

SEMI ANNUAL REPORT (UNAUDITED)

FRANKLIN TEMPLETON ASIA FUND SERIES

FOR THE PERIOD ENDED
30 JUNE 2021



FRANKLIN
TEMPLETON

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REPORT OF THE MANAGER

FOR THE PERIOD ENDED 30 JUNE 2021

Templeton Select Global Leaders Fund

Market Review

Global equities, as measured by the MSCI All Country World Index, rose during the period under review. Progress in vaccination campaigns and businesses reopening, along with ongoing monetary and fiscal stimulus, aided continued economic recovery in several parts of the world. Inflation was the dominant market theme during the latter half of the reporting period as supply chain disruptions and higher commodity prices combined with low base effects to drive up inflation around the globe. Investors weighed signals on whether the inflation jump would be temporary and if governments and central banks would begin tightening accommodative policies sooner than expected.

Portfolio Review

In this environment, the fund underperformed its benchmark index "The MSCI All Country World Index" for the period, primarily due to holdings in the consumer discretionary, communication services and materials sectors.

Just Eat Takeaway, the largest food-delivery platform in Europe, was the most significant consumer discretionary detractor. The company has held a defensible position in its core markets as the low-cost provider and benefitted from strong local network effects between restaurants, customers and couriers. Given the low penetration of food delivery in Europe, we believe Just Eat Takeaway can deliver double-digit revenue growth rates for the foreseeable future. With a large opportunity ahead, the company has rightly, in our view, opted to invest in its growth with significant investments in customer acquisition, logistics and technology. These investments have depressed near-term margins and earnings. However, looking at some of Just Eat Takeaway's more mature markets such as the Netherlands and Germany, we believe margins should normalise.

In communication services, the shares of Walt Disney declined as investors appeared to wait for the results of park re-openings to be reflected in the company's financial statements. The stock remains a core holding for us, as the firm comprises world-class franchises, valuable intellectual property and a vast content library. In our analysis, Disney's traditional media assets and parks businesses offer strong cyclical recovery potential as the economic environment normalises, while its direct-to-consumer streaming service is a source of attractive secular growth potential that we believe is not being adequately reflected in the current share price. With a stellar management team, proven creative capabilities, and strong growth opportunities across different regions and verticals, Disney has continued to warrant a healthy allocation in the portfolio.

Holdings in the consumer staples, financials and health care sectors contributed to relative performance for the quarter. American Express, a diversified US-based financial services firm primarily focused on credit and charge card issuance on a global scale, was the top financials contributor. American Express is what we view as an "eye of the storm" stock given its small/medium business and travel and entertainment exposures. The stock performed well as parts of the world reopened and the concerns around a negative credit cycle faded with each passing month.

UK-based AstraZeneca, a multinational pharmaceutical and biotechnology company, was a significant contributor to health care returns. We initiated a position in AstraZeneca opportunistically on recent weakness. The stock has lagged global pharmaceutical peers given the recent acquisition of Alexion, as well as mixed press coverage related to its COVID vaccine. We thought it was a compelling opportunity to buy given the group's average valuation, despite expected industry-leading earnings growth driven by sales growth, as well as margin improvement. We believe the Alexion deal makes sense financially and strategically and that the company's pipeline is largely underappreciated by the market.

Regionally, holdings in the Netherlands and the United Kingdom ("UK") contributed to relative performance for the period. The UK has remained one of the cheapest developed markets in the world, with numerous companies that generate a large proportion of their revenues abroad. Meanwhile, we believe greater stability and cohesion in Europe should make continental equities more investable over the long term. Environmental, Social and Corporate Governance ("ESG") investing is also a major trend in Europe that should create significant long-term opportunities.

An overweight and stock selection in Asia, particularly in China, detracted from relative performance for the period. While we are positive about many of the longer-term trends driving China's economic growth, we also recognise the economy's vulnerabilities. Ongoing concerns about excess capacity and unproductive debt raise the likelihood of tightening financial

Templeton Select Global Leaders Fund (continued)

Portfolio Review (continued)

conditions, while regulatory and political risks remain ever present. Valuations also look generally expensive for the kinds of digitally native, domestically oriented companies we might like to own, while the cheaper companies are comprised of less attractive conglomerates and state-owned enterprises.

Outlook & Strategy

We believe the best opportunities going forward will not fall as neatly into the traditional factor labels (i.e. growth, value, quality) that have dominated the narrative this past cycle. Our “compound value” approach combines price discipline with forward-looking fundamental analysis to find opportunities across a range of different types of value. We think the goldilocks environment of good economic growth with moderately elevated inflation and rising interest rates is an unlikely scenario. And in any other scenario value indices are not likely to perform well over the coming years. That is because the “cheapest” half of the market today as defined by value indices comprises many low-quality companies that have taken on excessive debt. Currently, credit markets appear to be acting under the belief they are underwritten by governments. We believe the key to investing today is to avoid the “double bubble” of over-indebted “value” and hugely over-priced “growth.” In our lifetimes we have not seen a situation like today in which both the value and growth indices appear to be in a bubble. Against this backdrop we have built a framework for thinking about stocks and building portfolios that leverages the benefits of Templeton’s proven valuation discipline while also considering other factors that can influence share prices. This is how we build dynamic portfolios with genuine diversification across different types of value.

As we look forward to the next decade of investing, we envisage a world in which traditional growth, quality and value investing all struggle for traction. It is going to be harder to manufacture growth without the availability of cheap capital, quality investing is going to be more susceptible to multiple erosion, and value investing through the rear-view mirror while ignoring credit risk will become increasingly dangerous. We are entering a period in which benefitting from “smart beta” (a type of enhanced index investing) is going to get much harder as serial correlation erodes. We believe our value framework allows us to put price into context with the other drivers of returns and allows us to leverage the diversification available by investing across the whole market. This is the approach that we believe can offer the best risk/reward balance over time as factor persistence wanes and investment opportunities become increasingly idiosyncratic and fundamentally driven.

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Franklin Select Global Multi-Asset Income Fund

Key Themes

Market sentiment remained positive throughout the first half of 2021, as continued efforts by major central banks and governments to support economic recovery boosted risk assets. Extraordinary levels of monetary and fiscal stimulus served to propel equity markets higher, despite an ongoing threat from COVID-19. Emerging market (“EM”) equities rose but underperformed their developed-market counterparts.

The US led gains, fuelled by technology growth stocks, whilst Canadian equities also responded strongly to stimulus measures and a cyclical rebound that favoured energy stocks. As the year progressed, global growth became more synchronised and Europe began to benefit from a vaccine programme that lagged other major economies, including the US. This helped European equities achieve double digit gains over the period, in US dollar terms, led by France which outperformed other major markets including Germany and Italy. Japanese markets significantly underperformed global indices, as the country struggled with an ineffective response to COVID-19, as did several major EM countries. Elsewhere, anaemic gains in China were influenced by the government’s reform of domestic debt markets.

Fiscal stimulus measures continued apace throughout the year, despite signs of recovery, sparking inflationary fears as the US Federal Reserve (“Fed”) revised economic forecasts upwards. These concerns receded later in the period amidst more hawkish language from the Fed and data suggesting inflation was likely transitory and fuelled by supply chain bottlenecks. Core US inflation for 2021 was revised up to 3% in June, although longer-term forecasts remained closer to 2%—in response the Fed predicted two rate rises during 2023. The economic recovery in Europe gathered pace during the second quarter, although core inflation in the euro area fell below 2% in June, bolstering the argument for continued easy monetary policy from the European Central Bank.

US Treasury yields rose sharply early in the period on inflation fears but fell back somewhat in the second quarter as the yield curve flattened, whilst benchmark German Bund yields rose on an improved economic outlook but remained in negative territory. The US dollar strengthened against most major currencies during the period, including the euro and Japanese yen, amidst an environment of rising US Treasury yields. High-yield corporate bonds outperformed their investment-grade counterparts, particularly during the first quarter of the year when rates rose.

Outlook

The global economy continues to benefit from a strong cyclical expansion, and we remain confident that a stimulative mix of easy monetary policy and generous fiscal support should build an increasingly synchronised global expansion. Against this background, we favour risk assets generally and maintain an asset allocation tilt towards stocks over bonds, although our modest preference for equities reflects the fact that most markets have already priced in improved economic data.

Within equities, we prefer countries that are experiencing the “point of inflection” in the vaccine rollout. During the next few months, that will likely include Japan and other parts of developed Asia. We remain neutral on Europe, which is still playing catch-up with the larger leading vaccine nations such as the US, whilst supplies for many EM economies remain deficient. Fiscal stimulus is a key driver of growth in the US, particularly infrastructure spending, leading us to remain optimistic on US equities, despite high valuations.

China’s equity market continues to lag the gains seen in the broader global indices, and we see this trend as one that is likely to persist. As a result, we have moved to extend our more cautious stance towards China and EM equities more broadly.

The trajectory of global economic recovery has raised concerns around escalating inflation, although we believe this is not problematic. The level of anticipated inflation in the US remains elevated during the next few years but drops off beyond a five-year horizon, broadly consistent with the Fed’s objectives. Equally, when we look at similar expected inflation measures in Europe and Japan, we see a more muted picture still.

We retain a cautious view on US Treasuries, despite the apparently transitory nature of inflation, as fiscal stimulus and improving economic data helps to maintain upward pressure on yields. In Europe, an expectation of strong vaccine-related growth is supporting yields, whilst the low sensitivity of Japanese bonds to global yields makes them more attractive as a diversifier.

Franklin Select Global Multi-Asset Income Fund (continued)

Outlook (continued)

Elsewhere, we remain concerned about investment-grade credit, due to narrow spreads in a rising rates environment, and prefer high-yield bonds. We also like EM debt, particularly local-currency issues that benefit from attractive valuations, although selective positioning is important.

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STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

		<u>Templeton Select Global</u>		<u>Franklin Select Global</u>	
		<u>Leaders Fund</u>		<u>Multi-Asset Income Fund</u>	
	Note	30 June 2021 USD	31 December 2020 USD	30 June 2021 USD	31 December 2020 USD
Assets					
Current assets					
Investments	3	6,249,812	6,171,850	10,352,661	10,469,081
Financial derivative instruments	4	—	3,764	—	5,359
Dividends, interest and other accounts receivable		3,298	2,948	8,127	14,739
Due from brokers		—	—	—	247,624
Management fee rebates receivable	5(e),(f)	—	—	413	681
Margin cash	6	—	—	—	15,591
Cash and cash equivalents	6	352,793	296,078	185,879	197,274
Total assets		6,605,903	6,474,640	10,547,080	10,950,349
Liabilities					
Current liabilities					
Financial derivative instruments	4	5,251	—	5,863	4,768
Amounts payable on redemption		—	—	29,439	140,102
Other accounts payable		23,099	35,090	32,645	47,481
Liabilities (excluding net assets attributable to unitholders)		28,350	35,090	67,947	192,351
Net assets attributable to unitholders	7	6,577,553	6,439,550	10,479,133	10,757,998

STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30 JUNE 2021

	Note	<u>Templeton Select Global</u> <u>Leaders Fund</u>		<u>Franklin Select Global</u> <u>Multi-Asset Income Fund</u>	
		1 January 2021 to 30 June 2021 USD	1 January 2020 to 30 June 2020 USD	1 January 2021 to 30 June 2021 USD	1 January 2020 to 30 June 2020 USD
Income					
Dividend income		52,726	79,835	123,245	156,394
Interest on bank deposits	5(j)	—	726	—	1,050
Interest on investments		—	—	1,014	12,240
Other income	5(f)	—	—	2,729	3,825
Change in unrealised gain/loss on fair value of investments		162,871	(29,010)	(112,139)	(404,840)
Realised gain/(loss) on sale of investments		306,897	(700,702)	691,182	(281,921)
Change in unrealised gain/ loss on financial derivative instruments and foreign currency exchange		(9,015)	(9,282)	(6,439)	(31,573)
Realised gain/(loss) on financial derivative instruments and foreign currency exchange		48,713	(13,516)	50,503	(124,509)
Total investment income/ (loss)		562,192	(671,949)	750,095	(669,334)
Expenses					
Management fee	5(f)	32,542	25,131	44,261	68,707
Trustee fee	5(f)	1,302	1,008	2,083	3,243
Custody fee	5(f)	10,839	17,386	31,606	37,069
Registrar fee	5(f)	1,302	1,005	2,083	3,233
Fund administration fee	5(f)	6,508	5,026	10,414	16,167
Distribution fee		16,271	12,566	26,036	40,416
Audit fee		13,227	11,112	18,269	11,112
Bank charges		13	125	113	160
Legal and professional fees		2,072	10,362	2,073	13,375
Transaction costs		5,836	2,607	8,584	10,680
Other operating expenses		848	5,076	834	5,751
Total expenses		90,760	91,404	146,356	209,913
Profit/(loss) before distribution and tax		471,432	(763,353)	603,739	(879,247)
Finance cost (excluding increase/(decrease) in net assets attributable to unitholders)					
Distribution to unitholders	8	—	—	(286,927)	(431,186)
Profit/(loss) after distribution and before tax		471,432	(763,353)	316,812	(1,310,433)
Withholding taxes		(10,043)	(12,659)	(11,872)	(10,096)
Increase/(decrease) in net assets attributable to unitholders from operations		461,389	(776,012)	304,940	(1,320,529)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

FOR THE PERIOD ENDED 30 JUNE 2021

	<u>Templeton Select Global Leaders Fund</u>		<u>Franklin Select Global Multi-Asset Income Fund</u>	
	1 January 2021 to 30 June 2021 USD	1 January 2020 to 30 June 2020 USD	1 January 2021 to 30 June 2021 USD	1 January 2020 to 30 June 2020 USD
Balance at the beginning of the period	6,439,550	5,788,100	10,757,998	19,378,526
Subscription of units	—	—	999,928	1,087,015
Redemption of units	(323,386)	(2,225)	(1,615,377)	(7,302,011)
Reinvestment of distributions	—	—	31,644	43,344
Increase/(decrease) in net assets attributable to unitholders from operations	461,389	(776,012)	304,940	(1,320,529)
Balance at the end of the period	6,577,553	5,009,863	10,479,133	11,886,345

NUMBER OF UNITS IN ISSUE

Templeton Select Global Leaders Fund

	<u>1 January 2021 to 30 June 2021</u>			<u>1 January 2020 to 30 June 2020</u>		
	Class A (Acc) HKD	Class A (Acc) RMB-H1	Class A (Acc) USD	Class A (Acc) HKD	Class A (Acc) RMB-H1	Class A (Acc) USD
Number of units in issue at the beginning of the period	1,364,475.70	1,019,365.18	150,077.89	1,364,475.70	1,019,365.18	150,561.11
Subscription of units	—	—	—	—	—	—
Redemption of units	(175,718.87)	(3,523.77)	(77.89)	—	—	(186.34)
Number of units in issue at the end of the period	1,188,756.83	1,015,841.41	150,000.00	1,364,475.70	1,019,365.18	150,374.77

Franklin Select Global Multi-Asset Income Fund

	<u>1 January 2021 to 30 June 2021</u>			<u>1 January 2020 to 30 June 2020</u>		
	Class A (Mdis) HKD	Class A (Mdis) RMB-H1	Class A (Mdis) USD	Class A (Mdis) HKD	Class A (Mdis) RMB-H1	Class A (Mdis) USD
Number of units in issue at the beginning of the period	3,997,501.24	2,017,685.80	299,402.57	6,687,010.24	4,234,374.11	599,789.05
Subscription of units	550,034.27	141,974.90	11,306.57	438,945.88	200,014.65	33,544.91
Redemption of units	(387,544.28)	(535,081.63)	(32,851.61)	(2,370,089.00)	(1,932,872.57)	(267,384.99)
Reinvestments	11,741.86	6,967.25	686.53	19,226.58	11,132.59	798.18
Number of units in issue at the end of the period	4,171,733.09	1,631,546.32	278,544.06	4,775,093.70	2,512,648.78	366,747.15

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 30 JUNE 2021

	<u>Templeton Select Global</u> <u>Leaders Fund</u>		<u>Franklin Select Global</u> <u>Multi-Asset Income Fund</u>	
	01 January 2021 to 30 June 2021 USD	01 January 2020 to 30 June 2020 USD	01 January 2021 to 30 June 2021 USD	01 January 2020 to 30 June 2020 USD
Cash flows from operating activities				
Purchase of investments	(1,809,817)	(2,167,910)	(7,048,333)	(12,507,985)
Disposal of investments	2,201,623	2,796,473	7,984,771	19,368,597
Settlement of financial derivative instruments	48,713	(13,516)	50,503	(124,509)
Margin cash received/paid	—	—	15,591	(19,896)
Dividend income received	52,376	82,280	123,297	165,944
Interest on bank deposits received	—	726	—	1,050
Interest on investments received	—	—	14,273	32,436
Management fee paid	(32,373)	(25,840)	(41,883)	(71,125)
Distribution fee paid	(16,185)	(12,922)	(26,400)	(43,657)
Trustee fee paid	(1,296)	(889)	(2,112)	(3,358)
Custody fee paid	(10,839)	(17,386)	(31,606)	(37,069)
Registrar fee paid	(1,296)	(1,033)	(2,112)	(3,492)
Fund administration fee paid	(6,474)	(5,168)	(10,559)	(17,464)
Audit fee paid	(23,292)	(21,281)	(25,547)	(21,281)
Bank charges paid	(13)	(125)	(113)	(160)
Legal and professional fees paid	(2,388)	(10,362)	(5,768)	(13,375)
Other operating expenses paid	(2,759)	(5,076)	(3,864)	(5,851)
Transaction costs paid	(5,836)	(2,607)	(8,584)	(10,680)
Withholding taxes paid	(10,043)	(12,659)	(11,562)	(10,096)
Net cash generated from operating activities	380,101	582,705	969,992	6,678,029
Cash flows from financing activities				
Subscription of units	—	—	999,928	1,087,015
Redemption of units	(323,386)	(2,225)	(1,726,040)	(7,469,005)
Distributions	—	—	(255,283)	(387,842)
Net cash used in financing activities	(323,386)	(2,225)	(981,395)	(6,769,832)
Net increase/(decrease) in cash and cash equivalents	56,715	580,480	(11,403)	(91,803)
Cash and cash equivalents at the beginning of the period	296,078	304,439	197,274	467,061
Effect of foreign exchange rate changes	—	(253)	8	(646)
Cash and cash equivalents at the end of the period	352,793	884,666	185,879	374,612

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2021

1 General Information

Franklin Templeton Asia Fund Series (the “Trust”) was constituted under a Trust Deed dated 5 January 2016 and Supplemental Deeds dated 27 December 2019 and 18 February 2021, between Franklin Templeton Investments (Asia) Limited (the “Manager”) and Cititrust Limited (the “Trustee”). The terms of the Trust Deed are governed by the laws of Hong Kong Special Administrative Region of the People's Republic of China (“Hong Kong”). The Trust is authorised by the Securities and Futures Commission of Hong Kong (the “SFC”).

The Trust is an umbrella fund, whereby comprising two sub-funds, namely Templeton Select Global Leaders Fund and Franklin Select Global Multi-Asset Income Fund (the “Funds”). The Funds were launched and commenced operations on 5 July 2016.

Investment Fund	Objective
Templeton Select Global Leaders Fund	To achieve capital appreciation through a policy of investing in equity securities of companies throughout the world, including emerging markets.
Franklin Select Global Multi-Asset Income Fund	To achieve a level of total return consisting of income and capital appreciation, allowing it to support a steady level of distribution.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated, and are consistent with those of the annual financial statements for the year ended 31 December 2020, as described in the annual financial statements.

2.1 Basis of presentation

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRSs requires the use of certain accounting estimates. It also requires the Trustee and Manager (collectively, the “Management”) to exercise their judgement in the process of applying the Funds’ accounting policies.

(a) Standards and amendments to existing standards effective 1 January 2021

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 January 2021 that have a material effect on the financial statements of the Funds.

(b) New standards, amendments and interpretations effective after 1 January 2021 and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2021 and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Funds.

* With effect from 14 May 2021, the name of the Fund has been changed from “Templeton Select Global Equity Fund” to “Templeton Select Global Leaders Fund”.

2 Summary of significant accounting policies (continued)

2.2 Foreign currency translation

(a) Functional and presentation currency

The Funds' net assets are invested globally. The Management considers the United States dollar ("USD") to be the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The USD is the currency in which the Funds measure their performance and report their results. The financial statements are presented in USD which are the Funds' functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the period end date.

Foreign exchange gains and losses arising from translation are included in the statement of comprehensive income.

Foreign exchange gain and loss relating to cash and cash equivalents are presented in the statement of comprehensive income within "change in unrealised gain/loss on financial derivative instruments and foreign currency exchange" and "realised gain/(loss) on financial derivative instruments and foreign currency exchange".

Foreign exchange gain and loss relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the statement of comprehensive income within "change in unrealised gain/loss on fair value of investments", "realised gain/(loss) on sale of investments", "change in unrealised gain/loss on financial derivative instruments and foreign currency exchange" and "realised gain/(loss) on financial derivative instruments and foreign currency exchange".

2.3 Financial assets

2.3.1 Classification

The Funds classify their investments based on both the Funds' business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Funds are primarily focused on fair value information and use that information to assess the assets' performance and to make decisions. The Funds have not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the Funds' debt securities are solely principal and interest. However, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Funds' business model's objective. Consequently, all investments are measured at fair value through profit or loss.

The Funds' policy requires the Manager to evaluate the information about these financial assets and liabilities on a fair value basis together with other related financial information.

2.3.2 Recognition, derecognition and measurement

Regular purchases and sales of investments are recognised on the trade date – the date on which the Funds commit to purchase or sell the investment. Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Funds have transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the "financial assets or financial liabilities at fair value through profit or loss" category are presented in the statement of comprehensive income within "change in unrealised gain/loss on fair value of investments" and "change in unrealised gain/loss on financial derivative instruments and foreign currency exchange" in the period in which they arise.

2 Summary of significant accounting policies (continued)**2.4 Structured entities**

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. A structured entity often has some or all of the following features or attributes; (a) restricted activities, (b) a narrow and well-defined objective, such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity to investors, (c) insufficient equity to permit the structured entity to finance its activities without subordinated financial support and (d) financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks (tranches).

Franklin Select Global Multi-Asset Income Fund considers all of its investments in quoted funds, exchange traded funds and real estate investment trusts together the “Underlying Funds”, to be investments in unconsolidated structured entities. The sub-fund invests in Underlying Funds whose objectives range from achieving medium to long term investment returns. The Underlying Funds apply various investment strategies to accomplish their respective investment objectives. The Underlying Funds finance their operations by issuing redeemable units which are puttable at the holder’s option and entitles the holder to a proportional stake in the respective fund’s net assets. The sub-fund holds redeemable units in each of its Underlying Funds.

The change in fair value of each Underlying Fund is included in the statement of comprehensive income in “change in unrealised gain/loss on fair value of investments” and “realised gain/(loss) on sale of investments”.

2.5 Financial derivative instruments

Financial derivative instruments represent forward foreign exchange contracts, futures, swaps and options. These instruments are entered into principally to manage foreign currency exposures or for trading purposes.

The Funds may enter into forward foreign exchange contracts to mitigate the risks associated with fluctuations in foreign exchange rates. A forward foreign exchange contract is an agreement between two parties to exchange different currencies at an agreed upon exchange rate at a future date. These contracts are valued daily by the Funds and the net unrealised gain or loss on the contracts, as measured by the difference between the contractual forward foreign exchange rates and the forward rates at the period end date, is included in the statement of financial position.

Unrealised gains and losses on financial derivative instruments are presented as assets and liabilities respectively in the statement of financial position. Realised gains and losses and the net change in fair values are recognised in the statement of comprehensive income.

2.6 Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the reporting date. The Funds utilise the last traded market price as fair valuation inputs for both financial assets and financial liabilities where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, management will determine the point within the bid-ask spread that is most representative of fair value. Fixed income securities are valued by using quotes from brokers. Certain financial assets are valued based on their last traded price with fair value adjustment factors provided by an independent price vendor. Fair value of those financial assets is determined using observable market data and such financial assets are classified as Level 2.

The fair value of financial assets and liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Funds use a variety of methods and make assumptions that are based on market conditions existing at each reporting date. Valuation techniques used include the use of comparable recent ordinary transactions between market participants, reference to other instruments that are substantially the same, discounted cash flow analysis, options pricing models and other valuation techniques commonly used by market participants.

Franklin Select Global Multi-Asset Income Fund’s investments in the Underlying Funds are subject to the terms and conditions of the Underlying Funds’ constitutional documents. The investments in the Underlying Funds are valued at fair value which are based on the latest net asset value or market price of the Underlying Funds’ redeemable units, as the case may be.

2 Summary of significant accounting policies (continued)

2.7 Transfers between levels of the fair value hierarchy

Transfers between levels of the fair value hierarchy have occurred at the date of the event or change in circumstances that caused the transfer.

2.8 Income and expenses

(a) Dividend income

Dividend income is recognised in the statement of comprehensive income when the right to receive payment is established.

(b) Interest income

Interest income is recognised in the statement of comprehensive income on a time-proportion basis using the effective interest method.

(c) Other income

Other income is recognised in the statement of comprehensive income on an accrual basis.

(d) Expenses

Expenses are recognised in the statement of comprehensive income on an accrual basis.

(e) Preliminary expenses

Preliminary expenses are recognised as an expense in the period in which they are incurred.

2.9 Taxation

No provision for Hong Kong profits tax has been made as the Funds were authorised as collective investment schemes under Section 104 of the Hong Kong Securities and Futures Ordinance and hence their profits are excluded from the charge to profits tax under Section 26A of the Inland Revenue Ordinance.

The Funds may incur withholding taxes on certain investment income. Such income is recorded gross of withholding taxes in the statement of comprehensive income. Withholding taxes are shown as a separate item in the statement of comprehensive income.

2.10 Proceeds and payments on subscription and redemption of units

The net asset values of the Funds are computed for each dealing day. Prices for subscriptions and redemptions of units are calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day.

Units in the Funds are classified as liabilities in the statements of financial position. This represents the price at which the unitholders can redeem the units.

2.11 Distributions payable to unitholders

Proposed distributions to unitholders are recognised in the statement of comprehensive income as finance cost when they are appropriately approved by the Manager.

The Manager may at its discretion determine to pay out of income or capital in respect of the distribution of the Funds.

2.12 Receivables

Receivables are initially recorded at fair value, and subsequently carried at amortised cost using the effective interest method. These are short term in nature and the carrying amounts approximate the fair values.

2 Summary of significant accounting policies (continued)

2.13 Cash and cash equivalents

Cash and cash equivalents includes deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less and bank overdrafts.

2.14 Due from and due to brokers

Amounts due from and due to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the period end date respectively. The due from brokers balance is held for collection.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Funds shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Funds shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

The amounts due from and due to brokers are short term in nature and the carrying amounts approximate the fair values.

2.15 Accrued expenses

Accrued expenses are recognised initially at fair value, and subsequently stated at amortised cost using the effective interest method. These are short term in nature and the carrying amounts approximate the fair values.

2.16 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously.

2.17 Collateral

Cash collateral provided by Franklin Select Global Multi-Asset Income Fund is identified in the statement of financial position as margin cash and is not included as a component of cash and cash equivalents. For collateral other than cash, if the party to whom the collateral is provided has the right by contract or custom to sell or re-pledge the collateral, Franklin Select Global Multi-Asset Income Fund classifies that asset in its statement of financial position separately from other assets and identifies the asset as pledged collateral. Where the party to whom the collateral is provided does not have the right to sell or re-pledge, a disclosure of the collateral provided is made in the notes to the financial statements.

2.18 Transaction costs

Transaction costs are costs incurred to acquire financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and security exchanges, and transfer taxes and duties. Transaction costs, when incurred, are immediately recognised in the statement of comprehensive income as an expense.

3 Financial risk management

The Funds' activities expose it to a variety of financial risks: market risk (including market price risk, currency risk and interest rate risk), credit risk and liquidity risk.

3 Financial risk management (continued)

Risks arising from holding financial instruments are inherent in the Funds' activities and are managed through a process of ongoing identification, measurement and monitoring. The risks are measured using a method that reflects the expected impact on the results and net assets attributable to unitholders of the Funds from reasonably possible changes in the relevant risk variables. Information about these risk exposures at the reporting date and risk management policies employed are disclosed in Notes 3.1 to 3.5.

Risks associated with Underlying Funds

Franklin Select Global Multi-Asset Income Fund's investments in the Underlying Funds are subject to the terms and conditions of the Underlying Funds' offering documentation and is susceptible to market price risk arising from uncertainties about future values of the Underlying Funds.

The right of the sub-fund to request redemption of its investments in the Underlying Funds are on a daily basis. The exchange traded funds are listed on stock exchanges and can be traded daily.

The exposure to the investments in the Underlying Funds at fair value by strategy employed is disclosed in the following tables. These investments are included under "Investments" in the statement of financial position.

30 June 2021	Strategy	Net asset value of the Underlying Funds USD	Investment fair value USD	% of net assets attributable to holders of redeemable units
Quoted Investment Funds				
Franklin High Yield Fund*	Fixed income - high yield	1,330,934,207	529,742	5.06
Templeton Emerging Markets Bond Fund*	Emerging markets bonds	4,441,241,305	620,451	5.92
Exchange Traded Funds				
Franklin LibertyQ Emerging Markets UCITS ETF*	Emerging markets - equities	39,697,532	176,241	1.68
Franklin LibertyQ European Dividend UCITS ETF*	European equities	27,222,388	408,914	3.90
Franklin LibertyQ Global Dividend UCITS ETF*	Global equities	37,888,805	636,141	6.07
HSBC MSCI WORLD UCITS ETF	Global equities	3,379,905,797 [#]	522,942	4.99
iShares China CNY Bond UCITS ETF	China bonds	11,175,216,378 [#]	511,096	4.88
iShares Core Global Aggregate Bond UCITS ETF	Global bonds	5,393,089,457 [#]	793,538	7.57
iShares Global Corp. Bond UCITS ETF	Global corporate bonds	3,622,809,389 [#]	940,933	8.98
Vanguard Total International Bond ETF	Global bonds	42,845,825,566 [#]	737,161	7.03
Listed Real Estate Investment Trusts ("REITs")				
Gecina SA	Properties	11,725,748,088 [#]	4,750	0.05
Goodman Group	Properties	28,303,375,075 [#]	9,225	0.09
Public Storage	Properties	48,139,985,877 [†]	16,537	0.16
Simon Property Group, Inc.	Properties	37,377,016,468 [§]	6,133	0.06

* These Underlying Funds are managed by related companies of the Manager within the same group.

[#] Latest available information as at 30 June 2021.

[†] Latest available information as at 26 April 2021.

[§] Latest available information as at 31 March 2021.

3 Financial risk management (continued)

Risks associated with Underlying Funds (continued)

31 December 2020	Strategy	Net asset value of the Underlying Funds USD	Investment fair value USD	% of net assets attributable to holders of redeemable units
Quoted Investment Funds				
Franklin High Yield Fund*	Fixed income - high yield	1,374,007,007	165,911	1.54
Templeton Emerging Markets Bond Fund*	Emerging markets bonds	5,452,161,160	385,676	3.59
Exchange Traded Funds				
Franklin LibertyQ Emerging Markets UCITS ETF*	Emerging markets - equities	42,218,213	428,906	3.99
Franklin LibertyQ European Dividend UCITS ETF*	European equities	17,256,578	162,885	1.51
Franklin LibertyQ European Equity UCITS ETF*	European equities	6,715,448	314,789	2.93
Franklin LibertyQ Global Dividend UCITS ETF*	Global equities	28,744,529	819,096	7.61
HSBC MSCI WORLD UCITS ETF	Global equities	2,363,880,191	628,551	5.84
iShares China CNY Bond UCITS ETF	China bonds	4,133,370,422	166,002	1.54
iShares Core Global Aggregate Bond UCITS ETF	Global bonds	2,078,984,845	689,516	6.41
iShares Global Corporate Bond UCITS ETF	Global corporate bonds	1,360,302,414	590,158	5.49
iShares International Treasury Bond ETF	Treasury bonds	1,186,206,000	590,658	5.49
Vanguard Total International Bond ETF	Global bonds	37,296,445,105	962,504	8.95
Listed Real Estate Investment Trusts ("REITs")				
American Tower Corp.	Properties	104,732,183,887**	13,468	0.13
Gecina SA	Properties	9,442,487,538#	4,821	0.04
Goodman Group	Properties	18,734,835,736#	9,852	0.09
Public Storage	Properties	40,700,342,879^	12,701	0.12

* These Underlying Funds are managed by related companies of the Manager within the same group.

** Latest available information as at 22 October 2020.

Latest available information as at 30 June 2020.

^ Latest available information as at 2 November 2020.

The sub-fund's holding in the Underlying Funds, as a percentage of the Underlying Funds' total net asset value, will vary from time to time dependent on the volume of subscriptions and redemptions at the Underlying Funds level. It is possible that the sub-fund may, at any point in time, hold a majority of the Underlying Funds' total units in issue.

The Franklin Select Global Multi-Asset Income Fund's maximum exposure to loss from its interests in the Underlying Funds are equal to the total fair value of its investments in the Underlying Funds.

Once the sub-fund has disposed of its units in the Underlying Funds, the sub-fund ceases to be exposed to any risk from the Underlying Funds.

The sub-fund's investment strategy is stated in Note 1. Total purchases in the Underlying Funds during the period ended 30 June 2021 were USD4,993,152 (31 December 2020: USD7,047,858). As at 30 June 2021, there were no capital commitment obligation and no amount due to the Underlying Funds for unsettled purchase (31 December 2020: Nil).

During the period ended 30 June 2021, total net gain derived from investments in the Underlying Funds was USD345,709 (31 December 2020: net loss of USD604,052).

3 Financial risk management (continued)

3.1 Market risk

Information on the total fair value of financial instruments exposed to risk, as well as compliance with the established investment guidelines as defined in the Explanatory Memorandum, is monitored by the Manager. These investment guidelines reflect the strategy and market environment of the Funds, as well as the acceptable risk levels. In order to avoid excessive concentration of risk, the Manager monitors the exposure to ensure concentration of risk remains within acceptable levels. The Manager either reduces exposure or uses derivative instruments to manage excessive risk concentrations when they arise.

Although the Manager does not manage the Franklin Select Global Multi-Asset Income Fund based on specific risk exposures of the Underlying Funds, the sub-fund is exposed to various risks, including market price risk, currency risk, interest rate risk, liquidity risk and credit risk, through the investments of the Underlying Funds.

(a) Market price risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Funds might suffer through holding market positions in the face of price movements. The Funds' market positions are being monitored by the Manager on a daily basis. The risk is minimised through selection of securities in accordance with the investment guidelines and investment strategies.

Value-at-risk ("VaR")

One of the principal tools used to monitor market risk exposure is VaR; which estimates the probability of portfolio losses based on the statistical analysis of historical price trends and volatilities, taking into account inter-relationships between different markets and rates, for example between interest rates and foreign exchange rates. The Fund tracks VaR as a percentage of Net Asset Value ("NAV"), taking into account its portfolio, cash and outstanding trade positions, on a 20-day holding period at a 99% confidence level.

For the period ended 30 June 2021 and year ended 31 December 2020, MSCI Barra risk factor model and Bloomberg PORT risk factor model outputs were used to forecast the ex-ante Monte Carlo VaR at the 99% confidence level over a 20-day horizon.

The Manager recognises that while VaR is a valuable guide to risk, it has its limitations. The use of historical data to derive correlations may not encompass all potential events, particularly events which may be extreme in nature. In addition, both the size and probability of actual portfolio losses can differ significantly from the losses predicted by VaR. As a result, VaR may under-estimated or over-estimated due to the assumptions placed on the risk factors and the relationship between such factors.

Using VaR, the market risk of the Funds have been computed using a 20-day holding period at 99% as follows:

	30 June 2021		31 December 2020	
	%	USD	%	USD
Templeton Select Global Leaders Fund	13.732	905,949	15.929	1,030,876
Franklin Select Global Multi-Asset Income Fund	12.886	1,357,241	7.180	767,006

As at period/year end, the overall market exposures for the Funds were as follows:

Templeton Select Global Leaders Fund

	30 June 2021		31 December 2020	
	Fair value USD	% of net assets	Fair value USD	% of net assets
Listed Equities				
Brazil	127,504	1.94	—	—
Canada	—	—	120,520	1.87
China	485,232	7.38	110,865	1.72
Denmark	99,253	1.51	—	—
France	105,920	1.61	141,984	2.20
Germany	606,018	9.20	721,124	11.20
Hong Kong	99,108	1.51	133,913	2.08
India	—	—	77,964	1.21
Ireland	68,421	1.04	—	—

3 Financial risk management (continued)

3.1 Market risk (continued)

(a) Market price risk (continued)

Templeton Select Global Leaders Fund (continued)

	30 June 2021		31 December 2020	
	Fair value USD	% of net assets	Fair value USD	% of net assets
Listed Equities (continued)				
Japan	743,231	11.31	1,176,285	18.27
Netherlands	—	—	127,208	1.98
South Korea	290,887	4.42	303,992	4.72
Switzerland	—	—	211,765	3.29
Taiwan	257,966	3.92	226,953	3.52
United Kingdom	607,662	9.24	—	—
United States of America	2,758,610	41.94	2,819,277	43.78
Total Investments	6,249,812	95.02	6,171,850	95.84

Franklin Select Global Multi-Asset Income Fund

	30 June 2021		31 December 2020	
	Fair value USD	% of net assets	Fair value USD	% of net assets
Quoted Investment Funds				
Luxembourg	1,150,193	10.98	551,587	5.13
Exchange Traded Funds				
China	511,096	4.88	166,002	1.54
Ireland	3,478,708	33.19	3,633,901	33.78
United States of America	737,161	7.03	1,553,162	14.44
Listed Real Estate Investment Trusts ("REITs")				
Australia	9,225	0.09	9,852	0.09
France	4,750	0.05	4,821	0.04
United States of America	22,671	0.22	26,169	0.25
Listed Equities				
Australia	121,930	1.16	59,496	0.55
Belgium	7,329	0.07	—	—
Brazil	41,245	0.40	24,804	0.23
Canada	76,561	0.74	95,192	0.88
China	162,019	1.54	222,010	2.06
Denmark	40,848	0.38	34,332	0.32
Finland	15,791	0.16	7,822	0.07
France	90,882	0.88	77,757	0.72
Germany	92,119	0.86	82,562	0.77
Hong Kong	53,056	0.50	28,633	0.27
India	80,820	0.77	36,326	0.34
Indonesia	3,586	0.03	7,474	0.07
Ireland	4,348	0.04	3,695	0.03
Israel	12,352	0.12	18,507	0.17
Italy	16,231	0.16	24,386	0.23
Japan	384,958	3.68	283,862	2.64
Luxembourg	3,849	0.04	—	—
Malaysia	3,663	0.03	—	—
Mexico	6,599	0.06	6,346	0.06
Netherlands	90,603	0.87	49,964	0.46
New Zealand	4,132	0.04	4,727	0.04
Norway	8,065	0.08	5,061	0.05
Qatar	—	—	4,315	0.04
Russia	6,579	0.06	3,880	0.04
Singapore	—	—	4,632	0.04
South Africa	31,037	0.29	—	—
South Korea	101,546	0.96	87,271	0.81
Spain	20,137	0.19	22,748	0.21
Sweden	53,741	0.50	30,515	0.28
Switzerland	76,733	0.72	115,661	1.08

3 Financial risk management (continued)

3.1 Market risk (continued)

(a) Market price risk (continued)

Franklin Select Global Multi-Asset Income Fund (continued)

	30 June 2021		31 December 2020	
	Fair value USD	% of net assets	Fair value USD	% of net assets
Listed Equities (continued)				
Taiwan	109,622	1.05	64,092	0.60
Thailand	7,786	0.08	6,457	0.06
United Arab Emirates	4,433	0.04	—	—
United Kingdom	65,101	0.63	70,253	0.65
United States of America	2,229,055	21.29	2,029,715	18.87
Quoted Fixed Income Securities				
United States of America	412,101	3.93	1,011,092	9.40
Total Investments	10,352,661	98.79	10,469,081	97.31
Futures				
Japan	—	—	(3,036)	(0.03)
United Kingdom	—	—	(1,122)	(0.01)
Total Futures	—	—	(4,158)	(0.04)

There were no individual investments with market value exceeding 10% of the Funds' net asset value at period ended 30 June 2021 and year ended 31 December 2020.

The tables below summarise the sector allocation with concentrations exceeding 10% of the Funds' net asset value at 30 June 2021 and 31 December 2020.

Templeton Select Global Leaders Fund

	30 June 2021 % of net assets	31 December 2020 % of net assets
Sector Allocation		
Communication Services	10.20	8.05
Consumer Discretionary	11.38	15.18
Financials	13.82	8.79
Health Care	12.67	11.43
Industrials	13.74	12.65
Information Technology	18.86	26.58
Materials	10.21	10.07

Franklin Select Global Multi-Asset Income Fund

	30 June 2021 % of net assets	31 December 2020 % of net assets
Sector Allocation		
Financials	60.99	59.15

(b) Currency risk

The Funds hold assets and liabilities denominated in currencies other than the USD, the functional currency. The Funds are therefore exposed to currency risk, as the values of the assets and liabilities denominated in other currencies will fluctuate due to changes in exchange rates.

The Manager monitors the Funds' currency risk position on a daily basis and may enter into forward foreign exchange contracts to minimise the foreign exchange risk arising from the purchase or sale of foreign securities from the trade date to settlement date.

The outstanding forward foreign exchange contracts at the period end are disclosed in Note 4. The risks of these contracts include movements in the values of the foreign currencies relative to the USD and the possible inability of the counterparties to fulfill their obligations under the contracts, which may be in excess of the amount reflected in the statement of financial position.

3 Financial risk management (continued)

3.1 Market risk (continued)

(b) Currency risk (continued)

The following tables summarise the Funds' net exposure, monetary and non-monetary, which are denominated in the currencies other than USD and Hong Kong dollar, which are pegged within a narrow range, as at period/year end.

Templeton Select Global Leaders Fund

	Monetary USD	Non-monetary USD
As at 30 June 2021		
CAD	—	127,504
CNH	2,279,944	—
DKK	—	99,253
EUR	—	782,780
GBP	12	536,820
JPY	—	743,231
KRW	1,016	290,887
TWD	849	257,966
	Monetary USD	Non-monetary USD
As at 31 December 2020		
CAD	—	120,520
CHF	—	211,765
CNH	2,104,326	—
CNY	—	110,865
EUR	—	863,108
JPY	49	1,176,285
KRW	953	303,992
TWD	853	226,953

Franklin Select Global Multi-Asset Income Fund

	Monetary USD	Non-monetary USD
As at 30 June 2021		
AED	—	4,433
AUD	46	66,347
BRL	(345)	36,660
CAD	116	76,563
CHF	—	76,735
CNH	2,474,860	—
CNY	1,550	11,239
DKK	—	40,847
EUR	482	728,209
GBP	218	183,808
IDR	172	3,586
ILS	—	4,444
INR	(1,190)	80,818
JPY	266	384,958
KRW	102	101,545
MXN	—	6,599
MYR	—	3,663
NOK	—	12,650
NZD	33	4,132
RUB	—	6,579
SEK	—	55,435
SGD	—	3,017
THB	—	7,786
TWD	311	109,622
ZAR	—	27,028

3 Financial risk management (continued)

3.1 Market risk (continued)

(b) Currency risk (continued)

Franklin Select Global Multi-Asset Income Fund (continued)

	Monetary USD	Non-monetary USD
As at 31 December 2020		
AUD	54	52,409
BRL	(678)	24,804
CAD	254	95,192
CHF	–	115,661
CNH	2,953,389	–
CNY	(39)	30,621
DKK	–	34,332
EUR	1,779	751,430
GBP	(1,153)	87,192
IDR	–	7,474
ILS	–	9,336
INR	(465)	36,326
JPY	(2,660)	283,862
KRW	1,058	87,271
MXN	–	6,346
NOK	–	5,061
NZD	–	4,727
QAR	–	4,315
RUB	–	3,880
SEK	–	30,515
SGD	–	9,212
THB	–	6,457
TWD	142	64,092

Foreign currency risk, as defined in HKFRS 7, arises as the value of future transactions, recognised monetary assets and liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. HKFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk, not foreign currency risk. However, the Manager monitors the exposure on all foreign currency denominated assets and liabilities. The sensitivity analysis of currency risk is covered under VaR analysis in Note 3.1(a).

(c) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the future cash flows or fair values of financial instruments. The Franklin Select Global Multi-Asset Income Fund invests in interest-bearing securities, as dictated by its investment objectives. The sub-fund is exposed to risks associated with fluctuations in market interest rates which could result in an increase or decrease in the value of the securities held. The Manager monitors overall interest sensitivity on a daily basis.

The Templeton Select Global Leaders Fund does not hold interest-bearing securities, hence it is not subject to significant interest rate risk.

The tables below summarise the interest rate risk exposure in the Franklin Select Global Multi-Asset Income Fund. It includes the sub-fund's assets and liabilities at fair value, categorised by the earlier of contractual re-pricing or maturity dates.

Franklin Select Global Multi-Asset Income Fund

	Less than 1 month USD	1 - 12 months USD	More than 1 year USD	Non-interest bearing USD	Total USD
As at 30 June 2021					
Assets					
Current assets					
Investments	–	40,072	372,029	9,940,560	10,352,661
Dividends, interest and other accounts receivable	–	–	–	8,127	8,127
Management fee rebates receivable	–	–	–	413	413

3 Financial risk management (continued)

3.1 Market risk (continued)

(c) Interest rate risk (continued)

Franklin Select Global Multi-Asset Income Fund (continued)

	Less than 1 month USD	1 - 12 months USD	More than 1 year USD	Non-interest bearing USD	Total USD
As at 30 June 2021 (continued)					
Cash and cash equivalents	185,879	—	—	—	185,879
Total assets	<u>185,879</u>	<u>40,072</u>	<u>372,029</u>	<u>9,949,100</u>	<u>10,547,080</u>
Liabilities					
Current liabilities					
Financial derivative instruments	—	—	—	5,863	5,863
Amounts payable on redemption	—	—	—	29,439	29,439
Other accounts payable	—	—	—	32,645	32,645
Total liabilities	<u>—</u>	<u>—</u>	<u>—</u>	<u>67,947</u>	<u>67,947</u>
Total interest sensitivity gap	<u>185,879</u>	<u>40,072</u>	<u>372,029</u>		

	Less than 1 month USD	1 - 12 months USD	More than 1 year USD	Non-interest bearing USD	Total USD
As at 31 December 2020					
Assets					
Current assets					
Investments	—	105,720	905,372	9,457,989	10,469,081
Financial derivative instruments	—	—	—	5,359	5,359
Dividend, interest and other accounts receivable	—	—	—	14,739	14,739
Due from brokers	—	—	—	247,624	247,624
Management fee rebates receivable	—	—	—	681	681
Margin cash	15,591	—	—	—	15,591
Cash and cash equivalents	197,274	—	—	—	197,274
Total assets	<u>212,865</u>	<u>105,720</u>	<u>905,372</u>	<u>9,726,392</u>	<u>10,950,349</u>
Liabilities					
Current liabilities					
Financial derivative instruments	—	—	—	4,768	4,768
Amounts payable on redemption	—	—	—	140,102	140,102
Other accounts payable	—	—	—	47,481	47,481
Total liabilities	<u>—</u>	<u>—</u>	<u>—</u>	<u>192,351</u>	<u>192,351</u>
Total interest sensitivity gap	<u>212,865</u>	<u>105,720</u>	<u>905,372</u>		

Cash and cash equivalents held in the Funds are also subject to interest rate risk. However, the exposure to interest rate risk is considered immaterial as the cash and cash equivalents are short-term in nature. The sensitivity analysis of interest rate risk is covered under VaR analysis in Note 3.1(a).

3.2 Liquidity risk

Liquidity risk is the risk that the Funds will encounter difficulty in meeting obligations associated with financial liabilities. The Funds are exposed to daily cash redemption of units. Therefore, assets of the Funds are mainly invested in securities which are traded in active markets and can be readily disposed of. The Manager is entitled to limit the number of units redeemed on each dealing day to 10% of the total value of units in issue. In addition, sufficient cash and cash equivalents are maintained to meet normal operating requirements.

3 Financial risk management (continued)

3.2 Liquidity risk (continued)

The following tables analyse the financial assets and liabilities for the Funds into relevant maturity groupings based on the remaining period at the period end date to the contractual maturity date. The amounts in the tables are the contractual undiscounted cash flow. Balances due within 12 months approximate their carrying balances, as the impact of discounting is not significant.

Templeton Select Global Leaders Fund

	Less than 1 month USD	1-12 months USD	Total USD
As at 30 June 2021			
Assets			
Current assets			
Investments	6,249,812	–	6,249,812
Dividends and other accounts receivable	2,282	1,016	3,298
Cash and cash equivalents	352,793	–	352,793
Total assets	6,604,887	1,016	6,605,903
Liabilities			
Current liabilities			
Financial derivative instruments	5,251	–	5,251
Other accounts payable	9,716	13,383	23,099
Net assets attributable to unitholders	6,577,553	–	6,577,553
Total liabilities	6,592,520	13,383	6,605,903

	Less than 1 month USD	1-12 months USD	Total USD
As at 31 December 2020			
Assets			
Current assets			
Investments	6,171,850	–	6,171,850
Financial derivative instruments	3,764	–	3,764
Dividends and other accounts receivable	1,935	1,013	2,948
Cash and cash equivalents	296,078	–	296,078
Total assets	6,473,627	1,013	6,474,640
Liabilities			
Current liabilities			
Other accounts payable	9,415	25,675	35,090
Net assets attributable to unitholders	6,439,550	–	6,439,550
Total liabilities	6,448,965	25,675	6,474,640

Franklin Select Global Multi-Asset Income Fund

	Less than 1 month USD	1-12 months USD	1 - 5 years USD	More than 5 years USD	Total USD
As at 30 June 2021					
Assets					
Current assets					
Investments	9,940,560	40,072	105,042	266,987	10,352,661
Dividends, interest and other accounts receivable	3,038	5,089	–	–	8,127
Management fee rebates receivable	413	–	–	–	413
Cash and cash equivalents	185,879	–	–	–	185,879
Total assets	10,129,890	45,161	105,042	266,987	10,547,080
Liabilities					
Current liabilities					
Financial derivative instruments	5,863	–	–	–	5,863
Amounts payable on redemption	29,439	–	–	–	29,439
Other accounts payable	16,475	16,170	–	–	32,645
Net assets attributable to unitholders	10,479,133	–	–	–	10,479,133
Total liabilities	10,530,910	16,170	–	–	10,547,080

3 Financial risk management (continued)

3.2 Liquidity risk (continued)

Franklin Select Global Multi-Asset Income Fund (continued)

	Less than 1 month USD	1-12 months USD	1 - 5 years USD	More than 5 years USD	Total USD
As at 31 December 2020					
Assets					
Current assets					
Investments	9,457,989	105,720	217,973	687,399	10,469,081
Financial derivative instruments	5,359	—	—	—	5,359
Dividends, interest and other accounts receivable	14,739	—	—	—	14,739
Due from brokers	247,624	—	—	—	247,624
Management fee rebates receivable	681	—	—	—	681
Margin cash	15,591	—	—	—	15,591
Cash and cash equivalents	197,274	—	—	—	197,274
Total assets	9,939,257	105,720	217,973	687,399	10,950,349
Liabilities					
Current liabilities					
Financial derivative instruments	610	4,158	—	—	4,768
Amounts payable on redemption	140,102	—	—	—	140,102
Other accounts payable	17,391	30,090	—	—	47,481
Net assets attributable to unitholders	10,757,998	—	—	—	10,757,998
Total liabilities	10,916,101	34,248	—	—	10,950,349

Units are redeemed on demand at unitholder's option. However, the Management does not envisage that contractual maturity disclosed in the table above will be representative of the actual cash outflows, as the unitholders typically retain their units for the medium term. The table below summarises the number of unitholders who held more than 10% of the Funds' net assets attributable to unitholders as at 30 June 2021 and 31 December 2020:

	30 June 2021 Number of unitholders	31 December 2020 Number of unitholders
Templeton Select Global Leaders Fund	1	1
Franklin Select Global Multi-Asset Income Fund	3	2

3.3 Credit risk

This relates to the risk that an issuer or counterparty is unable or unwilling to meet a commitment or obligation it has entered into with the Funds. The Funds are exposed to credit risk on its investments in debt securities and balances with banks and brokers. Impairment provisions are made for losses that have been incurred by the reporting date, if any.

All transactions in listed/quoted securities are settled on a delivery versus payment basis using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made when the Funds' custodian banks have received payments. For a purchase, payments are made once the securities have been received by the Funds' custodian bank. The trade will fail if either party fails to meet its obligation.

The Funds only buy and sell securities through brokers who have been approved as an acceptable counterparty according to the Manager's internal counterparty credit review procedures. The Funds measure credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management consider both historical analysis and forward looking information in determining any expected credit loss. At 30 June 2021, all investments, amounts due from brokers, financial derivative instruments, margin cash and cash and cash equivalents are held with counterparties with a Moody's credit rating of A1 (31 December 2020: A2) or higher. Management consider the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Funds.

Investments in Underlying Funds are managed by reputable investment managers that have passed the review process of the Manager.

3 Financial risk management (continued)

3.3 Credit risk (continued)

The table below summarises the credit ratings of the issuers of the fixed income securities held as a percentage of net assets attributable to unitholders.

Franklin Select Global Multi-Asset Income Fund

	30 June 2021	31 December 2020
Portfolio by rating category		
Standard & Poor's / Moody's Rating		
AA+/ Aa1	3.93%	9.40%

The maximum exposure to credit risks at 30 June 2021 and 31 December 2020 is the carrying amount of the financial assets.

3.4 Capital risk management

The capital of the Funds is represented by the net assets attributable to unitholders which is presented in the statement of financial position. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Funds are subject to daily subscriptions and redemptions at the discretion of unitholders.

The Funds' objectives when managing capital are to safeguard the Funds' ability to continue as a going concern in order to provide returns for unitholders and benefits for other stakeholders; and to maintain a strong capital base to support the development of the investment activities of the Funds. The Manager monitors capital on the basis of the net asset value and the subscriptions and redemptions of the Funds.

3.5 Fair value estimation

The fair value of financial assets and financial liabilities traded in active markets are based on quoted market prices at the close of trading on the period end date. The Funds used the last traded market price as their fair valuation inputs for both financial assets and financial liabilities.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker and industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Funds for similar financial instruments.

HKFRS 13 requires the Funds to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

3 Financial risk management (continued)

3.5 Fair value estimation (continued)

The determination of what constitutes “observable” requires significant judgement by the Funds. The Funds consider observable data to be that market data that are readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following tables analyse, within the fair value hierarchy, the Funds’ investments measured at fair value as at period/year end:

Templeton Select Global Leaders Fund

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
30 June 2021				
Assets				
Equity securities	3,163,209	3,086,603	–	6,249,812
	3,163,209	3,086,603	–	6,249,812
Liabilities				
Forward foreign exchange contracts	–	5,251	–	5,251
	–	5,251	–	5,251
31 December 2020				
Assets				
Equity securities	3,067,005	3,104,845	–	6,171,850
Forward foreign exchange contracts	–	3,764	–	3,764
	3,067,005	3,108,609	–	6,175,614

Franklin Select Global Multi-Asset Income Fund

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
30 June 2021				
Assets				
Quoted investment funds	–	1,150,193	–	1,150,193
Exchange traded funds	2,982,727	1,744,238	–	4,726,965
Real estate investment trusts	22,671	13,975	–	36,646
Equity securities	2,362,028	1,663,035	1,693	4,026,756
Fixed income securities	–	412,101	–	412,101
	5,367,426	4,983,542	1,693	10,352,661
Liabilities				
Forward foreign exchange contracts	–	5,863	–	5,863
	–	5,863	–	5,863
31 December 2020				
Assets				
Quoted investment funds	–	551,587	–	551,587
Exchange traded funds	2,408,680	2,944,385	–	5,353,065
Real estate investment trusts	26,169	14,673	–	40,842
Equity securities	2,197,087	1,315,347	61	3,512,495
Fixed income securities	–	1,011,092	–	1,011,092
Forward foreign exchange contracts	–	5,359	–	5,359
	4,631,936	5,842,443	61	10,474,440
Liabilities				
Forward foreign exchange contracts	–	610	–	610
Futures contracts	4,158	–	–	4,158
	4,158	610	–	4,768

Investments whose values are based on quoted market prices in active markets, and therefore classified within Level 1, include active listed equities, fixed income securities, funds, futures and options. The Funds do not adjust the quoted price for these instruments.

3 Financial risk management (continued)

3.5 Fair value estimation (continued)

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. As such Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

Level 2 instruments may also include securities whose last traded prices have been adjusted by fair value adjustment factors provided by an independent price vendor.

Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently. As observable prices are not available for these securities, these securities use valuation techniques to derive the fair value.

As at 30 June 2021 and 31 December 2020, Templeton Select Global Leaders Fund did not have investments classified within Level 3.

As at 30 June 2021, Franklin Select Global Multi-Asset Income Fund held an equity security which was classified under Level 3. The non-tradeable Swedish line of Zalando SE, 144A, Reg S ("Zalando") will be registered during 23 June to 14 July 2021 into the tradeable German line of Zalando at a rate of 1:1. Until the corporate action event is processed, the security will be priced in line with the ordinary shares of Zalando trading on German exchange, adjusted for the FX rate.

As at 31 December 2020, Franklin Select Global Multi-Asset Income Fund held an equity security which was classified under Level 3. The valuation of the equity security was based on the terms of the spin-off with adjustment for the distribution ratio.

The following table presents the movement in the Level 3 instrument in Franklin Select Global Multi-Asset Income Fund for the period ended 30 June 2021.

	30 June 2021 USD	31 December 2020 USD
Opening balance	61	—
Acquisition from corporate action (mandatory exchange/spin off)	1,474	61
Sales	(1,165)	—
Gain recognized in statement of comprehensive income	1,323	—
Closing balance	1,693	61
Total gain/loss for the period included in statement of comprehensive income for investments held at the end of the period	219	—

The following table presents the transfers between levels for the period ended 30 June 2021.

	Level 1 USD	Level 2 USD	Level 3 USD
Franklin Select Global Multi-Asset Income Fund			
Transfers between levels 1 and 2:			
Exchange Traded Funds			
Financials	937,224	(937,224)	—
Equity Securities			
Consumer Staples	6,208	(6,208)	—
Financials	13,022	(13,022)	—
Health Care	(6,360)	6,360	—
Industrials	(13,078)	13,078	—
Materials	11,782	(11,782)	—

The following table presents the transfers between levels for the year ended 31 December 2020.

	Level 1 USD	Level 2 USD	Level 3 USD
Templeton Select Global Leaders Fund			
Transfers between levels 1 and 2:			
Equity Securities			
Communication Services	(369,927)	369,927	—
Consumer Discretionary	(323,522)	323,522	—

3 Financial risk management (continued)

3.5 Fair value estimation (continued)

	Level 1 USD	Level 2 USD	Level 3 USD
Templeton Select Global Leaders Fund (continued)			
Transfers between levels 1 and 2: (continued)			
Consumer Staples	(223,821)	223,821	—
Energy	(90,627)	90,627	—
Financials	(78,693)	78,693	—
Health Care	(548,334)	548,334	—
Industrials	(403,833)	403,833	—
Information Technology	(249,266)	249,266	—
Materials	(172,741)	172,741	—
Real Estate	(84,683)	84,683	—
Utilities	(89,179)	89,179	—
Franklin Select Global Multi-Asset Income Fund			
Transfers between levels 1 and 2:			
Real estate investment trusts	(28,160)	28,160	—
Equity Securities			
Communication Services	(165,659)	165,659	—
Consumer Discretionary	(125,695)	125,695	—
Consumer Staples	(80,026)	80,026	—
Energy	(21,003)	21,003	—
Financials	(184,963)	184,963	—
Health Care	(262,173)	262,173	—
Industrials	(130,849)	130,849	—
Information Technology	(150,572)	150,572	—
Materials	(120,081)	120,081	—
Real Estate	(12,968)	12,968	—
Utilities	(70,140)	70,140	—

The equity securities and real estate investment trusts that were transferred out of Level 1 to Level 2 relate to positions whose last traded prices were adjusted by fair value adjustment factors.

The assets and liabilities, except investments and financial derivative instruments, included in the statement of financial position are carried at amortised cost; their carrying values are a reasonable approximation of fair value.

4 Financial derivative instruments

Financial derivative instruments as at period/year end comprises unrealised gain/(loss) on forward foreign exchange contracts and future contracts.

	Templeton Select Global Leaders Fund		Franklin Select Global Multi-Asset Income Fund	
	30 June 2021 USD	31 December 2020 USD	30 June 2021 USD	31 December 2020 USD
Assets				
Current assets				
Financial derivative instruments				
- Forward foreign exchange contract	—	3,764	—	5,359
Total	—	3,764	—	5,359
Liabilities				
Current liabilities				
Financial derivative instruments				
- Forward foreign exchange contract	5,251	—	5,863	610
- Futures contract	—	—	—	4,158
Total	5,251	—	5,863	4,768

4 Financial derivative instruments (continued)

The outstanding forward foreign exchange contracts as at the period end date are as follows:

Templeton Select Global Leaders Fund

30 June 2021

	Contracts to Buy / (Sell)	Contract Amount USD	Settlement Date	Unrealised Loss USD
CNH	411,705	63,758	20/07/2021	(175)
CNH	1,096,007	169,628	20/07/2021	(364)
CNH	1,161,649	179,768	20/07/2021	(366)
CNH	1,238,691	191,689	20/07/2021	(389)
CNH	1,470,566	227,537	20/07/2021	(426)
CNH	1,541,274	238,553	20/07/2021	(523)
CNH	1,946,905	301,279	20/07/2021	(604)
CNH	1,472,626	228,079	20/07/2021	(650)
CNH	2,080,924	322,183	20/07/2021	(811)
CNH	2,342,560	362,722	20/07/2021	(943)
Net unrealised loss on forward foreign exchange contracts				(5,251)

31 December 2020

	Contracts to Buy / (Sell)	Contract Amount USD	Settlement Date	Unrealised Gain USD
CNH	2,159,364	330,992	20/01/2021	626
CNH	1,687,942	258,601	20/01/2021	620
CNH	1,470,566	225,294	20/01/2021	544
CNH	1,541,274	236,261	20/01/2021	436
CNH	1,238,691	189,830	20/01/2021	399
CNH	1,459,106	223,775	20/01/2021	303
CNH	1,096,007	168,038	20/01/2021	278
CNH	1,149,109	176,206	20/01/2021	264
CNH	1,161,649	178,183	20/01/2021	214
CNH	411,705	63,147	20/01/2021	80
Net unrealised gain on forward foreign exchange contracts				3,764

Franklin Select Global Multi-Asset Income Fund

30 June 2021

	Contracts to Buy / (Sell)	Contract Amount USD	Settlement Date	Unrealised Loss USD
CNH	292,653	45,321	20/07/2021	(125)
CNH	(465,941)	71,829	20/07/2021	(130)
CNH	455,666	70,555	20/07/2021	(183)
CNH	559,199	86,547	20/07/2021	(185)
CNH	1,550,559	239,942	20/07/2021	(478)
CNH	2,011,877	311,340	20/07/2021	(631)
CNH	2,317,025	358,565	20/07/2021	(730)
CNH	1,969,892	304,993	20/07/2021	(768)
CNH	2,355,736	364,613	20/07/2021	(799)
CNH	2,813,996	435,459	20/07/2021	(873)
CNH	2,174,363	336,763	20/07/2021	(961)
Net unrealised loss on forward foreign exchange contracts				(5,863)

4 Financial derivative instruments (continued)

Franklin Select Global Multi-Asset Income Fund (continued) 31 December 2020

	Contracts to Buy / (Sell)	Contract Amount USD	Settlement Date	Unrealised Gain USD
CNH	3,348,540	513,012	20/01/2021	1,230
CNH	2,873,697	440,394	20/01/2021	925
CNH	2,951,137	452,378	20/01/2021	835
CNH	2,911,299	446,424	20/01/2021	670
CNH	3,009,758	461,589	20/01/2021	626
CNH	2,317,025	355,404	20/01/2021	426
CNH	1,550,559	237,703	20/01/2021	420
CNH	559,199	85,735	20/01/2021	142
CNH	292,653	44,887	20/01/2021	57
CNH	96,864	14,847	20/01/2021	28
Unrealised gain on forward foreign exchange contracts				5,359
	Contracts to Buy / (Sell)	Contract Amount USD	Settlement Date	Unrealised Loss USD
CNH	(648,519)	98,984	20/01/2021	(610)
Unrealised loss on forward foreign exchange contracts				(610)
Net unrealised gain on forward foreign exchange contracts				4,749

* The counterparty of these outstanding forward foreign exchange contracts is a related party of the Trustee. Refer to Note 5(h) for details.

There are no futures held as at period ended 30 June 2021.

The futures held as at the year end date are as follows:

Franklin Select Global Multi-Asset Income Fund 31 December 2020

Description	Contract size	Notional Amount	Fair Value USD
FTSE 100 Index, March, 3/19/21	1	GBP65,020	(1,122)
Nikkei 225 Mini, March, 3/11/21	(3)	JPY(7,918,500)	(3,036)
Net unrealised loss on futures			(4,158)

5 Transactions with related parties including the Trustee, the Manager and their connected persons

The following is a summary of significant related party transactions/transactions entered into during the period between the Funds, the Trustee, the Manager and their connected persons. Connected persons of the Trustee and the Manager are those as defined in the Code on Unit Trusts and Mutual Funds issued by the Securities and Futures Commission of Hong Kong (the "SFC Code"). All transactions entered into during the period were carried out in the normal course of business and on normal commercial terms. To the best of the Trustee's and the Manager's knowledge, the Funds do not have any other transactions with connected persons except for those disclosed below.

(a) Management fee

The Manager is entitled to receive a management fee accrued daily and payable monthly in arrears out of each of the Funds as a percentage of the net asset value of each class of units in each of the Funds as at each valuation day at the rates set out as follows, subject to a maximum fee of 3.00% per annum:

Templeton Select Global Leaders Fund	Franklin Select Global Multi-Asset Income Fund
1.00%	0.85%

(b) Trustee and custody fees

The Trustee, Cititrust Limited, is entitled to receive a Trustee fee calculated at a rate of 0.04% per annum of the net asset value of each of the Funds. The Funds utilise the custodian and banking services of the Trustee's associate, Citibank, N.A. (Hong Kong Branch).

5 Transactions with related parties including the Trustee, the Manager and their connected persons (continued)

(c) Registrar fee

The Manager, which is also the Registrar, is entitled to receive a fee up to 0.04% per annum of the respective Funds' net asset value for registrar and transfer agent services, with the actual fee subject to certain variables. The fee shall be payable monthly in arrears.

(d) Fund administration fee

The Funds' administrator which is the same entity as the Manager is entitled to receive fund administration fee of 0.20% per annum of the respective Funds' net asset value. The Funds' administration fee shall accrue daily based on the net asset value of the respective Funds and shall be payable monthly in arrears.

(e) Management fee rebates

The Franklin Select Global Multi-Asset Income Fund received rebates on the investments in the underlying funds, which are Franklin LibertyQ Emerging Markets UCITS ETF, Franklin LibertyQ European Dividend UCITS ETF, Franklin LibertyQ European Equity UCITS ETF and Franklin LibertyQ Global Dividend UCITS ETF. Such rebates may vary, depending on the value and tenure of the underlying funds held, and are based on rates agreed with the manager of the underlying funds, which is Franklin Templeton International Services S.à r.l.. Rebates are included within other income in the Statement of Comprehensive Income and management fee rebates receivable in the Statement of Financial Position.

(f) The following tables detail the related-party transactions for the period and as at period/year end:

Templeton Select Global Leaders Fund

	Expenses		Accruals	
	30 June 2021	30 June 2020	30 June 2021	31 December 2020
	USD	USD	USD	USD
Management fee	32,542	25,131	5,458	5,289
Trustee fee	1,302	1,008	218	212
Custody fee	10,839	17,386	–	–
Registrar fee	1,302	1,005	218	212
Fund administration fee	6,508	5,026	1,092	1,058
Total	52,493	49,556	6,986	6,771

Franklin Select Global Multi-Asset Income Fund

	Expenses		Accruals	
	30 June 2021	30 June 2020	30 June 2021	31 December 2020
	USD	USD	USD	USD
Management fee	44,261	68,707	7,317	7,936
Trustee fee	2,083	3,243	344	373
Custody fee	31,606	37,069	–	–
Registrar fee	2,083	3,233	344	373
Fund administration fee	10,414	16,167	1,722	1,867
Total	90,447	128,419	9,727	10,549

	Income		Receivables	
	30 June 2021	30 June 2020	30 June 2021	31 December 2020
	USD	USD	USD	USD
Management fee rebates	2,729	3,825	413	681
Total	2,729	3,825	413	681

5 Transactions with related parties including the Trustee, the Manager and their connected persons (continued)

(g) Investment transactions with associates of the Trustee

	<u>Templeton Select Global Leaders Fund</u>		<u>Franklin Select Global Multi-Asset Income Fund</u>	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
Citigroup Global Markets Inc. ("Citi")				
Aggregate value of purchases and sales of securities transacted by Citi (USD)	199,502	676,538	1,802,608	606
% of total purchases and sales of securities during the period	4.97	13.63	11.98	—*
Total commission paid to Citi (USD)	404	246	1,182	—**
Average commission rate (%)	0.20	0.04	0.07	0.03
Total commission paid by the Investment Fund (USD)	5,836	2,607	8,584	10,680

* Amount less than 0.01%.

** Amount less than USD1.

(h) The following table sets out the open forward foreign exchange contracts whose counterparty, Citibank N.A., is a connected person of the Trustee at 30 June 2021 and 31 December 2020.

	<u>Templeton Select Global Leaders Fund</u>		<u>Franklin Select Global Multi-Asset Income Fund</u>	
	30 June 2021 USD	31 December 2020 USD	30 June 2021 USD	31 December 2020 USD
Assets				
Forward foreign exchange contracts	—	399	—	925
Liabilities				
Forward foreign exchange contracts	389	—	631	—

Refer to Note 4 for details of these open forward foreign exchange contracts.

(i) Investment transactions with Underlying Funds

The following Underlying Funds are managed by Franklin Templeton International Services S.à r.l., which is a related company of the Manager within the same group. The following table details the related-party transactions during the period ended 30 June 2021 and 30 June 2020 for Franklin Select Global Multi-Asset Income Fund:

	Purchases		Sales	
	30 June 2021 USD	30 June 2020 USD	30 June 2021 USD	30 June 2020 USD
Franklin High Yield Fund	393,439	78,013	32,150	159,156
Franklin LibertyQ Emerging Markets UCITS ETF	275,777	1,024,104	551,221	653,924
Franklin LibertyQ European Dividend UCITS ETF	942,027	355,533	668,027	151,543
Franklin LibertyQ European Equity UCITS ETF	—	182,466	322,263	386,832
Franklin LibertyQ Global Dividend UCITS ETF	187,658	472,980	444,799	1,035,401
Templeton Emerging Markets Bond Fund	305,276	—	49,424	808,471

Refer to Note 3 for further details on these Underlying Funds.

(j) Cash and cash equivalents

All bank balances of the Funds are held in interest bearing accounts with Citibank, N.A. (Hong Kong Branch), and are earning interest amounting to nil (30 June 2020: USD726) for Templeton Select Global Leaders Fund and USD5 interest expense was levied (30 June 2020: USD1,050) for Franklin Select Global Multi-Asset Income Fund for the period ended 30 June 2021.

5 Transactions with related parties including the Trustee, the Manager and their connected persons (continued)

(k) Interest in a connected person of the Trustee

The following table details the number of shares held in Citigroup Inc. at 30 June 2021 and 30 June 2020 by Templeton Select Global Leaders Fund.

	Shareholding	
	30 June 2021	30 June 2020
At the beginning of the period	–	1,545
Purchases	–	200
Sales	–	(800)
At the end of the period	–	945

6 Cash and cash equivalents and margin cash

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following balances with original maturity of 3 months or less:

	Templeton Select Global Leaders Fund		Franklin Select Global Multi-Asset Income Fund	
	30 June 2021 USD	31 December 2020 USD	30 June 2021 USD	31 December 2020 USD
Cash at bank	352,793	296,078	185,879	197,274

The following table summarises the pledged assets of Franklin Select Global Multi-Asset Income Fund. These pledged assets are margin cash in the statement of financial position.

	30 June 2021 USD	31 December 2020 USD
Margin Cash	–	15,591

7 Number of units in issue and net assets attributable to unitholders

The Funds have no regulatory imposed restrictions or specific capital requirements on the subscriptions and redemptions of units. The Manager is entitled to limit the daily redemptions to 10% of the total units in issue. The relevant movements are shown in the statement of changes in net assets attributable to unitholders. In accordance with the objectives outlined in Note 1 and the financial risk management policies in Note 3, the Manager endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by short term borrowings of up to 25% of the latest available net asset value of the Funds or disposal of securities where necessary.

The following tables detail the net asset value per unit of each class of units at the period end:

Templeton Select Global Leaders Fund

	30 June 2021		31 December 2020	
	Net assets per class USD	Net asset value per unit	Net assets per class USD	Net asset value per unit
Class A (Acc) HKD	2,133,791	HKD13.94	2,298,138	HKD13.06
Class A (Acc) RMB-H1	2,354,816	CNH14.99	2,180,334	CNH13.91
Class A (Acc) USD	2,088,946	USD13.93	1,961,078	USD13.07
Net assets attributable to unitholders	6,577,553		6,439,550	

Franklin Select Global Multi-Asset Income Fund

	30 June 2021		31 December 2020	
	Net assets per class USD	Net asset value per unit	Net assets per class USD	Net asset value per unit
Class A (Mdis) HKD	5,211,675	HKD9.70	4,865,497	HKD9.44
Class A (Mdis) RMB-H1	2,566,371	CNH10.17	3,063,928	CNH9.87
Class A (Mdis) USD	2,701,087	USD9.70	2,828,573	USD9.45
Net assets attributable to unitholders	10,479,133		10,757,998	

8 Distributions

Franklin Select Global Multi-Asset Income Fund

The sub-fund pays out distributions out of income and/or capital on a monthly basis to unitholders of all Classes – A (Mdis) HKD, A (Mdis) RMB-H1 and A (Mdis) USD.

The following tables summarise the income that could be used for distributions by the sub-fund:

	30 June 2021 USD	30 June 2020 USD
Net income available for distributions during the period	705,225	–
Undistributed income at the beginning of the period	–	–
Undistributed income at the end of the period	–	–

The following tables summarise the distributions paid by the sub-fund:

For the period ended 30 June 2021

Class A (Mdis) HKD

Distribution rate per unit	Distribution date	Distribution amount USD
HKD0.040	18 January 2021	20,612
HKD0.039	17 February 2021	21,093
HKD0.039	15 March 2021	21,059
HKD0.040	20 April 2021	21,692
HKD0.041	17 May 2021	22,098
HKD0.041	16 June 2021	22,056

Class A (Mdis) RMB-H1

Distribution rate per unit	Distribution date	Distribution amount USD
CNH0.053	18 January 2021	16,297
CNH0.053	17 February 2021	14,748
CNH0.054	15 March 2021	14,260
CNH0.056	20 April 2021	14,519
CNH0.058	17 May 2021	15,012
CNH0.058	16 June 2021	15,163

Class A (Mdis) USD

Distribution rate per unit	Distribution date	Distribution amount USD
USD0.040	18 January 2021	11,990
USD0.039	17 February 2021	11,537
USD0.039	15 March 2021	11,545
USD0.040	20 April 2021	11,520
USD0.040	17 May 2021	10,727
USD0.041	16 June 2021	10,999
		<hr/> 286,927 <hr/>

For the period ended 30 June 2020

Class A (Mdis) HKD

Distribution rate per unit	Distribution date	Distribution amount USD
HKD0.039	16 January 2020	32,861
HKD0.039	17 February 2020	33,958
HKD0.037	16 March 2020	32,070
HKD0.034	17 April 2020	27,361
HKD0.036	18 May 2020	29,017
HKD0.037	15 June 2020	23,248

8 Distributions (continued)

For the period ended 30 June 2020 (continued)

Class A (Mdis) RMB-H1

Distribution rate per unit	Distribution date	Distribution amount USD
CNH0.043	16 January 2020	25,999
CNH0.044	17 February 2020	25,467
CNH0.042	16 March 2020	24,723
CNH0.039	17 April 2020	22,093
CNH0.042	18 May 2020	16,036
CNH0.043	15 June 2020	15,023

Class A (Mdis) USD

Distribution rate per unit	Distribution date	Distribution amount USD
USD0.039	16 January 2020	23,392
USD0.039	17 February 2020	23,808
USD0.037	16 March 2020	22,554
USD0.034	17 April 2020	19,125
USD0.036	18 May 2020	18,405
USD0.037	15 June 2020	16,046
		<hr/> 431,186 <hr/>

9 Soft commission arrangement

The Manager and its connected persons may effect transactions for the account of the Funds through the agency of another person with whom the Manager and its connected persons have an arrangement under which such other person agrees to pay in whole or in part for the provision of goods to and/or the supply of services to the Manager or its connected persons in consideration of the Manager or its connected persons procuring that such other person (or person connected thereto) executes transactions to be entered into for the account of the Funds.

The Manager shall procure that no such contractual arrangements are entered into unless the goods and services to be provided pursuant thereto are of demonstrable benefit to unitholders whether by assisting the Manager in its ability to manage the Funds or otherwise. Research and advisory services, economic and political analysis, portfolio analysis (including valuation and performance measurement), market analysis, data and quotation services, computer hardware and software incidental to the above goods and services, clearing and custodian services and investment related publications may be considered as beneficial to unitholders.

During the period ended 30 June 2021 and 30 June 2020, the Manager and its connected persons entered into soft commission arrangements with brokers relating to dealing in the assets of the Funds, consistent with the above.

The following table details the amounts of transaction executed and their related commissions during the period under the soft commission arrangement:

	<u>Templeton Select Global Leaders Fund</u>		<u>Franklin Select Global Multi-Asset Income Fund</u>	
	30 June 2021 USD	30 June 2020 USD	30 June 2021 USD	30 June 2020 USD
Amounts of transactions executed	1,936,952	1,115,654	3,918,876	5,796,764
Commissions	1,227	572	2,414	2,527

10 Bank loans, overdrafts and other borrowings

The Funds had no bank loan, overdraft or other borrowing as at 30 June 2021 and 31 December 2020.

11 Security lending arrangements

The Funds did not enter into any security lending arrangements during the periods ended 30 June 2021 and 2020.

12 Negotiability of assets

As at 30 June 2021 and 31 December 2020, other than as disclosed in Note 6, there was no statutory or contractual requirement restricting the negotiability of the assets of the Funds.

13 Commitments

The Funds had no commitment as at 30 June 2021 and 31 December 2020.

14 Contingent liabilities

The Funds had no contingent liability as at 30 June 2021 and 31 December 2020.

15 Subsequent event

There were 3 new Funds launched under the Trust, namely Templeton Select APAC Equity Income Fund, Franklin Select APAC Quality Income Fund and Franklin Templeton Select APAC Income Fund. These Funds were launched and commenced operations on 13 Aug 2021.

INVESTMENT PORTFOLIO, AS AT 30 JUNE 2021

TEMPLETON SELECT GLOBAL LEADERS FUND

	Holdings	Fair value (USD)	% of NAV
Investments (95.02%)			
Listed Equities (95.02%)			
Brazil (1.94%)			
Wheaton Precious Metals Corp.	2,893	127,504	1.94
China (7.38%)			
China Mengniu Dairy Co. Ltd.	23,000	138,948	2.11
New Oriental Education & Technology Group, Inc.	5,900	48,456	0.74
NXP Semiconductors NV	670	137,832	2.10
Tencent Holdings Ltd.	2,125	159,996	2.43
Denmark (1.51%)			
Vestas Wind Systems A/S	2,540	99,253	1.51
France (1.61%)			
Air Liquide SA	604	105,920	1.61
Germany (9.20%)			
adidas AG	378	141,066	2.14
Continental AG	480	70,624	1.07
Infineon Technologies AG	2,995	120,479	1.83
Just Eat Takeaway.com NV, 144A, Reg S	1,553	143,639	2.18
Siemens AG	820	130,210	1.98
Hong Kong (1.51%)			
AIA Group Ltd.	7,989	99,108	1.51
Ireland (1.04%)			
ICON plc	331	68,421	1.04
Japan (11.31%)			
Hitachi Ltd.	3,552	203,573	3.10
Shin-Etsu Chemical Co. Ltd.	380	63,565	0.97
Sumitomo Metal Mining Co. Ltd.	5,570	216,641	3.29
Tokyo Electron Ltd.	380	164,321	2.50
Toyota Industries Corp.	1,100	95,131	1.45
South Korea (4.42%)			
Samsung Electronics Co. Ltd.	4,077	290,887	4.42
Taiwan (3.92%)			
Taiwan Semiconductor Manufacturing Co. Ltd.	12,000	257,966	3.92
United Kingdom (9.24%)			
Allfunds Group plc	4,070	70,842	1.08
AstraZeneca plc	1,912	229,732	3.49
Prudential plc	5,463	103,945	1.58
Smith & Nephew plc	3,250	70,489	1.07
Unilever plc	2,270	132,654	2.02

TEMPLETON SELECT GLOBAL LEADERS FUND (continued)

	Holdings	Fair value (USD)	% of NAV
Investments (95.02%) (continued)			
Listed Equities (95.02%) (continued)			
United States of America (41.94%)			
Albemarle Corp.	938	158,016	2.40
Alphabet, Inc., A	55	134,298	2.04
American Express Co.	1,864	307,989	4.68
Booking Holdings, Inc.	114	249,442	3.79
Comcast Corp., A	2,750	156,805	2.38
F5 Networks, Inc.	1,010	188,527	2.87
HCA Healthcare, Inc.	560	115,774	1.76
JPMorgan Chase & Co.	2,105	327,412	4.98
Medtronic plc	1,360	168,817	2.57
United Parcel Service, Inc., B	1,090	226,687	3.45
UnitedHealth Group, Inc.	450	180,198	2.74
Walt Disney Co. (The)	1,252	220,064	3.35
Westinghouse Air Brake Technologies Corp.	2,967	244,184	3.71
Zendesk, Inc.	557	80,397	1.22
Total Investments		6,249,812	95.02
Net Forward Foreign Exchange Contracts Value (Note 4)		(5,251)	(0.08)
		6,244,561	94.94
Other Net Assets		332,992	5.06
Net Assets as at 30 June 2021		6,577,553	100.00
Total Investments at cost as at 30 June 2021		4,681,674	

Additional Details on Financial Derivative Instruments

Forward Foreign Exchange Contracts/ Underlying Assets	Counterparties	Fair Value USD
Buy CNH Sell USD	Bank of America NA	(943)
Buy CNH Sell USD	Barclays Bank PLC	(523)
Buy CNH Sell USD	BNP Paribas	(650)
Buy CNH Sell USD	Citibank NA	(389)
Buy CNH Sell USD	Credit Suisse International	(175)
Buy CNH Sell USD	Goldman Sachs Bank USA	(604)
Buy CNH Sell USD	HSBC Bank PLC	(366)
Buy CNH Sell USD	JPMorgan Chase Bank NA	(811)
Buy CNH Sell USD	Morgan Stanley	(426)
Buy CNH Sell USD	UBS AG	(364)
		(5,251)

INVESTMENT PORTFOLIO, AS AT 30 JUNE 2021

FRANKLIN SELECT GLOBAL MULTI-ASSET INCOME FUND

	Holdings	Fair value (USD)	% of NAV
Investments (98.79%)			
Quoted Investment Funds (10.98%)			
Luxembourg (10.98%)			
Franklin High Yield Fund	54,129	529,742	5.06
Templeton Emerging Markets Bond Fund	94,030	620,451	5.92
Exchange Traded Funds (45.10%)			
China (4.88%)			
iShares China CNY Bond UCITS ETF	94,220	511,096	4.88
Ireland (33.19%)			
Franklin LibertyQ Emerging Markets UCITS ETF	6,240	176,241	1.68
Franklin LibertyQ European Dividend UCITS ETF	13,500	408,914	3.90
Franklin LibertyQ Global Dividend UCITS ETF	20,225	636,141	6.07
HSBC MSCI WORLD UCITS ETF	17,260	522,942	4.99
iShares Core Global Aggregate Bond UCITS ETF	148,700	793,538	7.57
iShares Global Corp. Bond UCITS ETF	8,860	940,932	8.98
United States of America (7.03%)			
Vanguard Total International Bond ETF	12,910	737,161	7.03
Listed Real Estate Investment Trusts ("REITs") (0.36%)			
Australia (0.09%)			
Goodman Group	583	9,225	0.09
France (0.05%)			
Gecina SA	31	4,750	0.05
United States of America (0.22%)			
Public Storage	55	16,538	0.16
Simon Property Group, Inc.	47	6,133	0.06
Listed Equities (38.42%)			
Australia (1.16%)			
BHP Group Ltd.	389	14,149	0.14
BHP Group plc	334	9,884	0.09
Fortescue Metals Group Ltd.	1,017	17,762	0.17
Rio Tinto Ltd.	223	21,137	0.20
Rio Tinto plc	665	54,925	0.52
Tabcorp Holdings Ltd.	1,050	4,073	0.04
Belgium (0.07%)			
Ageas SA/NV	67	3,724	0.04
Anheuser-Busch InBev SA/NV	50	3,605	0.03
Brazil (0.40%)			
B3 SA - Brasil Bolsa Balcao	1,200	4,056	0.04
Itausa SA, pfd.	2,581	5,783	0.06
Vale SA	1,000	22,759	0.22
WEG SA	600	4,062	0.04

FRANKLIN SELECT GLOBAL MULTI-ASSET INCOME FUND (continued)

	Holdings	Fair value (USD)	% of NAV
Investments (98.79%) (continued)			
Listed Equities (38.42%) (continued)			
Brazil (0.40%) (continued)			
Yara International ASA	87	4,585	0.04
Canada (0.74%)			
Bank of Montreal	50	5,124	0.05
Bank of Nova Scotia (The)	75	4,877	0.05
Canadian National Railway Co.	50	5,275	0.05
Canadian Natural Resources Ltd.	125	4,537	0.04
Canadian Pacific Railway Ltd.	50	3,844	0.04
Canadian Tire Corp. Ltd., A	37	5,854	0.06
CCL Industries, Inc., B	92	5,066	0.05
Constellation Software, Inc.	9	13,629	0.13
Dollarama, Inc.	86	3,936	0.04
Great-West Lifeco, Inc.	177	5,257	0.05
Magna International, Inc.	106	9,813	0.09
Sun Life Financial, Inc.	92	4,743	0.05
Teck Resources Ltd., B	200	4,606	0.04
China (1.54%)			
Agricultural Bank of China Ltd., H	16,000	5,552	0.05
Alibaba Group Holding Ltd., ADR	25	5,669	0.05
Bank of China Ltd., H	48,000	17,235	0.16
BYD Co. Ltd., H	250	7,504	0.07
China Construction Bank Corp., H	5,000	3,923	0.04
China Shenhua Energy Co. Ltd., H	2,000	3,918	0.04
Contemporary Amperex Technology Co. Ltd., A	100	8,255	0.08
Country Garden Services Holdings Co. Ltd.	1,000	10,790	0.10
CSPC Pharmaceutical Group Ltd.	4,000	5,778	0.06
ENN Energy Holdings Ltd.	400	7,602	0.07
Great Wall Motor Co. Ltd., H	1,500	4,834	0.05
Industrial & Commercial Bank of China Ltd., H	6,000	3,516	0.03
Lenovo Group Ltd.	4,000	4,594	0.04
Li Ning Co. Ltd.	500	6,099	0.06
NetEase, Inc., ADR	25	2,881	0.03
Ping An Insurance Group Co. of China Ltd., A	300	2,984	0.03
Prosus NV	25	2,449	0.02
Tencent Holdings Ltd.	500	37,646	0.36
Tencent Music Entertainment Group, ADR	200	3,096	0.03
Vipshop Holdings Ltd., ADR	275	5,522	0.05
Wilmar International Ltd.	900	3,017	0.03
Wuxi Biologics Cayman, Inc., 144A, Reg S	500	9,155	0.09
Denmark (0.38%)			
AP Moller - Maersk A/S, A	2	5,564	0.05
AP Moller - Maersk A/S, B	3	8,638	0.08
Coloplast A/S, B	31	5,090	0.05
Novo Nordisk A/S, B	164	13,730	0.13

FRANKLIN SELECT GLOBAL MULTI-ASSET INCOME FUND (continued)

	Holdings	Fair value (USD)	% of NAV
Investments (98.79%) (continued)			
Listed Equities (38.42%) (continued)			
Denmark (0.38%) (continued)			
Pandora A/S	58	7,826	0.07
Finland (0.16%)			
Fortum OYJ	145	4,000	0.04
Kone OYJ, B	46	3,755	0.04
Neste OYJ	131	8,036	0.08
France (0.88%)			
Arkema SA	30	3,771	0.04
Atos SE	56	3,410	0.03
BNP Paribas SA	225	14,122	0.13
Capgemini SE	20	3,847	0.04
Carrefour SA	210	4,133	0.04
Cie de Saint-Gobain	98	6,468	0.06
Credit Agricole SA	568	7,964	0.08
Electricite de France SA	285	3,895	0.04
Hermes International	5	7,297	0.07
L'Oreal SA	10	4,466	0.04
LVMH Moet Hennessy Louis Vuitton SE	5	3,934	0.04
Publicis Groupe SA	60	3,840	0.04
Sartorius Stedim Biotech	16	7,573	0.07
Sodexo SA	40	3,739	0.04
Suez SA	176	4,188	0.04
TotalEnergies SE	85	3,851	0.04
Veolia Environnement SA	145	4,384	0.04
Germany (0.86%)			
Allianz SE	15	3,744	0.04
Brenntag SE	95	8,843	0.08
Covestro AG, 144A, Reg S	65	4,203	0.04
Daimler AG	40	3,575	0.03
Deutsche Post AG	261	17,777	0.17
Evonik Industries AG	104	3,492	0.03
GEA Group AG	90	3,647	0.03
HeidelbergCement AG	40	3,435	0.03
HelloFresh SE	89	8,652	0.08
Knorr-Bremse AG	30	3,452	0.03
LANXESS AG	50	3,432	0.03
LEG Immobilien SE	30	4,319	0.04
Sartorius AG, pfd	10	5,206	0.05
Siemens Healthineers AG, 144A, Reg S	70	4,292	0.04
Uniper SE	105	3,869	0.04
Volkswagen AG	10	3,287	0.03
Zalando SE, 144A, Reg S (German traded)	43	5,201	0.05
Zalando SE, 144A, Reg A (Swedish traded)	14	1,693	0.02

FRANKLIN SELECT GLOBAL MULTI-ASSET INCOME FUND (continued)

	Holdings	Fair value (USD)	% of NAV
Investments (98.79%) (continued)			
Listed Equities (38.42%) (continued)			
Hong Kong (0.50%)			
CK Asset Holdings Ltd.	500	3,441	0.03
Henderson Land Development Co. Ltd.	1,000	4,732	0.05
Hong Kong Exchanges & Clearing Ltd.	300	17,859	0.17
Jardine Matheson Holdings Ltd.	100	6,392	0.06
Sun Hung Kai Properties Ltd.	500	7,431	0.07
Techtronic Industries Co. Ltd.	500	8,713	0.08
WH Group Ltd., 144A, Reg S	5,000	4,488	0.04
India (0.77%)			
Divi's Laboratories Ltd.	73	4,327	0.04
Dr Reddy's Laboratories Ltd.	75	5,465	0.05
HCL Technologies Ltd.	410	5,440	0.05
Hindustan Unilever Ltd.	125	4,165	0.04
Infosys Ltd.	2,059	43,516	0.42
Tata Consultancy Services Ltd.	191	8,617	0.08
Tata Motors Ltd.	925	4,246	0.04
Wipro Ltd.	687	5,044	0.05
Indonesia (0.03%)			
Telkom Indonesia Persero Tbk. PT	16,500	3,586	0.03
Ireland (0.04%)			
Kingspan Group plc	46	4,348	0.04
Israel (0.12%)			
Check Point Software Technologies Ltd.	34	3,948	0.04
Nice Ltd.	18	4,444	0.04
Teva Pharmaceutical Industries Ltd., ADR	400	3,960	0.04
Italy (0.16%)			
Assicurazioni Generali SpA	188	3,775	0.04
Mediobanca Banca di Credito Finanziario SpA	341	3,990	0.04
Moncler SpA	64	4,339	0.04
Prysmian SpA	115	4,127	0.04
Japan (3.68%)			
AGC, Inc.	100	4,189	0.04
Asahi Group Holdings Ltd.	100	4,674	0.04
Astellas Pharma, Inc.	200	3,486	0.03
Chubu Electric Power Co., Inc.	300	3,671	0.04
Dai-ichi Life Holdings, Inc.	200	3,680	0.04
Daito Trust Construction Co. Ltd.	50	5,456	0.05
Daiwa Securities Group, Inc.	800	4,395	0.04
ENEOS Holdings, Inc.	1,900	7,963	0.08
Fujitsu Ltd.	100	18,712	0.18
Hitachi Ltd.	600	34,387	0.33

FRANKLIN SELECT GLOBAL MULTI-ASSET INCOME FUND (continued)

	Holdings	Fair value (USD)	% of NAV
Investments (98.79%) (continued)			
Listed Equities (38.42%) (continued)			
Japan (3.68%) (continued)			
Honda Motor Co. Ltd.	100	3,217	0.03
Hoya Corp.	100	13,228	0.13
Inpex Corp.	600	4,491	0.04
ITOCHU Corp.	100	2,886	0.03
Japan Post Holdings Co. Ltd.	500	4,107	0.04
Kajima Corp.	200	2,538	0.02
KDDI Corp.	100	3,116	0.03
Komatsu Ltd.	100	2,478	0.02
Kubota Corp.	200	4,046	0.04
Lixil Corp.	100	2,588	0.02
M3, Inc.	100	7,286	0.07
Makita Corp.	100	4,709	0.04
Marubeni Corp.	500	4,355	0.04
MEIJI Holdings Co. Ltd.	75	4,495	0.04
Mitsubishi Chemical Holdings Corp.	500	4,207	0.04
Mitsubishi Corp.	100	2,732	0.03
Mitsubishi Electric Corp.	1,100	15,970	0.15
Mitsubishi UFJ Financial Group, Inc.	700	3,771	0.04
Mitsui & Co. Ltd.	800	18,022	0.17
Murata Manufacturing Co. Ltd.	50	3,809	0.04
NEC Corp.	100	5,146	0.05
Nexon Co. Ltd.	100	2,226	0.02
Nidec Corp.	25	2,875	0.03
Nintendo Co. Ltd.	15	8,681	0.08
Nippon Steel Corp.	200	3,382	0.03
Nippon Telegraph & Telephone Corp.	150	3,922	0.04
Nissan Chemical Corp.	100	4,888	0.05
Nitori Holdings Co. Ltd.	35	6,181	0.06
Nitto Denko Corp.	100	7,448	0.07
Nomura Holdings, Inc.	700	3,563	0.03
Nomura Research Institute Ltd.	100	3,303	0.03
NTT Data Corp.	200	3,122	0.03
Ono Pharmaceutical Co. Ltd.	200	4,460	0.04
ORIX Corp.	200	3,381	0.03
Osaka Gas Co. Ltd.	162	3,023	0.03
Otsuka Holdings Co. Ltd.	100	4,153	0.04
Panasonic Corp.	300	3,455	0.03
Recruit Holdings Co. Ltd.	100	4,904	0.05
Renesas Electronics Corp.	400	4,317	0.04
Rohm Co. Ltd.	50	4,602	0.04
SBI Holdings, Inc.	100	2,362	0.02
Sekisui House Ltd.	400	8,215	0.08
Seven & i Holdings Co. Ltd.	100	4,791	0.05
SG Holdings Co. Ltd.	200	5,252	0.05
Shimano, Inc.	25	5,949	0.06
SoftBank Corp.	300	3,923	0.04

FRANKLIN SELECT GLOBAL MULTI-ASSET INCOME FUND (continued)

	Holdings	Fair value (USD)	% of NAV
Investments (98.79%) (continued)			
Listed Equities (38.42%) (continued)			
Japan (3.68%) (continued)			
SoftBank Group Corp.	50	3,487	0.03
Sony Group Corp.	50	4,849	0.05
Sumitomo Chemical Co. Ltd.	700	3,721	0.04
Sumitomo Electric Industries Ltd.	200	2,954	0.03
Sumitomo Mitsui Financial Group, Inc.	100	3,447	0.03
Sysmex Corp.	50	5,932	0.06
T&D Holdings, Inc.	300	3,893	0.04
Tokyo Electron Ltd.	30	12,973	0.12
Tokyo Gas Co. Ltd.	200	3,773	0.04
TOTO Ltd.	50	2,591	0.02
Toyota Industries Corp.	50	4,324	0.04
Toyota Tsusho Corp.	100	4,747	0.05
Trend Micro, Inc.	100	5,237	0.05
Yamato Holdings Co. Ltd.	100	2,842	0.03
Luxembourg (0.04%)			
ArcelorMittal SA	125	3,849	0.04
Malaysia (0.03%)			
Public Bank Bhd.	3,700	3,663	0.03
Mexico (0.06%)			
Grupo Mexico SAB de CV, B	1,400	6,599	0.06
Netherlands (0.87%)			
ING Groep NV	624	8,284	0.08
Koninklijke Ahold Delhaize NV	355	10,573	0.10
NN Group NV	160	7,559	0.07
Randstad NV	62	4,753	0.05
Royal Dutch Shell plc, A	2,500	50,123	0.48
Royal Dutch Shell plc, B	200	3,883	0.04
Wolters Kluwer NV	54	5,428	0.05
New Zealand (0.04%)			
Fisher & Paykel Healthcare Corp. Ltd.	190	4,132	0.04
Norway (0.08%)			
Equinor ASA	200	4,234	0.04
Norsk Hydro ASA	600	3,831	0.04
Russia (0.06%)			
TCS Group Holding plc, GDR, Reg S	75	6,579	0.06
South Africa (0.29%)			
Anglo American Platinum Ltd.	38	4,387	0.04
Anglo American plc	100	3,980	0.04

FRANKLIN SELECT GLOBAL MULTI-ASSET INCOME FUND (continued)

	Holdings	Fair value (USD)	% of NAV
Investments (98.79%) (continued)			
Listed Equities (38.42%) (continued)			
South Africa (0.29%) (continued)			
Impala Platinum Holdings Ltd.	462	7,595	0.07
MTN Group	625	4,513	0.04
Sasol Ltd.	250	3,807	0.04
Sibanye Stillwater Ltd.	1,615	6,727	0.06
Thungela Resources Ltd.	10	28	—*
South Korea (0.96%)			
Hana Financial Group, Inc.	190	7,761	0.07
Hyundai Mobis Co. Ltd.	13	3,360	0.03
KB Financial Group, Inc.	254	12,564	0.12
Kia Corp.	171	13,582	0.13
LG Electronics, Inc.	55	7,937	0.08
LG Household & Health Care Ltd.	4	6,238	0.06
NCSOFT Corp.	6	4,351	0.04
POSCO	14	4,312	0.04
Samsung Electronics Co. Ltd., pfd.	127	8,285	0.08
Shinhan Financial Group Co. Ltd.	218	7,845	0.07
SK Hynix, Inc.	225	25,311	0.24
Spain (0.19%)			
Banco Bilbao Vizcaya Argentaria SA	725	4,498	0.04
Endesa SA	142	3,447	0.03
Industria de Diseno Textil SA	126	4,449	0.04
Red Electrica Corp. SA	214	3,974	0.04
Repsol SA	300	3,769	0.04
Sweden (0.50%)			
Alfa Laval AB	125	4,418	0.04
Atlas Copco AB, A	119	7,308	0.07
Atlas Copco AB, B	78	4,108	0.04
Boliden AB	112	4,310	0.04
Epiroc AB, A	218	4,963	0.05
Epiroc AB, B	185	3,632	0.03
Evolution AB, 144A, Reg S	88	13,921	0.13
Investor AB, B	200	4,610	0.04
Kinnevik AB, B	75	3,004	0.03
SKF AB, B	136	3,467	0.03
Switzerland (0.72%)			
Adecco Group AG	100	6,804	0.06
Credit Suisse Group AG	350	3,664	0.03
EMS-Chemie Holding AG	5	4,915	0.05
Geberit AG	8	6,009	0.06
Julius Baer Group Ltd.	50	3,266	0.03
Kuehne + Nagel International AG	11	3,765	0.04
Logitech International SA	35	4,250	0.04

FRANKLIN SELECT GLOBAL MULTI-ASSET INCOME FUND (continued)

	Holdings	Fair value (USD)	% of NAV
Investments (98.79%) (continued)			
Listed Equities (38.42%) (continued)			
Switzerland (0.72%) (continued)			
Partners Group Holding AG	12	18,191	0.17
Roche Holding AG	12	4,522	0.04
Schindler Holding AG	11	3,366	0.03
SGS SA	3	9,262	0.09
Sonova Holding AG	14	5,273	0.05
UBS Group AG	225	3,446	0.03
Taiwan (1.05%)			
AU Optronics Corp.	5,000	4,036	0.04
Fubon Financial Holding Co. Ltd.	2,000	5,292	0.05
Hon Hai Precision Industry Co. Ltd.	1,000	4,007	0.04
Novatek Microelectronics Corp.	500	8,920	0.09
Taiwan Semiconductor Manufacturing Co. Ltd.	3,800	81,689	0.78
United Microelectronics Corp.	3,000	5,678	0.05
Thailand (0.08%)			
Advanced Info Service PCL	700	3,738	0.04
Siam Cement PCL (The), fgn.	300	4,048	0.04
United Arab Emirates (0.04%)			
First Abu Dhabi Bank PJSC	975	4,433	0.04
United Kingdom (0.63%)			
3i Group plc	242	3,928	0.04
Admiral Group plc	127	5,526	0.05
Auto Trader Group plc, 144A, Reg S	480	4,204	0.04
Aviva plc	751	4,216	0.04
Barratt Developments plc	355	3,418	0.03
BT Group plc	1,825	4,905	0.05
CK Hutchison Holdings Ltd.	500	3,892	0.04
CNH Industrial NV	240	3,981	0.04
Hargreaves Lansdown plc	180	3,961	0.04
Kingfisher plc	1,295	6,536	0.06
Legal & General Group plc	950	3,389	0.03
M&G plc	1,300	4,119	0.04
Next plc	44	4,789	0.05
Persimmon plc	97	3,974	0.04
Sage Group plc (The)	450	4,263	0.04
United States of America (21.29%)			
3M Co.	93	18,473	0.18
A O Smith Corp.	84	6,053	0.06
Abbott Laboratories	35	4,058	0.04
AbbVie, Inc.	37	4,168	0.04
ABIOMED, Inc.	10	3,121	0.03
Accenture plc, A	226	66,623	0.64

FRANKLIN SELECT GLOBAL MULTI-ASSET INCOME FUND (continued)

	Holdings	Fair value (USD)	% of NAV
Investments (98.79%) (continued)			
Listed Equities (38.42%) (continued)			
United States of America (21.29%) (continued)			
Activision Blizzard, Inc.	40	3,818	0.04
Adobe, Inc.	63	36,895	0.35
Advance Auto Parts, Inc.	26	5,334	0.05
Alexion Pharmaceuticals, Inc.	24	4,409	0.04
Align Technology, Inc.	5	3,055	0.03
Allegion plc	32	4,458	0.04
Ally Financial, Inc.	80	3,987	0.04
Alphabet, Inc., A	44	107,439	1.03
Alphabet, Inc., C	2	5,013	0.05
Amazon.com, Inc.	28	96,324	0.92
Ameriprise Financial, Inc.	54	13,440	0.13
Amgen, Inc.	68	16,575	0.16
Apple, Inc.	404	55,332	0.53
Applied Materials, Inc.	220	31,328	0.30
Arista Networks, Inc.	15	5,435	0.05
Arrow Electronics, Inc.	47	5,350	0.05
Autodesk, Inc.	17	4,962	0.05
AutoZone, Inc.	3	4,477	0.04
Avery Dennison Corp.	21	4,415	0.04
Bank of New York Mellon Corp. (The)	83	4,252	0.04
Best Buy Co., Inc.	138	15,867	0.15
Biogen, Inc.	27	9,349	0.09
Bio-Rad Laboratories, Inc., A	5	3,221	0.03
BlackRock, Inc.	11	9,625	0.09
Broadcom, Inc.	10	4,768	0.05
Bunge Ltd.	65	5,080	0.05
Cabot Oil & Gas Corp.	205	3,579	0.03
Cadence Design Systems, Inc.	146	19,976	0.19
Capital One Financial Corp.	30	4,641	0.04
Caterpillar, Inc.	20	4,353	0.04
Cerner Corp.	187	14,616	0.14
CH Robinson Worldwide, Inc.	40	3,747	0.04
Cintas Corp.	15	5,730	0.05
Cisco Systems, Inc.	541	28,673	0.27
Citizens Financial Group, Inc.	85	3,899	0.04
Citrix Systems, Inc.	38	4,456	0.04
Clorox Co. (The)	59	10,615	0.10
Cognizant Technology Solutions Corp., A	108	7,480	0.07
Colgate-Palmolive Co.	388	31,564	0.30
Copart, Inc.	35	4,614	0.04
Cummins, Inc.	71	17,311	0.17
Danaher Corp.	20	5,367	0.05
DaVita, Inc.	36	4,335	0.04
Deere & Co.	60	21,163	0.20
Discover Financial Services	40	4,732	0.05
Domino's Pizza, Inc.	9	4,198	0.04

FRANKLIN SELECT GLOBAL MULTI-ASSET INCOME FUND (continued)

	Holdings	Fair value (USD)	% of NAV
Investments (98.79%) (continued)			
Listed Equities (38.42%) (continued)			
United States of America (21.29%) (continued)			
DR Horton, Inc.	67	6,055	0.06
Dropbox, Inc., A	167	5,062	0.05
Eastman Chemical Co.	86	10,040	0.10
eBay, Inc.	221	15,516	0.15
Edwards Lifesciences Corp.	45	4,661	0.04
Electronic Arts, Inc.	27	3,883	0.04
Emerson Electric Co.	220	21,173	0.20
EOG Resources, Inc.	114	9,512	0.09
Estee Lauder Cos., Inc. (The), A	15	4,771	0.05
Etsy, Inc.	20	4,117	0.04
Expeditors International of Washington, Inc.	37	4,684	0.04
Exxon Mobil Corp.	70	4,416	0.04
F5 Networks, Inc.	34	6,346	0.06
Facebook, Inc., A	204	70,933	0.68
Fair Isaac Corp.	16	8,043	0.08
Fastenal Co.	76	3,952	0.04
FedEx Corp.	15	4,475	0.04
Ferguson plc	27	3,757	0.04
Fidelity National Financial, Inc.	90	3,911	0.04
Fortinet, Inc.	84	20,008	0.19
Fortune Brands Home & Security, Inc.	55	5,479	0.05
Fox Corp., A	105	3,899	0.04
Generac Holdings, Inc.	15	6,227	0.06
Gilead Sciences, Inc.	60	4,132	0.04
Goldman Sachs Group, Inc. (The)	200	75,906	0.72
Halliburton Co.	186	4,300	0.04
Hologic, Inc.	155	10,342	0.10
Home Depot, Inc. (The)	53	16,901	0.16
HP, Inc.	120	3,623	0.03
Huntington Ingalls Industries, Inc.	25	5,269	0.05
IDEXX Laboratories, Inc.	51	32,209	0.31
Illinois Tool Works, Inc.	67	14,979	0.14
Intel Corp.	371	20,828	0.20
Interpublic Group of Cos., Inc. (The)	130	4,224	0.04
Intuit, Inc.	12	5,882	0.06
Invesco Ltd.	236	6,308	0.06
Jazz Pharmaceuticals plc	23	4,086	0.04
JB Hunt Transport Services, Inc.	50	8,147	0.08
KeyCorp	185	3,820	0.04
Kimberly-Clark Corp.	32	4,281	0.04
KLA Corp.	40	12,968	0.12
Kroger Co. (The)	293	11,225	0.11
Lennar Corp., A	164	16,293	0.16
Lincoln National Corp.	60	3,770	0.04
Lockheed Martin Corp.	38	14,377	0.14
Lowe's Cos., Inc.	94	18,233	0.17

FRANKLIN SELECT GLOBAL MULTI-ASSET INCOME FUND (continued)

	Holdings	Fair value (USD)	% of NAV
Investments (98.79%) (continued)			
Listed Equities (38.42%) (continued)			
United States of America (21.29%) (continued)			
Lumen Technologies, Inc.	285	3,873	0.04
LyondellBasell Industries NV, A	39	4,012	0.04
MarketAxess Holdings, Inc.	7	3,245	0.03
Masco Corp.	133	7,835	0.07
Maxim Integrated Products, Inc.	155	16,331	0.16
MetLife, Inc.	76	4,549	0.04
Mettler-Toledo International, Inc.	16	22,165	0.21
Micron Technology, Inc.	670	56,937	0.54
Microsoft Corp.	509	137,888	1.32
Moderna, Inc.	165	38,772	0.37
Mohawk Industries, Inc.	21	4,036	0.04
Monster Beverage Corp.	121	11,053	0.11
Moody's Corp.	13	4,711	0.04
Morgan Stanley	50	4,584	0.04
Mosaic Co. (The)	125	3,989	0.04
MSCI, Inc.	49	26,121	0.25
NRG Energy, Inc.	146	5,884	0.06
NVIDIA Corp.	7	5,601	0.05
Old Dominion Freight Line, Inc.	58	14,720	0.14
Omnicom Group, Inc.	50	3,999	0.04
Oracle Corp.	298	23,196	0.22
O'Reilly Automotive, Inc.	11	6,228	0.06
Owens Corning	65	6,363	0.06
Packaging Corp. of America	30	4,063	0.04
PerkinElmer, Inc.	64	9,882	0.09
Pinterest, Inc., A	45	3,553	0.03
Pioneer Natural Resources Co.	25	4,063	0.04
PulteGroup, Inc.	161	8,786	0.08
QUALCOMM, Inc.	98	14,007	0.13
Raymond James Financial, Inc.	30	3,897	0.04
Regeneron Pharmaceuticals, Inc.	7	3,910	0.04
Regions Financial Corp.	180	3,632	0.03
Robert Half International, Inc.	68	6,050	0.06
Rockwell Automation, Inc.	48	13,729	0.13
Rollins, Inc.	108	3,694	0.04
S&P Global, Inc.	9	3,694	0.04
Schlumberger NV	140	4,481	0.04
SEI Investments Co.	76	4,710	0.04
Sherwin-Williams Co. (The)	18	4,904	0.05
Skyworks Solutions, Inc.	100	19,175	0.18
Snap-on, Inc.	30	6,703	0.06
State Street Corp.	48	3,949	0.04
Steel Dynamics, Inc.	127	7,569	0.07
Stellantis NV	1,145	22,528	0.21
Synchrony Financial	103	4,998	0.05
Synopsys, Inc.	17	4,688	0.04

FRANKLIN SELECT GLOBAL MULTI-ASSET INCOME FUND (continued)

	Holdings	Fair value (USD)	% of NAV
Investments (98.79%) (continued)			
Listed Equities (38.42%) (continued)			
United States of America (21.29%) (continued)			
T Rowe Price Group, Inc.	138	27,320	0.26
Take-Two Interactive Software, Inc.	35	6,196	0.06
Target Corp.	300	72,522	0.69
Teradyne, Inc.	32	4,287	0.04
Texas Instruments, Inc.	447	85,958	0.82
Thermo Fisher Scientific, Inc.	10	5,045	0.05
Tractor Supply Co.	56	10,419	0.10
UGI Corp.	108	5,001	0.05
United Parcel Service, Inc., B	271	56,360	0.54
United Rentals, Inc.	21	6,699	0.06
Universal Health Services, Inc., B	31	4,539	0.04
Veeva Systems, Inc., A	30	9,329	0.09
Vertex Pharmaceuticals, Inc.	21	4,234	0.04
ViacomCBS, Inc.	85	3,842	0.04
Vistra Corp.	212	3,933	0.04
Wayfair, Inc., A	15	4,736	0.05
West Pharmaceutical Services, Inc.	34	12,209	0.12
WW Grainger, Inc.	14	6,132	0.06
Zillow Group, Inc., A	30	3,676	0.04
Zillow Group, Inc., C	30	3,667	0.03
Zoom Video Communications, Inc., A	14	5,418	0.05
Quoted Fixed Income Securities (3.93%)			
United States Dollar (3.93%)			
U.S. Treasury Bond, 6.38%, 15/08/2027	77,000	101,381	0.97
U.S. Treasury Bond, 4.50%, 15/02/2036	22,000	30,209	0.29
U.S. Treasury Bond, 4.75%, 15/02/2037	43,000	61,053	0.58
U.S. Treasury Bond, 5.00%, 15/05/2037	51,000	74,344	0.71
U.S. Treasury Note, 1.13%, 31/08/2021	40,000	40,072	0.38
U.S. Treasury Note, 2.50%, 31/03/2023	101,000	105,042	1.00
Total Investments		10,352,661	98.79
Net Forward Foreign Exchange Contracts Value (Note 4)		(5,863)	(0.06)
		10,346,798	98.73
Other Net Assets		132,335	1.27
Net Assets as at 30 June 2021		10,479,133	100.00
Total Investments at cost as at 30 June 2021		9,285,604	

*Amount less than 0.01%

FRANKLIN SELECT GLOBAL MULTI-ASSET INCOME FUND (continued)

Additional Details on Financial Derivative Instruments

Forward Foreign Exchange Contracts/ Underlying Assets	Counterparties	Fair Value USD
Buy CNH Sell USD	Bank of America NA	(183)
Buy CNH Sell USD	Barclays Bank PLC	(799)
Buy CNH Sell USD	BNP Paribas	(961)
Buy CNH Sell USD	Citibank NA	(631)
Buy CNH Sell USD	Credit Suisse International	(125)
Buy CNH Sell USD	Goldman Sachs Bank USA	(1,003)
Buy CNH Sell USD	HSBC Bank PLC	(730)
Buy CNH Sell USD	JPMorgan Chase Bank NA	(768)
Buy CNH Sell USD	Toronto Dominion Bank	(478)
Buy CNH Sell USD	UBS AG	(185)
		<hr/>
		(5,863)
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STATEMENT OF MOVEMENT IN PORTFOLIO HOLDINGS, FOR THE PERIOD ENDED 30 JUNE 2021

TEMPLETON SELECT GLOBAL LEADERS FUND

	Percentage holdings of net assets 30 June 2021 %	Percentage holdings of net assets 31 December 2020 %
Investments		
Listed Equities		
Brazil	1.94	—
Canada	—	1.87
China	7.38	1.72
Denmark	1.51	—
France	1.61	2.20
Germany	9.20	11.20
Hong Kong	1.51	2.08
India	—	1.21
Ireland	1.04	—
Japan	11.31	18.27
Netherlands	—	1.98
South Korea	4.42	4.72
Switzerland	—	3.29
Taiwan	3.92	3.52
United Kingdom	9.24	—
United States of America	41.94	43.78
Total Investments	95.02	95.84
Forward Foreign Exchange Contracts (Note 4)	(0.08)	0.06
	94.94	95.90
Other Net Assets	5.06	4.10
Net Assets as at period/year end	100.00	100.00

STATEMENT OF MOVEMENT IN PORTFOLIO HOLDINGS, FOR THE PERIOD ENDED 30 JUNE 2021

FRANKLIN SELECT GLOBAL MULTI-ASSET INCOME FUND

	Percentage holdings of net assets 30 June 2021 %	Percentage holdings of net assets 31 December 2020 %
Investments		
Quoted Investment Funds		
Luxembourg	10.98	5.13
Exchange Traded Funds		
China	4.88	1.54
Ireland	33.19	33.78
United States of America	7.03	14.44
Listed Real Estate Investment Trusts ("REITs")		
Australia	0.09	0.09
France	0.05	0.04
United States of America	0.22	0.25
Listed Equities		
Australia	1.16	0.55
Belgium	0.07	—
Brazil	0.40	0.23
Canada	0.74	0.88
China	1.54	2.06
Denmark	0.38	0.32
Finland	0.16	0.07
France	0.88	0.72
Germany	0.86	0.77
Hong Kong	0.50	0.27
India	0.77	0.34
Indonesia	0.03	0.07
Ireland	0.04	0.03
Israel	0.12	0.17
Italy	0.16	0.23
Japan	3.68	2.64
Luxembourg	0.04	—
Malaysia	0.03	—
Mexico	0.06	0.06
Netherlands	0.87	0.46
New Zealand	0.04	0.04
Norway	0.08	0.05
Qatar	—	0.04
Russia	0.06	0.04
Singapore	—	0.04
South Africa	0.29	—
South Korea	0.96	0.81
Spain	0.19	0.21
Sweden	0.50	0.28
Switzerland	0.72	1.08
Taiwan	1.05	0.60
Thailand	0.08	0.06
United Arab Emirates	0.04	—
United Kingdom	0.63	0.65
United States of America	21.29	18.87

FRANKLIN SELECT GLOBAL MULTI-ASSET INCOME FUND (continued)

	Percentage holdings of net assets 30 June 2021 %	Percentage holdings of net assets 31 December 2020 %
Investments (continued)		
Quoted Fixed Income Securities		
United States Dollar	3.93	9.40
Total Investments	98.79	97.31
Forward Foreign Exchange Contracts (Note 4)	(0.06)	0.05
Futures (Note 4)	—	(0.04)
	98.73	97.32
Other Net Assets	1.27	2.68
Net Assets as at period/year end	100.00	100.00

INFORMATION ON EXPOSURE ARISING FROM FINANCIAL DERIVATIVE INSTRUMENTS, FOR THE PERIOD ENDED 30 JUNE 2021

The following table details the exposure arising from the use of financial derivative instruments as a percentage of net asset value of each of the Funds for the period ended 30 June 2021:

	<u>Templeton Select Global Leaders Fund</u>		<u>Franklin Select Global Multi-Asset Income Fund</u>	
	Gross Exposure	Net Exposure	Gross Exposure	Net Exposure
	%	%	%	%
Highest	74.59	—*	77.75	0.87
Lowest	62.81	—*	47.44	—
Average	69.20	—*	54.99	0.06

* No financial derivative instruments were used for investment purposes.

ADMINISTRATION

MANAGER, REGISTRAR AND TRANSFER AGENT

Franklin Templeton Investments (Asia) Limited
17/F, Chater House
8 Connaught Road Central
Hong Kong

DIRECTORS OF THE MANAGER

Chan, Shuet Sum Isabella (resigned on 31 May 2021)
Lai-Choo-Kan, Michael Brian
Molina, George H
Plafker, Jed Andrew
Young, Ho Yip Alan

TRUSTEE

Cititrust Limited
50/F, Champion Tower
Three Garden Road, Central
Hong Kong

CUSTODIAN

Citibank, N.A. (Hong Kong Branch)
50/F, Champion Tower
Three Garden Road, Central
Hong Kong

AUDITOR

PricewaterhouseCoopers
22/F, Prince's Building, Central
Hong Kong