

ALTERNATIVE INTELLIGENCE FOR TODAY'S INVESTOR

Our core alternative
investments capabilities



FRANKLIN TEMPLETON
INSTITUTIONAL

THE STRENGTH AND STABILITY OF A GLOBAL INVESTMENT LEADER

At Franklin Templeton Investments,¹ we have remained steadfast to one goal for more than 65 years: delivering exceptional asset management for our clients. Providing access to multiple, world-class investment teams in a single firm, we deliver specialized expertise supported by the strength and resources of one of the world's largest asset managers. This has helped us to become a trusted partner to institutional and individual investors across the globe.

\$740.0B AUM

\$179.8B Institutional AUM

650+ Investment Professionals² Worldwide

170+ Countries with Investors³

30+ Countries with Offices

As of March 31, 2017, unless otherwise indicated.

1. Franklin Resources, Inc. a global investment management organization operating as Franklin Templeton Investments.

2. Investment professionals include portfolio managers, portfolio managers/analysts, research analysts and traders. Includes individuals that are not employees of Franklin Resources, Inc. (FRI) or wholly owned subsidiaries of FRI. However, these individuals are part of our joint venture or strategic partnership relationships worldwide and are an integral component of our overall research efforts.

3. As of December 31, 2016.

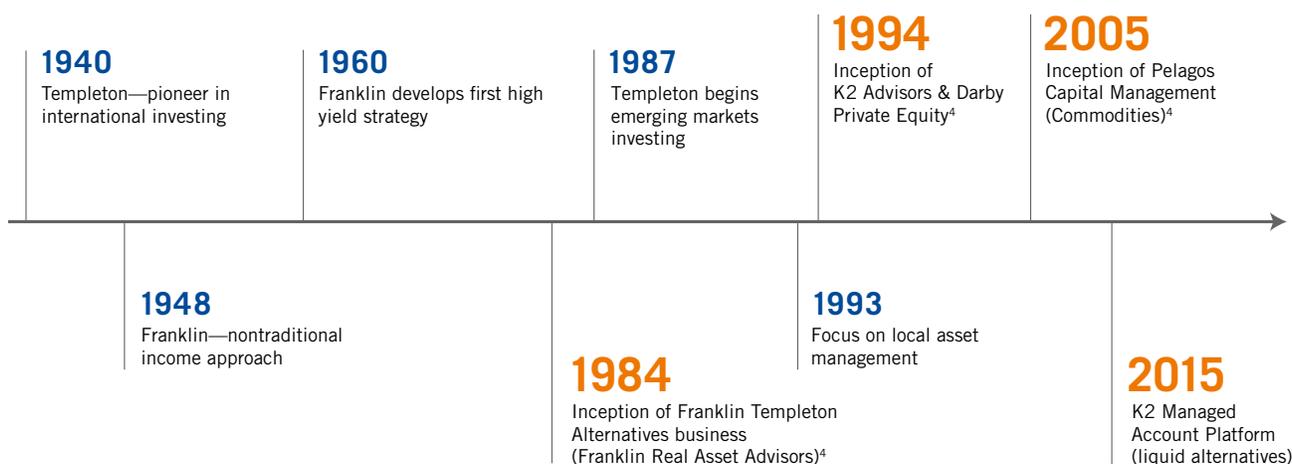
For Qualified Purchasers, Institutional Investors and Professional Investors Use Only – Not for Use with Retail Investors.

ALTERNATIVE INTELLIGENCE

We believe our clients face a complex investing landscape that demands an intelligent approach beyond traditional asset allocation. Whether they are seeking to improve risk-adjusted returns, increase diversification, or better insulate their portfolios from market volatility, an alternative intelligence is required to meet an increasing demand for better investment outcomes. For our clients, it's about achieving the right returns in the most efficient manner.

As an innovator in seeking new, uncorrelated active return sources, we have the experience, scale, and scope to meet the needs of our institutional clients. Combining innovation with the strength, stability and risk management of a global investment leader, we offer new perspectives on investment management.

A history of seeking new return sources for our clients



Our distinguished history as an innovator includes the introduction of our Alternative Investments business in 1984. Since that time, our alternatives business has grown substantially to cover a range of alternative offerings across hedge strategies, real assets, and private equity and debt.

4. Dates indicated reflect the year the specific group began operations, and such groups may not yet necessarily have been affiliated with Franklin Templeton Investments in the indicated year.

THE GROWING USE OF ALTERNATIVES

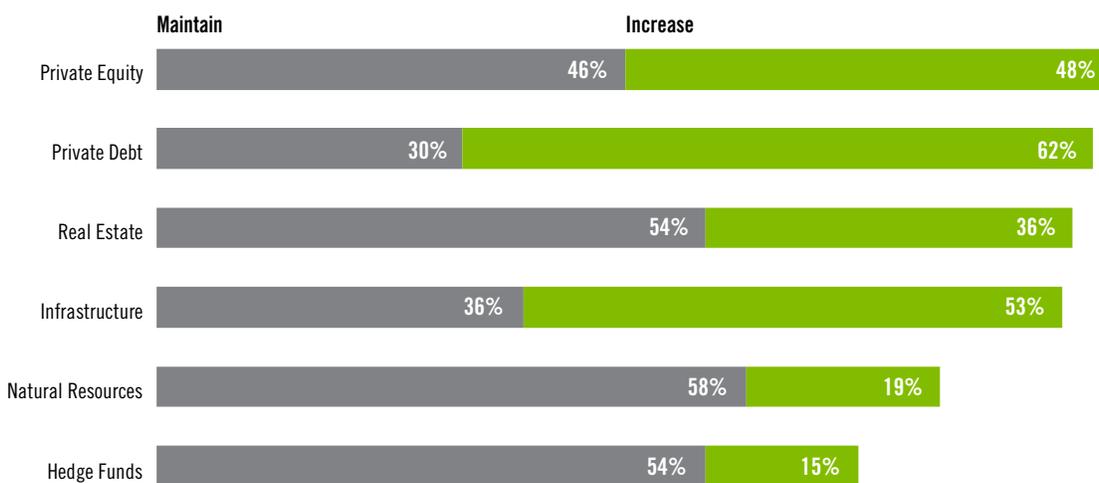
Since the 2008 financial crisis, investors have become increasingly aware of the importance of including alternative investments in their portfolios. Given their potential to better diversify a portfolio and provide asymmetric returns, alternatives offer investors an opportunity to complement traditional equity and fixed income allocations.

The proliferation of new and innovative strategies and products means that investors now have a wide variety of alternative investment options. With this increasing number of choices, investors are challenged when deciding which strategies might best help them achieve their objectives.

For many investors, the choice between alternative strategies from traditional multi-asset investment managers and those from specialist boutiques can be a difficult one. Investors want the best of both worlds: the scale to devote significant resources to risk management that a larger investment management firm may possess, and the agility to quickly innovate and take advantage of potential market opportunities that boutique managers may offer.

Vast Majority of Institutions Plan to Maintain or Increase Alternative Allocations

% Planning to Maintain or Increase Allocations⁵



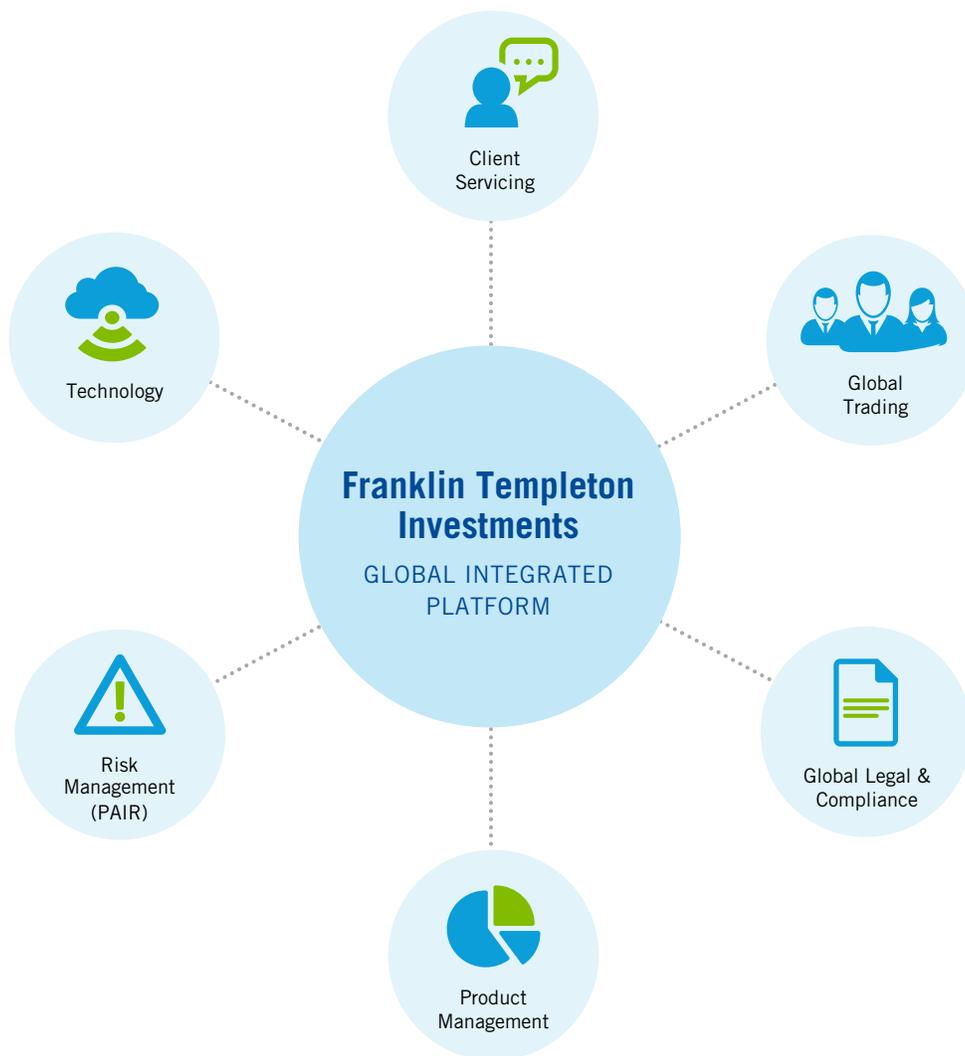
5. Source: Preqin, "Preqin Investor Outlook: Alternative Assets, H1 2017", www.preqin.com. The illustration outlines survey respondents' plans for allocating to alternative investments in the longer-term.

SPECIALIZED EXPERTISE

Each platform within our alternatives offering comprises a team of specialists who are leaders in their disciplines. This structure helps ensure our clients have access to a broad range of institutional quality alternative capabilities and innovative thinking from experts with extensive knowledge and experience in their respective domain.

One of the keys to our success is our multi-boutique structure. This allows our investment professionals to focus on their chosen disciplines, with Franklin Templeton's global operating platform providing the infrastructure and support to help facilitate this focus.

Focus of a boutique with the operating infrastructure of a global leader





INVESTMENT MANAGEMENT TAILORED TO THE NEEDS OF SOPHISTICATED INVESTORS

Franklin Templeton serves a range of institutional investors including pension funds, endowments and foundations, and sovereign-wealth funds, as well as accredited and high-net-worth investors through intermediaries such as RIAs, family offices, and financial advisors. Clients are supported by a team of alternative investment specialists, client service representatives and other Franklin Templeton professionals.

With alternative capabilities that specialize in hedge strategies, real assets, and private equity and debt, we have more than 100 dedicated alternative investment professionals (as of March 31, 2017) located around the globe. This breadth of expertise allows us to deliver “locally,” on a global scale, while offering the entire firm’s best thinking on macro- and micro-economic trends affecting the global marketplace.

Our multi-boutique structure houses a comprehensive alternative investment engine, providing access to a broad array of strategies, asset classes, and products within a conservative, risk-controlled framework. We offer traditional alternatives funds and custom alternative investment strategies, as well as other ways of giving our clients access to our alternative intelligence. These options include differentiated structuring approaches, platform access, and strategic advisory opportunities. We believe that the combination of strong alternative investment capabilities and a flexible engagement model allows us to serve a variety of investor objectives and relationship preferences.

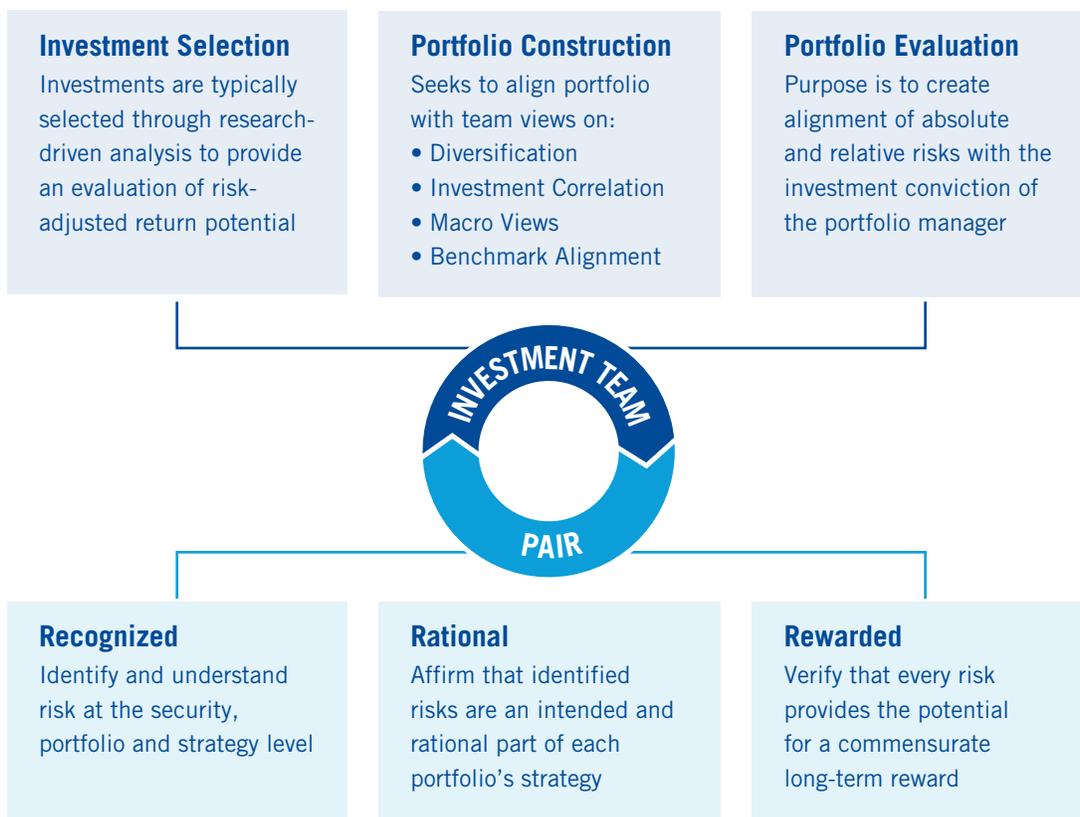
SOUND RISK MANAGEMENT IS IN OUR DNA

Franklin Templeton has a long history of developing and deploying sound risk management practices across the organization. You might say risk management is in our DNA.

Our Performance Analysis and Investment Risk (PAIR) organization employs dedicated risk management specialists who provide our investment teams with robust analytics and critical, unbiased insights. Individual alternative platform practices are complemented and enhanced by an independent, centralized risk management framework that is designed to provide a valuable resource for portfolio managers, enabling multiple levels of risk mitigation. Additional oversight committees focus in on a variety of risk factors, including complex securities, counterparty risk, pricing and liquidity, seeking to limit risk in today's complex investment environment.

Our approach

We embrace Franklin Templeton's philosophy of ensuring that risks are recognized, rational and rewarded.



Specialized alternative investment teams

	HEDGE FUND STRATEGIES		
	K2 Advisors®	Templeton Global Macro®	Franklin Templeton Fixed Income Group®
Products	<ul style="list-style-type: none"> Multiple and single strategy hedge fund portfolios • Custom and advisory solutions • Hedge fund replication • Systematic beta portfolios • Liquid alternatives • Managed account platform 	<ul style="list-style-type: none"> • Discretionary macro 	<ul style="list-style-type: none"> • Special situations credit
Mutual Fund/SICAV	●		
Private Commingled Vehicle	●	●	●
Separate Account	●		
Custom Solutions	●		
Advantages	<ul style="list-style-type: none"> • Established investment team (K2 Advisors founded in 1994) using innovative holdings-based risk analysis for hedge fund strategies • Disciplined risk management process • Pursuit of absolute returns with potential for reduced volatility and low correlation to traditional equity and bond markets 	<ul style="list-style-type: none"> • Global Platform. Global and local experts provide extensive country analysis through multiple perspectives and lenses • Experienced Management. Michael Hasenstab has managed the global macro strategy since 2010 and is backed by a large experienced team of analysts around the world • Bottom-up and top-down investment expertise across asset classes 	<ul style="list-style-type: none"> • Dedicated fixed income professionals located around the world • Disciplined risk management process • Pursuit of potential alpha across securities, sectors and global markets
Our View	<p><i>“We believe we have set the bar in terms of transparency best practices in the industry, particularly as it relates to aggregating position-level data from independent sources. The bottom line is you cannot measure what you cannot see.”</i></p> <p style="text-align: right;">–David C. Saunders Founding Managing Director</p>	<p><i>“We use a truly unconstrained approach to global investing that helps us discern potential opportunities when others worry or even panic, and it equips us to react quickly when others may not.”</i></p> <p style="text-align: right;">–Michael Hasenstab, Ph.D. Chief Investment Officer</p>	<p><i>“Today’s fixed income marketplace continues to offer significant and diverse opportunities for investors; however, with those opportunities has come tremendous complexity. By bringing together multiple, world-class investment teams in a single firm, we’re able to offer specialized expertise across styles and asset classes, all supported by the strength and resources of one of the world’s largest asset managers.”</i></p> <p style="text-align: right;">–Christopher Molumphy Chief Investment Officer</p>

An investment in any product or account managed by these teams is subject to minimum investment amounts and other eligibility qualifications applicable to the particular vehicle/account or investment strategy. No offer or solicitation to offer any interests or shares of any fund is made hereby. Interests or shares of a fund are offered only through the fund’s offering documents, such as a prospectus or confidential Private Placement Memorandum.

REAL ASSETS

Pelagos Capital®	Franklin Real Asset Advisors® (FRAA)
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<ul style="list-style-type: none"> Commodities 	<ul style="list-style-type: none"> Global private and listed real estate Global listed infrastructure
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<ul style="list-style-type: none"> Top-down and bottom-up approach with multiple vantage points provides robust opportunities for active management Gains exposure to potential for real assets returns without direct investment in physical commodities 	<ul style="list-style-type: none"> Leverage regional and cyclical trends and local inefficiencies to uncover investments believed to be compelling Employ rigorous analysis honed over various market cycles to weigh investment opportunities Emphasize portfolio diversification, risk management and downside mitigation to seek attractive risk-adjusted returns
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<p><i>"We believe in serving investors through an active, flexible, research-driven approach to investing in the global commodities market."</i></p> <p>–Stephen P. Burke Chief Executive Officer</p>	<p><i>"Our leadership team members were first movers in global real estate investing, building truly global portfolios at a time when the asset class was only just emerging as an investable opportunity for clients. This pioneering spirit continues to drive us today as we expand beyond real estate to real assets like listed infrastructure and we change the way private real estate transactions are structured and executed."</i></p> <p>–Raymond Jacobs Managing Director</p>
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PRIVATE EQUITY & DEBT

Darby Private Equity®	Templeton Private Equity Partners
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<ul style="list-style-type: none"> Emerging Markets private equity Private Debt Infrastructure financing 	<ul style="list-style-type: none"> Emerging Markets private equity
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<ul style="list-style-type: none"> Experienced local investment professionals Comprehensive due diligence process used for selecting investments Actively engages with its portfolio companies, seeking to build and realize value 	<ul style="list-style-type: none"> Disciplined, long-term approach to value investing A pioneer in emerging markets investing Research teams located around the world provide local, firsthand understanding of emerging markets opportunities
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<p><i>"Within the evolving global economy, there are exciting opportunities in the convergence of emerging markets, infrastructure development and private equity investing. Darby recognized this opportunity two decades ago and has seasoned professionals based in the key emerging economies of Asia, Latin America and Central Eastern Europe. We provide investors with the expertise and experience to capitalize on the unique opportunities at this convergence point through principal investing. Darby is unique in spanning the three areas of opportunity with both local presence and competency to make successful investments."</i></p> <p>–Richard Frank President and CEO</p>	<p><i>"Our private equity program is a natural extension of the work we have been doing in emerging markets since 1987. We discovered both unlisted companies and languishing listed companies that we felt possessed potential but could benefit from additional funding and guidance. It's our belief that our expertise in partnering with and nurturing the companies we work with offers a strong value-add proposition for investors. As a result, we feel that our private equity program is a compelling way to access a unique element of emerging markets capital markets and adds to the robust capabilities of our emerging markets group."</i></p> <p>–Dr. Mark Mobius Executive Chairman</p>
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A TRUSTED MULTI-ALTERNATIVE PROVIDER

As an experienced, single source alternatives provider, we offer a broad spectrum of alternative strategies from which to choose and the expertise to help clients design an effective solution to best suit their needs. We continually seek to provide investors with strong risk-adjusted returns over the long term, as well as the reliable, accurate and personal service that has helped us become one of the most trusted names in financial services.

At Franklin Templeton Investments, the strength of our relationships and the trust our business partners and clients place in us are critical to our success.

Our core values define the way we do business

PUT CLIENTS FIRST

We strive to know and meet our clients' needs, and we fully accept our fiduciary responsibility to protect shareholders' interests.

BUILD RELATIONSHIPS

We work to establish enduring relationships with our clients and business partners. We value collaboration and cooperation in our workplaces.

WORK WITH INTEGRITY

We speak and act in an honest manner. We believe in being accountable for the impact we have on others.

ACHIEVE QUALITY RESULTS

We value professional excellence and expertise, and we work together to produce consistent, competitive results for our clients and investors.

To learn more about how Franklin Templeton can help you complement your existing portfolio strategies through the use of alternatives, please contact one of our investment professionals or visit us at www.franklintempleton.com.



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