided by Franklin Templeton, as of the date of this document, unless otherwise noted. Benchmark related data provided by FactSet, as of the date of this document, unless otherwise noted. References to indices are made for comparative purposes only and are provided to represent the investment environment existing during the time periods shown. An index is unmanaged and one cannot invest directly in an index. The performance of the index does not include the deduction of expenses and does not represent the performance of any Franklin Templeton fund.

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Source: Hedge Fund Research, Inc. www.hedgefundresearch.com. The HFR indices are being used under license from Hedge Fund Research, Inc., which does not endorse or approve of any of the contents of this report.

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

Source: HedgeMark.

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

Special risks may be associated with a Fund's investment in certain types of securities, asset classes, sectors, markets, currencies or countries and in the Fund's possible use of derivatives. These risks are more fully described in the Fund's prospectus and where available, in the relevant Key Investor Information Document and should be read closely before investing.

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

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

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

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

Portfolio Exposure:

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

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

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

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

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 BofA US 3-Month Treasury Bill 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.

Important Information (continued)

Ongoing Charges: The Ongoing Charges Figure (OCF) is an amount representing all operating charges and expenses of the Fund in the prior 12 months as a percentage of the Fund's average net assets for the period. Where that figure would not be a fair representation of future costs or if 12 months data is not available, an estimated figure will be shown.

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.

Performance attribution is calculated in the base currency of the fund.

For a free copy of the latest prospectus, the relevant Key Investor Information Document, the annual report and semi-annual report, if published thereafter or for more information about any Franklin Templeton fund, UK investors should contact: Franklin Templeton, Telephone: 0800 305 306, Email: enquiries@franklintempleton.co.uk or write to us at the address below. Issued by Franklin Templeton Investment Management Limited (FTIML) Registered office: Cannon Place, 78 Cannon Street, London, EC4N 6HL. FTIML is authorised and regulated by the Financial Conduct Authority.