

UNAUDITED SEMI-ANNUAL REPORT

# FRANKLIN TEMPLETON ALTERNATIVE FUNDS

société d'investissement à capital variable

September 30, 2021



FRANKLIN  
TEMPLETON



# FRANKLIN TEMPLETON ALTERNATIVE FUNDS

**société d'investissement à capital variable**

EXTRACT (SEMI) ANNUAL REPORT FOR THE REPORTING PERIOD ON  
September 30, 2021

Paying agent in Switzerland:  
BNP PARIBAS SECURITIES SERVICES,  
Paris, succursale de Zurich  
Selnaustrasse 16  
8002 Zürich

Representative in Switzerland:  
Franklin Templeton Switzerland Ltd  
Stockerstrasse 38  
8002 Zurich

This report does not constitute an offer or a solicitation to buy fund shares from Franklin Templeton Alternative Funds (the "Company"). Subscriptions must be based on the current prospectus, relevant "Key Investor Information" (KIID's), a copy of the most recent audited annual report and the latest unaudited semi-annual report, if published later. Copies of the prospectus, the articles of association and the annual and semi-annual reports of the company are available free of charge from the representative in Switzerland on request.



# Contents

---

<b>General Information</b> .....	<b>6</b>
<b>Report of the Investment Managers</b> .....	<b>7</b>
<b>Fund Performance</b> .....	<b>9</b>
<b>Statement of Net Assets</b> .....	<b>10</b>
<b>Statement of Operations and Changes in Net Assets</b> .....	<b>12</b>
<b>Statistical Information</b> .....	<b>14</b>
<b>Notes to Financial Statements</b> .....	<b>16</b>
<b>Schedule of Investments</b> .....	<b>39</b>
Franklin K2 Bardin Hill Arbitrage UCITS Fund.....	39
Franklin K2 Cat Bond UCITS Fund .....	41
Franklin K2 Chilton Equity Long Short UCITS Fund.....	43
Franklin K2 Electron Global UCITS Fund.....	45
Franklin K2 Ellington Structured Credit UCITS Fund .....	47
Franklin K2 EMSO Emerging Markets UCITS Fund.....	49
Franklin K2 Wellington Technology Long Short UCITS Fund .....	51
<b>Additional Information</b> .....	<b>53</b>
<b>Franklin Templeton Office Directory</b> .....	<b>56</b>

## General Information

As at September 30, 2021

### **société d'investissement à capital variable**

8A, rue Albert Borschette, L-1246 Luxembourg, Grand Duchy of Luxembourg  
(Registered with the registre de commerce et des sociétés, Luxembourg, under number B 236840)

### **BOARD OF DIRECTORS:**

#### **Chairman**

*William Jackson*

Director

FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED

5 Morrison Street, Edinburgh EH3 8BH, Scotland  
United Kingdom

#### **Directors**

*Michel Tulle*

Senior Director Continental Europe

FRANKLIN TEMPLETON INTERNATIONAL SERVICES

S.à r.l., French Branch

20 rue de la Paix, F-75002 Paris,  
France

*Caroline Carroll*

Director

FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED

Cannon Place, 78 Cannon Street, London EC4N 6HL  
United Kingdom

*Judith Mertesdorf-Perathoner*

Vice President, Global Fund Tax

FRANKLIN TEMPLETON INTERNATIONAL SERVICES

S.à r.l.

8A, rue Albert Borschette, L-1246 Luxembourg  
Grand Duchy of Luxembourg

### **MANAGEMENT COMPANY:**

FRANKLIN TEMPLETON INTERNATIONAL SERVICES

S.à r.l.

8A, rue Albert Borschette, L-1246 Luxembourg  
Grand Duchy of Luxembourg

### **REGISTERED OFFICE:**

8A, rue Albert Borschette, L-1246 Luxembourg  
Grand Duchy of Luxembourg

### **PRINCIPAL DISTRIBUTOR:**

FRANKLIN TEMPLETON INTERNATIONAL SERVICES  
S.à r.l.

8A, rue Albert Borschette, L-1246 Luxembourg  
Grand Duchy of Luxembourg

### **DEPOSITARY:**

J.P. MORGAN BANK LUXEMBOURG S.A.

European Bank & Business Centre

6C, route de Trèves, L-2633 Senningerberg  
Grand Duchy of Luxembourg

### **CENTRAL ADMINISTRATIVE AGENT:**

FRANKLIN TEMPLETON INTERNATIONAL SERVICES  
S.à r.l.

8A, rue Albert Borschette, L-1246 Luxembourg  
Grand Duchy of Luxembourg

### **ADMINISTRATIVE AGENT:**

J.P. MORGAN BANK LUXEMBOURG S.A.

European Bank & Business Centre

6C, route de Trèves, L-2633 Senningerberg  
Grand Duchy of Luxembourg

### **AUDITOR:**

PRICEWATERHOUSECOOPERS, Société coopérative

2, rue Gerhard Mercator, L-2182 Luxembourg

Grand Duchy of Luxembourg

### **LEGAL ADVISERS:**

ELVINGER HOSS PRUSSEN, société anonyme

2, Place Winston Churchill, L-1340 Luxembourg

Grand Duchy of Luxembourg

# Report of the Investment Managers

## Six months to September 30, 2021

Progress in vaccination campaigns and businesses reopening, along with ongoing monetary and fiscal stimulus, aided continued economic recovery in several parts of the world during the six-month reporting period. Inflation was a frequent market theme as supply chain disruptions and higher commodity prices combined with low base effects to drive up prices around the globe. Later in the period, strong corporate earnings in several parts of the world, full US regulatory approval for a COVID-19 vaccine and the Chinese central bank's liquidity-boosting measures aided markets. However, in September, persistent inflation, more hawkish central bank messaging and a continued regulatory crackdown in China all affected investor sentiment and contributed to a widespread selloff in equities. Sovereign bond yields in much of Asia and the Americas pulled back from their March peaks in April, while many areas of Europe saw yields continue to rise during the first two months of the second quarter. Sovereign bond yields rose across much of the world in August and September after generally declining in July. The sharpest yield adjustments generally occurred in September as central banks increasingly pivoted towards concurrent monetary tightening cycles, after an extraordinary, highly correlated global easing cycle in 2020.

In Europe, signs of economic recovery picked up, though sentiment was restrained by worries about rising inflation. In June, the European Central Bank (ECB) raised its economic forecast for the euro area but said it intends to continue its accommodative monetary stimulus. ECB President Christine Lagarde said that underlying price pressures are expected to increase somewhat in 2021 due to temporary supply constraints and the recovery in domestic demand but are likely to remain subdued. Later in the period, resurging coronavirus cases, inflation worries and concerns about economic growth in Europe and in China restrained sentiment. In September, the ECB said it planned to start slowing the pace of its emergency asset purchases without providing much detail about the timing, stating it would take a flexible approach depending on market conditions.

Broad US equity indices generally moved higher during most of the period as investors recalibrated their expectations for inflation, interest rates and risks introduced by a firming economic reboot. After peaking at all-time highs, broad gauges of the US equity market sold off during the final weeks of the review period as investors grappled with a number of current and potential headwinds facing American businesses. US fiscal and monetary policy were on track to tighten concurrently, just as tax increases were on the horizon, while US economic growth has been slowing sooner and faster than economists initially predicted. Concerns abounded that higher wages, energy prices and transportation costs will weigh on earnings for the remainder of this year and into 2022. Robust corporate earnings and balance sheet health counterbalanced some of the negative market forces. In September, the US Federal Reserve signalled it was ready to begin reducing its bond-buying programme and indicated greater willingness to start raising interest rates in 2022. The yield on the 10-year US Treasury note finished the six-month period at 1.49%, falling from 1.74% on 31 March, which was its highest level since January 2020.

In Asia, sentiment was dampened as several countries increased efforts to contain new coronavirus outbreaks. Supply bottlenecks and rising inflation, along with the spectre of US interest rates rising sooner than previously expected, caused some concerns. Worries about China's economic growth and tighter regulations on several industries, most notably in technology, weighed on markets for much of the period. In September, a large Chinese real estate developer faced a liquidity crisis and potential debt default, which caused many investors to consider whether the situation could escalate into a broader contagion. At the end of August, China's central bank injected 120 billion yuan of liquidity into the banking system to support business sectors affected by the recent resurgence of COVID-19; this was followed in late September with a further 110-billion-yuan injection to ease fears about potential fallout from the real estate developer crisis. Elsewhere in Asia, Japanese equities found support late in the period from vaccination progress and lessening political uncertainty as the decision on a new prime minister took shape. South Korea's central bank hiked its base interest rate during its August meeting from a historic low of 0.50% to 0.75%; this was the first increase in almost three years, making the country the first major Asian economy to tighten monetary policy since the pandemic began.

Looking ahead, continued strong global growth has remained in place, but the peak has likely passed. Even as the impact from COVID-19 continues to be felt, fiscal stimulus is likely to continue to support economic activity, potentially prompting a period of synchronised global expansion. This should outweigh continuing concerns over inflationary pressures and regional divergences in the near-term recovery. Global equities appear to require sustained earnings growth to offset an anticipated normalisation of valuations. COVID-19 vaccine rollouts have been supporting strong economic activity globally, though this may be largely built into investors' expectations. Ongoing global expansion and long-term valuations that have remained expensive contrast with continued easy monetary policy. Corporate bond spreads have remained compressed but appear to reflect presumed central bank support for this market, if needed.

**THE INVESTMENT MANAGERS**

October 2021

The information stated in this report represents historical data and is not an indication of future results.

Past performance is no guarantee of future results. Currency fluctuations can affect the value of the investments.

The performance data also disregard the commissions and costs charged for the issue and redemption of shares.



## Fund Performance

Percentage change to September 30, 2021

	Reference Share Class	Launch Date	1 Month %	3 Months %	6 Months %	1 Year %	Since Launch %
Franklin K2 Wellington Technology Long Short UCITS Fund	EB PF (acc) EUR-H1	30 Sep 19	(2.56)	0.86	7.96	9.16	18.00
Franklin K2 Wellington Technology Long Short UCITS Fund	EB PF (acc) USD	30 Sep 19	(2.40)	1.16	8.33	10.19	22.20
Franklin K2 Wellington Technology Long Short UCITS Fund	EO PF (acc) EUR-H1	30 Sep 19	(2.18)	0.95	7.27	8.47	16.50
Franklin K2 Wellington Technology Long Short UCITS Fund	EO PF (acc) USD	30 Sep 19	(2.20)	1.18	7.62	9.38	20.10
Franklin K2 Wellington Technology Long Short UCITS Fund	I PF (acc) EUR-H1	13 Dec 19	(2.47)	0.79	7.32	7.42	14.40
Franklin K2 Wellington Technology Long Short UCITS Fund	I PF (acc) USD	13 Dec 19	(2.33)	1.03	7.90	9.40	17.50
Franklin K2 Bardin Hill Arbitrage UCITS Fund	EB PF (acc) EUR-H1	30 Sep 19	0.47	0.85	2.31	5.45	6.50
Franklin K2 Bardin Hill Arbitrage UCITS Fund	EB PF (acc) USD	30 Sep 19	0.55	0.92	2.72	6.41	9.60
Franklin K2 Bardin Hill Arbitrage UCITS Fund	EO PF (acc) EUR-H1	30 Sep 19	0.38	0.57	1.93	4.77	5.40
Franklin K2 Bardin Hill Arbitrage UCITS Fund	EO PF (acc) USD	30 Sep 19	0.37	0.74	2.27	5.56	8.30
Franklin K2 Bardin Hill Arbitrage UCITS Fund	I PF (acc) EUR-H1	13 Dec 19	0.38	0.58	1.85	4.69	4.90
Franklin K2 Bardin Hill Arbitrage UCITS Fund	I PF (acc) USD	13 Dec 19	0.38	0.66	2.20	5.52	7.00
Franklin K2 Electron Global UCITS Fund	EB PF (acc) EUR-H1	30 Sep 19	(0.79)	(3.54)	(3.07)	25.95	38.80
Franklin K2 Electron Global UCITS Fund	EB PF (acc) EUR-H2	30 Sep 19	(0.85)	(3.59)	(2.92)	25.90	39.50
Franklin K2 Electron Global UCITS Fund	EB PF (acc) USD	30 Sep 19	(0.76)	(3.29)	(2.70)	27.43	44.00
Franklin K2 Electron Global UCITS Fund	EO PF (acc) EUR-H1	30 Sep 19	(0.89)	(3.63)	(3.28)	22.38	32.90
Franklin K2 Electron Global UCITS Fund	EO PF (acc) EUR-H2	30 Sep 19	(0.81)	(3.52)	(2.89)	22.74	34.40
Franklin K2 Electron Global UCITS Fund	EO PF (acc) USD	30 Sep 19	(0.79)	(3.28)	(2.73)	24.37	38.80
Franklin K2 Electron Global UCITS Fund	I PF (acc) EUR-H1	13 Dec 19	(0.90)	(3.72)	(3.51)	24.04	32.10
Franklin K2 Electron Global UCITS Fund	I PF (acc) EUR-H2	13 Dec 19	(0.90)	(3.79)	(3.30)	23.48	32.00
Franklin K2 Electron Global UCITS Fund	I PF (acc) USD	13 Dec 19	(0.80)	(3.49)	(3.00)	25.09	35.60
Franklin K2 Ellington Structured Credit UCITS Fund	EB PF (acc) EUR-H1	30 Sep 19	0.60	1.82	2.03	6.33	0.70
Franklin K2 Ellington Structured Credit UCITS Fund	EB PF (acc) USD	30 Sep 19	0.68	1.87	2.18	6.94	3.30
Franklin K2 Ellington Structured Credit UCITS Fund	EO PF (acc) EUR-H1	30 Sep 19	0.60	1.83	1.93	6.25	0.20
Franklin K2 Ellington Structured Credit UCITS Fund	EO PF (acc) USD	30 Sep 19	0.59	1.78	1.99	6.64	2.80
Franklin K2 Ellington Structured Credit UCITS Fund	I PF (acc) EUR-H1	13 Dec 19	0.61	1.75	1.75	5.77	(1.00)
Franklin K2 Ellington Structured Credit UCITS Fund	I PF (acc) USD	13 Dec 19	0.50	1.71	2.02	6.53	1.10
Franklin K2 Chilton Equity Long Short UCITS Fund	EB PF (acc) EUR-H1	30 Sep 19	(4.81)	0.98	8.78	2.29	2.80
Franklin K2 Chilton Equity Long Short UCITS Fund	EB PF (acc) USD	30 Sep 19	(4.67)	1.24	8.70	3.31	6.20
Franklin K2 Chilton Equity Long Short UCITS Fund	EO PF (acc) EUR-H1	30 Sep 19	(4.48)	0.89	8.48	1.99	2.30
Franklin K2 Chilton Equity Long Short UCITS Fund	EO PF (acc) USD	30 Sep 19	(4.34)	1.24	8.41	3.02	5.70
Franklin K2 Chilton Equity Long Short UCITS Fund	I PF (acc) EUR-H1	13 Dec 19	(4.85)	0.89	8.62	1.79	2.10
Franklin K2 Chilton Equity Long Short UCITS Fund	I PF (acc) USD	13 Dec 19	(4.72)	1.06	8.59	2.64	4.90
Franklin K2 Emso Emerging Markets UCITS Fund	EB PF (acc) EUR-H1	04 Dec 20	(0.40)	(0.10)	0.81	–	0.10
Franklin K2 Emso Emerging Markets UCITS Fund	EB PF (acc) USD	04 Dec 20	(0.40)	(0.00)	1.10	–	0.80
Franklin K2 Emso Emerging Markets UCITS Fund	EO PF (acc) EUR-H1	04 Dec 20	(0.50)	(0.20)	0.70	–	0.00
Franklin K2 Emso Emerging Markets UCITS Fund	EO PF (acc) USD	04 Dec 20	(0.49)	(0.10)	1.00	–	0.60
Franklin K2 Emso Emerging Markets UCITS Fund	I PF (acc) EUR-H1	04 Dec 20	(0.60)	(0.30)	0.50	–	(0.30)
Franklin K2 Emso Emerging Markets UCITS Fund	I PF (acc) USD	04 Dec 20	(0.49)	(0.10)	1.51	–	1.10

Currently in Switzerland only the following funds

1. FRANKLIN K2 ELLINGTON STRUCTURED CREDIT UCITS FUND
2. FRANKLIN K2 CHILTON EQUITY LONG SHORT UCITS FUND
3. FRANKLIN K2 BARDIN HILL ARBITRAGE UCITS FUND
4. FRANKLIN K2 WELLINGTON TECHNOLOGY LONG SHORT UCITS FUND
5. FRANKLIN K2 ELECTRON GLOBAL UCITS FUND
6. FRANKLIN K2 EMSO EMERGING MARKETS UCITS FUND
7. FRANKLIN K2 ATHENA RISK PREMIA UCITS FUND
8. FRANKLIN K2 CAT BOND UCITS FUND

are registered.

The EB, EO and I shares are actively marketed.

Past performance is no guarantee of future results. Currency fluctuations can affect the value of the investments.  
The performance data also disregard the commissions and costs charged for the issue and redemption of shares.

## Statement of Net Assets

As at September 30, 2021

	Total	Franklin K2 Athena Risk Premia UCITS Fund <sup>1</sup>	Franklin K2 Bardin Hill Arbitrage UCITS Fund
	(USD)	(USD)	(USD)
<b>ASSETS</b>			
Investments in securities at market value (note 2(b))	532,708,402	–	138,481,612
Cash at bank and at brokers	160,851,341	21,464,807	15,696,368
Time deposits (note 3)	104,796,400	–	28,508,800
Amounts receivable on sale of investments	2,509,221	–	709,851
Amounts receivable on subscriptions	2,734,964	–	2,218,897
Interest and dividends receivable, net	1,305,201	–	36,387
Unrealised profit on forward foreign exchange contracts (notes 2(c), 4)	1,103,878	–	277,008
Unrealised profit on financial future contracts (notes 2(d), 5)	644,955	64,847	–
Unrealised profit on interest rate swap contracts (notes 2(e), 6)	280,605	–	–
Unrealised profit on total return swap contracts (notes 2(f), 7)	2,441,549	93,615	–
Unrealised profit on contract for differences (notes 2(g), 8)	5,409,946	–	236,926
Credit default swap contracts at market value (notes 2(h), 9)	162,171	–	–
Option contracts at market value (notes 2(i), 10)	1,665,104	–	1,412,904
Other receivables	37,456	260	19,995
<b>TOTAL ASSETS</b>	<b>816,651,193</b>	<b>21,623,529</b>	<b>187,598,748</b>
<b>LIABILITIES</b>			
Amounts payable on purchases of investments	6,294,481	–	3,109,605
Amounts payable on redemptions	1,140,258	–	44,260
Investment management fees payable (note 11)	431,610	130	122,728
Performance fees payable (note 12)	3,138,037	–	868,994
Unrealised loss on forward foreign exchange contracts (notes 2(c), 4)	12,308,770	6,323	2,958,756
Unrealised loss on financial future contracts (notes 2(d), 5)	6,536	6,536	–
Unrealised loss on interest rate swap contracts (notes 2(e), 6)	186,770	–	–
Unrealised loss on total return swap contracts (notes 2(f), 7)	4,314,185	377,761	–
Unrealised loss on contract for differences (notes 2(g), 8)	1,481,091	–	193,200
Credit default swap contracts at market value (notes 2(h), 9)	106,979	–	–
Option contracts at market value (notes 2(i), 10)	38,885	–	38,885
Taxes and expenses payable	405,099	14,423	67,952
<b>TOTAL LIABILITIES</b>	<b>29,852,701</b>	<b>405,173</b>	<b>7,404,380</b>
<b>TOTAL NET ASSETS</b>	<b>786,798,492</b>	<b>21,218,356</b>	<b>180,194,368</b>
<b>ASSET SUMMARY</b>			
March 31, 2021	610,911,651	–	187,389,294
March 31, 2020	316,527,361	–	109,281,242

<sup>1</sup>Franklin K2 Athena Risk Premia UCITS Fund launched on June 18, 2021<sup>2</sup>Franklin K2 Cat Bond UCITS Fund launched on June 18, 2021

## Statement of Net Assets

As at September 30, 2021

Franklin K2 Cat Bond UCITS Fund <sup>2</sup>	Franklin K2 Chilton Equity Long Short UCITS Fund	Franklin K2 Electron Global UCITS Fund	Franklin K2 Ellington Structured Credit UCITS Fund	Franklin K2 EMSO Emerging Markets UCITS Fund	Franklin K2 Wellington Technology Long Short UCITS Fund
(USD)	(USD)	(USD)	(USD)	(USD)	(USD)
46,339,312	27,886,116	137,078,274	36,834,044	76,046,784	70,042,260
40,715,488	4,571,937	21,002,398	1,657,551	16,361,151	39,381,641
–	–	27,660,000	3,916,400	26,243,600	18,467,600
–	536,251	909,977	–	–	353,142
–	72,812	244,030	102,844	36,974	59,407
226,132	6,771	74,114	153,585	808,189	23
–	38,200	452,259	102,189	79,319	154,903
–	–	241,170	–	338,938	–
–	–	–	–	280,605	–
–	–	–	–	2,473	2,345,461
–	352,878	4,820,142	–	–	–
–	–	–	–	162,171	–
–	–	–	–	–	252,200
2,744	990	11,963	799	265	440
<b>87,283,676</b>	<b>33,465,955</b>	<b>192,494,327</b>	<b>42,767,412</b>	<b>120,360,469</b>	<b>131,057,077</b>
–	104,198	467,071	1,000,000	1,473,052	140,555
–	2,246	1,083,247	3,556	6,949	–
20,445	23,567	114,101	25,728	14,474	110,437
–	309,203	7,703	40,696	7,193	1,904,248
1,142,435	553,777	2,777,615	489,075	661,884	3,718,905
–	–	–	–	–	–
–	–	–	87,613	99,157	–
–	–	–	–	103,037	3,833,387
–	530,624	757,267	–	–	–
–	–	–	–	106,979	–
–	–	–	–	–	–
24,282	31,685	74,038	47,424	60,998	84,297
<b>1,187,162</b>	<b>1,555,300</b>	<b>5,281,042</b>	<b>1,694,092</b>	<b>2,533,723</b>	<b>9,791,829</b>
<b>86,096,514</b>	<b>31,910,655</b>	<b>187,213,285</b>	<b>41,073,320</b>	<b>117,826,746</b>	<b>121,265,248</b>
–	26,426,843	98,586,552	60,782,654	119,692,989	118,033,319
–	27,253,081	74,417,164	73,749,537	–	31,826,337

## Statement of Operations and Changes in Net Assets

For the period ended September 30, 2021

	Total	Franklin K2 Athena Risk Premia UCITS Fund <sup>1</sup>	Franklin K2 Bardin Hill Arbitrage UCITS Fund
	(USD)	(USD)	(USD)
<b>NET ASSETS AT THE BEGINNING OF THE PERIOD</b>	<b>610,911,651</b>	<b>–</b>	<b>187,389,294</b>
<b>INCOME</b>			
Dividends (net of withholding taxes) (note 2(k))	729,803	–	150,347
Interest on bonds (net of withholding taxes) (note 2(k))	3,274,049	2,902	103,839
Bank interest	14,470	–	5,612
Net interest income on swaps	953,363	14,277	–
<b>TOTAL INCOME</b>	<b>4,971,685</b>	<b>17,179</b>	<b>259,798</b>
<b>EXPENSES</b>			
Investment management fees (note 11)	2,384,366	456	746,073
Performance fees (note 12)	3,138,037	–	868,994
Administration and transfer agency fees	605,800	139	200,728
Subscription tax (note 15)	50,268	1,015	8,715
Custodian fees	121,567	2,265	30,592
Audit fees	155,250	12,386	22,065
Printing and publishing expenses	14,574	292	4,005
Bank charges	19,074	–	8,106
Net interest expenses on swaps	785,138	–	–
Maintenance and service charges (note 16)	7,899	–	138
Other charges (note 21)	415,953	7,238	171,242
<b>TOTAL EXPENSES</b>	<b>7,697,926</b>	<b>23,791</b>	<b>2,060,658</b>
Expenses reimbursement (note 17)	(864,771)	(14,500)	(279,014)
<b>NET EXPENSES</b>	<b>6,833,155</b>	<b>9,291</b>	<b>1,781,644</b>
<b>NET PROFIT/(LOSS) FROM INVESTMENTS</b>	<b>(1,861,470)</b>	<b>7,888</b>	<b>(1,521,846)</b>
Net realised profit/(loss) on sale of investments	21,744,249	–	7,787,336
Net realised profit/(loss) on forward foreign exchange contracts	4,195,229	–	766,198
Net realised profit/(loss) on financial future contracts	(1,784,635)	4,760	–
Net realised profit/(loss) on interest rate swap contracts	(449,865)	–	–
Net realised profit/(loss) on total return swap contracts	2,548,771	(219,936)	–
Net realised profit/(loss) on credit default swap contracts	91,747	–	–
Net realised profit/(loss) on option contracts	(411,573)	–	136,448
Net realised profit/(loss) on contract for differences	(8,866,520)	–	(5,265,143)
Net realised profit/(loss) on foreign exchange transactions	(4,301,824)	(6,955)	(1,348,461)
<b>NET REALISED PROFIT/(LOSS) FOR THE PERIOD</b>	<b>10,904,109</b>	<b>(214,243)</b>	<b>554,532</b>
Change in net unrealised appreciation/(depreciation) on:			
Investments	1,684,164	–	3,061,081
Forward foreign exchange contracts	(3,465,304)	(6,323)	(547,264)
Financial future contracts	489,877	58,311	–
Interest rate swap contracts	153,385	–	–
Total return swap contracts	(1,932,899)	(284,146)	–
Credit default swap contracts	(173,077)	–	–
Options contracts	324,967	–	314,300
Contract for differences	4,861,660	–	291,308
Foreign exchange transactions	(285,822)	–	(235,154)
<b>NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS</b>	<b>12,561,060</b>	<b>(446,401)</b>	<b>3,438,803</b>
<b>MOVEMENT OF CAPITAL</b>			
Issue of shares	327,029,171	21,664,705	54,271,311
Redemption of shares	(163,698,296)	–	(64,905,040)
Equalisation (note 20)	24,312	52	–
	<b>163,355,187</b>	<b>21,664,757</b>	<b>(10,633,729)</b>
Dividends paid/accumulated	(29,406)	–	–
<b>NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF MOVEMENT IN CAPITAL</b>	<b>163,325,781</b>	<b>21,664,757</b>	<b>(10,633,729)</b>
<b>NET ASSETS AT THE END OF THE PERIOD</b>	<b>786,798,492</b>	<b>21,218,356</b>	<b>180,194,368</b>
Portfolio Turnover Ratio (note 22)		(105.36)%	344.95%

<sup>1</sup>Franklin K2 Athena Risk Premia UCITS Fund launched on June 18, 2021<sup>2</sup>Franklin K2 Cat Bond UCITS Fund launched on June 18, 2021

## Statement of Operations and Changes in Net Assets

For the period ended September 30, 2021

Franklin K2 Cat Bond UCITS Fund <sup>2</sup>	Franklin K2 Chilton Equity Long Short UCITS Fund	Franklin K2 Electron Global UCITS Fund	Franklin K2 Ellington Structured Credit UCITS Fund	Franklin K2 EMSO Emerging Markets UCITS Fund	Franklin K2 Wellington Technology Long Short UCITS Fund
(USD)	(USD)	(USD)	(USD)	(USD)	(USD)
–	26,426,843	98,586,552	60,782,654	119,692,989	118,033,319
–	71,679	491,753	–	–	16,024
673,903	102	6,048	740,325	1,742,313	4,617
–	2,116	–	141	1,228	5,373
–	412,172	188,589	3,792	23,954	310,579
<b>673,903</b>	<b>486,069</b>	<b>686,390</b>	<b>744,258</b>	<b>1,767,495</b>	<b>336,593</b>
54,967	133,621	503,392	211,345	74,566	659,946
–	309,203	7,703	40,696	7,193	1,904,248
20,137	33,945	142,190	56,512	15,841	136,308
3,303	3,752	16,589	4,296	5,966	6,632
5,882	8,749	19,062	13,443	20,685	20,889
12,552	21,154	22,569	21,015	21,528	21,981
734	646	2,537	1,214	2,580	2,566
–	–	7,652	–	2,417	899
–	32,549	233,315	189,583	–	329,691
–	14	3,326	770	41	3,610
17,602	14,819	58,477	27,720	60,006	58,849
<b>115,177</b>	<b>558,452</b>	<b>1,016,812</b>	<b>566,594</b>	<b>210,823</b>	<b>3,145,619</b>
(34,000)	(56,456)	(155,623)	(77,942)	(117,543)	(129,693)
<b>81,177</b>	<b>501,996</b>	<b>861,189</b>	<b>488,652</b>	<b>93,280</b>	<b>3,015,926</b>
<b>592,726</b>	<b>(15,927)</b>	<b>(174,799)</b>	<b>255,606</b>	<b>1,674,215</b>	<b>(2,679,333)</b>
532	2,517,643	3,010,415	746,845	(545,128)	8,226,606
(203,199)	(84,446)	(873,424)	(168,458)	(935,076)	5,693,634
–	–	(879,468)	–	(909,927)	–
–	–	(118,290)	–	(331,575)	–
–	–	–	–	84,062	2,684,645
–	–	–	90,945	802	–
–	–	–	–	–	(548,021)
–	831,511	(4,432,888)	–	–	–
(288)	(94,191)	(440,039)	(137,219)	(97,739)	(2,176,932)
<b>389,771</b>	<b>3,154,590</b>	<b>(3,908,493)</b>	<b>787,719</b>	<b>(1,060,366)</b>	<b>11,200,599</b>
231,440	(582,538)	(5,659,817)	(118,204)	1,779,107	2,973,095
(1,142,435)	(182,163)	(1,067,379)	73,214	(116,267)	(476,687)
–	–	241,243	–	190,323	–
–	–	–	(87,613)	240,998	–
–	–	–	–	169,642	(1,818,395)
–	–	–	–	(173,077)	–
–	–	–	–	–	10,667
–	(356,748)	4,927,100	–	–	–
–	106	24,416	(129,408)	54,471	(253)
<b>(521,224)</b>	<b>2,033,247</b>	<b>(5,442,930)</b>	<b>525,708</b>	<b>1,084,831</b>	<b>11,889,026</b>
86,557,635	22,228,417	102,492,952	18,650,359	12,078,650	9,085,142
(25,718)	(18,781,981)	(8,447,915)	(38,787,280)	(15,008,123)	(17,742,239)
85,821	4,129	24,626	(68,715)	(21,601)	–
<b>86,617,738</b>	<b>3,450,565</b>	<b>94,069,663</b>	<b>(20,205,636)</b>	<b>(2,951,074)</b>	<b>(8,657,097)</b>
–	–	–	(29,406)	–	–
<b>86,617,738</b>	<b>3,450,565</b>	<b>94,069,663</b>	<b>(20,235,042)</b>	<b>(2,951,074)</b>	<b>(8,657,097)</b>
<b>86,096,514</b>	<b>31,910,655</b>	<b>187,213,285</b>	<b>41,073,320</b>	<b>117,826,746</b>	<b>121,265,248</b>
(54.86)%	60.46%	257.78%	12.05%	(38.95)%	167.14%

## Statistical Information

	Total Expense Ratio September 30, 2021 (See note 23)	Shares Outstanding as at September 30, 2021	Net Asset Value per share as at September 30, 2021	Net Asset Value per share as at March 31, 2021	Net Asset Value per share as at March 31, 2020
<b>Franklin K2 Athena Risk Premia UCITS Fund - USD*</b>					
A (acc) USD	1.45%	500.000	9.76	—	—
EB (acc) EUR-H1 (hedged)	0.45%	8,245.383	9.77	—	—
EB (acc) USD	0.45%	500.000	9.79	—	—
EO (acc) EUR-H1 (hedged)	0.60%	8,245.383	9.76	—	—
EO (acc) USD	0.60%	500.000	9.79	—	—
I (acc) EUR-H1 (hedged)	0.80%	8,245.382	9.76	—	—
I (acc) USD	0.80%	500.000	9.78	—	—
Y (acc) USD	0.15%	2,134,895.516	9.80	—	—
<b>Franklin K2 Bardin Hill Arbitrage UCITS Fund - USD</b>					
A PF (acc) USD	2.47%	5,219.735	10.63	10.43	—
EB PF (acc) EUR-H1 (hedged)	1.01%	2,161,609.647	10.65	10.41	9.70
EB PF (acc) USD	1.07%	2,132,962.585	10.96	10.67	9.87
EO PF (acc) EUR-H1 (hedged)	1.57%	6,091,321.985	10.54	10.34	9.67
EO PF (acc) USD	1.46%	1,270,562.250	10.83	10.59	9.86
I PF (acc) EUR-H1 (hedged)	1.76%	2,360,121.977	10.49	10.30	9.67
I PF (acc) USD	1.79%	1,241,390.892	10.70	10.47	9.74
W PF (acc) USD	1.82%	2,465.935	10.71	10.48	—
<b>Franklin K2 Cat Bond UCITS Fund - USD*</b>					
EB (acc) EUR-H1 (hedged)	0.55%	3,430,746.223	10.15	—	—
EB (acc) USD	0.55%	500.000	10.15	—	—
EO (acc) EUR-H1 (hedged)	0.70%	1,027,058.277	10.14	—	—
EO (acc) USD	0.70%	500.000	10.15	—	—
I (acc) EUR-H1 (hedged)	0.95%	8,245.382	10.12	—	—
I (acc) USD	0.95%	500.000	10.14	—	—
Y (acc) USD	0.15%	3,304,408.419	10.16	—	—
<b>Franklin K2 Chilton Equity Long Short UCITS Fund - USD</b>					
A PF (acc) USD	3.67%	500.000	10.88	10.11	—
EB PF (acc) EUR-H1 (hedged)	1.22%	52,123.527	10.28	9.45	8.67
EB PF (acc) USD	1.99%	150,000.002	10.62	9.77	8.83
EO PF (acc) EUR-H1 (hedged)	1.73%	1,065,662.795	10.23	9.43	8.65
EO PF (acc) USD	1.91%	305,455.292	10.57	9.75	8.82
I PF (acc) EUR-H1 (hedged)	1.96%	201,461.701	10.21	9.40	8.67
I PF (acc) USD	2.44%	62,681.247	10.49	9.66	8.79
S PF (acc) USD	2.82%	622,687.752	10.73	9.91	—
S PF (acc) USD-H4E (BRL) (hedged)*	1.20%	441,514.423	9.29	—	—
W PF (acc) USD	3.02%	500.000	10.96	10.16	—
<b>Franklin K2 Electron Global UCITS Fund - USD</b>					
A PF (acc) USD	2.20%	100,485.852	13.40	13.87	—
EB PF (acc) EUR-H1 (hedged)	0.75%	38,009.663	13.88	14.32	8.87
EB PF (acc) EUR-H2 (hedged)	0.75%	2,255,000.000	13.95	14.37	8.91
EB PF (acc) USD	0.75%	1,022,651.351	14.40	14.80	9.04
EO PF (acc) EUR-H1 (hedged)	0.90%	665,288.975	13.29	13.74	8.83
EO PF (acc) EUR-H2 (hedged)	0.94%	710,999.278	13.44	13.84	8.89
EO PF (acc) USD	0.96%	287,231.948	13.88	14.27	9.03
I PF (acc) EUR-H1 (hedged)	1.45%	691,243.000	13.21	13.69	8.60
I PF (acc) EUR-H2 (hedged)	1.45%	518,712.093	13.20	13.65	8.62
I PF (acc) USD	1.45%	671,605.903	13.56	13.98	8.69
J PF (acc) EUR-H1 (hedged)*	0.75%	3,569,398.466	9.58	—	—
J PF (acc) USD*	0.75%	3,862,971.135	9.60	—	—
J PF (Qdis) GBP-H1 (hedged)*	0.75%	7,045.727	9.59	—	—
W PF (acc) GBP-H1 (hedged)*	1.50%	42,073.315	9.68	—	—
W PF (acc) USD	1.50%	283,396.816	13.61	14.08	—
<b>Franklin K2 Ellington Structured Credit UCITS Fund - USD</b>					
A PF (acc) USD	2.41%	30,099.794	10.91	10.76	—
EB PF (acc) EUR-H1 (hedged)	0.70%	287,332.882	10.07	9.87	8.38
EB PF (acc) USD	0.87%	3,000.000	10.33	10.11	8.51
EO PF (acc) EUR-H1 (hedged)	0.87%	1,101,463.970	10.02	9.83	8.35
EO PF (acc) USD	1.15%	410,069.000	10.28	10.08	8.49
I PF (acc) EUR-H1 (hedged)	1.20%	551,060.354	9.90	9.73	8.31
I PF (acc) USD	1.29%	591,136.282	10.11	9.91	8.38
S (Mdis) USD*	0.95%	773,661.284	10.13	—	—

## Statistical Information

	Total Expense Ratio September 30, 2021 (See note 23)	Shares Outstanding as at September 30, 2021	Net Asset Value per share as at September 30, 2021	Net Asset Value per share as at March 31, 2021	Net Asset Value per share as at March 31, 2020
<b>Franklin K2 Ellington Structured Credit UCITS Fund - USD (continued)</b>					
W PF (acc) EUR-H1 (hedged)*	1.48%	8,244.363	10.12	–	–
W PF (acc) GBP-H1 (hedged)*	1.52%	7,170.515	10.15	–	–
W PF (acc) USD	1.57%	2,308.403	11.01	10.81	–
<b>Franklin K2 EMSO Emerging Markets UCITS Fund - USD</b>					
A PF (acc) USD	1.96%	1,311.595	9.98	9.93	–
EB PF (acc) EUR-H1 (hedged)	0.65%	691,940.919	10.01	9.93	–
EB PF (acc) USD	0.77%	499,001.996	10.08	9.97	–
EO PF (acc) EUR-H1 (hedged)	0.80%	1,138,548.621	10.00	9.93	–
EO PF (acc) USD	0.92%	7,985.000	10.06	9.96	–
I PF (acc) EUR-H1 (hedged)	1.20%	8,245.723	9.97	9.92	–
I PF (acc) USD	1.41%	500.000	10.11	9.96	–
Y (acc) USD	0.00%	901,017.528	101.44	99.94	–
<b>Franklin K2 Wellington Technology Long Short UCITS Fund - USD</b>					
A PF (acc) USD	3.49%	113,219.286	11.03	10.26	–
EB PF (acc) EUR-H1 (hedged)	1.90%	202,913.199	11.80	10.93	9.23
EB PF (acc) USD	1.84%	1,035,543.369	12.22	11.28	9.42
EO PF (acc) EUR-H1 (hedged)	2.72%	734,143.734	11.65	10.86	9.22
EO PF (acc) USD	2.29%	762,333.088	12.01	11.16	9.41
I PF (acc) EUR-H1 (hedged)	2.66%	639,057.971	11.44	10.66	9.11
I PF (acc) USD	2.55%	225,533.405	11.75	10.89	9.20
I PF (acc) USD-H4 (BRL) (hedged)	3.05%	6,750,462.537	11.02	9.78	–
W PF (acc) USD	2.74%	500.000	11.13	10.33	–

\*This Fund / share class was launched during the period

# Notes to Financial Statements

## For the period ended September 30, 2021

### Note 1 - The Company

Franklin Templeton Alternative Funds ("FTAF" or the "Company") is a collective investment undertaking pursuant to Part I of the amended Luxembourg law of December 17, 2010 on undertakings for collective investment and qualifies as a société d'investissement à capital variable. The Company was incorporated in Luxembourg on August 1, 2019, for an undetermined period. At the date of this report, it offers shares in 8 sub-funds of the Company (the "Funds"). The Board of Directors of the Company may authorise the creation of additional Funds in future with different investment objectives.

The Company aims to provide investors with a choice of Funds investing in a wide range of transferable securities and other eligible assets on a worldwide basis and featuring a diverse array of investment objectives, including capital growth and income. The overall objective of the Company is to seek to minimise investment exposure through diversification and to provide Shareholders with the benefit of a portfolio managed by Franklin Templeton Investments, according to its successful time-tested investment selection methods.

#### Fund launches

Franklin K2 Athena Risk Premia UCITS Fund launched on June 18, 2021.

Franklin K2 Cat Bond UCITS Fund launched on June 18, 2021.

### Note 2 - Significant accounting policies

#### (a) General

The financial statements are prepared in accordance with the regulations of the Grand Duchy of Luxembourg relating to investment funds under the going concern basis of accounting.

#### (b) Investment in securities

Securities which are listed on a stock exchange or traded on any other organised market are valued at the last available price on such exchange or market which is normally the principal market for each security, and those securities dealt in on an over-the-counter market are valued in a manner as near as possible to that for quoted securities.

Securities not listed on any stock exchange nor traded on any organised market are valued at the last available price, or if such price is not representative of their fair value, they are valued prudently and in good faith on the basis of their reasonably foreseeable sales prices.

In accordance with the provisions of the current prospectus, Market Level Fair Valuation may be implemented to protect the interests of the Company's shareholders against market timing practices, as market timers may seek to exploit possible delays between the change in the value of a Fund's portfolio holdings and the Net Asset Value of the Fund's Shares in Funds that hold significant investments in foreign securities because certain foreign markets close several hours ahead of the US markets, and in Funds that hold significant investments in small-cap securities, high-yield ("junk") bonds and other types of investments which may not be frequently traded.

The Company's directors are using several methods to reduce the risk of market timing. As at September 30, 2021, a Market Level Fair Valuation was applied to the following sub-funds:

Franklin K2 Bardin Hill Arbitrage UCITS Fund

Franklin K2 Chilton Equity Long Short UCITS Fund

Franklin K2 Electron Global UCITS Fund

Franklin K2 Wellington Technology Long Short UCITS Fund

The Company has procedures to determine the fair value of individual securities and other assets for which market prices are not readily available or which may not be reliably priced. In such circumstances, the price of such investment shall be adjusted in accordance with the procedures adopted, as determined by or under the direction of the Board of Directors.

During the accounting period under review, gains and losses on investment securities sold were computed on the average cost basis.



**Note 2 - Significant accounting policies** (continued)**(b) Investment in securities** (continued)

During the accounting period under review, discounts and premiums were amortised to income over the period to maturity.

For mortgage-backed and other similar holdings with scheduled debt paydowns, the Funds record accruals, based on their historical experience, for anticipated paydowns. Such accruals are recorded as a reduction or increase to the related holdings as disclosed on the Schedule of Investments and are included in the related unrealised appreciation/depreciation on investments shown on the "Statement of Operations and Changes in Net Assets".

The outbreak of the novel Coronavirus (COVID -19), declared by the World Health Organisation as a "global pandemic" on March 11, 2020, has impacted adversely global financial markets, with market activity being impacted in many sectors.

Money market instruments are valued at market value.

**(c) Forward foreign exchange contracts**

Forward foreign exchange contracts are valued at the forward rate applicable at the "Statement of Net Assets" date for the remaining period until maturity. Gains or losses resulting from forward foreign exchange contracts are recognised in the "Statement of Operations and Changes in Net Assets"

**(d) Financial future contracts**

The Company may enter into financial future contracts to gain exposure to market changes. A financial future contract is an agreement between two parties to buy or sell a security for a set price on a future date. Required initial margin deposits of cash or securities are maintained by a broker in a segregated account. Subsequent payments, known as variation margin, are made or received by the Company depending on the fluctuations in the value of the underlying securities. Such variation margin is accounted for as unrealised gains or losses until the contract is closed, at which time the gains or losses are reclassified to realised gains or losses. Realised and unrealised gains and losses are included in the "Statement of Operations and Changes in Net Assets".

**(e) Interest rate swap contracts**

Interest rate swap contracts are used to hedge the risk of changes in interest rates and are agreements between two parties to exchange cash flows based on a notional principal amount. The net interest received or paid on interest rate swap contract agreements is accrued daily as interest income/expense.

Interest rate swap contracts are marked to market daily based upon quotations from the market makers and the change, if any, is recorded as an unrealised gain or loss in the "Statement of Operations and Changes in Net Assets". When the swap contract is terminated early, the Fund records a realised gain or loss equal to the difference between the current net present value and the executed net present value. Any outstanding interest accrual is recorded as either a net receivable or net payable.

The risks of interest rate swap contracts include changes in market conditions and the possible inability of the counterparty to fulfil its obligations under the agreement.

**(f) Total return swap contracts**

A total return swap is an agreement in which one party makes payments based on a set rate, either fixed or variable, while the other party makes payments based on the return of an underlying asset, which includes both the income it generates and any capital gains.

Total return swap contracts are marked to market daily based upon quotations from the market makers and the change in value, if any, is recorded as an unrealised gain or loss in the "Statement of Operations and Changes in Net Assets".

When the swap contract is terminated early, the Fund records a realised gain or loss equal to the difference between the current net present value and the executed net present value. Any outstanding interest accrual is recorded as either a net receivable or net payable.

The risks of total return swap contracts include changes in market conditions and the possible inability of the counterparty to fulfil its obligations under the agreement.

## **Note 2 - Significant accounting policies** (continued)

### **(g) Contracts for difference**

Contracts for difference are contracts entered into between a broker and the Fund under which the parties agree to make payments to each other so as to replicate the economic consequences of holding a long or short position in the underlying security. Contracts for difference also mirror any corporate actions that take place.

Upon entering into contracts for difference, the Fund may be required to pledge to the broker an amount of cash and/or other assets equal to a certain percentage of the contract amount ("initial margin"). Subsequently, payments known as "variation margin" are made or received by the Fund periodically depending on fluctuations in the value of the underlying security.

The market value of CFDs is determined by the last known traded price on the exchange on which the underlying securities or assets are traded or admitted for trading. For underlying securities traded on markets closing after the time of the valuation, last known prices as of this time or such other time may be used.

### **(h) Credit default swap contracts**

A credit default swap contract is a credit derivative transaction in which two parties enter into an agreement, whereby one party pays the other a fixed periodic payment for the specified life of the agreement. The other party makes no payments unless a credit event, relating to a predetermined reference asset, occurs. If such an event occurs, the party will then make a payment to the first party, and the swap will terminate. The value of the underlying securities shall be taken into account for the calculation of the investment and borrowing powers applicable to individual users.

Credit default swap contracts are marked to market daily based upon quotations from the market makers and the change in value, if any, is recorded as an unrealised gain or loss in the "Statement of Operations and Changes in Net Assets". Any payment received or paid to initiate a contract is recorded as a liability or asset in the "Statement of Net Assets". When the swap contract is terminated early, the Fund records a realised gain or loss for any payments received or paid.

The risks of credit default swap contracts include unfavourable changes in interest rates, an illiquid secondary market and the possible inability of the counterparty to fulfil its obligations under the agreement, which may be in excess of the amount reflected in the "Statement of Net Assets".

### **(i) Option contracts**

Options are contracts entitling the holder to purchase or sell a specified number of shares or units of a particular security at a specified price at any time until the contract-stated expiration date. Options purchased are recorded as investments; options written (sold) are recorded as liabilities. When the exercise of an option results in a cash settlement, the difference between the premium (original option value) and the settlement proceeds is accounted for as a realised gain or loss. When securities are acquired or delivered upon exercise of an option, the acquisition cost or sale proceeds are adjusted by the amount of the premium. When an option is closed, the difference between the premium and the cost to close the position is accounted for as a realised gain or loss. When an option expires, the premium is accounted for as a realised gain for options written or as a realised loss for options purchased.

The risks include price movements in the underlying securities, the possibility there may be an illiquid options market, or the inability of the counterparties to fulfil their obligations under the contract.

The Company writes options on securities, futures and interest rate swaps ("swaptions"). These options are settled in cash and subject the Company to unlimited risk of loss. The Company, however, is not subject to credit risk on written options as the counterparty has already performed its obligation by paying the premium at the inception of the contract.

The market values are recorded under "Option Contracts at Market Value" in the "Statement of Net Assets".

### **(j) Foreign exchange transactions**

Transactions expressed in currencies other than each Fund's currency are translated into each Fund's currency at the exchange rates applicable on the transaction dates.

**Note 2 - Significant accounting policies** (continued)**(j) Foreign exchange transactions** (continued)

Assets and liabilities designated in currencies other than each Fund's currency are translated into each Fund's currency at the appropriate exchange rates ruling at the period-end. Gains and losses on foreign exchange transactions are recognised in the "Statement of Operations and Changes in Net Assets" in determining the results for the accounting period.

The reference currency of the Company as reflected in the financial statements is U.S. dollar. The principal exchange rates applied as at September 30, 2021, are as follows:

AUD	1.3838	EUR	0.8633	MXN	20.6456
BRL	5.4487	GBP	0.7423	PLN	3.9780
CAD	1.2669	HKD	7.7847	RUB	72.8036
CNY	6.4467	IDR	14,312.5000	SGD	1.3579
EGP	15.7200	JPY	111.2950	ZAR	15.0599

The list of the currency abbreviations is available in note 25.

**(k) Income**

Dividends are credited to income on their ex-dividend date. Interest income is accrued on a daily basis and includes the amortisation of premiums and accretion of discounts, where applicable.

**(l) Formation expenses**

Formation expenses associated with the launch of the new Funds are expensed as incurred.

**(m) Swing pricing**

A Fund may suffer reduction of the Net Asset Value per Share due to Investors purchasing, selling and/or switching in and out of the Fund at a price that does not reflect the dealing costs associated with this Fund's portfolio trades undertaken by the Investment Manager to accommodate cash inflows or outflows.

To Counter this dilution impact and to protect Shareholders' interests, a swing pricing mechanism may be adopted by the Company as part of its valuation policy.

The Fund operates a swing pricing mechanism which is applied when the total capital activity (aggregate of inflows and outflows) at a Fund level exceeds a pre-determined threshold as determined as a percentage of the net assets of that Fund for the Valuation Day. Funds can operate a full swing pricing mechanism where the threshold is set to zero or a partial swing pricing mechanism where the threshold is greater than zero.

Typically, such adjustment will increase the Net Asset Value per Share when there are net inflows into the Fund and decrease the Net Asset Value per Share when there are net outflows. The Net Asset Value per Share of each Share Class in a Fund will be calculated separately but any adjustment will, in percentage terms, affect the Net Asset Value per Share of each Share Class in a Fund identically. Swing pricing does not address the specific circumstances of each individual investor transaction.

The adjustments will seek to reflect the anticipated prices at which the Fund will be buying and selling assets, as well as estimated transaction costs. Investors are advised that the volatility of the Fund's Net Asset Value might not reflect the true portfolio performance as a consequence of the application of swing pricing.

The size of the adjustment impact is determined by factors such as the volume of transactions, the purchase or sale prices of the underlying investments and the valuation method adopted to calculate the value of such underlying investments of the Fund.

The swing pricing mechanism may be applied across all Funds of the Company. The extent of the price adjustment will be reset by the Company on a periodic basis to reflect an approximation of current dealing and other costs. Such adjustment may vary from Fund to Fund and under normal market conditions will not exceed 2% of the original Net Asset Value per Share. The Board of Directors can approve an increase of this limit in case of exceptional circumstances, unusually large Shareholders trading activities, and if it is deemed to be in the best interest of Shareholders.

**Note 2 - Significant accounting policies** (continued)

**(m) Swing pricing** (continued)

The Management Company mandates authority to the Swing Pricing Oversight Committee to implement and on a periodic basis review, the operational decisions associated with swing pricing. This committee is responsible for decisions relating to swing pricing and the ongoing approval of swing factors which form the basis of pre-determined standing instructions.

The price adjustment is available on request from the Management Company at its registered office.

On certain share classes, the Management Company may be entitled to a Performance Fee which will be based on the unswung NAV.

During the period ended September 30, 2021, swing pricing adjustments affected the net asset value per share of the following Funds:

- Franklin K2 Athena Risk Premia UCITS Fund
- Franklin K2 Bardin Hill Arbitrage UCITS Fund
- Franklin K2 Cat Bond UCITS Fund
- Franklin K2 Chilton Equity Long Short UCITS Fund
- Franklin K2 Electron Global UCITS Fund
- Franklin K2 Ellington Structured Credit UCITS Fund
- Franklin K2 EMSO Emerging Markets UCITS Fund

**Note 3 - Time deposits (“TDs”)**

As at September 30, 2021, the Company had the following cash on time deposits:

<b>Fund Counterparty</b>	<b>Value of TDs in Fund</b>	
	<b>Currency</b>	<b>Currency</b>
<b>Franklin K2 Bardin Hill Arbitrage UCITS Fund</b>		
Credit Agricole Corporate and Investment Bank	USD	7,127,200
National Australia Bank Ltd.	USD	7,127,200
National Bank of Canada	USD	7,127,200
Royal Bank of Canada	USD	7,127,200
		28,508,800
<b>Franklin K2 Electron Global UCITS Fund</b>		
Credit Agricole Corporate and Investment Bank	USD	6,915,000
National Australia Bank Ltd.	USD	6,915,000
National Bank of Canada	USD	6,915,000
Royal Bank of Canada	USD	6,915,000
		27,660,000
<b>Franklin K2 Ellington Structured Credit UCITS Fund</b>		
Credit Agricole Corporate and Investment Bank	USD	979,100
National Australia Bank Ltd.	USD	979,100
National Bank of Canada	USD	979,100
Royal Bank of Canada	USD	979,100
		3,916,400
<b>Franklin K2 EMSO Emerging Markets UCITS Fund</b>		
Credit Agricole Corporate and Investment Bank	USD	6,560,900
National Australia Bank Ltd.	USD	6,560,900
National Bank of Canada	USD	6,560,900
Royal Bank of Canada	USD	6,560,900
		26,243,600

**Note 3 - Time deposits ("TDs")** (continued)

Fund Counterparty	Value of TDs in Fund	
	Long	Short UCITS Fund
Credit Agricole Corporate and Investment Bank	USD	4,616,900
National Australia Bank Ltd.	USD	4,616,900
National Bank of Canada	USD	4,616,900
Royal Bank of Canada	USD	4,616,900
		<u>18,467,600</u>

**Note 4 - Forward foreign exchange contracts**

As at September 30, 2021, the Company had entered into the following outstanding contracts:

**Franklin K2 Athena Risk Premia UCITS Fund**

Purchases	Sales	Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for share class hedging:			
EUR	247,362	USD	292,917
			15-Oct-21
			<u>(6,323)</u>
			<u>(6,323)</u>
The above contracts were opened with the below counterparties:			
J.P. Morgan			<u>(6,323)</u>
			<u>(6,323)</u>

**Franklin K2 Bardin Hill Arbitrage UCITS Fund**

Purchases	Sales	Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for efficient portfolio management:			
AUD	212,000	USD	153,903
CAD	3,380,000	USD	2,673,753
EUR	1,573,000	USD	1,847,796
GBP	3,890,000	USD	5,370,879
SEK	4,000	USD	466
USD	2,402,690	AUD	3,280,000
USD	2,671,783	CAD	3,380,000
USD	10,749,563	EUR	9,099,000
USD	2,123,798	GBP	1,546,000
			<u>109,493</u>
Forward foreign exchange contracts used for share class hedging:			
EUR	112,197,988	USD	132,794,701
USD	800,120	EUR	681,770
			15-Oct-21
			<u>10,218</u>
			<u>(2,791,241)</u>
			<u>(2,681,748)</u>
The above contracts were opened with the below counterparties:			
Barclays			<u>109,493</u>
J.P. Morgan			<u>(2,791,241)</u>
			<u>(2,681,748)</u>

**Franklin K2 Cat Bond UCITS Fund**

Purchases	Sales	Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for share class hedging:			
EUR	45,146,808	USD	53,449,788
			15-Oct-21
			<u>(1,142,435)</u>
			<u>(1,142,435)</u>

**Note 4 - Forward foreign exchange contracts** (continued)

**Franklin K2 Cat Bond UCITS Fund** (continued)

	<b>Unrealised profit/(loss) USD</b>
The above contracts were opened with the below counterparties:	
J.P. Morgan	(1,142,435)
	<b>(1,142,435)</b>

**Franklin K2 Chilton Equity Long Short UCITS Fund**

<b>Purchases</b>		<b>Sales</b>		<b>Maturity Date</b>	<b>Unrealised profit/(loss) USD</b>
Forward foreign exchange contracts used for efficient portfolio management:					
USD	1,294,700	EUR	1,095,168	15-Dec-21	24,129
					<u>24,129</u>
Forward foreign exchange contracts used for share class hedging:					
BRL	23,336,600	USD	4,470,000	04-Oct-21	(184,713)
USD	4,296,530	BRL	23,336,600	04-Oct-21	11,243
EUR	14,035,072	USD	16,618,532	15-Oct-21	(357,416)
USD	234,820	EUR	200,232	15-Oct-21	2,828
BRL	22,451,694	USD	4,115,000	03-Nov-21	(11,648)
					<u>(539,706)</u>
					<b>(515,577)</b>

The above contracts were opened with the below counterparties:	
J.P. Morgan	(515,577)
	<b>(515,577)</b>

**Franklin K2 Electron Global UCITS Fund**

<b>Purchases</b>		<b>Sales</b>		<b>Maturity Date</b>	<b>Unrealised profit/(loss) USD</b>
Forward foreign exchange contracts used for efficient portfolio management:					
KRW	9,488,641,688	USD	8,134,778	08-Nov-21	(125,738)
USD	11,763,060	KRW	13,795,685,964	08-Nov-21	118,591
CNY	9,655,952	USD	1,487,000	15-Dec-21	(815)
USD	5,292,222	CNY	34,426,375	15-Dec-21	(6,475)
USD	5,435,300	EUR	4,589,690	17-Dec-21	110,191
USD	1,185,870	GBP	862,726	17-Dec-21	23,269
USD	1,158,662	HKD	9,013,135	17-Dec-21	632
USD	7,471,245	JPY	819,532,900	17-Dec-21	102,412
USD	2,444,952	MXN	49,146,812	17-Dec-21	89,930
					<u>311,997</u>
Forward foreign exchange contracts used for share class hedging:					
EUR	103,800,110	USD	122,889,792	15-Oct-21	(2,626,380)
GBP	476,732	USD	660,561	15-Oct-21	(18,207)
USD	1,498,699	EUR	1,287,297	15-Oct-21	7,232
USD	84	GBP	61	15-Oct-21	2
					<u>(2,637,353)</u>
					<b>(2,325,356)</b>

The above contracts were opened with the below counterparties:	
J.P. Morgan	(2,637,353)
Morgan Stanley	311,997
	<b>(2,325,356)</b>

**Note 4 - Forward foreign exchange contracts** (continued)

**Franklin K2 Ellington Structured Credit UCITS Fund**

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for efficient portfolio management:					
USD	5,196,056	EUR	4,392,920	15-Dec-21	99,561
					<u>99,561</u>
Forward foreign exchange contracts used for share class hedging:					
EUR	19,295,867	USD	22,842,638	15-Oct-21	(486,334)
GBP	71,703	USD	99,355	15-Oct-21	(2,741)
USD	188,281	EUR	160,237	15-Oct-21	2,628
					<u>(486,447)</u>
					<b><u>(386,886)</u></b>
The above contracts were opened with the below counterparties:					
J.P. Morgan					(386,886)
					<b><u>(386,886)</u></b>

**Franklin K2 EMSO Emerging Markets UCITS Fund**

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for efficient portfolio management:					
COP	6,589,597,440	USD	1,746,931	15-Dec-21	(25,003)
CZK	38,408,930	USD	1,779,107	15-Dec-21	(27,587)
MXN	48,392,932	USD	2,387,612	15-Dec-21	(68,118)
RUB	175,324,620	USD	2,356,450	15-Dec-21	18,644
USD	1,700,980	COP	6,589,597,440	15-Dec-21	(20,947)
USD	4,456,054	IDR	64,291,944,541	15-Dec-21	(3,235)
USD	6,512,200	RUB	484,520,677	15-Dec-21	(51,525)
USD	1,559,637	ZAR	22,820,604	15-Dec-21	59,577
ZAR	585,331	USD	40,460	15-Dec-21	(1,985)
					<u>(120,179)</u>
Forward foreign exchange contracts used for share class hedging:					
EUR	18,548,640	USD	21,954,046	15-Oct-21	(463,484)
USD	67,972	EUR	57,719	15-Oct-21	1,098
					<u>(462,386)</u>
					<b><u>(582,565)</u></b>
The above contracts were opened with the below counterparties:					
Deutsche Bank					(36,128)
HSBC					(25,003)
J.P. Morgan					(500,487)
Morgan Stanley					(20,947)
					<b><u>(582,565)</u></b>

**Franklin K2 Wellington Technology Long Short UCITS Fund**

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for efficient portfolio management:					
EUR	236,000	USD	280,274	15-Dec-21	(6,476)
					<u>(6,476)</u>
Forward foreign exchange contracts used for share class hedging:					
BRL	409,982,150	USD	78,348,523	04-Oct-21	(3,063,732)
USD	75,435,669	BRL	409,982,150	04-Oct-21	150,878
EUR	18,841,195	USD	22,307,152	15-Oct-21	(477,632)
USD	387,320	EUR	330,825	15-Oct-21	4,025
BRL	415,448,950	USD	76,099,997	03-Nov-21	(171,065)
					<u>(3,557,526)</u>
					<b><u>(3,564,002)</u></b>

**Note 4 - Forward foreign exchange contracts** (continued)

**Franklin K2 Wellington Technology Long Short UCITS Fund** (continued)

	Unrealised profit/(loss) USD
The above contracts were opened with the below counterparties:	
Deutsche Bank	(6,476)
J.P. Morgan	(3,557,526)
	<u>(3,564,002)</u>

**Note 5 - Open positions on financial future contracts**

As at September 30, 2021, the Company had entered into the following outstanding contracts:

**Franklin K2 Athena Risk Premia UCITS Fund**

Number of contracts purchased/(sold)	Description	Counterparty	Trading currency	Commitment USD	Unrealised profit/(loss) USD
Bond Future					
46	US 2 Year Note, 31/12/2021	J.P. Morgan	USD	10,122,516	(6,536)
(24)	US 10 Year Note, 21/12/2021	J.P. Morgan	USD	(3,158,625)	48,946
					<u>42,410</u>
Index Future					
(26)	CBOE Volatility Index, 17/11/2021	J.P. Morgan	USD	(615,833)	15,901
					<u>58,311</u>

**Franklin K2 Electron Global UCITS Fund**

Number of contracts purchased/(sold)	Description	Counterparty	Trading currency	Commitment USD	Unrealised profit/(loss) USD
Index Future					
(6)	NASDAQ 100 Emini Index, 17/12/2021	Morgan Stanley	USD	(1,761,900)	90,213
(20)	S&P 500 Emini Index, 17/12/2021	Morgan Stanley	USD	(4,297,750)	150,957
					<u>241,170</u>

**Franklin K2 EMSO Emerging Markets UCITS Fund**

Number of contracts purchased/(sold)	Description	Counterparty	Trading currency	Commitment USD	Unrealised profit/(loss) USD
Index Future					
(16)	S&P 500 Emini Index, 17/12/2021	J.P. Morgan	USD	(3,438,200)	148,288
					<u>148,288</u>
Bond Future					
(6)	US 10 Year Note, 21/12/2021	J.P. Morgan	USD	(789,656)	7,953
(60)	US Long Bond, 21/12/2021	J.P. Morgan	USD	(9,553,125)	182,697
					<u>190,650</u>
					<u>338,938</u>

**Note 6 - Open positions on interest rate swap contracts**

As at September 30, 2021, the Company had entered into the following outstanding contracts:

**Franklin K2 Ellington Structured Credit UCITS Fund**

Nominal amount	Description	Counterparty	Maturity date	Trading currency	Unrealised profit/(loss) USD
5,000,000	Receive floating LIBOR 3 month Pay fixed 0.978%	J.P. Morgan	13-Apr-26	USD	(17,488)
3,000,000	Receive floating LIBOR 3 month Pay fixed 1.691%	J.P. Morgan	13-Apr-31	USD	(70,125)
					<u>(87,613)</u>



**Note 6 - Open positions on interest rate swap contracts** (continued)

**Franklin K2 EMSO Emerging Markets UCITS Fund**

Nominal amount	Description	Counterparty	Maturity date	Trading currency	Unrealised profit/(loss) USD
56,866,253	Receive floating TIIE 1 month Pay fixed 6.077%	J.P. Morgan	13-Dec-23	MXN	(28,732)
57,664,099	Receive floating TIIE 1 month Pay fixed 6.586%	J.P. Morgan	09-Dec-26	MXN	(70,425)
25,278,989	Receive floating WIBOR 6 month Pay fixed 1.913%	J.P. Morgan	15-Dec-31	PLN	216,195
3,114,195	Receive floating SORA 1 day Pay fixed 1.232%	J.P. Morgan	15-Dec-31	SGD	64,410
					<b>181,448</b>

**Note 7 - Open positions on total return swap contracts**

As at September 30, 2021, the Company had entered into the following outstanding contracts:

**Franklin K2 Athena Risk Premia UCITS Fund**

Trading currency	Nominal amount	Fund receives	Fund pays	Counterparty	Maturity date	Market Value / Unrealised profit/(loss) USD
USD	2,001,193	CIFXCADM Index	Spread of 0% on Notional	Citigroup	05-Jul-22	12,956
USD	4,782,517	Dow Jones Industrial Average	Spread of (0.190)% on Notional	Deutsche Bank	05-Jul-22	34,752
USD	4,980,046	MSCI Emerging Market Index	Spread of 0% on Notional	Morgan Stanley	05-Jul-22	45,907
USD	16,779,420	CIFXPPDD Index	Spread of 0.030% on Notional	Citigroup	05-Jul-22	(10,471)
USD	7,448,592	CS IRS Cross Sectional Value Index	Spread of 0% on Notional	Credit Suisse	05-Jul-22	(68,550)
USD	9,815,694	DBCAUCTT Index	Spread of (0.500)% on Notional	Deutsche Bank	05-Jul-22	(36,208)
USD	1,419,917	DBRPGENU Index	Spread of (0.290)% on Notional	Deutsche Bank	05-Jul-22	(46,174)
USD	6,570,890	Deutsche Bank Equity Low Beta Turnover Control Factor Index	Spread of (0.300)% on Notional	Deutsche Bank	05-Jul-22	(166,661)
USD	2,229,450	JPUSFLOW Index	Spread of 0.100% on Notional	J.P. Morgan	06-Jul-22	(49,697)
						<b>(284,146)</b>

**Franklin K2 EMSO Emerging Markets UCITS Fund**

Trading currency	Nominal amount	Fund receives	Fund pays	Counterparty	Maturity date	Market Value / Unrealised profit/(loss) USD
EGP	12,149,406	Spread of 0% on Notional	Egypt Treasury Bill 0% 01/11/2022	Citigroup	13-Jan-22	2,473
IDR	34,645,000,000	Spread of 0% on Notional	Indonesia Government Bond 6.5% 06/15/2025	Bank of America	07-Dec-21	(80,869)
IDR	9,973,000,000	USD LIBOR 3 month 7.000%	Indonesia Government Bond 6.5% 06/15/2025	J.P. Morgan	17-Jun-25	(5,062)
IDR	13,706,000,000	USD LIBOR 3 month 6.500%	Indonesia Government Bond 8.25% 06/15/2032	Deutsche Bank	17-Jun-32	(17,106)
						<b>(100,564)</b>

**Franklin K2 Wellington Technology Long Short UCITS Fund**

Trading currency	Nominal amount	Fund receives	Fund pays	Counterparty	Maturity date	Market Value / Unrealised profit/(loss) USD
USD	982,581	Airbnb, Inc. 'A'	USD OBFR 1 day (0.200)%	Morgan Stanley	17-May-23	8,056
USD	377,873	Atlassian Corp. plc 'A'	USD OBFR 1 day (0.200)%	J.P. Morgan	09-May-23	9,572
USD	356,122	CarGurus, Inc.	USD OBFR 1 day (0.200)%	J.P. Morgan	09-May-23	18,167

**Note 7 - Open positions on total return swap contracts** (continued)

**Franklin K2 Wellington Technology Long Short UCITS Fund (continued)**

Trading currency	Nominal amount	Fund receives	Fund pays	Counterparty	Maturity date	Market Value / Unrealised profit/(loss) USD
USD	19,699	CarGurus, Inc.	USD OBFR 1 day 0%	J.P. Morgan	09-May-23	58
USD	203,706	Ceridian HCM Holding, Inc.	USD OBFR 1 day (0.200)%	Morgan Stanley	17-May-23	9,464
USD	456,449	Mastercard, Inc. 'A'	USD OBFR 1 day (0.200)%	Morgan Stanley	17-May-23	3,835
USD	301,277	Mastercard, Inc. 'A'	USD OBFR 1 day (0.200)%	J.P. Morgan	09-May-23	2,546
USD	1,148,082	USD LIBOR 1 month 0.200%	NASDAQ-100 Total Return Index	Morgan Stanley	15-May-23	60,020
USD	127,565	USD LIBOR 1 month 0.150%	NASDAQ-100 Total Return Index	Morgan Stanley	15-May-23	6,671
USD	109,341	USD LIBOR 1 month 0.150%	NASDAQ-100 Total Return Index	Morgan Stanley	15-May-23	5,718
USD	4,491,473	USD LIBOR 1 month 0.550%	Russell 2000 Total Return Growth Index	J.P. Morgan	05-May-23	192,149
USD	4,312,262	USD LIBOR 1 month 0%	Russell 2000 Total Return Growth Index	J.P. Morgan	05-May-23	185,868
USD	5,074,497	USD LIBOR 1 month 0.570%	Russell 2000 Total Return Growth Index	Morgan Stanley	15-May-23	121,678
USD	2,625,119	USD LIBOR 1 month 0.570%	Russell 2000 Total Return Growth Index	Morgan Stanley	15-May-23	62,945
USD	2,581,184	USD LIBOR 1 month 0%	Russell 2000 Total Return Growth Index	Morgan Stanley	15-May-23	62,423
USD	2,295,606	USD LIBOR 1 month 0.650%	Russell 2000 Total Return Growth Index	Morgan Stanley	15-May-23	54,977
USD	862,452	USD LIBOR 1 month 0.500%	Russell 2000 Total Return Growth Index	J.P. Morgan	05-May-23	36,921
USD	1,482,808	USD LIBOR 1 month 0.460%	Russell 2000 Total Return Growth Index	Morgan Stanley	15-May-23	35,615
USD	548,833	USD LIBOR 1 month 0.550%	Russell 2000 Total Return Growth Index	J.P. Morgan	05-May-23	23,479
USD	944,603	USD LIBOR 1 month 0.460%	Russell 2000 Total Return Growth Index	Morgan Stanley	15-May-23	22,688
USD	1,960,664	USD LIBOR 1 month 0.290%	Russell Midcap Growth Index Total Return	Morgan Stanley	15-May-23	80,732
USD	1,637,665	USD LIBOR 1 month 0%	Russell Midcap Growth Index Total Return	Morgan Stanley	15-May-23	67,605
USD	1,076,665	USD LIBOR 1 month 0.520%	Russell Midcap Growth Index Total Return	Morgan Stanley	15-May-23	44,244
USD	1,059,665	USD LIBOR 1 month 0.330%	Russell Midcap Growth Index Total Return	Morgan Stanley	15-May-23	43,619
USD	985,999	USD LIBOR 1 month 0%	Russell Midcap Growth Index Total Return	Morgan Stanley	15-May-23	40,703
USD	504,333	USD LIBOR 1 month 0.360%	Russell Midcap Growth Index Total Return	Morgan Stanley	15-May-23	20,754
USD	272,000	USD LIBOR 1 month 0.450%	Russell Midcap Growth Index Total Return	Morgan Stanley	15-May-23	11,184
USD	9,863,625	USD LIBOR 1 month 0.290%	S&P North American Technology-Software Index	Morgan Stanley	15-May-23	463,090
USD	2,642,885	USD LIBOR 1 month 0.350%	S&P North American Technology-Software Index	Morgan Stanley	15-May-23	124,026
USD	2,569,472	USD LIBOR 1 month 0%	S&P North American Technology-Software Index	Morgan Stanley	15-May-23	120,902
USD	1,235,328	USD LIBOR 1 month 0.600%	S&P North American Technology-Software Index	J.P. Morgan	05-May-23	73,931
USD	1,321,443	USD LIBOR 1 month 0.350%	S&P North American Technology-Software Index	Morgan Stanley	15-May-23	62,012
USD	1,300,467	USD LIBOR 1 month 0.230%	S&P North American Technology-Software Index	Morgan Stanley	15-May-23	61,085
USD	669,948	USD LIBOR 1 month 0.600%	S&P North American Technology-Software Index	J.P. Morgan	05-May-23	40,095
USD	304,142	USD LIBOR 1 month 0.290%	S&P North American Technology-Software Index	Morgan Stanley	15-May-23	14,279
USD	1,669,709	salesforce.com, Inc.	USD OBFR 1 day (0.200)%	Morgan Stanley	17-May-23	96,855

**Note 7 - Open positions on total return swap contracts** (continued)**Franklin K2 Wellington Technology Long Short UCITS Fund** (continued)

Trading currency	Nominal amount	Fund receives	Fund pays	Counterparty	Maturity date	Market Value / Unrealised profit/(loss) USD
USD	1,863,365	salesforce.com, Inc.	USD OBFR 1 day (0.200)%	J.P. Morgan	09-May-23	41,922
USD	687,422	TriNet Group, Inc.	USD OBFR 1 day (0.200)%	J.P. Morgan	09-May-23	15,573
AUD	691,059	Afterpay Ltd.	AUD BBR 1 month 0.004%	Morgan Stanley	17-May-23	(21,372)
AUD	348,398	Afterpay Ltd.	AUD BBR 1 month 0.010%	Morgan Stanley	17-May-23	(14,284)
AUD	373,332	Afterpay Ltd.	AUD BBR 1 month 0.008%	Morgan Stanley	17-May-23	(5,061)
USD	711,671	Accton Technology Corp.	USD OBFR 1 day (0.500)%	J.P. Morgan	09-May-23	(63,541)
USD	333,286	Accton Technology Corp.	USD OBFR 1 day (0.550)%	Morgan Stanley	17-May-23	(9,778)
USD	945,126	Adobe, Inc.	USD OBFR 1 day (0.200)%	J.P. Morgan	09-May-23	(122,577)
USD	395,987	Adobe, Inc.	USD OBFR 1 day (0.200)%	Morgan Stanley	17-May-23	(51,169)
USD	58,832	Advanced Micro Devices, Inc.	USD OBFR 1 day (0.200)%	J.P. Morgan	09-May-23	(3,378)
USD	43,506	Airbnb, Inc. 'A'	USD OBFR 1 day (0.200)%	Morgan Stanley	17-May-23	(564)
USD	1,382,207	Alphabet, Inc. 'A'	USD OBFR 1 day (0.200)%	J.P. Morgan	09-May-23	(101,816)
USD	915,683	Alphabet, Inc. 'A'	USD OBFR 1 day (0.200)%	Morgan Stanley	17-May-23	(68,267)
USD	1,469,742	Alphabet, Inc. 'C'	USD OBFR 1 day (0.200)%	J.P. Morgan	09-May-23	(124,000)
USD	1,498,526	Alphabet, Inc. 'C'	USD OBFR 1 day (0.200)%	Morgan Stanley	17-May-23	(123,373)
USD	4,387,405	Amazon.com, Inc.	USD OBFR 1 day (0.200)%	J.P. Morgan	09-May-23	(278,523)
USD	907,181	Amazon.com, Inc.	USD OBFR 1 day (0.200)%	Morgan Stanley	17-May-23	(49,874)
USD	2,478,451	ASML Holding NV	USD OBFR 1 day (0.200)%	J.P. Morgan	09-May-23	(335,918)
USD	192,985	ASML Holding NV	USD OBFR 1 day (0.200)%	Morgan Stanley	17-May-23	(31,315)
USD	195,292	Atlassian Corp. plc 'A'	USD OBFR 1 day (0.200)%	Morgan Stanley	17-May-23	(1,558)
USD	32,547	CarGurus, Inc.	USD OBFR 1 day (0.200)%	J.P. Morgan	09-May-23	(511)
USD	1,847,542	Ceridian HCM Holding, Inc.	USD OBFR 1 day (0.200)%	J.P. Morgan	09-May-23	(55,832)
USD	310,814	Coinbase Global, Inc. 'A'	USD OBFR 1 day (0.200)%	Morgan Stanley	17-May-23	(24,674)
USD	1,433,841	Coupang, Inc.	USD OBFR 1 day (0.200)%	J.P. Morgan	09-May-23	(195,873)
USD	864,121	Dynatrace, Inc.	USD OBFR 1 day (0.200)%	Morgan Stanley	17-May-23	(570)
USD	278,227	Facebook, Inc. 'A'	USD OBFR 1 day (0.200)%	J.P. Morgan	09-May-23	(31,196)
USD	1,120,703	Five9, Inc.	USD OBFR 1 day (0.200)%	Morgan Stanley	17-May-23	(62,981)
USD	627,490	Five9, Inc.	USD OBFR 1 day (0.200)%	J.P. Morgan	09-May-23	(50,871)
USD	2,657,037	Genpact Ltd.	USD OBFR 1 day (0.200)%	J.P. Morgan	09-May-23	(187,318)
USD	980,273	Genpact Ltd.	USD OBFR 1 day (0.200)%	Morgan Stanley	17-May-23	(54,400)
USD	737,334	Global Payments, Inc.	USD OBFR 1 day (0.200)%	Morgan Stanley	17-May-23	(34,116)
USD	4,248,369	Global Payments, Inc.	USD OBFR 1 day (0.200)%	J.P. Morgan	09-May-23	(21,586)
USD	1,444,971	HubSpot, Inc.	USD OBFR 1 day (0.200)%	J.P. Morgan	09-May-23	(23,388)
USD	182,066	HubSpot, Inc.	USD OBFR 1 day (0.200)%	Morgan Stanley	17-May-23	(892)
USD	455,400	Intuit, Inc.	USD OBFR 1 day (0.200)%	Morgan Stanley	17-May-23	(25,994)
USD	430,441	Intuit, Inc.	USD OBFR 1 day (0.200)%	J.P. Morgan	09-May-23	(16,168)
USD	938,921	KLA Corp.	USD OBFR 1 day (0.200)%	Morgan Stanley	17-May-23	(84,005)
USD	1,284,615	Marvell Technology Group Ltd.	USD OBFR 1 day (0.200)%	Morgan Stanley	17-May-23	(44,344)
USD	2,565,527	Marvell Technology Group Ltd.	USD OBFR 1 day (0.200)%	J.P. Morgan	09-May-23	(39,379)
USD	1,701,805	Match Group, Inc.	USD OBFR 1 day (0.200)%	J.P. Morgan	09-May-23	(25,580)
USD	271,702	Match Group, Inc.	USD OBFR 1 day (0.200)%	Morgan Stanley	17-May-23	(3,276)
USD	1,248,334	MediaTek, Inc.	USD OBFR 1 day (0.550)%	Morgan Stanley	17-May-23	(46,508)
USD	2,384,073	MongoDB, Inc.	USD OBFR 1 day (0.200)%	Morgan Stanley	17-May-23	(151,701)
USD	919,696	Nuvei Corp.	USD OBFR 1 day (0.200)%	Morgan Stanley	17-May-23	(107,214)
USD	1,074,798	PayPal Holdings, Inc.	USD OBFR 1 day (0.200)%	J.P. Morgan	09-May-23	(121,302)
USD	505,550	PayPal Holdings, Inc.	USD OBFR 1 day (0.200)%	Morgan Stanley	17-May-23	(39,825)
USD	237,846	Repay Holdings Corp.	USD OBFR 1 day (0.200)%	J.P. Morgan	09-May-23	(1,782)
USD	1,736,666	ROBLOX Corp. 'A'	USD OBFR 1 day (0.200)%	Morgan Stanley	17-May-23	(135,002)
USD	2,669,481	ServiceNow, Inc.	USD OBFR 1 day (0.200)%	J.P. Morgan	09-May-23	(157,190)
USD	405,637	ServiceNow, Inc.	USD OBFR 1 day (0.200)%	Morgan Stanley	17-May-23	(18,625)
USD	791,930	Skyworks Solutions, Inc.	USD OBFR 1 day (0.200)%	Morgan Stanley	17-May-23	(53,796)
USD	2,346,943	Snap, Inc.	USD OBFR 1 day (0.200)%	J.P. Morgan	09-May-23	(80,767)
USD	2,341,206	Snap, Inc. 'A'	USD OBFR 1 day (0.200)%	J.P. Morgan	09-May-23	(80,571)
USD	856,746	StoneCo Ltd. 'A'	USD OBFR 1 day (0.200)%	J.P. Morgan	09-May-23	(193,638)
USD	349,870	Trupanion, Inc.	USD OBFR 1 day (0.200)%	J.P. Morgan	09-May-23	(28,452)
USD	184,543	Trupanion, Inc.	USD OBFR 1 day (0.200)%	Morgan Stanley	17-May-23	(12,057)
USD	864,627	Twilio, Inc. 'A'	USD OBFR 1 day (0.200)%	Morgan Stanley	17-May-23	(58,153)
USD	815,732	Varonis Systems, Inc.	USD OBFR 1 day (0.200)%	J.P. Morgan	09-May-23	(139,698)

**Note 7 - Open positions on total return swap contracts** (continued)

**Franklin K2 Wellington Technology Long Short UCITS Fund** (continued)

Trading currency	Nominal amount	Fund receives Fund pays	Counterparty	Maturity date	Market Value / Unrealised profit/(loss) USD
USD	46,136	Varonis Systems, Inc. USD OBFR 1 day (0.200)%	Morgan Stanley	17-May-23	(5,067)
USD	245,039	Zillow Group, Inc. 'A' USD OBFR 1 day (0.200)%	Morgan Stanley	17-May-23	(9,441)
USD	44,699	Zscaler, Inc. USD OBFR 1 day (0.200)%	J.P. Morgan	09-May-23	(3,276)
					<b>(1,487,926)</b>

**Note 8 - Open positions on contract for differences**

As at September 30, 2021, the Company had entered into the following outstanding contracts:

**Franklin K2 Bardin Hill Arbitrage UCITS Fund**

Trading currency	Nominal amount	Fund receives Fund pays	Counterparty	Maturity date	Global exposure USD	Unrealised profit/(loss) USD
EUR	56,875	Receive Performance of the underlying equity basket of 1 Security Pay EIBOR 1 month 0.400%	Barclays	06-Oct-22	3,126,038	8,541
EUR	40,021	Receive Performance of the underlying equity basket of 1 Security Pay EIBOR 1 month 0.400%	Barclays	12-May-22	6,320,033	8,347
EUR	4,286	Receive Performance of the underlying equity basket of 1 Security Pay EIBOR 1 month 0.400%	Barclays	23-Jun-22	3,081,462	8,320
EUR	12,701	Receive EONIA O/N (4.000)% Pay Performance of the underlying equity basket of 1 Security	Barclays	01-Apr-22	(2,003,802)	(1,471)
EUR	3,712	Receive EONIA O/N (0.300)% Pay Performance of the underlying equity basket of 1 Security	Barclays	23-Jun-22	(2,658,773)	(1,929)
EUR	37,091	Receive Performance of the underlying equity basket of 1 Security Pay EIBOR 1 month 0.400%	Barclays	15-Sep-22	2,582,937	(12,110)
EUR	71,051	Receive Performance of the underlying equity basket of 1 Security Pay EIBOR 1 month 0.400%	Barclays	12-Jul-22	4,344,384	(15,972)
GBP	85,416	Receive Performance of the underlying equity basket of 1 Security Pay SONIA O/N 0.400%	Barclays	05-Oct-22	1,323,529	9,207
GBP	401,167	Receive Performance of the underlying equity basket of 1 Security Pay SONIA O/N 0.400%	Barclays	15-Jun-22	967,553	–
GBP	831,600	Receive Performance of the underlying equity basket of 2 Securities Pay SONIA O/N 0.400%	Barclays	25-Aug-22	4,962,225	(17,462)
GBP	78,184	Receive Performance of the underlying equity basket of 1 Security Pay SONIA O/N 0.400%	Barclays	05-May-22	2,233,061	(32,912)
GBP	439,858	Receive Performance of the underlying equity basket of 1 Security Pay SONIA O/N 0.400%	Barclays	15-Sep-22	4,339,640	(35,411)
USD	122,108	Receive LIBOR 1 month (0.350)% Pay Performance of the underlying equity basket of 1 Security	Barclays	25-Aug-22	(7,945,568)	148,972
USD	28,062	Receive LIBOR 1 month (0.350)% Pay Performance of the underlying equity basket of 1 Security	Barclays	19-Jan-22	(11,923,263)	39,965
USD	7,178	Receive LIBOR 1 month (0.350)% Pay Performance of the underlying equity basket of 1 Security	Barclays	27-Apr-22	(426,086)	7,106

**Note 8 - Open positions on contract for differences** (continued)

**Franklin K2 Bardin Hill Arbitrage UCITS Fund** (continued)

Trading currency	Nominal amount	Fund receives Fund pays	Counterparty	Maturity date	Global exposure USD	Unrealised profit/(loss) USD
USD	16,306	Receive LIBOR 1 month (0.350)% Pay Performance of the underlying equity basket of 1 Security	Barclays	09-Sep-22	(412,542)	5,544
USD	2,370	Receive LIBOR 1 month (0.350)% Pay Performance of the underlying equity basket of 1 Security	Barclays	30-Sep-21	(619,755)	924
USD	4,000	Receive Performance of the underlying equity basket of 1 Security Pay LIBOR 1 month 0.350%	Barclays	23-Jun-22	1,000,360	(11,000)
USD	192,334	Receive Performance of the underlying equity basket of 1 Security Pay LIBOR 1 month 0.350%	Barclays	22-Jun-22	3,144,661	(13,463)
USD	46,773	Receive LIBOR 1 month (0.350)% Pay Performance of the underlying equity basket of 1 Security	Barclays	16-Sep-22	(3,885,433)	(14,962)
USD	96,549	Receive Performance of the underlying equity basket of 1 Security Pay LIBOR 1 month 0.350%	Barclays	29-Sep-22	1,800,639	(15,448)
USD	140,400	Receive LIBOR 1 month (0.350)% Pay Performance of the underlying equity basket of 1 Security	Barclays	07-Sep-22	(8,647,236)	(21,060)
						<b>43,726</b>

**Geographic distribution based on economic exposure:**

	Global Exposure USD	% of Basket Global Exposure
United States of America	(19,968,655)	(2836.20)
Canada	(7,945,568)	(1128.53)
Isle of Man	2,233,061	317.17
France	3,548,727	504.03
Germany	11,243,552	1596.95
United Kingdom	11,592,947	1646.58
	704,064	100.00

**Franklin K2 Chilton Equity Long Short UCITS Fund**

Trading currency	Nominal amount	Fund receives Fund pays	Counterparty	Maturity date	Global exposure USD	Unrealised profit/(loss) USD
GBP	52,430	Receive Performance of the underlying equity basket of 1 Security Pay LIBOR 1 month 0.447%	J.P. Morgan	10-Nov-22	668,294	(36,735)
SEK	15,328	Receive STIBOR O/N (0.456)% Pay Performance of the underlying equity basket of 1 Security	J.P. Morgan	24-Aug-22	(134,223)	8,614
USD	870	Receive FED FUND O/N (0.230)% Pay Performance of the underlying equity basket of 1 Security	J.P. Morgan	11-Feb-22	(3,747,560)	123,297
USD	17,540	Receive FED FUND O/N (0.330)% Pay Performance of the underlying equity basket of 6 Securities	J.P. Morgan	10-Dec-22	(1,019,308)	50,576
USD	4,440	Receive FED FUND O/N (0.330)% Pay Performance of the underlying equity basket of 2 Securities	J.P. Morgan	08-Mar-22	(509,894)	42,753
USD	17,831	Receive FED FUND O/N (0.330)% Pay Performance of the underlying equity basket of 5 Securities	J.P. Morgan	18-Oct-22	(1,275,313)	37,885

**Note 8 - Open positions on contract for differences** (continued)

**Franklin K2 Chilton Equity Long Short UCITS Fund (continued)**

Trading currency	Nominal amount	Fund receives Fund pays	Counterparty	Maturity date	Global exposure USD	Unrealised profit/(loss) USD
USD	70	Receive FED FUND O/N (0.230)% Pay Performance of the underlying equity basket of 1 Security	J.P. Morgan	31-Oct-22	(1,028,273)	28,144
USD	5,034	Receive FED FUND O/N (0.330)% Pay Performance of the underlying equity basket of 3 Securities	J.P. Morgan	19-Oct-22	(649,942)	16,861
USD	1,745	Receive FED FUND O/N (0.330)% Pay Performance of the underlying equity basket of 1 Security	J.P. Morgan	10-May-22	(306,108)	15,304
USD	7,295	Receive FED FUND O/N (0.330)% Pay Performance of the underlying equity basket of 3 Securities	J.P. Morgan	26-Oct-22	(908,616)	12,100
USD	3,934	Receive FED FUND O/N (0.330)% Pay Performance of the underlying equity basket of 1 Security	J.P. Morgan	08-Oct-22	(108,696)	9,678
USD	1,885	Receive FED FUND O/N (0.330)% Pay Performance of the underlying equity basket of 1 Security	J.P. Morgan	22-Sep-22	(249,649)	8,633
USD	881	Receive FED FUND O/N (0.330)% Pay Performance of the underlying equity basket of 1 Security	J.P. Morgan	25-Oct-22	(112,733)	8,371
USD	949	Receive FED FUND O/N (12.595)% Pay Performance of the underlying equity basket of 1 Security	J.P. Morgan	07-Jul-22	(36,119)	8,332
USD	4,855	Receive FED FUND O/N (0.330)% Pay Performance of the underlying equity basket of 3 Securities	J.P. Morgan	21-Sep-22	(368,379)	7,363
USD	1,448	Receive FED FUND O/N (0.330)% Pay Performance of the underlying equity basket of 2 Securities	J.P. Morgan	09-Aug-22	(137,241)	5,271
USD	2,821	Receive FED FUND O/N (0.330)% Pay Performance of the underlying equity basket of 1 Security	J.P. Morgan	20-Jul-22	(130,923)	3,921
USD	10,372	Receive FED FUND O/N (0.330)% Pay Performance of the underlying equity basket of 2 Securities	J.P. Morgan	31-Oct-22	(732,491)	1,924
USD	115	Receive FED FUND O/N (0.847)% Pay Performance of the underlying equity basket of 1 Security	J.P. Morgan	17-Aug-22	(67,310)	1,892
USD	12,269	Receive FED FUND O/N (0.330)% Pay Performance of the underlying equity basket of 6 Securities	J.P. Morgan	11-Feb-22	(1,006,890)	1,508
USD	7,001	Receive FED FUND O/N (0.379)% Pay Performance of the underlying equity basket of 1 Security	J.P. Morgan	15-Sep-22	(72,670)	1,190
USD	1,101	Receive Performance of the underlying equity basket of 1 Security Pay FED FUND O/N 0.00%	J.P. Morgan	11-Feb-22	(46,738)	673
USD	1,314	Receive FED FUND O/N (0.330)% Pay Performance of the underlying equity basket of 1 Security	J.P. Morgan	07-Jul-22	(67,776)	250
USD	2,188	Receive FED FUND O/N (0.330)% Pay Performance of the underlying equity basket of 1 Security	J.P. Morgan	17-Aug-22	(171,867)	(459)
USD	1,554	Receive FED FUND O/N (0.330)% Pay Performance of the underlying equity basket of 1 Security	J.P. Morgan	06-Jan-22	(25,392)	(1,010)
USD	3,795	Receive FED FUND O/N (0.964)% Pay Performance of the underlying equity basket of 1 Security	J.P. Morgan	11-Jan-22	(118,138)	(1,095)

**Note 8 - Open positions on contract for differences** (continued)

**Franklin K2 Chilton Equity Long Short UCITS Fund (continued)**

Trading currency	Nominal amount	Fund receives Fund pays	Counterparty	Maturity date	Global exposure USD	Unrealised profit/(loss) USD
USD	4,426	Receive FED FUND O/N (0.330)% Pay Performance of the underlying equity basket of 1 Security	J.P. Morgan	24-Aug-22	(149,909)	(1,903)
USD	9,927	Receive FED FUND O/N (0.330)% Pay Performance of the underlying equity basket of 1 Security	J.P. Morgan	11-Jan-22	(353,103)	(2,493)
USD	1,114	Receive FED FUND O/N (0.330)% Pay Performance of the underlying equity basket of 1 Security	J.P. Morgan	25-Jul-22	(63,888)	(6,873)
USD	6,501	Receive FED FUND O/N (0.339)% Pay Performance of the underlying equity basket of 1 Security	J.P. Morgan	20-Jul-22	(133,401)	(7,411)
USD	15,245	Receive FED FUND O/N (0.330)% Pay Performance of the underlying equity basket of 4 Securities	J.P. Morgan	24-Oct-22	(1,285,259)	(20,982)
USD	6,396	Receive Performance of the underlying equity basket of 1 Security Pay LIBOR 1 month 0.434%	J.P. Morgan	11-Jan-22	2,099,551	(33,104)
USD	1,858	Receive Performance of the underlying equity basket of 1 Security Pay LIBOR 1 month 0.434%	J.P. Morgan	11-Jan-22	886,192	(52,479)
USD	2,349	Receive Performance of the underlying equity basket of 4 Securities Pay LIBOR 1 month 0.434%	J.P. Morgan	10-May-22	1,136,838	(71,473)
USD	9,019	Receive Performance of the underlying equity basket of 4 Securities Pay LIBOR 1 month 0.434%	J.P. Morgan	10-May-22	2,102,236	(82,574)
USD	35,789	Receive Performance of the underlying equity basket of 1 Security Pay LIBOR 1 month 0.434%	J.P. Morgan	31-Oct-22	3,219,936	(114,730)
USD	16,848	Receive Performance of the underlying equity basket of 2 Securities Pay LIBOR 1 month 0.434%	J.P. Morgan	31-Oct-22	3,074,292	(138,965)
						<b>(177,746)</b>

**Geographic distribution based on economic exposure:**

	Global Exposure USD	% of Basket Global Exposure
United States of America	(2,127,602)	116.23
Canada	(236,939)	12.95
Sweden	(134,223)	7.33
United Kingdom	668,294	(36.51)
	<b>(1,830,470)</b>	<b>100.00</b>

**Franklin K2 Electron Global UCITS Fund**

Trading currency	Nominal amount	Fund receives Fund pays	Counterparty	Maturity date	Global exposure USD	Unrealised profit/(loss) USD
EUR	10,075	Receive EONIA 1 day (0.450)% Pay Performance of the underlying equity basket of 1 Security	Morgan Stanley	13-Sep-23	(4,193,516)	230,607
EUR	387,722	Receive EONIA 1 day (0.500)% Pay Performance of the underlying equity basket of 1 Security	Morgan Stanley	10-Apr-22	(2,751,588)	200,014
EUR	1,217,807	Receive Performance of the underlying equity basket of 2 Securities Pay EONIA 1 day 0.400%	Morgan Stanley	10-Apr-22	15,697,945	(389,716)

**Note 8 - Open positions on contract for differences** (continued)

**Franklin K2 Electron Global UCITS Fund** (continued)

Trading currency	Nominal amount	Fund receives Fund pays	Counterparty	Maturity date	Global exposure USD	Unrealised profit/(loss) USD
GBP	9,070,950	Receive Performance of the underlying equity basket of 2 Securities	Morgan Stanley	27-Oct-21	8,701,684	615,097
GBP	288,544	Pay SONIA 1 day 0.400% Receive SONIA 1 day (0.350)% Pay Performance of the underlying equity basket of 2 Securities	Morgan Stanley	27-Oct-21	(5,476,206)	467,298
HKD	311,521	Receive HONIX 1 day (0.500)% Pay Performance of the underlying equity basket of 1 Security	Morgan Stanley	20-Jul-23	(2,999,458)	81,878
JPY	12,406	Receive MUTSC 1 day (0.400)% Pay Performance of the underlying equity basket of 1 Security	Morgan Stanley	10-Mar-23	(2,704,985)	19,258
USD	27,568	Receive FEDEF 1 day (0.040)% Pay Performance of the underlying equity basket of 1 Security	Morgan Stanley	22-Aug-23	(23,017,350)	1,335,945
USD	381,837	Receive FEDEF 1 day (0.350)% Pay Performance of the underlying equity basket of 11 Securities	Morgan Stanley	10-Jun-21	(26,219,237)	1,069,488
USD	2,429	Receive FEDEF 1 day (0.050)% Pay Performance of the underlying equity basket of 1 Security	Morgan Stanley	22-Aug-23	(8,347,987)	340,570
USD	9,882	Receive Performance of the underlying equity basket of 1 Security	Morgan Stanley	08-Oct-23	6,409,172	267,954
USD	15,927	Pay FEDEF 1 day 0.300% Receive FEDEF 1 day (0.050)% Pay Performance of the underlying equity basket of 2 Securities	Morgan Stanley	08-Oct-23	(1,139,755)	78,914
USD	6,324	Receive FEDEF 1 day (0.500)% Pay Performance of the underlying equity basket of 2 Securities	Morgan Stanley	08-Oct-23	(989,397)	60,791
USD	773	Receive FEDEF 1 day (0.880)% Pay Performance of the underlying equity basket of 1 Security	Morgan Stanley	08-Oct-23	(567,222)	52,328
USD	531,361	Receive Performance of the underlying equity basket of 1 Security Pay FEDEF 1 day 0.300%	Morgan Stanley	20-Sep-23	2,095,619	(367,551)
					<b>4,062,875</b>	

**Geographic distribution based on economic exposure:**

	Global Exposure USD	% of Basket Global Exposure
United States of America	(57,584,574)	126.55
European Union	(4,193,516)	9.22
Hong Kong	(2,999,458)	6.59
Italy	(2,751,588)	6.05
Japan	(2,704,985)	5.95
China	2,095,619	(4.61)
United Kingdom	3,225,478	(7.09)
South Korea	3,712,798	(8.16)
France	15,697,945	(34.50)
	(45,502,281)	100.00



### Note 9 - Open positions on credit default swap contracts

As at September 30, 2021, the Company had entered into the following outstanding contracts:

#### Franklin K2 EMSO Emerging Markets UCITS Fund

Nominal	Description	Interest paid/received %	Counterparty	Buy/Sell Protection	Maturity date	Trading currency	Market Value USD	Unrealised profit/(loss) USD
3,173,000	Mexico Government Bond 4.15% 28/03/2027	1.00%	J.P. Morgan	Buy	20-Jun-23	USD	(35,436)	24,177
26,000	Mexico Government Bond 4.15% 28/03/2027	1.00%	J.P. Morgan	Buy	20-Jun-25	USD	(299)	72
5,353,000	Mexico Government Bond 4.15% 28/03/2027	1.00%	J.P. Morgan	Buy	20-Dec-23	USD	(71,244)	(71,244)
5,974,000	South Africa Government Bond 5.875% 16/09/2025	1.00%	J.P. Morgan	Buy	20-Dec-24	USD	82,167	82,167
598,000	Turkey Government Bond 11.875% 15/01/2030	1.00%	J.P. Morgan	Buy	20-Jun-25	USD	62,522	3,170
613,000	Turkey Government Bond 11.875% 15/01/2030	1.00%	J.P. Morgan	Buy	20-Dec-22	USD	17,482	(3,693)
							<b>55,192</b>	<b>34,649</b>

### Note 10 - Open positions on option contracts

As at September 30, 2021, the Company had entered into the following outstanding contracts:

#### Franklin K2 Bardin Hill Arbitrage UCITS Fund

Purchase/Sale position	Description	Counterparty	Trading currency	Number of contracts purchased/(sold)	Commitment USD	Market value USD	Unrealised profit/(loss) USD
Equity Option							
Purchase	Advanced Micro Devices, Inc., Put Option, Strike Price 115.00, Dec. 2021	Barclays	USD	4,554,000	484,773,300	619,840	99,270
Purchase	Advanced Micro Devices, Inc., Put Option, Strike Price 120.00, Dec. 2021	Barclays	USD	4,752,000	505,850,400	776,751	179,385
Sale	Kraton Corp., Call Option, Strike Price 50.00, Dec. 2021	Morgan Stanley	USD	(154)	702,856	(38,885)	(3,062)
Purchase	Tronox Holdings plc, Call Option, Strike Price 27.00, Feb. 2022	Morgan Stanley	USD	75	184,875	8,438	4,159
Purchase	Tronox Holdings plc, Call Option, Strike Price 27.00, Dec. 2021	Morgan Stanley	USD	75	184,875	7,875	2,135
						<b>1,374,019</b>	<b>281,887</b>

#### Franklin K2 Wellington Technology Long Short UCITS Fund

Purchase/Sale position	Description	Counterparty	Trading currency	Number of contracts purchased/(sold)	Commitment USD	Market value USD	Unrealised profit/(loss) USD
Index Option							
Purchase	Nqx, Put Option, Strike Price 2,900.00, Oct. 2021	Morgan Stanley	USD	40	11,751,680	252,200	10,667
						<b>252,200</b>	<b>10,667</b>

### Note 11 - Investment management fees

The Management Company receives from the Company a monthly investment management fee equivalent to a certain percentage per annum (as detailed below) of each Fund's average daily net assets during the accounting period. When Funds invest in other Franklin Templeton funds, a management fee is not applied to the amounts invested. The following percentages apply in respect of the different Funds as at September 30, 2021.

### Note 11 - Investment management fees (continued)

The Investment Managers will be remunerated by the Management Company out of the investment management fee received from the Company.

No management fee is payable by an investor on the acquisition of Class Y shares, instead a fee is paid to the Investment Manager or affiliates under a separate agreement.

	Class A	Class EB	Class EO	Class I	Class J	Class S	Class W
Franklin K2 Athena Risk Premia UCITS Fund	0.70%	0.30%	0.45%	0.60%	–	–	–
Franklin K2 Bardin Hill Arbitrage UCITS Fund	1.45%	0.63%	0.75%	1.25%	–	–	1.25%
Franklin K2 Cat Bond UCITS Fund	–	0.40%	0.55%	0.75%	–	–	–
Franklin K2 Chilton Equity Long Short UCITS Fund	1.40%	0.60%	0.75%	1.20%	–	Up to 1.20%	1.20%
Franklin K2 Electron Global UCITS Fund	1.45%	0.60%	0.75%	1.25%	Up to 1.25%	–	1.25%
Franklin K2 Ellington Structured Credit UCITS Fund	1.40%	0.50%	0.65%	1.00%	–	Up to 1.00%	1.00%
Franklin K2 EMSO Emerging Markets UCITS Fund	1.20%	0.50%	0.65%	1.00%	–	–	–
Franklin K2 Wellington Technology Long Short UCITS Fund	1.40%	0.60%	0.75%	1.20%	–	–	1.20%

### Note 12 - Performance fees

The Management Company may be entitled to receive from the net assets attributable to a Share Class an annual performance-based incentive fee (the "Performance Fee") which, if applicable, will be calculated and accrued daily and payable as of the end of each fiscal period.

The Performance Fee becomes due in the event of outperformance, that is, if the increase in the NAV during the relevant Performance Period (after deduction of any subscription and/or redemption fees levied) exceeds (i) the increase in the Target Benchmark over the same period and (ii) the applicable High Water Mark point as defined in the Prospectus.

If Shareholders redeem all or part of their Shares before the end of a Performance Period, any accrued Performance Fee with respect to such Shares will crystallise on that Dealing Day and will then become payable.

The following performance fees apply in respect of the PF shares as at September 30, 2021.

	Class A	Class EB	Class EO	Class I	Class J	Class S	Class W
Franklin K2 Bardin Hill Arbitrage UCITS Fund	12.50%	10.00%	20.00%	12.50%	–	–	12.50%
Franklin K2 Chilton Equity Long Short UCITS Fund	15.00%	15.00%	20.00%	15.00%	–	15.00%	15.00%
Franklin K2 Electron Global UCITS Fund	15.00%	10.00%	20.00%	15.00%	18.00%	–	15.00%
Franklin K2 Ellington Structured Credit UCITS Fund	15.00%	10.00%	15.00%	15.00%	–	–	15.00%
Franklin K2 EMSO Emerging Markets UCITS Fund	15.00%	15.00%	15.00%	15.00%	–	–	–
Franklin K2 Wellington Technology Long Short UCITS Fund	15.00%	12.50%	20.00%	15.00%	–	–	15.00%

### Note 13 - Soft commission

Consistent with obtaining best execution, brokerage commissions on portfolio transactions for the Company may be directed by the Investment Managers to broker-dealers in recognition of research services furnished by them as well as for services rendered in the execution of orders by such broker-dealers.

The receipt of investment research and information and related services permits the Investment Managers to supplement their own research and analysis and makes available to them the views and information of individuals and research staffs of other firms.

Such services do not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries or direct money payment, which are paid for directly by the Investment Managers.

### Note 14 - Connected party transactions

Certain directors of the Company are or may also be officers and/or directors of the Management Company. All transactions with connected parties were entered into in the ordinary course of business and under normal commercial terms.

The investment management fees that are accrued by the Company in respect of the Management Company are detailed in note 11 to the financial statements.

**Note 14 - Connected party transactions** (continued)

There are no connected brokers in Franklin Templeton, and no transactions were entered into with connected brokers during the period ended September 30, 2021.

During the period ended September 30, 2021, the Company accrued administration and transfer agency fees and shares' maintenance and service charges in respect of Franklin Templeton International Services S.à r.l. as Management Company and Principal Distributor of the Funds.

**Note 15 - Taxation**

Under current tax laws and practice, the Company is not liable in the Grand Duchy of Luxembourg to any taxes on income or on realised or unrealised capital gains.

The Company is liable in the Grand Duchy of Luxembourg to a tax of 0.05% per annum, such tax being paid quarterly, and calculated on the net asset value of each Fund at the end of each relevant quarter. This tax is not applicable for the portion of the assets of a Fund invested in other undertakings for collective investment that have already been subject to such tax. A reduced tax rate of 0.01% may apply to Share Classes reserved for Institutional Investors.

Investment income received or capital gains realised by the Company may be subject to tax in the countries of origin. All liabilities in respect of taxes payable on unrealised capital gains on investments are provided for as soon as there is a reasonable certainty that a liability will crystallise.

No stamp duty or other tax is payable in the Grand Duchy of Luxembourg on the issue of shares in the Company.

The Company is registered for Value Added Tax in the Grand Duchy of Luxembourg and subject to account for Value Added Tax in accordance with current law.

**Note 16 - Share classes**

Class A shares: are offered for subscription to retail investors and will also be available to Institutional Investors. Purchases of Class A shares are subject to any entry charge of up to 5.75% and maintenance charge of up to 0.50% per annum of the applicable average net asset value is deducted and paid to the Principal Distributor. This charge is accrued daily and is deducted and paid monthly to the Principal Distributor.

Class EB shares: these "early bird" share classes are only offered to institutional investors who invest at Fund launch as more fully described in the current issuing document of the Company. Purchases of Class EB shares are not subject to any entry, maintenance or servicing charges.

Class EO shares: these "early bird open" share classes are only offered to institutional investors who invest at Fund launch or to institutional investors who entered into an advisory or investment management agreement with K2/D&S Management Co., L.L.C., the Management Company or its affiliates prior to Fund launch as more fully described in the current issuing document of the Company. Purchases of Class EB shares are not subject to any entry, maintenance or servicing charges.

Class I shares: are offered to institutional investors as more fully described in the current prospectus of the Company. Purchases of Class I shares are not subject to any entry, maintenance or servicing charges.

Class J shares: shall only be offered in limited circumstances by invitation to intermediaries, distributors, platforms and/or Brokers/Dealers as more fully described in the current prospectus of the Company. Purchases of Class J shares are not subject to any entry, maintenance or servicing charges.

Class S shares: shall only be offered in limited circumstances by invitation to intermediaries, distributors, platforms and/or Brokers/Dealers as more fully described in the current prospectus of the Company. Purchases of Class S shares are not subject to any entry, maintenance or servicing charges.

Class W shares: are offered through intermediaries, distributors, platforms and/or Brokers/Dealers as more fully described in the current prospectus of the Company. Intermediaries or distributors selling Class W Shares may apply their own selling charges, but which should not exceed 5.75%. Purchases of Class W shares are not subject to any entry, maintenance or servicing charges.

### Note 16 - Share classes (continued)

Class Y shares: may only be offered to Institutional Investors, in certain limited circumstances, at the discretion of the Management Company and/or its affiliates. Purchases of Class Y shares are not subject to any entry, maintenance or servicing charges.

Accumulating shares (acc): do not distribute any dividends but the income attributable is reflected in the increased value of the shares. All other terms and conditions are the same as those which apply to distributing share classes.

Performance fee classes: are classes that are subject to performance fees and are denoted by the inclusion of "PF" in their names.

Hedged share classes: In respect of hedged share classes, the Company offers the following alternatives:

- H1: in order to reduce exchange rate fluctuations and return fluctuations, the base currency exposure of the hedged share class is hedged into a specified alternative currency.

- H2: a hedging strategy is applied in order to reduce the risk of currency movements between the currency of the hedged share class and other material currencies of the securities held by the Fund.

- H4: where currency controls imposed by a country's monetary authority prevent free movement of currency ("Restricted Currency"), another hedging methodology is used. The share class is denominated in the base currency of the Fund but hedges the Fund's base currency into a specified Restricted Currency for investors in that Restricted Currency.

The main sales company grants remuneration from the commissions due to it for the sale of the investment fund to distributors and asset managers. Institutional investors who hold the fund shares economically for third parties will also receive reimbursements.

### Note 17 - Expenses reimbursement

On a daily basis, for share classes where the expenses are capped, the level of expenses is calculated and compared to the cap and where the level of expenses is higher than the cap, this difference is booked as a decrease of expense (the "waiver fees"). The performance fees do not form part of the capped expenses. On a monthly basis the waiver fees are deducted from the fees received by Franklin Templeton International Services S.à r.l.

The amount of waiver fees is disclosed as "Expenses reimbursement" in the "Statement of Operations and Changes in Net Assets".

### Note 18 - Statement of changes in the investment portfolio

Upon request, you can receive a free report at the company's registered office or from the representative in Switzerland, which lists all buy and sell transactions for each fund during the reporting period.

### Note 19 - Transaction costs

Transaction costs are costs incurred to acquire and dispose of financial assets or liabilities. They include fees and commissions paid to agents, brokers and dealers. During the period ended September 30, 2021, the Company incurred the following transaction costs:

Fund Name	Currency	Amount
Franklin K2 Athena Risk Premia UCITS Fund	USD	396
Franklin K2 Bardin Hill Arbitrage UCITS Fund	USD	219,798
Franklin K2 Cat Bond UCITS Fund	USD	-
Franklin K2 Chilton Equity Long Short UCITS Fund	USD	13,889
Franklin K2 Electron Global UCITS Fund	USD	92,625
Franklin K2 Ellington Structured Credit UCITS Fund	USD	-
Franklin K2 EMSO Emerging Markets UCITS Fund	USD	617
Franklin K2 Wellington Technology Long Short UCITS Fund	USD	18,101

\* For debt securities and derivatives, transaction costs are not separately identifiable from the purchase price of the security and therefore cannot be disclosed separately.

**Note 20 - Equalisation**

The Funds use an accounting practice known as equalisation, by which a portion of the proceeds from issue and costs of redemption of shares, equivalent on a per share basis to the amount of undistributed investment income on the date of the transaction, is credited or charged to undistributed income which is disclosed as equalisation in the "Statement of Operations and Changes in Net Assets". As a result, undistributed investment income per share is unaffected by issue or redemptions of shares.

**Note 21 - Other Charges**

Where other charges exceeds 10% of total expenses the detailed breakdown is as follows:

	Franklin K2 Athena Risk Premia UCITS Fund	Franklin K2 Cat Bond UCITS Fund	Franklin K2 EMSO Emerging Markets UCITS Fund
	(USD)	(USD)	(USD)
Legal fees	2,896	7,261	25,541
Miscellaneous expenses	1,822	4,684	15,840
Paying agent fees	564	1,416	4,980
Registration and filing fees	1,300	2,597	7,861
Shareholder reporting fees	603	1,512	5,317
Tax fees	53	132	467
	7,238	17,602	60,006

**Note 22 - Portfolio Turnover Ratio**

The Portfolio Turnover Ratio ("PTR"), expressed as a percentage, is equal to the total of purchases and sales of securities netted against the total value of subscriptions and redemptions, over average net assets of the Fund for a year. It is effectively a measure of how frequently a Fund buys or sells securities.

**Note 23 - Total Expense Ratio**

The Total Expense Ratio (TER), expressed as a percentage, reflects the total costs relative to the average net assets of the fund during the reporting period. The total costs include the administration fee, the administration and paying agent fee, the custodian bank fee and other costs that are summarized in the development of the fund's assets.

For share classes launched during the period, the TER is annualised.

**Note 24 - Audited annual reports and unaudited semi-annual reports**

The abridged audited annual reports will be sent to all shareholders registered on October 31. The audited annual report is available free of charge from the company's registered office on request. The abridged audited semi-annual reports will be available on the following website: [www.ftidocuments.com](http://www.ftidocuments.com)

These will then only be sent to shareholders in the countries where the local regulations so require.

The audited annual report is available on request free of charge from the registered office of the company and from the representative in Switzerland.

At Franklin Templeton Switzerland Ltd, in addition to the issue and redemption prices, the prospectus, the key information for investors and the financial reports (annual and semi-annual reports), a copy of the company's articles of association is also available free of charge the documents listed in the "documents available for inspection" chapter can be viewed during normal business hours.

## Note 25 - Abbreviations

### Countries

AGO	Angola	DEU	Germany	KOR	South Korea	SP	Supranational
ARE	United Arab Emirates	EGY	Egypt	MEX	Mexico	TUN	Tunisia
AUS	Australia	FRA	France	NGA	Nigeria	TUR	Turkey
BHR	Bahrain	GBR	United Kingdom	NLD	Netherlands	TWN	Taiwan
BHS	Bahamas	GHA	Ghana	OMN	Oman	UKR	Ukraine
BMU	Bermuda	HKG	Hong Kong	PRI	Puerto Rico	USA	United States of America
BRA	Brazil	ISR	Israel	PRY	Paraguay	ZAF	South Africa
CAN	Canada	ITA	Italy	RUS	Russia		
CHN	China	JOR	Jordan	SAU	Saudi Arabia		
CYM	Cayman Islands	JPN	Japan	SGP	Singapore		

### Currencies

AUD	Australian Dollar	EGP	Egyptian Pound	IDR	Indonesian Rupiah	RUB	Russian Ruble
BRL	Brazilian Real	EUR	Euro	JPY	Japanese Yen	SGD	Singapore Dollar
CAD	Canadian Dollar	GBP	British Pound Sterling	MXN	Mexican Peso	USD	US Dollar
CNH/CNY	Chinese Yuan Renminbi	HKD	Hong Kong Dollar	PLN	Polish Zloty	ZAR	South African Rand

## Note 26 - Subsequent events

There have been no subsequent events since the period end.

## Schedule of Investments, September 30, 2021

## Franklin K2 Bardin Hill Arbitrage UCITS Fund

(Currency - USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	<b>SHARES</b>				
	<b>Biotechnology</b>				
63,218	Trillium Therapeutics, Inc.	CAN	USD	1,110,108	0.62
3,296	Acceleron Pharma, Inc.	USA	USD	567,242	0.31
				<u>1,677,350</u>	<u>0.93</u>
	<b>Capital Markets</b>				
91,157	Rosecliff Acquisition Corp. I	USA	USD	902,454	0.50
80,915	Digital Transformation Opportunities Corp.	USA	USD	792,967	0.44
45,215	First Reserve Sustainable Growth Corp. 'A'	USA	USD	447,629	0.25
45,007	NightDragon Acquisition Corp.	USA	USD	446,469	0.25
44,697	TB SA Acquisition Corp.	CYM	USD	440,936	0.24
44,123	Colicity, Inc.	USA	USD	437,700	0.24
43,908	Gores Holdings VII, Inc.	USA	USD	433,372	0.24
43,243	Clarim Acquisition Corp. 'A'	USA	USD	425,079	0.24
42,574	Pathfinder Acquisition Corp. 'A'	USA	USD	420,631	0.23
36,149	Khosla Ventures Acquisition Co.	USA	USD	356,791	0.20
36,005	Fintech Evolution Acquisition Group	USA	USD	355,729	0.20
22,490	Lerer Hippeau Acquisition Corp. 'A'	USA	USD	219,390	0.12
21,364	Social Leverage Acquisition Corp. I	USA	USD	211,717	0.12
17,981	Vector Acquisition Corp. II 'A'	USA	USD	175,315	0.10
13,855	Valor Latitude Acquisition Corp.	USA	USD	137,857	0.08
12,403	Sustainable Development Acquisition I Corp.	USA	USD	125,146	0.07
9,095	Jaws Mustang Acquisition Corp.	USA	USD	91,314	0.05
8,382	Power & Digital Infrastructure Acquisition Corp. 'A'	USA	USD	84,742	0.05
8,382	ECP Environmental Growth Opportunities Corp.	USA	USD	84,155	0.05
8,280	G Squared Ascend I, Inc. 'A'	USA	USD	81,682	0.04
6,769	Gores Holdings VIII, Inc.	USA	USD	67,352	0.04
4,140	RMG Acquisition Corp. III	USA	USD	40,903	0.02
3,575	Gores Technology Partners II, Inc.	USA	USD	35,768	0.02
3,206	One Equity Partners Open Water I Corp. 'A'	USA	USD	31,194	0.02
1,787	Gores Technology Partners, Inc.	USA	USD	17,852	0.01
855	Apollo Strategic Growth Capital II	USA	USD	8,507	–
854	ION Acquisition Corp. 2 Ltd. 'A'	ISR	USD	8,463	–
827	CC Neuberger Principal Holdings III	USA	USD	8,229	–
829	Climate Real Impact Solutions II Acquisition Corp. 'A'	USA	USD	8,108	–
				<u>6,897,451</u>	<u>3.82</u>
	<b>Chemicals</b>				
173,244	Ferro Corp.	USA	USD	3,523,783	1.96
46,763	Kraton Corp.	USA	USD	2,134,263	1.18
				<u>5,658,046</u>	<u>3.14</u>
	<b>Commercial Services &amp; Supplies</b>				
435,890	Covanta Holding Corp.	USA	USD	8,770,107	4.87
				<u>8,770,107</u>	<u>4.87</u>
	<b>Electronic Equipment, Instruments &amp; Components</b>				
241,322	Hollysys Automation Technologies Ltd.	CHN	USD	4,992,952	2.77
3,916	Coherent, Inc.	USA	USD	979,353	0.54
				<u>5,972,305</u>	<u>3.31</u>
	<b>Entertainment</b>				
187,098	Sciplay Corp. 'A'	USA	USD	3,871,058	2.15
				<u>3,871,058</u>	<u>2.15</u>
	<b>Food Products</b>				
121,931	Pilgrim's Pride Corp.	USA	USD	3,545,754	1.97
				<u>3,545,754</u>	<u>1.97</u>
	<b>Health Care Equipment &amp; Supplies</b>				
10,438	Hill-Rom Holdings, Inc.	USA	USD	1,565,700	0.87
44,075	Itamar Medical Ltd., ADR	ISR	USD	1,331,947	0.74
				<u>2,897,647</u>	<u>1.61</u>
	<b>Health Care Providers &amp; Services</b>				
307,876	New Frontier Health Corp.	HKG	USD	3,457,448	1.92
				<u>3,457,448</u>	<u>1.92</u>

Franklin K2 Bardin Hill Arbitrage UCITS Fund (continued)

(Currency - USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Health Care Technology</b>					
137,038	Inovalon Holdings, Inc. 'A'	USA	USD	5,521,261	3.06
				<u>5,521,261</u>	<u>3.06</u>
<b>Hotels, Restaurants &amp; Leisure</b>					
325,691	Crown Resorts Ltd.	AUS	AUD	2,229,467	1.24
16,195	Entain plc	GBR	GBP	462,555	0.26
				<u>2,692,022</u>	<u>1.50</u>
<b>Insurance</b>					
41,816	Willis Towers Watson plc	USA	USD	9,720,547	5.39
121,312	Athene Holding Ltd. 'A'	USA	USD	8,354,757	4.64
				<u>18,075,304</u>	<u>10.03</u>
<b>Internet &amp; Direct Marketing Retail</b>					
22,924	Stamps.com, Inc.	USA	USD	7,560,106	4.20
1,582	zooplus AG	DEU	EUR	892,432	0.49
				<u>8,452,538</u>	<u>4.69</u>
<b>Professional Services</b>					
98,907	IHS Markit Ltd.	USA	USD	11,534,534	6.40
				<u>11,534,534</u>	<u>6.40</u>
<b>Real Estate Management &amp; Development</b>					
22	Deutsche Wohnen SE	DEU	EUR	1,345	–
				<u>1,345</u>	<u>–</u>
<b>Road &amp; Rail</b>					
42,340	Kansas City Southern	USA	USD	11,458,898	6.36
				<u>11,458,898</u>	<u>6.36</u>
<b>Semiconductors &amp; Semiconductor Equipment</b>					
45,939	Xilinx, Inc.	USA	USD	6,936,330	3.85
6,586	Analog Devices, Inc.	USA	USD	1,103,023	0.61
				<u>8,039,353</u>	<u>4.46</u>
<b>Software</b>					
215,011	Nuance Communications, Inc.	USA	USD	11,834,205	6.57
152,963	Cornerstone OnDemand, Inc.	USA	USD	8,758,661	4.86
12,835	Five9, Inc.	USA	USD	2,050,263	1.14
				<u>22,643,129</u>	<u>12.57</u>
<b>TOTAL SHARES</b>				<u>131,165,550</u>	<u>72.79</u>
<b>WARRANTS</b>					
<b>Capital Markets</b>					
11,303	First Reserve Sustainable Growth Corp. 12/31/2027	USA	USD	9,325	0.01
14,414	Clarim Acquisition Corp. 'A' 12/31/2027	USA	USD	8,937	0.01
8,514	Pathfinder Acquisition Corp. 'A' 12/31/2027	USA	USD	8,086	–
2,095	Power & Digital Infrastructure Acquisition Corp. 02/12/2028	USA	USD	5,196	–
1,656	G Squared Ascend I, Inc. 12/31/2027	USA	USD	1,739	–
1,068	One Equity Partners Open Water I Corp. 12/31/2027	USA	USD	685	–
165	Climate Real Impact Solutions II Acquisition Corp. 12/31/2027	USA	USD	173	–
106	ION Acquisition Corp. 2 Ltd. 'A' 12/31/2027	ISR	USD	116	–
				<u>34,257</u>	<u>0.02</u>
<b>TOTAL WARRANTS</b>				<u>34,257</u>	<u>0.02</u>
<b>BONDS</b>					
<b>Convertible Bonds</b>					
4,600,000	Deutsche Wohnen SE, Reg. S 0.325% 07/26/2024	DEU	EUR	7,281,805	4.04
				<u>7,281,805</u>	<u>4.04</u>
<b>TOTAL BONDS</b>				<u>7,281,805</u>	<u>4.04</u>
<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>				<u>138,481,612</u>	<u>76.85</u>
<b>TOTAL INVESTMENTS</b>				<u>138,481,612</u>	<u>76.85</u>



## Schedule of Investments, September 30, 2021

Franklin K2 Cat Bond UCITS Fund  
(Currency - USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	<b>BONDS</b>				
	<b>Corporate Bonds</b>				
2,875,000	SD Re Ltd., 144A, FRN 9.783% 07/15/2030	BMD	USD	2,909,644	3.38
2,177,000	Tailwind Re Ltd., 144A, FRN 9.501% 01/08/2025	BMD	USD	2,197,573	2.55
2,114,000	Alamo Re Ltd., 144A, FRN 5.075% 06/05/2026	BMD	USD	2,151,101	2.50
1,275,000	Bowline Re Ltd., 144A, FRN 4.541% 03/20/2023	BMD	USD	1,306,301	1.52
950,000	FloodSmart Re Ltd., 144A, FRN 11.868% 03/07/2025	BMD	USD	933,375	1.08
850,000	Phoenician Re Ltd., 144A, FRN 3.035% 12/14/2027	BMD	USD	867,510	1.01
750,000	Cape Lookout Re Ltd., 144A, FRN 4.175% 02/25/2025	BMD	USD	758,887	0.88
725,000	Everglades Re II Ltd., 144A, FRN 6.785% 05/15/2028	BMD	USD	739,572	0.86
725,000	Everglades Re II Ltd., 144A, FRN 5.785% 05/15/2028	BMD	USD	738,122	0.86
650,000	Easton Re Pte. Ltd., 144A, FRN 4.035% 01/08/2027	SGP	USD	660,497	0.77
525,000	Alamo Re II Pte. Ltd., 144A, FRN 5.495% 06/08/2027	SGP	USD	553,796	0.64
525,000	Titania RE Ltd., 144A, FRN 4.52% 06/21/2028	BMD	USD	535,474	0.62
525,000	Everglades Re II Ltd., 144A, FRN 5.785% 05/15/2028	BMD	USD	534,397	0.62
425,000	Herbie Re Ltd., 144A, FRN 6.28% 01/08/2025	BMD	USD	452,838	0.53
425,000	Northshore Re II Ltd., 144A, FRN 5.78% 01/08/2027	BMD	USD	442,680	0.51
425,000	Mona Lisa Re Ltd., 144A, FRN 7.53% 01/09/2023	BMD	USD	434,754	0.51
425,000	Wrigley Re Ltd., 144A, FRN 2.435% 07/08/2025	BMD	USD	427,699	0.50
375,000	Kilimanjaro II Re Ltd., 144A, FRN 6.3% 04/21/2022	BMD	USD	381,319	0.44
325,000	Kilimanjaro III Re Ltd., 144A, FRN 9.956% 12/19/2027	BMD	USD	338,569	0.39
300,000	Acorn Re Ltd., 144A, FRN 2.75% 05/10/2022	BMD	USD	301,035	0.35
200,000	Residential Reinsurance 2021 Ltd., 144A, FRN 2.538% 06/06/2028	CYM	USD	202,580	0.23
200,000	Tailwind Re Ltd., 144A, FRN 7.691% 01/08/2025	BMD	USD	201,310	0.23
200,000	FloodSmart Re Ltd., 144A, FRN 15.118% 02/27/2026	BMD	USD	195,500	0.23
				18,264,533	21.21
	<b>Supranational</b>				
1,425,000	International Bank for Reconstruction & Development, 144A, FRN 3.534% 06/13/2024	SP	USD	1,445,948	1.68
600,000	International Bank for Reconstruction & Development, 144A, FRN 10.034% 07/13/2024	SP	USD	620,235	0.72
563,000	International Bank for Reconstruction & Development, 144A, FRN 6.534% 07/13/2024	SP	USD	585,830	0.68
				2,652,013	3.08
				20,916,546	24.29
	<b>TOTAL BONDS</b>				
	<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>				
				20,916,546	24.29
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	<b>BONDS</b>				
	<b>Corporate Bonds</b>				
3,018,000	Cape Lookout Re Ltd., 144A, FRN 3.275% 03/22/2028	BMD	USD	3,041,842	3.53
2,925,000	Kendall Re Ltd., 144A, FRN 4.046% 05/02/2028	BMD	USD	2,869,425	3.33
2,325,000	Alamo Re Ltd., 144A, FRN 4.035% 06/07/2028	BMD	USD	2,389,402	2.78
1,940,000	Mona Lisa Re Ltd., 144A, FRN 7.03% 07/10/2028	BMD	USD	1,984,038	2.31
1,775,000	Torrey Pines Re Pte. Ltd., 144A, FRN 5.288% 06/07/2029	BMD	USD	1,799,140	2.09
1,650,000	FloodSmart Re Ltd., 144A, FRN 13.038% 03/01/2024	BMD	USD	1,575,750	1.83
1,400,000	SD Re Ltd., 144A, FRN 4% 10/19/2028	BMD	USD	1,403,850	1.63
1,050,000	Ursa Re II Ltd., 144A, FRN 3.788% 12/07/2027	BMD	USD	1,090,530	1.27
1,050,000	Matterhorn Re Ltd., 144A, FRN 4.326% 12/07/2024	BMD	USD	1,071,262	1.24
1,000,000	Ursa Re II Ltd., 144A, FRN 6.288% 12/07/2027	BMD	USD	1,032,900	1.20
850,000	Matterhorn Re Ltd., 144A, FRN 5.576% 12/07/2024	BMD	USD	862,452	1.00
650,000	Sierra Ltd., 144A, FRN 5.785% 12/28/2023	BMD	USD	663,683	0.77
425,000	Sussex Capital UK Pcc Ltd., 144A, FRN 7.796% 01/08/2028	GBR	USD	441,129	0.51
425,000	Everglades Re II Ltd., 144A, FRN 6.288% 05/04/2027	BMD	USD	440,576	0.51
425,000	Sakura RE Ltd., 144A, FRN 4.041% 04/07/2029	BMD	USD	433,543	0.50
425,000	Matterhorn Re Ltd., 144A, FRN 5.288% 12/07/2023	BMD	USD	429,144	0.50
425,000	Sierra Ltd., 144A, FRN 2.735% 01/31/2025	BMD	USD	428,953	0.50
425,000	Kendall Re Ltd., 144A, FRN 6.296% 05/02/2028	BMD	USD	425,637	0.50
425,000	Herbie Re Ltd., 144A, FRN 9.163% 07/08/2027	BMD	USD	382,500	0.44
325,000	Sakura RE Ltd., 144A, FRN 2.291% 04/07/2029	BMD	USD	332,053	0.39
325,000	Sierra Ltd., 144A, FRN 4.785% 01/31/2025	BMD	USD	329,615	0.38
325,000	Matterhorn Re Ltd., 144A, FRN 7.038% 12/07/2023	BMD	USD	329,144	0.38

**Franklin K2 Cat Bond UCITS Fund** (continued)

(Currency - USD)

<b>Number of shares or face value</b>	<b>Description</b>	<b>Country code</b>	<b>Trading currency</b>	<b>Market value</b>	<b>% of net assets</b>
325,000	Torrey Pines Re Pte. Ltd., 144A, FRN 4.038% 06/07/2029	BMD	USD	326,170	0.38
325,000	Matterhorn Re Ltd., 144A, FRN 6.288% 12/07/2023	BMD	USD	325,812	0.38
200,000	Hypatia Ltd., 144A, FRN 7.313% 06/07/2023	BMD	USD	211,560	0.25
200,000	Blue Halo Re Ltd., 144A, FRN 13.285% 06/29/2026	BMD	USD	210,200	0.24
209,000	Pelican IV Re Ltd., 144A, FRN 5.285% 05/07/2027	BMD	USD	207,432	0.24
200,000	Cape Lookout Re Ltd., 144A, FRN 6.255% 05/09/2022	BMD	USD	204,690	0.24
200,000	Frontline Re Ltd., 144A, FRN 7.601% 07/06/2026	BMD	USD	175,000	0.20
425,000	Caelus Re VI Ltd., 144A, FRN 0.141% 06/07/2027	CYM	USD	5,334	0.01
				<u>25,422,766</u>	<u>29.53</u>
	<b>TOTAL BONDS</b>			<u>25,422,766</u>	<u>29.53</u>
	<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>			<u>25,422,766</u>	<u>29.53</u>
	<b>TOTAL INVESTMENTS</b>			<u><b>46,339,312</b></u>	<u><b>53.82</b></u>

## Schedule of Investments, September 30, 2021

Franklin K2 Chilton Equity Long Short UCITS Fund  
(Currency - USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	<b>SHARES</b>				
	<b>Beverages</b>				
89,026	Davide Campari-Milano NV	ITA	EUR	1,250,568	3.92
				1,250,568	3.92
	<b>Capital Markets</b>				
2,992	Moody's Corp.	USA	USD	1,062,489	3.33
				1,062,489	3.33
	<b>Chemicals</b>				
10,239	Sherwin-Williams Co. (The)	USA	USD	2,864,156	8.97
				2,864,156	8.97
	<b>Containers &amp; Packaging</b>				
20,903	Ardagh Metal Packaging SA	USA	USD	208,194	0.65
				208,194	0.65
	<b>Distributors</b>				
2,400	Pool Corp.	USA	USD	1,042,584	3.27
				1,042,584	3.27
	<b>Diversified Consumer Services</b>				
12,134	Mister Car Wash, Inc.	USA	USD	221,446	0.69
				221,446	0.69
	<b>Electronic Equipment, Instruments &amp; Components</b>				
6,787	II-VI, Inc.	USA	USD	402,876	1.26
				402,876	1.26
	<b>Health Care Equipment &amp; Supplies</b>				
5,069	Danaher Corp.	USA	USD	1,543,206	4.84
				1,543,206	4.84
	<b>Health Care Providers &amp; Services</b>				
13,125	CVS Health Corp.	USA	USD	1,113,788	3.49
				1,113,788	3.49
	<b>Hotels, Restaurants &amp; Leisure</b>				
602	Chipotle Mexican Grill, Inc.	USA	USD	1,094,147	3.43
				1,094,147	3.43
	<b>Household Durables</b>				
3,299	Skyline Champion Corp.	USA	USD	198,138	0.62
				198,138	0.62
	<b>IT Services</b>				
3,534	Mastercard, Inc. 'A'	USA	USD	1,228,701	3.85
1,925	PayPal Holdings, Inc.	USA	USD	500,904	1.57
				1,729,605	5.42
	<b>Life Sciences Tools &amp; Services</b>				
1,596	Mettler-Toledo International, Inc.	USA	USD	2,198,267	6.89
1,394	Thermo Fisher Scientific, Inc.	USA	USD	796,434	2.50
				2,994,701	9.39
	<b>Machinery</b>				
2,892	Deere & Co.	USA	USD	969,022	3.04
396	Stanley Black & Decker, Inc.	USA	USD	69,423	0.22
				1,038,445	3.26
	<b>Multiline Retail</b>				
4,392	Target Corp.	USA	USD	1,004,758	3.15
				1,004,758	3.15
	<b>Road &amp; Rail</b>				
5,772	Kansas City Southern	USA	USD	1,562,134	4.89
7,840	Union Pacific Corp.	USA	USD	1,536,718	4.82
16,646	Canadian Pacific Railway Ltd.	CAN	USD	1,083,155	3.39
18,117	CSX Corp.	USA	USD	538,800	1.69
				4,720,807	14.79

**Franklin K2 Chilton Equity Long Short UCITS Fund** (continued)

(Currency - USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Semiconductors &amp; Semiconductor Equipment</b>					
4,004	Texas Instruments, Inc.	USA	USD	769,609	2.41
				<u>769,609</u>	<u>2.41</u>
<b>Software</b>					
8,113	Microsoft Corp.	USA	USD	2,287,217	7.17
1,010	Adobe, Inc.	USA	USD	581,477	1.82
				<u>2,868,694</u>	<u>8.99</u>
<b>Specialty Retail</b>					
5,377	Five Below, Inc.	USA	USD	950,707	2.98
3,984	Tractor Supply Co.	USA	USD	807,198	2.53
				<u>1,757,905</u>	<u>5.51</u>
	<b>TOTAL SHARES</b>			<u>27,886,116</u>	<u>87.39</u>
	<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>			<u>27,886,116</u>	<u>87.39</u>
	<b>TOTAL INVESTMENTS</b>			<u><b>27,886,116</b></u>	<u><b>87.39</b></u>

## Schedule of Investments, September 30, 2021

Franklin K2 Electron Global UCITS Fund  
(Currency - USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	<b>SHARES</b>				
	<b>Air Freight &amp; Logistics</b>				
22,969	GXO Logistics, Inc.	USA	USD	1,801,688	0.96
				1,801,688	0.96
	<b>Airlines</b>				
69,748	Japan Airlines Co. Ltd.	JPN	JPY	1,660,471	0.89
				1,660,471	0.89
	<b>Automobiles</b>				
40,390	General Motors Co.	USA	USD	2,128,957	1.14
				2,128,957	1.14
	<b>Building Products</b>				
92,911	Carrier Global Corp.	USA	USD	4,809,073	2.57
8,079	A O Smith Corp.	USA	USD	493,385	0.26
				5,302,458	2.83
	<b>Chemicals</b>				
9,877	Albemarle Corp.	USA	USD	2,162,767	1.16
				2,162,767	1.16
	<b>Commercial Services &amp; Supplies</b>				
78,173	Covanta Holding Corp.	USA	USD	1,572,841	0.84
				1,572,841	0.84
	<b>Construction &amp; Engineering</b>				
86,680	Quanta Services, Inc.	USA	USD	9,865,918	5.27
72,809	MasTec, Inc.	USA	USD	6,281,960	3.36
55,723	AECOM	USA	USD	3,518,907	1.88
				19,666,785	10.51
	<b>Construction Materials</b>				
323,978	Cemex SAB de CV, ADR	MEX	USD	2,322,922	1.24
				2,322,922	1.24
	<b>Electric Utilities</b>				
353,681	Exelon Corp.	USA	USD	17,096,940	9.13
1,010,717	PG&E Corp.	USA	USD	9,702,883	5.18
68,522	Edison International	USA	USD	3,800,915	2.03
				30,600,738	16.34
	<b>Electrical Equipment</b>				
11,912	Generac Holdings, Inc.	USA	USD	4,868,077	2.60
116,113	Plug Power, Inc.	USA	USD	2,965,526	1.58
156,684	Array Technologies, Inc.	USA	USD	2,901,788	1.55
88,855	ChargePoint Holdings, Inc.	USA	USD	1,776,211	0.95
156,527	FuelCell Energy, Inc.	USA	USD	1,047,166	0.56
90,128	GrafTech International Ltd.	USA	USD	930,121	0.50
				14,488,889	7.74
	<b>Gas Utilities</b>				
1,304,330	Hong Kong & China Gas Co. Ltd.	HKG	HKD	1,970,706	1.05
				1,970,706	1.05
	<b>Household Durables</b>				
168,343	Panasonic Corp.	JPN	JPY	2,086,679	1.11
				2,086,679	1.11
	<b>Independent Power and Renewable Electricity Producers</b>				
683,769	AES Corp. (The)	USA	USD	15,610,446	8.34
89,799	NextEra Energy Partners LP	USA	USD	6,767,253	3.61
124,909	Sunnova Energy International, Inc.	USA	USD	4,114,502	2.20
78,032	Clearway Energy, Inc.	USA	USD	2,362,029	1.26
116,115	Vistra Corp.	USA	USD	1,985,566	1.06
				30,839,796	16.47
	<b>Machinery</b>				
9,117	FANUC Corp.	JPN	JPY	1,999,011	1.07
				1,999,011	1.07

**Franklin K2 Electron Global UCITS Fund** (continued)

(Currency - USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	<b>Metals &amp; Mining</b>				
38,057	MP Materials Corp.	USA	USD	1,226,577	0.66
				<u>1,226,577</u>	<u>0.66</u>
	<b>Multi-Utilities</b>				
114,019	Consolidated Edison, Inc.	USA	USD	8,276,639	4.42
				<u>8,276,639</u>	<u>4.42</u>
	<b>Road &amp; Rail</b>				
45,677	XPO Logistics, Inc.	USA	USD	3,634,976	1.94
				<u>3,634,976</u>	<u>1.94</u>
	<b>Software</b>				
68,940	BlackBerry Ltd.	CAN	USD	670,786	0.36
				<u>670,786</u>	<u>0.36</u>
	<b>Technology Hardware, Storage &amp; Peripherals</b>				
11,439	Canaan, Inc., ADR	CHN	USD	69,892	0.04
				<u>69,892</u>	<u>0.04</u>
	<b>Transportation Infrastructure</b>				
183,272	Atlantia SpA	ITA	EUR	3,458,652	1.85
				<u>3,458,652</u>	<u>1.85</u>
	<b>Water Utilities</b>				
870,581	Guangdong Investment Ltd.	CHN	HKD	1,136,044	0.60
				<u>1,136,044</u>	<u>0.60</u>
	<b>TOTAL SHARES</b>			<u>137,078,274</u>	<u>73.22</u>
	<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>			<u>137,078,274</u>	<u>73.22</u>
	<b>TOTAL INVESTMENTS</b>			<u><b>137,078,274</b></u>	<u><b>73.22</b></u>

## Schedule of Investments, September 30, 2021

Franklin K2 Ellington Structured Credit UCITS Fund  
(Currency - USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	<b>BONDS</b>				
	<b>Asset-Backed Securities</b>				
3,260,000	Jubilee CLO BV, Series 2015-15X, Reg. S, FRN 4.404% 07/12/2028	NLD	EUR	3,720,851	9.06
3,120,000	Cutwater 2014-II Ltd., Series 2014-2A, 144A, FRN 3.876% 01/15/2027	CYM	USD	3,129,165	7.62
1,950,746	IndyMac INDX Mortgage Loan Trust, Series 2006-AR3, FRN 3.066% 04/25/2036	USA	USD	1,999,251	4.87
2,000,000	NLY Commercial Mortgage Trust, Series 2019-FL2, 144A, FRN 2.434% 02/15/2036	USA	USD	1,995,224	4.86
1,550,000	LoanCore Issuer Ltd., Series 2018-CRE1, 144A, FRN 3.034% 05/15/2028	CYM	USD	1,551,008	3.78
1,500,000	Adams Mill CLO Ltd., Series 2014-1A, 144A, FRN 3.626% 07/15/2026	CYM	USD	1,505,872	3.67
1,381,523	Bear Stearns Mortgage Funding Trust, Series 2006-AR2, FRN 0.546% 09/25/2046	USA	USD	1,406,868	3.42
1,417,124	Citigroup Mortgage Loan Trust, Series 2015-RP2, 144A, FRN 4.25% 01/25/2053	USA	USD	1,313,014	3.20
1,200,000	Arbor Realty Commercial Real Estate Notes Ltd., Series 2019-FL2, 144A, FRN 2.314% 09/15/2034	CYM	USD	1,201,860	2.93
974,197	RALI Trust, Series 2007-QO3, FRN 0.486% 03/25/2047	USA	USD	1,176,332	2.86
969,949	Preferred Residential Securities 06-1 plc, Series 2006-1X, Reg. S, FRN 0.406% 12/15/2043	GBR	EUR	1,110,107	2.70
666,716	First Franklin Mortgage Loan Trust, Series 2003-FF1, FRN 2.711% 03/25/2033	USA	USD	1,022,571	2.49
1,000,000	STWD Ltd., Series 2021-FL2, 144A, FRN 2.184% 04/18/2038	CYM	USD	1,002,305	2.44
1,000,000	Elevation CLO Ltd., Series 2014-2A, 144A, FRN 3.326% 10/15/2029	CYM	USD	985,995	2.40
1,123,606	HarborView Mortgage Loan Trust, Series 2007-6, FRN 0.317% 08/19/2037	USA	USD	977,352	2.38
645,598	Bear Stearns Asset-Backed Securities I Trust, Series 2007-HE3, FRN 0.306% 04/25/2037	USA	USD	882,865	2.15
860,000	Zais CLO 1 Ltd., Series 2014-1A, 144A, FRN 3.536% 04/15/2028	CYM	USD	860,437	2.09
823,985	CitiMortgage Alternative Loan Trust, Series 2007-A6 6% 06/25/2037	USA	USD	831,484	2.02
744,424	Staniford Street CLO Ltd., Series 2014-1A, 144A, FRN 3.616% 06/15/2025	CYM	USD	747,960	1.82
660,026	CWABS Trust, Series 2004-10, FRN 5.46% 08/25/2034	USA	USD	654,677	1.59
663,876	Security National Mortgage Loan Trust, Series 2004-1A, 144A, FRN 6.42% 06/25/2032	USA	USD	582,015	1.42
544,414	CHL Mortgage Pass-Through Trust, Series 2003-53, FRN 2.624% 02/19/2034	USA	USD	447,184	1.09
483,576	J.P. Morgan Mortgage Trust, Series 2006-A5, FRN 2.8% 08/25/2036	USA	USD	447,160	1.09
553,211	J.P. Morgan Mortgage Trust, Series 2004-A6, FRN 2.265% 12/25/2034	USA	USD	419,895	1.02
402,940	Bayview Financial Revolving Asset Trust, Series 2005-A, 144A, FRN 2.885% 02/28/2040	USA	USD	356,204	0.87
317,028	Impac Secured Assets CMN Owner Trust, Series 2004-1, STEP 5.167% 03/25/2034	USA	USD	328,044	0.80
316,471	Banc of America Funding Trust, Series 2006-A, FRN 2.555% 02/20/2036	USA	USD	323,100	0.79
264,321	Banc of America Funding Trust, Series 2004-A, FRN 2.421% 09/20/2034	USA	USD	254,693	0.62
287,579	Alternative Loan Trust Resecuritization, Series 2006-22R 6.25% 05/25/2036	USA	USD	226,599	0.55
609,751	CSMC Mortgage-Backed Trust, Series 2006-2 6.5% 03/25/2036	USA	USD	199,806	0.49
184,442	Impac CMB Trust, Series 2005-2, FRN 0.884% 04/25/2035	USA	USD	182,884	0.44
243,973	Citigroup Global Markets Mortgage Securities VII, Inc., Series 1998- AQ1 7% 06/25/2028	USA	USD	171,182	0.42
172,992	Bear Stearns ALT-A Trust, Series 2006-8, FRN 2.942% 08/25/2046	USA	USD	138,293	0.34
189,790	Citigroup Mortgage Loan Trust, Series 2015-RP2, 144A 0% 01/25/2053	USA	USD	132,271	0.32
108,648	Countrywide, Series 2002-3, FRN 0.826% 05/25/2032	USA	USD	107,645	0.26
71,778	RALI Trust, Series 2005-QA7, FRN 3.354% 07/25/2035	USA	USD	63,631	0.15
59,384	WaMu Mortgage-Backed Pass-Through Certificates Trust, Series 2006-AR6, FRN 2.77% 08/25/2036	USA	USD	57,286	0.14
84,753	Morgan Stanley Mortgage Loan Trust, Series 2005-6AR, FRN 2.787% 11/25/2035	USA	USD	54,937	0.13
63,310	Alternative Loan Trust, Series 2004-J8 0% 09/25/2034	USA	USD	52,793	0.13

**Franklin K2 Ellington Structured Credit UCITS Fund** (continued)

(Currency - USD)

<b>Number of shares or face value</b>	<b>Description</b>	<b>Country code</b>	<b>Trading currency</b>	<b>Market value</b>	<b>% of net assets</b>
51,270	BCAP LLC Trust, Series 2008-RR2, 144A 5.5% 11/25/2034	USA	USD	49,923	0.12
49,021	Merrill Lynch Bank Mortgage Loan Trust, Series 2002-3, 144A, FRN 1.284% 04/15/2026	USA	USD	48,370	0.12
22,942	CSFB Mortgage-Backed Pass-Through Certificates Trust, Series 2003-AR30, FRN 2.658% 01/25/2034	USA	USD	23,988	0.06
3,672,855	Citigroup Mortgage Loan Trust, Series 2015-RP2, 144A, FRN 0.441% 01/25/2053	USA	USD	15,584	0.04
13,933	Impac CMB Trust, Series 2005-6, FRN 1.209% 10/25/2035	USA	USD	14,939	0.04
				<u>32,773,624</u>	<u>79.80</u>
	<b>Corporate Bonds</b>				
1,140,000	TRTX Issuer Ltd., Series 2019-FL3, 144A, FRN 2.614% 10/15/2034	CYM	USD	1,129,341	2.75
1,000,000	ACREC Ltd., Series 2021-FL1, 144A, FRN 0% 10/18/2036	CYM	USD	1,000,000	2.43
890,494	United Airlines Pass-Through Trust 4% 10/11/2027	USA	USD	941,716	2.29
641,159	Banc of America Mortgage Trust, Series 2005-E, FRN 2.487% 06/25/2035	USA	USD	610,075	1.49
496,260	RFMSI Trust, Series 2005-SA4, FRN 3.094% 09/25/2035	USA	USD	379,288	0.92
				<u>4,060,420</u>	<u>9.88</u>
	<b>TOTAL BONDS</b>			<u>36,834,044</u>	<u>89.68</u>
	<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>			<u>36,834,044</u>	<u>89.68</u>
	<b>TOTAL INVESTMENTS</b>			<u><b>36,834,044</b></u>	<u><b>89.68</b></u>



## Schedule of Investments, September 30, 2021

## Franklin K2 EMSO Emerging Markets UCITS Fund

(Currency - USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	<b>BONDS</b>				
	<b>Corporate Bonds</b>				
1,842,000	Saudi Electricity Global Sukuk Co. 5, Reg. S 1.74% 09/17/2025	SAU	USD	1,858,488	1.58
1,607,000	VTB Bank OJSC, Reg. S 6.95% 10/17/2022	RUS	USD	1,681,684	1.43
24,580,061	Citigroup Global Markets Holdings, Inc., 144A 0% 03/31/2022	USA	EGP	1,477,650	1.25
1,243,000	Tullow Oil plc, Reg. S 10.25% 05/15/2026	GHA	USD	1,299,569	1.10
20,039,000	J.P. Morgan Structured Products BV, 144A 1% 03/17/2022	USA	EGP	1,211,265	1.03
503,000	MDGH - GMTN BV, Reg. S 4.5% 11/07/2028	ARE	USD	587,547	0.50
504,000	Oryx Funding Ltd., Reg. S 5.8% 02/03/2031	OMN	USD	534,666	0.45
				8,650,869	7.34
	<b>Government and Municipal Bonds</b>				
3,683,000	Paraguay Government Bond, Reg. S 4.625% 01/25/2023	PRY	USD	3,839,527	3.26
235,724,000	Russian Federal Bond - OFZ 7.4% 07/17/2024	RUS	RUB	3,263,283	2.77
2,485,000	Nigeria Government Bond, Reg. S 7.625% 11/21/2025	NGA	USD	2,755,229	2.34
185,724,000	Russian Federal Bond - OFZ 6.1% 07/18/2035	RUS	RUB	2,274,640	1.93
2,238,000	Ukraine Government Bond, Reg. S 6.876% 05/21/2029	UKR	USD	2,274,558	1.93
1,847,000	Saudi Government Bond, Reg. S 2.75% 02/03/2032	SAU	USD	1,901,867	1.61
1,696,000	Eskom Holdings SOC Ltd., Reg. S 8.45% 08/10/2028	ZAF	USD	1,880,991	1.59
1,573,000	Egypt Government Bond, Reg. S 7.5% 01/31/2027	EGY	USD	1,666,853	1.41
1,436,000	Petroleos Mexicanos 3.5% 01/30/2023	MEX	USD	1,455,745	1.24
1,301,000	Turkey Government Bond 6.375% 10/14/2025	TUR	USD	1,338,573	1.13
22,187,000	South Africa Government Bond 8.25% 03/31/2032	ZAF	ZAR	1,318,786	1.12
1,204,000	Ukraine Government Bond, Reg. S, FRN 1.258% 05/31/2040	UKR	USD	1,317,491	1.12
1,328,000	Commonwealth of the Bahamas, Reg. S 8.95% 10/15/2032	BHS	USD	1,254,960	1.07
1,202,000	Ukraine Government Bond, Reg. S 7.375% 09/25/2032	UKR	USD	1,233,589	1.05
1,408,000	Petroleos Mexicanos 6.75% 09/21/2047	MEX	USD	1,230,170	1.04
1,166,000	Angola Government Bond, Reg. S 8% 11/26/2029	AGO	USD	1,197,160	1.02
18,292,014	South Africa Government Bond 8% 01/31/2030	ZAF	ZAR	1,129,807	0.96
1,076,000	Egypt Government Bond, Reg. S 7.6% 03/01/2029	EGY	USD	1,118,028	0.95
942,000	Bahrain Government Bond, Reg. S 7% 01/26/2026	BHR	USD	1,045,331	0.89
1,210,000	Banque Centrale de Tunisie International Bond, Reg. S 5.75% 01/30/2025	TUN	USD	1,029,130	0.87
937,000	Jordan Government Bond, Reg. S 4.95% 07/07/2025	JOR	USD	979,109	0.83
1,074,000	Petroleos Mexicanos 6.35% 02/12/2048	MEX	USD	909,141	0.77
873,000	Egypt Government Bond, Reg. S 8.7% 03/01/2049	EGY	USD	850,287	0.72
13,190,549	South Africa Government Bond 8.875% 02/28/2035	ZAF	ZAR	778,285	0.66
804,000	Turkey Government Bond 6.5% 09/20/2033	TUR	USD	773,080	0.66
837,000	Egypt Government Bond, Reg. S 5.875% 02/16/2031	EGY	USD	771,536	0.66
761,000	Nigeria Government Bond, 144A 8.25% 09/28/2051	NGA	USD	768,005	0.65
761,000	Egypt Government Bond, 144A 8.75% 09/30/2051	EGY	USD	744,555	0.63
52,844,000	Russian Federal Bond - OFZ 7.15% 11/12/2025	RUS	RUB	726,689	0.61
614,000	Saudi Government Bond, Reg. S 3.75% 01/21/2055	SAU	USD	642,397	0.55
714,000	Petroleos Mexicanos 6.95% 01/28/2060	MEX	USD	624,939	0.53
618,000	Nigeria Government Bond, 144A 7.375% 09/28/2033	NGA	USD	624,205	0.53
589,000	Jordan Government Bond, Reg. S 5.85% 07/07/2030	JOR	USD	612,692	0.52
583,000	Angola Government Bond, Reg. S 9.375% 05/08/2048	AGO	USD	603,568	0.51
618,000	Petroleos Mexicanos 5.95% 01/28/2031	MEX	USD	599,908	0.51
510,000	Oman Government Bond, 144A 6.25% 01/25/2031	OMN	USD	546,671	0.47
514,000	Oman Government Bond, Reg. S 6.75% 01/17/2048	OMN	USD	510,265	0.43
477,000	Oman Government Bond, Reg. S 7% 01/25/2051	OMN	USD	485,433	0.41
484,000	Ghana Government Bond, Reg. S 7.75% 04/07/2029	GHA	USD	462,733	0.39
284,000	Oman Sovereign Sukuk Co., 144A 4.875% 06/15/2030	OMN	USD	299,331	0.26
294,000	OQ SAOC, Reg. S 5.125% 05/06/2028	OMN	USD	298,059	0.25
363,000	Ghana Government Bond, Reg. S 0% 04/07/2025	GHA	USD	281,271	0.24
252,000	Petroleos Mexicanos, Reg. S 6.875% 10/16/2025	MEX	USD	276,255	0.24
200,000	Egypt Government Bond, Reg. S 8.875% 05/29/2050	EGY	USD	198,672	0.17
				48,892,804	41.50
	<b>TOTAL BONDS</b>			57,543,673	48.84
	<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>			57,543,673	48.84

**Franklin K2 EMSO Emerging Markets UCITS Fund** (continued)

(Currency - USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	<b>BONDS</b>				
	<b>Corporate Bonds</b>				
1,586,000	MC Brazil Downstream Trading SARL, Reg. S 7.25% 06/30/2031	BRL	USD	1,596,991	1.35
23,250,060	Citigroup Global Markets Holdings, Inc., 144A 0% 12/16/2021	USA	EGP	1,442,480	1.22
740,000	CSN Inova Ventures, Reg. S 6.75% 01/28/2028	BRL	USD	790,283	0.67
12,100,000	HSBC Bank plc, 144A 0% 12/23/2021	GBR	EGP	748,707	0.64
7,025,000	HSBC Bank plc, 144A 0% 02/10/2022	GBR	EGP	427,354	0.36
				5,005,815	4.24
	<b>Government and Municipal Bonds</b>				
10,190,000	Commonwealth of Puerto Rico 8% 07/01/2035 <sup>§</sup>	PRI	USD	8,814,350	7.48
1,845,000	Commonwealth of Puerto Rico 5% 07/01/2041 <sup>§</sup>	PRI	USD	1,618,988	1.38
1,540,000	Petroleos Mexicanos 6.375% 01/23/2045	MEX	USD	1,311,779	1.11
1,395,000	Commonwealth of Puerto Rico 5.5% 07/01/2039 <sup>§</sup>	PRI	USD	1,283,400	1.09
463,000	Petroleos Mexicanos 4.5% 01/23/2026	MEX	USD	466,218	0.40
3,000	Commonwealth of Puerto Rico 8% 07/01/2035 <sup>§</sup>	PRI	USD	2,561	—
				13,497,296	11.46
	<b>TOTAL BONDS</b>			18,503,111	15.70
	<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>			18,503,111	15.70
	<b>TOTAL INVESTMENTS</b>			<b>76,046,784</b>	<b>64.54</b>

§ These Bonds are currently in default

## Schedule of Investments, September 30, 2021

Franklin K2 Wellington Technology Long Short UCITS Fund  
(Currency - USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	<b>SHARES</b>				
	<b>Capital Markets</b>				
8,568	Coinbase Global, Inc. 'A'	USA	USD	1,949,049	1.61
31,133	Allfunds Group plc	GBR	EUR	605,136	0.50
4,571	Antin Infrastructure Partners SA	FRA	EUR	154,079	0.13
				<u>2,708,264</u>	<u>2.24</u>
	<b>Electronic Equipment, Instruments &amp; Components</b>				
2,275	PAR Technology Corp.	USA	USD	139,935	0.12
				<u>139,935</u>	<u>0.12</u>
	<b>Entertainment</b>				
2,230	Sea Ltd., ADR	TWN	USD	710,768	0.59
800	ROBLOX Corp. 'A'	USA	USD	60,440	0.05
				<u>771,208</u>	<u>0.64</u>
	<b>Hotels, Restaurants &amp; Leisure</b>				
9,840	Airbnb, Inc. 'A'	USA	USD	1,650,660	1.36
				<u>1,650,660</u>	<u>1.36</u>
	<b>Insurance</b>				
16,584	Trupanion, Inc.	USA	USD	1,288,079	1.06
				<u>1,288,079</u>	<u>1.06</u>
	<b>Interactive Media &amp; Services</b>				
9,976	Facebook, Inc. 'A'	USA	USD	3,385,755	2.79
13,164	Zillow Group, Inc. 'A'	USA	USD	1,166,067	0.96
424	Alphabet, Inc. 'A'	USA	USD	1,133,573	0.93
6,453	Match Group, Inc.	USA	USD	1,013,056	0.84
198	Alphabet, Inc. 'C'	USA	USD	527,731	0.43
				<u>7,226,182</u>	<u>5.95</u>
	<b>Internet &amp; Direct Marketing Retail</b>				
712	Amazon.com, Inc.	USA	USD	2,338,949	1.93
64,015	Coupang, Inc.	KOR	USD	1,782,818	1.47
				<u>4,121,767</u>	<u>3.40</u>
	<b>IT Services</b>				
28,936	Nuvei Corp., Reg. S, 144A	CAN	USD	3,342,687	2.76
1,962	Shopify, Inc. 'A'	CAN	USD	2,660,040	2.19
4,971	Twilio, Inc. 'A'	USA	USD	1,585,998	1.31
2,918	MongoDB, Inc.	USA	USD	1,375,866	1.13
36,167	StoneCo Ltd. 'A'	BRL	USD	1,255,718	1.03
7,073	Global Payments, Inc.	USA	USD	1,114,563	0.92
3,163	Mastercard, Inc. 'A'	USA	USD	1,099,712	0.91
10,892	Afterpay Ltd.	AUS	AUD	946,244	0.78
32,604	Repay Holdings Corp.	USA	USD	750,870	0.62
2,375	PayPal Holdings, Inc.	USA	USD	617,999	0.51
200	Remitly Global, Inc.	USA	USD	7,340	0.01
				<u>14,757,037</u>	<u>12.17</u>
	<b>Media</b>				
15,754	Cardlytics, Inc.	USA	USD	1,322,391	1.09
				<u>1,322,391</u>	<u>1.09</u>
	<b>Semiconductors &amp; Semiconductor Equipment</b>				
35,193	Advanced Micro Devices, Inc.	USA	USD	3,621,360	2.99
27,261	Marvell Technology, Inc.	USA	USD	1,644,111	1.36
2,144	ASML Holding NV, NYRS	NLD	USD	1,597,516	1.32
4,446	KLA Corp.	USA	USD	1,487,231	1.23
6,184	Qorvo, Inc.	USA	USD	1,033,903	0.85
				<u>9,384,121</u>	<u>7.75</u>
	<b>Software</b>				
23,346	Avalara, Inc.	USA	USD	4,080,180	3.36
23,623	Ceridian HCM Holding, Inc.	USA	USD	2,660,422	2.19
36,250	Dynatrace, Inc.	USA	USD	2,572,663	2.12
5,719	Atlassian Corp. plc 'A'	USA	USD	2,238,531	1.85
3,114	HubSpot, Inc.	USA	USD	2,105,344	1.74
3,648	Adobe, Inc.	USA	USD	2,100,227	1.73

**Franklin K2 Wellington Technology Long Short UCITS Fund** (continued)

(Currency - USD)

<b>Number of shares or face value</b>	<b>Description</b>	<b>Country code</b>	<b>Trading currency</b>	<b>Market value</b>	<b>% of net assets</b>
2,888	Intuit, Inc.	USA	USD	1,558,105	1.28
2,070	ServiceNow, Inc.	USA	USD	1,288,099	1.06
20,334	Varonis Systems, Inc.	USA	USD	1,237,324	1.02
4,538	salesforce.com, Inc.	USA	USD	1,230,796	1.01
4,561	Zscaler, Inc.	USA	USD	1,195,985	0.99
1,469	Five9, Inc.	USA	USD	234,658	0.19
5,200	Safie, Inc.	JPN	JPY	170,304	0.14
				<u>22,672,638</u>	<u>18.68</u>
	<b>TOTAL SHARES</b>			<u>66,042,282</u>	<u>54.46</u>
	<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>			66,042,282	54.46
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	<b>BONDS</b>				
	<b>Government and Municipal Bonds</b>				
4,000,000	US Treasury Bill 0% 10/07/2021	USA	USD	<u>3,999,978</u>	<u>3.30</u>
				<u>3,999,978</u>	<u>3.30</u>
	<b>TOTAL BONDS</b>			<u>3,999,978</u>	<u>3.30</u>
	<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>			3,999,978	3.30
	<b>TOTAL INVESTMENTS</b>			<u><b>70,042,260</b></u>	<u><b>57.76</b></u>

## Additional Information

### Investment Manager

K2/D&S MANAGEMENT CO., LLC  
300 Atlantic Street, 12th Floor  
Stamford, CT 06901, U.S.A.

### Sub-Investment Managers

CHILTON INVESTMENT COMPANY, LLC  
1290 East Main Street  
Stamford, CT 06902, U.S.A.

WELLINGTON MANAGEMENT COMPANY, LLP  
280 Congress Street  
Boston, MA 02210, U.S.A.

ELECTRON CAPITAL PARTNERS, LLC  
10 East 53rd Street, 19th Floor  
New York, NY 10022, U.S.A.

ELLINGTON GLOBAL ASSET MANAGEMENT, LLC  
53 Forest Avenue  
Old Greenwich, CT 06870, U.S.A.

BARDIN HILL INVESTMENT PARTNERS L.P.  
477 Madison Avenue, 8th Floor  
New York, NY 10022, U.S.A.

EMSO ASSET MANAGEMENT LIMITED  
Iron Trades House, 21 Grosvenor Place  
London SW1X 7HN, United Kingdom.

### Investment Managers per Fund as at September 30, 2021

#### Franklin K2 Athena Risk Premia UCITS Fund

Investment Manager  
K2/D&S MANAGEMENT CO., LLC

#### Franklin K2 Bardin Hill Arbitrage UCITS Fund

Investment Manager  
K2/D&S MANAGEMENT CO., LLC  
Sub-Investment Manager  
BARDIN HILL INVESTMENT PARTNERS L.P.

#### Franklin K2 Cat Bond UCITS Fund

Investment Manager  
K2/D&S MANAGEMENT CO., LLC

#### Franklin K2 Chilton Equity Long Short UCITS Fund

Investment Manager  
K2/D&S MANAGEMENT CO., LLC  
Sub-Investment Manager  
CHILTON INVESTMENT COMPANY, LLC

#### Franklin K2 Electron Global UCITS Fund

Investment Manager  
K2/D&S MANAGEMENT CO., LLC  
Sub-Investment Manager  
ELECTRON CAPITAL PARTNERS, LLC

#### Franklin K2 Ellington Structured Credit UCITS Fund

Investment Manager  
K2/D&S MANAGEMENT CO., LLC  
Sub-Investment Manager  
ELLINGTON GLOBAL ASSET MANAGEMENT, LLC

#### Franklin K2 EMSO Emerging Markets UCITS Fund

Investment Manager  
K2/D&S MANAGEMENT CO., LLC  
Sub-Investment Manager  
EMSO ASSET MANAGEMENT LIMITED

#### Franklin K2 Wellington Technology Long Short UCITS Fund

Investment Manager  
K2/D&S MANAGEMENT CO., LLC  
Sub-Investment Manager  
WELLINGTON MANAGEMENT COMPANY, LLP

## Securities Financing Transactions (SFTs) and Total Return Swaps (TRS)

The Company engages in Securities Financing Transactions (as defined in Article 3 of Regulation (EU) 2015/2365, securities financing transactions include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions) through its exposure on total return swap contracts during the period, in accordance with Article 13 of Regulation. Information on total return swaps are detailed below.

### Global data

Fund	Fund Currency	Gross Volume of TRS <sup>1</sup>	Total TRS in % of net assets
Franklin K2 Athena Risk Premia UCITS Fund	USD	942,753	4.44
Franklin K2 EMSO Emerging Markets UCITS Fund	USD	105,510	0.09
Franklin K2 Wellington Technology Long Short UCITS Fund	USD	5,922,704	4.88

<sup>(1)</sup> absolute value of the unrealised gains/(losses)

### Total return swaps, ten largest counterparties

Fund	Fund Currency	Counterparties	Gross Volume of TRS <sup>1</sup> in Fund currency
Franklin K2 Athena Risk Premia UCITS Fund	USD	Deutsche Bank	567,590
Franklin K2 Athena Risk Premia UCITS Fund	USD	J.P. Morgan	99,394
Franklin K2 Athena Risk Premia UCITS Fund	USD	Morgan Stanley	91,815
Franklin K2 Athena Risk Premia UCITS Fund	USD	Citibank	46,854
Franklin K2 Athena Risk Premia UCITS Fund	USD	Credit Suisse	137,100
Franklin K2 EMSO Emerging Markets UCITS Fund	USD	Bank of America	80,869
Franklin K2 EMSO Emerging Markets UCITS Fund	USD	Deutsche Bank	17,106
Franklin K2 EMSO Emerging Markets UCITS Fund	USD	J.P. Morgan	5,062
Franklin K2 EMSO Emerging Markets UCITS Fund	USD	Citibank	2,473
Franklin K2 Wellington Technology Long Short UCITS Fund	USD	J.P. Morgan	2,952,986
Franklin K2 Wellington Technology Long Short UCITS Fund	USD	Morgan Stanley	2,969,718

<sup>(1)</sup> absolute value of the unrealised gains/(losses)

When less than 10 counterparties are disclosed, less than 10 counterparties are available.

## Aggregate Transaction Data

### Total return swaps, maturity tenor and country of incorporation

Fund	Fund Currency	Maturity	Country of incorporation of the Counterparty	Gross Volume of TRS <sup>1</sup> in Fund currency
Franklin K2 Athena Risk Premia UCITS Fund	USD	3 to 12 months	Germany	567,590
Franklin K2 Athena Risk Premia UCITS Fund	USD	3 to 12 months	Switzerland	137,100
Franklin K2 Athena Risk Premia UCITS Fund	USD	3 to 12 months	United States of America	238,063
Franklin K2 EMSO Emerging Markets UCITS Fund	USD	1 to 3 months	United States of America	80,869
Franklin K2 EMSO Emerging Markets UCITS Fund	USD	3 to 12 months	United States of America	2,473
Franklin K2 EMSO Emerging Markets UCITS Fund	USD	more than 1 year	Germany	17,106
Franklin K2 EMSO Emerging Markets UCITS Fund	USD	more than 1 year	United States of America	5,062
Franklin K2 Wellington Technology Long Short UCITS Fund	USD	more than 1 year	United States of America	5,922,704

<sup>(1)</sup> absolute value of the unrealised gains/(losses)

All Funds engaged in total return swap contracts utilise bi-lateral settlement and clearing with their respective counterparty.

### Data on reuse of collateral

Collaterals received in relation to Total Return Swaps cannot be sold, re-invested or pledged.

### Safekeeping of collateral

All the collateral received in relation to Total Return Swaps is in custody at JPMorgan Bank Luxembourg S.A.

**Data on return and cost**

The return and cost from total return swap contracts is accrued to the Funds.

**Collateral**

As at September 30, 2021, the Company held no cash collateral related to OTC derivatives.

## Franklin Templeton Office Directory

Further information regarding Franklin Templeton Alternative Funds is available from the following Franklin Templeton offices:

### EUROPE

#### Belgium

**Franklin Templeton International Services S.à r.l.**

##### Belgian Branch Office

28, avenue Marnix, 1000 Brussels

Belgium

Tél: +32 2 289 62 00 Fax: +32 2 289 62 19

[www.franklintempleton.be](http://www.franklintempleton.be)

#### Finland

**Franklin Templeton**

##### Nybrokajen 5

SE-111 48 Stockholm

Sweden

Tel: +46 (0)8 545 012 30

[www.franklintempletonnordic.com](http://www.franklintempletonnordic.com)

#### France

**Franklin Templeton International Services S.à r.l., French Branch**

20, rue de la Paix

F-75002 Paris, France

Tel: +33 (0)1 40 73 86 00 Fax: +33 (0)1 40 73 86 10

[www.franklintempleton.fr](http://www.franklintempleton.fr)

#### Germany and Austria

**Franklin Templeton International Services S.à r.l.,**

##### Niederlassung Deutschland

Mainzer Landstr. 16

Postfach 11 18 03

60325 Frankfurt am Main, Germany

Tel: +49 (0) 69 272 23 0 Fax: +49 (0) 69 272 23 120

Germany Freefone: 08 00 0 73 80 02

Austria Freefone: 08 00 29 59 11

[www.franklintempleton.de](http://www.franklintempleton.de)

[www.franklintempleton.at](http://www.franklintempleton.at)

#### Italy

**Franklin Templeton International Services S.à r.l., Italian Branch**

Corso Italia n.1

20122 Milan, Italy

Tel: +39 02 854 591 Fax: +39 02 854 59222

Italy Freefone: 800 915 919

[www.franklintempleton.it](http://www.franklintempleton.it)

#### Luxembourg

**Franklin Templeton International Services S.à r.l.**

8A, rue Albert Borschette, L-1246 Luxembourg

B.P. 169, L-2011 Luxembourg

Grand Duchy of Luxembourg

Tel: +352 46 66 67 1 Fax: +352 46 66 76

[www.franklintempleton.lu](http://www.franklintempleton.lu)

#### Spain

**Franklin Templeton International Services S.à r.l.,**

##### Sucursal en España

José Ortega y Gasset, 29-6º

28006 Madrid, Spain

Tel: +34 91 426 3600 Fax: +34 91 577 1857

[www.franklintempleton.com.es](http://www.franklintempleton.com.es)

#### Sweden

**Franklin Templeton International Services S.à r.l., Swedish Branch**

Blasieholmsgatan 5

SE-111 48 Stockholm, Sweden

Tel: +46 8 545 012 30 Fax: +46 8 545 012 39

[www.franklintempletonnordic.com](http://www.franklintempletonnordic.com)

#### Switzerland

**Franklin Templeton Switzerland Ltd**

Stockerstrasse 38

CH-8002 Zurich, Switzerland

Tel: +41 (0)44 217 81 81 Fax: +41 (0) 44 217 81 82

[www.franklintempleton.ch](http://www.franklintempleton.ch)

#### United Kingdom

**Franklin Templeton Investment Management Limited**

Cannon Place, 78 Cannon Street

London EC4N 6HL, United Kingdom

Tel: +44 (0) 20 7073 8500 Fax: +44 (0) 20 7073 8700

UK Freefone: 0800 305 306

[www.franklintempleton.co.uk](http://www.franklintempleton.co.uk)

**Franklin Templeton Investment Management Limited**

5 Morrison Street, Edinburgh EH3 8BH.

Tel: +44 (0)131 242 4000 Fax: +44 (0)131 242 4440

UK Freefone: 0800 305 306

[www.franklintempleton.co.uk](http://www.franklintempleton.co.uk)





**Switzerland**

**Franklin Templeton Switzerland Ltd**

Stockerstrasse 38

CH-8002 Zurich, Switzerland

Tel: +41 (0)44 217 81 81 Fax: +41 (0) 44 217 81 82

[www.franklintempleton.ch](http://www.franklintempleton.ch)