FRANKLIN TEMPLETON INVESTMENTS

Franklin K2 Alternative Strategies Fund

Alternative
June 30, 2015

Fund Fact Sheet | Share Classes: A, C, Advisor

Fund Description

The Fund's principal investment goal is capital appreciation with lower volatility relative to the broad equity markets. The Fund seeks to achieve its investment goal by allocating its assets across multiple alternative strategies.

Fund Overview

Total Net Assets [All Share Classes]	$800 million
Fund Inception Date	10/11/2013
Dividend Frequency	Annually in December

Share Class Information

Share Class	CUSIP	NASDAQ Symbol
A	352 41W 104	FAAAX
C	352 41W 203	FASCX
R	352 41W 302	FSKKX
R6	352 41W 401	FASRX
Advisor	352 41W 500	FABZX

Fund Management

	Years with Firm	Years of Experience
David C. Saunders	20	32
Robert Christian	4	25
Brooks Ritchey	9	31

Maximum Sales Charge

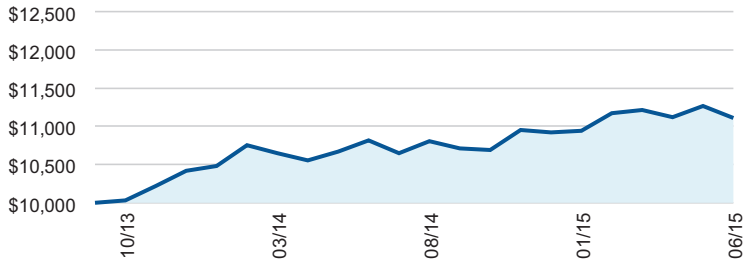
Class A: 5.75% initial sales charge
Class C: 1.00% contingent deferred sales charge (CDSC) in the first year only
Advisor Class: None

Total Annual Operating Expenses

Share Class	With Waiver	Without Waiver	Capped Expense Ratio^
A	2.82%	3.71%	1.95%
C	3.52%	4.41%	1.95%
Advisor	2.52%	3.41%	1.95%

Performance

Growth of a $10,000 Investment - Without Sales Charge (from 10/11/2013-06/30/2015)



Total Returns % (as of 6/30/2015)

		CUMULATIVE	AVERAGE ANNUAL		
Share Class		YTD	1 Yr	Since Inception	Inception Date
A	With Sales Charge	-4.09	-3.17	2.78	10/11/2013
	Without Sales Charge	1.76	2.76	6.38	10/11/2013
C	With Sales Charge	0.39	1.11	5.70	10/11/2013
	Without Sales Charge	1.39	2.11	5.70	10/11/2013
Advisor		1.94	3.19	6.70	10/11/2013

Calendar Year Total Returns % – Without Sales Charge

Share Class	2014
A	4.88
C	4.20
Advisor	5.23

*Performance data represents past performance, which does not guarantee future results. Current performance may differ from figures shown. The fund's investment returns and principal values will change with market conditions, and you may have a gain or a loss when you sell your shares. Please call Franklin Templeton at (800) DIAL BEN/(800) 342-5236 or visit **franklintempleton.com** for the most recent month-end performance.*

If the sales charge had been included, the return would have been lower.

The fund has an expense reduction contractually guaranteed through at least September 30, 2015. The fund may also have a fee waiver associated with any investments it makes in a Franklin Templeton money fund, an arrangement that is contractually guaranteed through at least its current fiscal year end. Fund investment results reflect any expense reduction and fee waiver ("Total Annual Operating Expenses with Waiver"). Without these reductions, the results would have been lower.

^The investment manager has contractually agreed to waive or assume certain expenses so that total annual fund operating expenses (excluding Rule 12b-1 fees; acquired fund fees and expenses; expenses related to securities sold short; and certain non-routine expenses) for each class of the fund do not exceed (and could be less than) 1.95% until September 30, 2015.

Fund Measures

Standard Deviation (1 Yr) - Class A	4.84

Composition of Fund

■ Franklin K2 Alternative Strategies Fund

Strategy Allocation	%
Long Short Equity	31.04
Event Driven	20.19
Relative Value	34.30
Global Macro	14.46

Portfolio Exposure	%
Gross Exposure	150.36
Net Exposure	52.16
Long Exposure	101.26
Short Exposure	-49.10

Manager Roster	Target Allocation
Long Short Equity	**25 - 40**
Chilton Investment Company, LLC	
Impala Asset Management, LLC	
Jennison Associates, LLC	
Wellington Management Company LLP	
Event Driven	**15 - 30**
P. Schoenfeld Asset Management L.P.	
York Capital Management	
Relative Value	**30 - 45**
Basso Capital Management, L.P.	
Chatham Asset Management, LLC	
Lazard Asset Management, LLC	
Loomis Sayles & Company, L.P.	
Global Macro	**0 - 20**
EMSO Partners Limited	
Graham Capital Management, L.P.	

What Are the Risks

All investments involve risks, including possible loss of principal. The market values of securities owned by the Fund will go up or down, sometimes rapidly or unpredictably. The Fund's performance depends on the manager's skill in selecting, overseeing, and allocating Fund assets to the sub-advisors. The Fund is actively managed and could experience losses if the investment manager's and sub-advisors' judgment about particular investments made for the Fund's portfolio prove to be incorrect. Some sub-advisors may have little or no experience managing the assets of a registered investment company. Foreign investments are subject to greater investment risk such as political, economic, credit and information risks as well as risk of currency fluctuations. Investments in derivatives involve costs and create economic leverage, which may result in significant volatility and cause the Fund to participate in losses (as well as gains) that significantly exceed the Fund's initial investment. Lower-rated or high yield debt securities involve greater credit risk, including the possibility of default or bankruptcy. Currency management strategies could result in losses to the Fund if currencies do not perform as the investment manager or sub-advisor expects. The Fund may make short sales of securities, which involves the risk that losses may exceed the original amount invested. Merger arbitrage investments risk loss if a proposed reorganization in which the fund invests is renegotiated or terminated. Liquidity risk exists when securities have become more difficult to sell, or are unable to be sold, at the price at which they have been valued. Please see the prospectus and summary prospectus for information on these as well as other risk considerations.

Important Information

Investors should carefully consider a fund's investment goals, risks, charges and expenses before investing. To obtain a summary prospectus and/or prospectus, which contains this and other information, talk to your financial advisor, call us at (800) DIAL BEN/342-5236 or visit franklintempleton.com. Please carefully read a prospectus before you invest or send money.

Information is historical and may not reflect current or future portfolio characteristics. All portfolio holdings are subject to change.
Source for Index: FactSet. Indexes are unmanaged and one cannot invest directly in an index.
Performance: The fund offers other share classes subject to different fees and expenses, which will affect their performance. Advisor shares do not have sales charges or 12b-1 fees and are offered only to certain eligible investors as stated in the prospectus.
Fund Measures: Standard deviation is a statistical measurement of the dispersion of historical returns. A higher standard deviation means greater volatility. Calculated by annualizing the standard deviation of the fund's daily returns over the 1-year period ended as of the date of the calculation.
Composition of Fund:
Strategy Allocation: Weightings as percentage of invested capital into fund managers (sub-advisors or co-managers). Holdings are subject to change. Due to rounding, the strategy breakdown may not equal 100%.
Portfolio Exposure:
Gross Exposure: Gross exposure is the sum of the absolute value of all exposures, including derivatives, as a percentage of total assets. The sum of the percentage of long positions and short (in absolute terms) positions.
Net Exposure: Net exposure is the sum of the total value of all exposures, including derivatives, as a percentage of total assets. The percentage value of the long positions less the percentage value of the short positions.
Long Exposure: Sum of the long exposures, including derivatives, as a percentage of total assets.
Short Exposure: Sum of the short exposures, including or through derivatives, as a percentage of total assets.
Manager Roster: The target allocations reflect end of period target allocations. The fund may shift allocations among managers and/or strategies at any time. Further, K2 may determine in its sole discretion to not allocate to one or more of the above-referenced strategies or managers or to add new managers and strategies. Accordingly the above target allocations are presented for illustrative purposes only, and should not be viewed as predictive of the ongoing composition of the fund portfolio (and its managers), which may change at any time.

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