

Franklin K2 Bardin Hill Arbitrage UCITS Fund

Class I PF (acc) EUR • ISIN LU2511868981 • A sub-fund of Franklin Templeton Alternative Funds

The management company is Franklin Templeton International Services S.à r.l.

Objectives and Investment Policy

Franklin K2 Bardin Hill Arbitrage UCITS Fund (the "Fund") aims to maximise its investment return over the long term with smaller declines than and lower correlation with equity markets.

The Fund pursues an actively managed investment strategy and invests primarily in securities of companies involved in mergers, acquisitions, restructurings, spinoffs and liquidations and may participate in such transactions. The Fund intends to obtain direct or indirect exposure (essentially through the use of derivatives) in a wide range of securities, such as equities and equity-related securities (including convertible securities) as well as debt securities of any maturity or quality (including investment-grade, below investment-grade, low-rated and/or unrated securities) issued by governments, government-related entities and corporations located primarily in North America and Europe. The Fund may obtain exposure to high yield ("junk") bonds, distressed debt securities (securities of companies that are, or are about to be, involved in reorganisations, financial restructurings, or bankruptcy) and up to 5% in defaulted debt securities.

The Fund uses derivatives for hedging, efficient portfolio management and investment purposes. The Fund may engage in active and frequent trading as part of its investment strategies.

The investment team uses merger arbitrage strategies to seek to profit from company events such as mergers, acquisitions, restructurings and spinoffs.

Benchmarks: HFRX Event Driven: Merger Arbitrage Index and HFRX Event Driven Index. The benchmarks are used solely as a reference for investors to compare against the Fund's performance. The Fund is not obliged to hold

any of the benchmarks constituents and may indeed invest up to 100% of its net assets outside these benchmarks.

You may request the sale of your shares on any Luxembourg business day.

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

For further information on the Objectives and Investment Policy of the Fund, please refer to the section "Fund Information, Objectives and Investment Policies" of the current prospectus of Franklin Templeton Alternative Funds.

Terms to Understand

Debt securities: Securities representing the issuer's obligation to repay a loan at a specified date and to pay interest.

Derivatives: Financial instruments whose characteristics and value depend on the performance of one or more underlying assets, typically securities, indexes, currencies or interest rates.

Equity securities: Securities that represent an ownership stake in a company.

Hedging: A strategy for totally or partially offsetting particular risks such as those arising from fluctuations in share prices, currencies or interest rates.

Long position, short position: A long position benefits when an investment's price goes up; a short position benefits when the price goes down.

Risk and Reward Profile



What does this indicator mean and what are its limits?

This indicator is designed to provide you with a measure of the price movement of this share class based on historical behavior.

Historical data may not be a reliable indication of the future risk profile of the Fund. The category shown is not guaranteed to remain unchanged and may shift over time.

The lowest category does not mean risk free.

As the share class has no sufficient historical data available, simulated data based on a representative portfolio model or benchmark have been used instead.

Why is the Fund in this specific category?

The Fund intends to achieve its objective by investing in merger arbitrage and related strategies, primarily in publicly disclosed transactions and in an effort to capture a "spread" between the value of a security post the announcement of a transaction and at its consummation. Such investments may include allocation to a wide range of securities including synthetic short positions achieved through financial derivative instruments. Such securities

and investment instruments have historically been subject to price movements due to security or issuer specific factors or perceived credit worthiness of issuers. As a result, the performance of the Fund can fluctuate moderately over time.

Risks materially relevant not adequately captured by the indicator:

Counterparty risk: the risk of failure of financial institutions or agents (when serving as a counterparty to financial contracts) to perform their obligations, whether due to insolvency, bankruptcy or other causes.

Credit risk: the risk of loss arising from default that may occur if an issuer fails to make principal or interest payments when due. This risk is higher if the Fund holds low-rated, sub-investment-grade securities.

Derivative Instruments risk: the risk of loss in an instrument where a small change in the value of the underlying investment may have a larger impact on the value of such instrument. Derivatives may involve additional liquidity, credit and counterparty risks.

Foreign Currency risk: the risk of loss arising from exchange-rate fluctuations or due to exchange control regulations.

Restructuring Companies risk: the companies involved in reorganisation or financial restructuring tend to have a relatively weak financial position and may also be subject to the risks that the restructuring could be disruptive to the business and management structure of the companies involved, which may expose the Funds to higher investment risk.

For a full discussion of all the risks applicable to this Fund, please refer to the "Risk Considerations" section of the current prospectus of Franklin Templeton Alternative Funds.

Charges

The charges you pay are used to pay the costs of running the Fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

One-off charges taken before or after you invest

Entry charge	Not applicable
Exit charge	Not applicable
<i>This is the maximum that might be taken out of your money before it is invested.</i>	

Charges taken from the Fund over a year

Ongoing charges	1.55%
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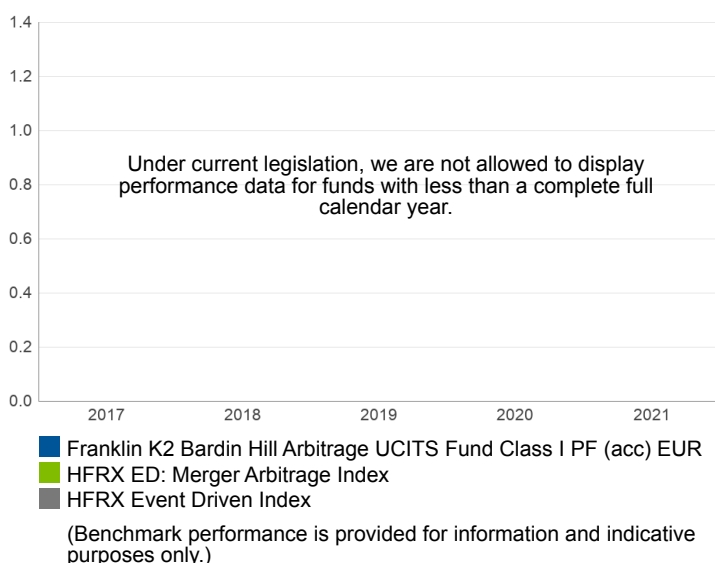
Charges taken from the Fund under certain specific conditions

Performance fee	12.50% a year of any returns the Fund achieves, subject to a High Water Mark principle.
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The ongoing charges shown here are an estimate of the charges. We have used estimated figures as under current applicable rules we are not allowed to calculate ongoing charges for share classes with less than 12 months of data. The UCITS' annual report for each financial year will include detail on the exact charges made.

For detailed information about charges, please refer to the sections "Share Classes" and/or "Performance Fees" (as applicable) as well as Appendix E of the current prospectus of Franklin Templeton Alternative Funds.

Past Performance



- The Fund was launched in 2019 and the present share class on 25/08/2022.

Practical Information

- The Custodian of Franklin Templeton Alternative Funds is J.P. Morgan SE, Luxembourg Branch.
- Copies of the latest prospectus and the latest annual and semi-annual reports of Franklin Templeton Alternative Funds are available in the language of this document, on the website www.ftidocuments.com or may be obtained free of charge from Franklin Templeton International Services S.à r.l., 8A, rue Albert Borschette, L-1246 Luxembourg or your financial adviser.
- The latest prices and other information on the Fund (including other share classes of the Fund) are available from Franklin Templeton International Services S.à r.l., 8A, rue Albert Borschette, L-1246 Luxembourg or www.franklintempleton.lu.
- Please note that the taxation regime applicable in the Grand Duchy of Luxembourg may have an impact on your personal tax position. Please consult your financial or tax adviser before deciding to invest.
- Franklin Templeton International Services S.à r.l. may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the prospectus of the Fund.
- The present Fund is a sub-fund of Franklin Templeton Alternative Funds. The prospectus and the financial reports refer to all sub-funds of Franklin Templeton Alternative Funds. All sub-funds of Franklin Templeton Alternative Funds have segregated assets and liabilities. As a result, each sub-fund is operated independently from each other.
- You may switch into shares of another sub-fund of Franklin Templeton Alternative Funds as further described in the prospectus.
- The details of the up-to-date remuneration policy, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits including the composition of the remuneration committee are available at www.franklintempleton.lu and a paper copy can be obtained free of charge.