

## Fund Overview

Total Net Assets (millions)	\$22.64
Inception Date	Series O: 8/2/2016 Series F: 10/3/2016 Series PF: 10/3/2016
Morningstar Category™	Multi Strategy Hedge

## Underlying Fund Management

<b>Brooks Ritchey</b>	38 years	Stamford, Connecticut
<b>Robert Christian</b>	31 years	Stamford, Connecticut
<b>Anthony Zanolla</b>	27 years	Stamford, Connecticut

## Fund Facts

Price Per Unit	\$11.69
Management & Administration Fee	Series F: 2.20% Series PF: 2.25% Series O: 2.05%

## Risk Classification<sup>1</sup>

Low	Low to Medium	Medium	Medium to High	High
-----	---------------	--------	----------------	------

## Investment Objective:

Capital appreciation with lower volatility relative to the broad equity markets by tracking the performance (net of fees) of FTIF Franklin K2 Alternative Strategies Fund (the "Underlying Fund"), which invests in a wide range of non-traditional or alternative strategies.

## Manager Research:

- Over 1000 meetings with prospective and current managers held annually, with comprehensive due diligence on approximately 100 managers a year.
- Research process involves five discrete and independent groups at K2, each with the power to veto a potential manager addition.
- The goal of the process is to identify those managers who possess both additive risk/return profiles and strong operational framework.
- Managers selected for the fund must manage transparency on their risk/return profiles and offer strategies that can be run in a daily liquid environment.

## Portfolio Construction:

- Allocations focus on four main strategies: Relative Value, Global Macro, Long/Short Equity, and Event-Driven.
- Analysis of the macro environment helps to identify potential source of opportunities and risks.
- The team uses a deep understanding of managers/strategies, historical performance drivers and current exposures to tilt near-term allocations.
- Risk management plays a fundamental role, with modeling across a diversified set of risk factors helping to mitigate concentrated or unintentional exposures.

## Fund Codes CAD\$

Series F	3924
Series F ADM <sup>†</sup>	5002
Series PF	3925
Series PF ADM <sup>†</sup>	5070
Series O	3881

## Reasons To Invest In This Fund:

- Diversified alternative solution:** The Fund provides one-stop access to a diversified selection of institutional hedge fund managers and strategies in a daily liquid vehicle.
- A combination of disciplined capabilities:** The investment process combines manager research with asset allocation analysis to construct a multi-manager, multi-strategy fund seeking to participate in the market upside and reduce downside risk.
- Risk management:** K2 Advisors, the underlying fund investment manager, applies extensive risk processes, systems and data so that risks can be measured, monitored and managed.
- Alternatives expertise:** K2 has over 20 years of hedge fund experience and a deep understanding of the hedge strategies they cover.

## Performance (%)

Compound Annualized Returns	3 Mth <sup>*</sup>	1 Yr <sup>*</sup>	2 Yr	3 Yr	Since Inception (8/2/2016)
Franklin K2 Multi-Strategy Alternatives Fund-Series O – CAD	3.45%	14.22%	6.51%	5.69%	5.88%
ICE BofA US 3-Month Treasury Bill Index – USD <sup>2</sup>	0.00%	0.09%	0.86%	1.34%	1.19%
HFRX Global Hedge Fund Index – USD <sup>3</sup>	2.41%	12.01%	7.45%	4.22%	4.05%

Source: Franklin Templeton as of June 30, 2021. The Franklin K2 Multi-Strategy Alternatives Fund invests substantially all of its assets in units of the Underlying Fund. Assumes reinvestment of interest or dividends. Indexes are unmanaged and one cannot invest directly in an index. They do not reflect any management and administration fees, expenses or sales charges. Unlike most asset class indexes, HFR Index returns reflect fees and expenses.

\*Returns data represents cumulative total returns.

## Portfolio Exposure (% of Total)<sup>4</sup>

Gross Exposure	142.45%
Net Exposure	46.25%
Long Exposure	94.35%
Short Exposure	-48.10%

## Security Type Exposures (% of Total)<sup>4</sup>

	Gross Exposure	Net Exposure
Single Security Derivatives	72.40%	-14.16%
Direct Securities	58.30%	58.30%
Index/Multi-Security Derivatives	11.74%	2.11%

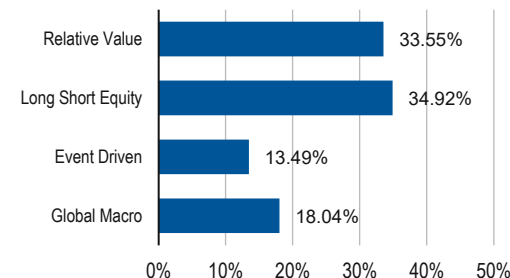
## Asset Class Exposures (% of Total)<sup>4</sup>

	Gross Exposure	Net Exposure
Equity	76.65%	28.14%
Fixed Income	48.59%	26.17%
Currency	17.21%	-8.05%

## Liquidity Breakdown<sup>5</sup>

	% of Total Gross Exposure
1-7 Days	99.34%
More than 7 Days	0.66%

## Strategy Allocation (% of Invested Capital)<sup>4</sup>



## Geographic Allocation (% of Total)<sup>4</sup>

	Gross Exposure	Net Exposure
North America	85.73%	33.90%
Europe	32.62%	-2.80%
Asia Pacific	13.00%	6.57%
Global and Emerging Markets	8.20%	6.19%
South America	2.90%	2.39%

**IMPORTANT INFORMATION**

The information in this Fact Sheet is for the benefit of institutional and accredited investors only. Past performance does not guarantee future results and may not be repeated. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. The Franklin K2 Multi-Strategy Alternatives Fund invests substantially all of its assets in units of FTIF Franklin K2 Alternative Strategies Fund, a fund organized under the laws of Luxembourg as a Société d'investissement à Capital Variable (SICAV) that invests in a wide range of non-traditional or alternative strategies. Franklin K2 Multi-Strategy Alternatives Fund is only available to Canadian investors who qualify as accredited investors as per Canadian securities laws and is sold pursuant to prospectus exemptions. The full details of the Fund, its investment strategies and the risks are detailed in the Fund's offering memorandum. Information contained in this fact sheet should not be considered a solicitation to buy or an offer to sell a security to any person and is qualified by the Fund's offering memorandum. Any USD/CAD differential has been hedged out of the fund's performance making it directly comparable to the index performance in USD. Performance is presented in Canadian dollars, unless otherwise stated, and is gross of fees (before management and administration fees) of Series O units of the fund. Taking into account such fees would result in lower rates of return. Franklin Templeton Canada is a business name used by Franklin Templeton Investments Corp.

Effective March 11, 2019, Franklin K2 Alternative Strategies Fund was renamed Franklin K2 Multi-Strategy Alternatives Fund.

†"ADM" refers to the Investment Advisory Services Fee purchase option for Series F, FT, PF, PF (Hedged) and PFT. Please see the simplified prospectus for further details.

1. Each fund is assigned an investment risk rating in one of the following categories: low, low to medium, medium, medium to high or high risk. The risk ratings were determined using a methodology that assesses a fund's historical volatility risk as measured by the standard deviation of fund performance. However, just as a fund's historical performance may not be indicative of its future returns, a fund's historical volatility may not be indicative of its future volatility. In addition, other types of risk may exist that can affect a fund's returns. Please read the offering memorandum for more information on fund risk ratings.

**Data Sources**

Information is historical and may not reflect current or future portfolio characteristics. All portfolio holdings are subject to change.

2. Source: Intercontinental Exchange ("ICE"), used with permission. The index data referenced herein is the property of Intercontinental Exchange ("ICE") and/or its licensors and has been licensed for use by Franklin Templeton. ICE and its licensors accept no liability in connection with this use. See [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com) for a full copy of the Disclaimer.
3. Source: Hedge Fund Research, Inc. - [www.hedgefundresearch.com](http://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.
4. Source for allocation and exposure data: Hedgemark.
5. Based on the underlying fund, calculated using internally sourced information from Franklin Templeton.

Important data provider notices and terms available at [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com).

**Definitions**

**Portfolio Exposure, Asset Class and Security Type Exposure, and Geographic Allocation:** 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.

**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.

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

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

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

**Strategy Allocation:** Weightings as percentage of invested capital into fund managers (sub-advisors or co-managers). Percentage may not total 100% due to rounding. 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 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.



Franklin Templeton Canada  
200 King Street West, Suite 1500  
Toronto, ON, M5H 3T4  
Client Services Toll-free: 1.800.387.0830 Fax: 1.866.850.8241  
[www.franklintempleton.ca](http://www.franklintempleton.ca)