

**Fund Overview**

|                        |                            |
|------------------------|----------------------------|
| Base Currency for Fund | USD                        |
| Total Net Assets (USD) | 25 million                 |
| Fund Inception Date    | 04.11.2016                 |
| Morningstar Category™  | Alternative - Global Macro |

**Summary of Investment Objective**

The Fund's investment goal is to achieve total return over a full market cycle through capital appreciation. The Fund seeks to achieve its investment goal by allocating its net assets across global-macro oriented "alternative" strategies.

**Fund Management**

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

**Strategy Allocation (% of Invested Capital)**

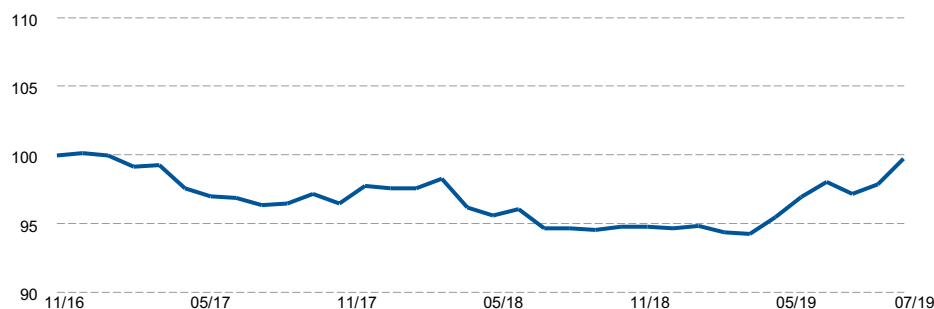
|               | Target | Actual |
|---------------|--------|--------|
| Discretionary | 0-80   | 45.51  |
| Systematic    | 0-80   | 54.49  |

**Portfolio Allocation—Total**

|              | % of Risk Allocation | Net Exposure (% of Total) |
|--------------|----------------------|---------------------------|
| Currency     | 56.44                | -43.74                    |
| Fixed Income | 20.42                | 68.34                     |
| Equity       | 14.49                | 15.17                     |
| Commodities  | 8.65                 | 3.92                      |

**Performance**
**Performance Since Inception in Share Class Currency (%)**

■ Franklin K2 Global Macro Opportunities Fund A (acc)  
USD


**Discrete Annual Performance in Share Class Currency (%)**

|             | 07/18 | 07/17 | 07/16 | 07/15 | 07/14 |
|-------------|-------|-------|-------|-------|-------|
|             | 07/19 | 07/18 | 07/17 | 07/16 | 07/15 |
| A (acc) USD | 5.49  | -1.97 | N/A   | N/A   | N/A   |

**Performance in Share Class Currency (%)**

|             | Cumulative |              | Annualised   |              |
|-------------|------------|--------------|--------------|--------------|
|             | 1 Yr       | Since Incept | Since Incept | Since Incept |
| A (acc) USD | 5.49       | -0.21        |              | -0.08        |

**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.** All performance data shown is in the currency stated, include reinvested dividends and are net of management fees. Sales charges and other commissions, taxes and other relevant costs paid by the 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. 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.

**Fund Measures**

|                           |       |
|---------------------------|-------|
| Standard Deviation (1 Yr) | 2.91% |
|---------------------------|-------|

**Share Class Information**

| Share Class | Incept Date | NAV      | TER (%) | Dividends |                |                  | Fund Identifiers |              |
|-------------|-------------|----------|---------|-----------|----------------|------------------|------------------|--------------|
|             |             |          |         | Frequency | Last Paid Date | Last Paid Amount | Bloomberg ID     | ISIN         |
| A (acc) USD | 04.11.2016  | USD 9.98 | 2.75    | N/A       | N/A            | N/A              | FGMOAAU LX       | LU1446802784 |

**Composition of Fund**

| Manager Allocation                  | % of Invested Capital |
|-------------------------------------|-----------------------|
| <b>Discretionary</b>                | <b>45.51</b>          |
| Emso Asset Management Limited       | 25.16                 |
| RV Capital Management Private, Ltd. | 20.35                 |
| <b>Systematic</b>                   | <b>54.49</b>          |
| Graham Capital Management, L.P.     | 20.57                 |
| Aspect Capital Limited              | 18.30                 |
| P/E Investments, LLC                | 15.62                 |

**Portfolio Data Derivatives Disclosures**

Portfolio 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.

**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 total return over a full market cycle by allocating its assets across multiple "alternative" macro-oriented strategies and by investing in a wide range of assets, with the ability to actively use financial derivative instruments. 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. As a result, the performance of the Fund can fluctuate moderately over time.

Other significant risks include: credit risk, currency risk, derivatives risk, operational risk, targeted return risk, liquidity 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.

**Important Information**

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Benchmark related data provided by FactSet, as of the date of this document, unless otherwise noted.

Source: HedgeMark.

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

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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 Allocation:**

% of Risk Allocation: The risk allocation data above represents how the fund's expected risk is distributed across the various categories or securities shown, based on holdings within the fund for the given as-of-date. Risk is defined as Value-at-Risk (VaR), which is a measure of potential loss in value for a portfolio over a defined period for a given confidence level. This statistic reflects an estimated one-month VaR exposure calculated at the 95% confidence level, which implies there is a 5% chance the portfolio will lose that VaR amount or more over that time period, assuming that portfolio holdings remain the same. **It's important to note that the actual risk an investment experiences may be higher or lower than the projected VaR estimate, as both portfolio positions and market volatility levels are subject to change.**

The Fund may hold cash and cash equivalent instruments that are not shown, as they don't contribute to the risk exposure of the Fund. Where a cash position would contribute to risk (ex. foreign spot currency cash), it would be included within the illustration.

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.

**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.