FRANKLIN TEMPLETON

Unaudited
Semi-Annual Report
December 31, 2018

Franklin Templeton Investment Funds

SOCIÉTÉ D'INVESTISSEMENT À CAPITAL VARIABLE

R.C.S. B35177

FRANKLIN TEMPLETON INVESTMENT FUNDS
société d'investissement à capital variable

UNAUDITED SEMI-ANNUAL REPORT
FOR THE PERIOD ENDED DECEMBER 31, 2018

This report shall not constitute an offer or a solicitation of an offer to buy shares of Franklin Templeton Investment Funds (the "Company"). Subscriptions are to be made on the basis of the current prospectus and its addendum as the case may be, where available the relevant Key Investor Information Documents ("KIIDs"), a copy of the latest available audited annual report and, if published thereafter, the latest unaudited semi-annual report.

For the purpose of the Hong Kong market, all references herein to "prospectus" and "Key Investor Information Documents" (or "KIIDs") should be construed as "Explanatory Memorandum" and "Product Key Facts Statements" respectively.

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All the funds marked with "^" above are not authorised for public distribution in Hong Kong as of 31 December 2018 and are not available to Hong Kong investors.

société d'investissement à capital variable
8A, rue Albert Borschette, L-1246 Luxembourg, Grand Duchy of Luxembourg
(Registered with the registre de commerce et des sociétés, Luxembourg, under number B 35 177)

General Information (as at December 31, 2018)

BOARD OF DIRECTORS:
Chairman
Gregory E. Johnson
Chairman and Chief Executive Officer
FRANKLIN RESOURCES, INC.
One Franklin Parkway
San Mateo, CA 94403-1906, U.S.A.

Directors
Jed A. Plafker
President and Executive Managing Director
FRANKLIN TEMPLETON INVESTMENTS
One Franklin Parkway
San Mateo, CA 94403-1906, U.S.A.

Mark G. Holowesko
President
HOLOWESKO PARTNERS LTD
Shipston House
P.O. Box N-7776, West Bay Street, Lyford Cay,
Nassau, Bahamas

James J. K. Hung
President and Chief Executive Officer
ASIA SECURITIES GLOBAL LTD
2704, Block B, Parkway Court,
No. 4 Parkway Road
Hong Kong

The Honourable Trevor G. Trefgarne
Chairman
ENTREPRISE GROUP LIMITED
11 High Street
Accra, Ghana
(date of resignation September 17, 2018)

William C. P. Lockwood
Independent Director
Poste restante, Avenue du Général de Gaulle
F-57570 Cattenom, France

MANAGEMENT COMPANY:
FRANKLIN TEMPLETON INTERNATIONAL SERVICES S.à r.l.
8A, rue Albert Borschette, L-1246 Luxembourg
Grand Duchy of Luxembourg

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

PRINCIPAL DISTRIBUTOR:
FRANKLIN TEMPLETON INTERNATIONAL SERVICES S.à r.l.
8A, rue Albert Borschette, L-1246 Luxembourg
Grand Duchy of Luxembourg

INVESTMENT MANAGERS:
FRANKLIN ADVISERS, INC.
One Franklin Parkway
San Mateo, CA 94403-1906, U.S.A.

FASA, LLC
One International Place, 25th Floor
Boston, MA 02110, U.S.A.

FRANKLIN MUTUAL ADVISERS, LLC
101 John F. Kennedy Parkway
Short Hills, NJ 07078-2789, U.S.A.

FRANKLIN TEMPLETON INSTITUTIONAL LLC
280 Park Avenue,
New York, NY 10017, U.S.A.

FRANKLIN TEMPLETON INTERNATIONAL SERVICES S.à r.l.
8A, rue Albert Borschette, L-1246 Luxembourg
Grand Duchy of Luxembourg

FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED
Cannon Place, 78 Cannon Street
London EC4N 6HL, United Kingdom

FRANKLIN TEMPLETON INVESTMENT TRUST MANAGEMENT CO. LIMITED
12 Youido-dong, Youngdungpo-gu,
Seoul, Korea

FRANKLIN TEMPLETON INVESTIMENTOS (Brasil) Ltda.
Avenue Brigadeiro Faria Lima 3311, 5o andar,
São Paulo 04538-133, Brazil

FRANKLIN TEMPLETON INVESTMENTS AUSTRALIA LIMITED
Level 19, 101 Collins Street
Melbourne, VIC 3000, Australia

FRANKLIN TEMPLETON INVESTMENTS (ASIA) LIMITED
17/F, Chater House
8 Connaught Road Central
Hong Kong

FRANKLIN TEMPLETON INVESTMENTS CORP.
200 King Street West, Suite 1500,
Toronto, Ontario M5H 3T4, Canada

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

P/E GLOBAL LLC
75 State Street, 31st Floor, Boston
MA 02109, U.S.A.

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

IMPALA ASSET MANAGEMENT LLC
107 Cherry Street
New Canaan, CT 06840, U.S.A.

JENNISON ASSOCIATES LLC
466 Lexington Avenue
New York, NY 10017, U.S.A.

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

P. SCHOENFELD ASSET MANAGEMENT L.P.
1350 Avenue of the Americas, 21st Floor
New York, NY 10019, U.S.A.

EMSO ASSET MANAGEMENT LIMITED
Iron Trades House, 21-14 Grosvenor Place
London SW1X 7HF, United Kingdom

BASSO CAPITAL MANAGEMENT L.P.
1266 East Main Street
Stamford, CT 06902, U.S.A.

CHATHAM ASSET MANAGEMENT LLC
26 Main Street, Suite 204
Chatham, NJ 07928, U.S.A.

LAZARD ASSET MANAGEMENT LLC
30 Rockfeller Plaza
New York, NY 10112, U.S.A.

LOOMIS SAYLES & COMPANY, L.P.
One Financial Center, 27th Floor
Boston, MA 02111, U.S.A.

GRAHAM CAPITAL MANAGEMENT L.P.
40 Highland Avenue
Rowayton, CT 06853, U.S.A.

PORTLAND HILL ASSET MANAGEMENT LIMITED
21 Knightsbridge
London SW1X 7LY, United Kingdom

ASPECT CAPITAL LIMITED
10 Portman Square
London W1H 6AZ, United Kingdom

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

APOLLO SA MANAGEMENT, LLC
9 West 57th Street, Suite 4800
New York, NY 10019, U.S.A.

LOGAN CIRCLE PARTNERS, L.P.
1717 Arch Street, Suite 1500,
Philadelphia, PA 19103, U.S.A

MEDALIST PARTNERS, L.P.
555 Theodore Fremd, Suite C-303
Rye, NY 10580, U.S.A.

HALCYON ARBITRAGE UCITS MANAGEMENT L.P.
477 Madison Avenue, 8th Floor
New York, NY 10022, U.S.A.

FRANKLIN TEMPLETON INVESTMENTS (ME) LIMITED
The Gate, East Wing, Level 2,
Dubai International Financial Centre,
P.O. Box 506613, Dubai, United Arab Emirates

SUMITOMO MITSUI ASSET MANAGEMENT COMPANY LIMITED
2-5-1 Atago Minato-ku
Tokyo 105-6228, Japan

TEMPLETON ASSET MANAGEMENT LTD.
7 Temasek Boulevard
38-03 Suntec Tower One
Singapore 038987

TEMPLETON GLOBAL ADVISORS LIMITED
P.O. Box N-7759
Lyford Cay, Nassau, Bahamas

TEMPLETON INVESTMENT COUNSEL, LLC
300 S.E. 2nd Street
Fort Lauderdale, FL 33301, U.S.A.

DEPOSITARY AND LISTING AGENT
J.P. Morgan Bank LUXEMBOURG S.A.
European Bank and Business Centre
6C Route de Trèves, L-2633 Senningerberg
Grand Duchy of Luxembourg

AUDITOR:
PRICEWATERHOUSECOOPERS, Société coopérative
2, rue Gerhard Mercator, L-2182 Luxembourg
Grand Duchy of Luxembourg

LEGAL ADVISERS:
ELVINGER HOSS PRUSSEN, Société anonyme
2, place Winston Churchill, L-1340 Luxembourg
Grand Duchy of Luxembourg

General Information (as at December 31, 2018) (continued)

INVESTMENT MANAGERS PER FUND:

Franklin Asia Credit Fund
Co-Investment Managers
FRANKLIN ADVISERS, INC.
FRANKLIN TEMPLETON INSTITUTIONAL, LLC
FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED

Franklin Biotechnology Discovery Fund
FRANKLIN ADVISERS, INC.

Franklin Brazil Opportunities Fund
FRANKLIN TEMPLETON INVESTIMENTOS (Brasil) Ltda.

Franklin Diversified Balanced Fund
FRANKLIN TEMPLETON INTERNATIONAL SERVICES S.à r.l.

Franklin Diversified Conservative Fund
FRANKLIN TEMPLETON INTERNATIONAL SERVICES S.à r.l.

Franklin Diversified Dynamic Fund
FRANKLIN TEMPLETON INTERNATIONAL SERVICES S.à r.l.

Franklin Euro Government Bond Fund
FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED

Franklin Euro High Yield Fund
Co-Investment Managers
FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED
FRANKLIN ADVISERS, INC.

Franklin Euro Short Duration Bond Fund
FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED

Franklin Euro Short-Term Money Market Fund
FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED

Franklin European Corporate Bond Fund
Co-Investment Managers
FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED
FRANKLIN TEMPLETON INSTITUTIONAL, LLC

Franklin European Dividend Fund
FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED

Franklin European Growth Fund
FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED

Franklin European Income Fund
FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED

Franklin European Small-Mid Cap Growth Fund
FRANKLIN TEMPLETON INSTITUTIONAL, LLC

Franklin European Total Return Fund
FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED

Franklin Flexible Alpha Bond Fund
Co-Investment Managers
FRANKLIN ADVISERS, INC.
FRANKLIN TEMPLETON INSTITUTIONAL, LLC

Franklin GCC Bond Fund
FRANKLIN TEMPLETON INVESTMENTS (ME) LIMITED

Franklin Global Aggregate Bond Fund
Co-Investment Managers
FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED
FRANKLIN TEMPLETON INSTITUTIONAL, LLC

Franklin Global Aggregate Investment Grade Bond Fund
Co-Investment Managers
FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED
FRANKLIN TEMPLETON INSTITUTIONAL, LLC

Franklin Global Convertible Securities Fund
FRANKLIN ADVISERS, INC.

Franklin Global Fundamental Strategies Fund
Co-Investment Managers
FRANKLIN ADVISERS, INC.
TEMPLETON GLOBAL ADVISORS LIMITED
FRANKLIN MUTUAL ADVISERS, LLC

Franklin Global Listed Infrastructure Fund
FRANKLIN TEMPLETON INSTITUTIONAL, LLC

Franklin Global Multi-Asset Income Fund
Lead Investment Manager
FRANKLIN TEMPLETON INTERNATIONAL SERVICES S.à r.l.
Investment Co-Managers
FRANKLIN ADVISERS, INC.
FRANKLIN TEMPLETON INSTITUTIONAL, LLC
FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED

Franklin Global Real Estate Fund
FRANKLIN TEMPLETON INSTITUTIONAL, LLC

Franklin Global Small-Mid Cap Growth Fund
FRANKLIN TEMPLETON INSTITUTIONAL, LLC

Franklin Gold and Precious Metals Fund
FRANKLIN ADVISERS, INC.

Franklin High Yield Fund
FRANKLIN ADVISERS, INC.

Franklin Income Fund
FRANKLIN ADVISERS, INC.

Franklin India Fund
Co-Investment Managers
TEMPLETON ASSET MANAGEMENT LTD.
FRANKLIN ADVISERS, INC.

Franklin Japan Fund
Lead Investment Manager
FRANKLIN ADVISERS, INC.
Sub-Investment Manager
SUMITOMO MITSUI ASSET MANAGEMENT COMPANY LIMITED

Franklin K2 Alternative Strategies Fund
Lead Investment Manager
K2/D&S MANAGEMENT CO., LLC
Sub-Investment Managers
CHILTON INVESTMENT COMPANY, LLC
IMPALA ASSET MANAGEMENT LLC
JENNISON ASSOCIATES LLC
WELLINGTON MANAGEMENT COMPANY, LLP
P. SCHOENFELD ASSET MANAGEMENT L.P.
EMSO ASSET MANAGEMENT LIMITED
BASSO CAPITAL MANAGEMENT L.P.
CHATHAM ASSET MANAGEMENT LLC
LAZARD ASSET MANAGEMENT LLC
LOOMIS SAYLES & COMPANY, L.P.
GRAHAM CAPITAL MANAGEMENT L.P.
PORTLAND HILL ASSET MANAGEMENT LIMITED
HALCYON ARBITRAGE UCITS MANAGEMENT L.P.

Franklin K2 Global Macro Opportunities Fund
Lead Investment Manager
K2/D&S MANAGEMENT CO., LLC
Sub-Investment Managers
ASPECT CAPITAL LIMITED
EMSO ASSET MANAGEMENT LIMITED
GRAHAM CAPITAL MANAGEMENT L.P.
P/E GLOBAL LLC

Franklin K2 Long Short Credit Fund
Lead Investment Manager
K2/D&S MANAGEMENT CO., LLC
Sub-Investment Managers
ELLINGTON GLOBAL ASSET MANAGEMENT, LLC
APOLLO SA MANAGEMENT, LLC
LOGAN CIRCLE PARTNERS, L.P.
MEDALIST PARTNERS, L.P.
EMSO ASSET MANAGEMENT LIMITED
CHATHAM ASSET MANAGEMENT LLC

Franklin MENA Fund
FRANKLIN ADVISERS, INC.

Franklin Natural Resources Fund
FRANKLIN ADVISERS, INC.

Franklin NextStep Balanced Growth Fund
Lead Investment Manager
FRANKLIN TEMPLETON INVESTMENTS (ASIA) LIMITED
Sub-Investment Managers
FRANKLIN ADVISERS, INC.
FRANKLIN TEMPLETON INVESTMENTS CORP.

Franklin NextStep Conservative Fund
Co-Investment Managers
FRANKLIN ADVISERS, INC.
FRANKLIN TEMPLETON INVESTMENTS CORP.

Franklin NextStep Dynamic Growth Fund
Lead Investment Manager
FRANKLIN TEMPLETON INVESTMENTS (ASIA) LIMITED
Sub-Investment Managers
FRANKLIN ADVISERS, INC.
FRANKLIN TEMPLETON INVESTMENTS CORP.

Franklin NextStep Growth Fund
Co-Investment Managers
FRANKLIN ADVISERS, INC.
FRANKLIN TEMPLETON INVESTMENTS CORP.

Franklin NextStep Moderate Fund
Co-Investment Managers
FRANKLIN ADVISERS, INC.
FRANKLIN TEMPLETON INVESTMENTS CORP.

Franklin NextStep Stable Growth Fund
Lead Investment Manager
FRANKLIN TEMPLETON INVESTMENTS (ASIA) LIMITED
Sub-Investment Managers
FRANKLIN ADVISERS, INC.
FRANKLIN TEMPLETON INVESTMENTS CORP.

Franklin Select U.S. Equity Fund
FRANKLIN ADVISERS, INC.

Franklin Strategic Income Fund
FRANKLIN ADVISERS, INC.

Franklin Technology Fund
FRANKLIN ADVISERS, INC.

Franklin U.S. Dollar Liquid Reserve Fund
FRANKLIN ADVISERS, INC.

Franklin U.S. Government Fund
FRANKLIN ADVISERS, INC.

General Information (as at December 31, 2018) (continued)

INVESTMENT MANAGERS PER FUND (continued):

Franklin U.S. Low Duration Fund
FRANKLIN ADVISERS, INC.

Franklin U.S. Opportunities Fund
FRANKLIN ADVISERS, INC.

Franklin World Perspectives Fund
Lead Investment Manager
FRANKLIN ADVISERS, INC.
Investment Co-Managers
FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED
FRANKLIN TEMPLETON INVESTMENTS CORP.
FRANKLIN TEMPLETON INVESTMENTS (ME) LIMITED
FRANKLIN TEMPLETON INVESTIMENTOS (Brasil) Ltda.
FRANKLIN TEMPLETON INVESTMENT TRUST MANAGEMENT CO. LIMITED
TEMPLETON ASSET MANAGEMENT LTD.

Franklin Mutual European Fund
FRANKLIN MUTUAL ADVISERS, LLC

Franklin Mutual Global Discovery Fund
FRANKLIN MUTUAL ADVISERS, LLC

Franklin Mutual U.S. Value Fund
FRANKLIN MUTUAL ADVISERS, LLC

Templeton Africa Fund
FRANKLIN TEMPLETON INVESTMENTS (ME) LIMITED

Templeton Asian Bond Fund
Lead Investment Manager
FRANKLIN ADVISERS, INC.
Sub-Investment Manager
TEMPLETON ASSET MANAGEMENT LTD.

Templeton Asian Growth Fund
TEMPLETON ASSET MANAGEMENT LTD.

Templeton Asian Smaller Companies Fund
TEMPLETON ASSET MANAGEMENT LTD.

Templeton BRIC Fund
Lead Investment Manager
FRANKLIN TEMPLETON INVESTMENTS (ASIA) LIMITED
Sub-Investment Manager
TEMPLETON ASSET MANAGEMENT LTD.

Templeton China Fund
TEMPLETON ASSET MANAGEMENT LTD.

Templeton Eastern Europe Fund
Lead Investment Manager
FRANKLIN TEMPLETON INVESTMENTS (ASIA) LIMITED
Sub-Investment Manager
FRANKLIN TEMPLETON INVESTMENTS (ME) LIMITED

Templeton Emerging Markets Fund
Lead Investment Manager
FRANKLIN TEMPLETON INVESTMENTS (ASIA) LIMITED
Sub-Investment Manager
TEMPLETON ASSET MANAGEMENT LTD.

Templeton Emerging Markets Balanced Fund
Lead Investment Manager
FRANKLIN ADVISERS, INC.
Sub-Investment Manager
TEMPLETON ASSET MANAGEMENT LTD.

Templeton Emerging Markets Bond Fund
FRANKLIN ADVISERS, INC.

Templeton Emerging Markets Local Currency Bond Fund
FRANKLIN ADVISERS, INC.

Templeton Emerging Markets Smaller Companies Fund
TEMPLETON ASSET MANAGEMENT LTD.

Templeton Euroland Fund
FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED

Templeton Frontier Markets Fund
Lead Investment Manager
FRANKLIN TEMPLETON INVESTMENTS (ASIA) LIMITED
Sub-Investment Manager
FRANKLIN TEMPLETON INVESTMENTS (ME) LIMITED

Templeton Global Fund
TEMPLETON GLOBAL ADVISORS LIMITED

Templeton Global Balanced Fund
Co-Investment Managers
FRANKLIN ADVISERS, INC.
FRANKLIN TEMPLETON INVESTMENTS AUSTRALIA LIMITED

Templeton Global Bond Fund
FRANKLIN ADVISERS, INC.

Templeton Global Bond (Euro) Fund
FRANKLIN ADVISERS, INC.

Templeton Global Climate Change Fund
Lead Investment Manager
FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED
Sub-Investment Manager
FRANKLIN TEMPLETON INVESTMENTS CORP.

Templeton Global Currency Fund
FRANKLIN ADVISERS, INC.

Templeton Global Equity Income Fund
FRANKLIN TEMPLETON INVESTMENTS AUSTRALIA LIMITED

Templeton Global High Yield Fund
FRANKLIN ADVISERS, INC.

Templeton Global Income Fund
Co-Investment Managers
FRANKLIN ADVISERS, INC.
TEMPLETON GLOBAL ADVISORS LIMITED

Templeton Global Smaller Companies Fund
TEMPLETON INVESTMENT COUNSEL, LLC

Templeton Global Total Return Fund
FRANKLIN ADVISERS, INC.

Templeton Growth (Euro) Fund
TEMPLETON GLOBAL ADVISORS LIMITED

Templeton Latin America Fund
Lead Investment Manager
FRANKLIN ADVISERS, INC.
Sub-Investment Manager
FRANKLIN TEMPLETON INVESTIMENTOS (Brasil) Ltda.

Templeton Thailand Fund
TEMPLETON ASSET MANAGEMENT LTD.

The Board of Directors

The Board

Chairman
Gregory E. Johnson

Gregory Johnson (57) was appointed to the Board on November 28, 2003. He is Chairman, President and Chief Executive Officer of Franklin Resources, Inc. and serves on the Board of Directors. He is also President of Templeton Worldwide, Inc., Chief Executive Officer and President of Templeton International, Inc. and serves as a Director for a number of subsidiaries of Franklin Resources, Inc. He is a member of a number of Franklin Templeton's International Fund Boards. Mr. Johnson joined Franklin in 1986 after working as a senior accountant for Coopers & Lybrand. He has served as President and Chairman of the Board for Franklin Templeton Distributors, Inc., President of Franklin Investment Advisory, LLC, President of FT Trust Company, Vice President of Franklin Advisers, Inc., co-portfolio manager of Franklin Income Fund and Franklin Utilities Fund and as an investment analyst.

Directors
Mark G. Holowesko
Mark Holowesko (58) was appointed to the Board on November 30, 1994. Mark Holowesko is the founding Partner and Chief Executive Officer of Holowesko Partners Ltd (HPL). Mark launched the firm in the fall of 2000, under the name of Templeton Capital Advisors, to serve the needs of institutional and high-net-worth investors. Subsequently renamed Holowesko Partners, under Mark's leadership HPL has enjoyed steady and consistent growth and now stands as one of the premier global equity hedge firms in the industry.

Mark's investment career began in 1985 when he joined Templeton Global Advisors as a research analyst. By 1987, he had assumed the day-to-day management of all portfolios previously managed by Sir John Templeton, including the Templeton Growth Fund and the Templeton Foreign Fund. In 1989, Mark became the Director of Research of the Templeton Global Equity Funds and later, in 1996, assumed the role of Chief Investment Officer.

Mark served as a member of the Executive Committee of Templeton, Galbraith & Hansberger from 1987 to 1992 and as a member of the Executive Committee of Franklin Resources from 1992 to 2000. Mark was Director, President & Head of Investments of Templeton Global Advisors Ltd. from 1992 to 2000.

Currently, Mark is Chairman of the Investment Committee of First Trust Bank, an offshore entity responsible for managing the assets of two of Sir John Templeton's Foundations.

James J. K. Hung
James Hung (72) was appointed to the Board on November 29, 2002. He is the Chairman and Chief Executive Officer ("CEO") of Xinya Investment Group, China, a real estate development and investment group in Mainland China, Hong Kong and Taiwan. He is also a Director and major shareholder of Security Bank in the Philippines and the Director of Franklin Templeton Fund Management Company in Shanghai, a joint venture of Franklin Templeton and the Sealand Securities Company, China. His previous experience includes working for Asia Securities Inc. (Taiwan) as the Chairman and CEO. He has also previously been the Director of Yi-Min Fund Management Co., (China), H&Q Venture Capital Inc. (Taiwan), Taiwan Index Fund Inc. (Luxembourg) and Vietnam Fund Inc. (Guernsey).

The Honourable Trevor G. Trefgarne
The Honourable Trevor Trefgarne (75) was appointed to the Board of Franklin Templeton Investment Funds on November 29, 2002. He is Chairman of Enterprise Group Limited, Ghana, and has been Director of a number of U.K. listed investment funds including Templeton Emerging Markets Investment Trust, Recovery Trust (Chairman) and Gartmore High Income Trust. He has extensive experience of the management of listed companies in the U.K. and Africa.

Jed A. Plafker
Mr. Plafker (48) was appointed to the Board of Franklin Templeton Investment Funds on April 13, 2017. He is currently serving as the president of Franklin Templeton International. In this capacity, he is responsible for the international sales and marketing function. He also serves as a director of various Franklin Templeton corporate and investment entities as well as the ICI Global Steering Committee. Mr. Plafker joined Franklin Templeton in 1994, as an attorney in Franklin Templeton's corporate legal department. In January 1998, Mr. Plafker joined the international legal team as a vice president covering legal issues around the world. In May 2000, he moved to Franklin Templeton's Hong Kong office to become chief legal counsel, Asia, where he had responsibility for all legal issues effecting Franklin Templeton's Asia business, products and people.

In April 2001, Mr. Plafker took on the role of country head in Hong Kong where he ran the sales and marketing operations for Hong Kong while continuing in his role as chief legal counsel for Asia. In July 2002, he became managing director of Franklin Templeton Alternative Strategies. In January 2003, Mr. Plafker relocated to London to become one of five managing directors of Franklin Templeton's International Retail Group where he was responsible for overseeing the sales and marketing of all Franklin Templeton products in Africa, Middle East and parts of Europe including the UK, Spain, Switzerland and various Nordic countries. In June 2005, Mr. Plafker relocated to Franklin Templeton′s headquarters in the United States.

Mr. Plafker earned a B.A. in economics and business from Lafayette College in Easton, Pennsylvania and a Juris Doctorate from the University of Miami in Coral Gables, Florida.

William C. P. Lockwood
William Lockwood (62) was appointed to the Board of Franklin Templeton Investment Funds on December 1, 2014. He joined Franklin Templeton in 1992 and served as General Manager of the Franklin Templeton Luxembourg subsidiary and Franklin Templeton Investment Funds until December 2005. From December 2005 until January 2014, he was Conducting Officer of Franklin Templeton Investment Funds and of Franklin Templeton International Services S.à r.l. subsequently. The Conducting Officer role was a management, oversight and governance role under the EU UCITS legislation reporting directly to the Board of Franklin Templeton Investment Funds. Mr Lockwood has been working in the financial services industry in Luxembourg since 1982. He is a Scottish Chartered Accountant and a Member of the Chartered Institute for Securities & Investment, London. He

The Board of Directors (continued)

The Board (continued)

William C. P. Lockwood (continued)
has served as a director and international vice chairman of the Luxembourg Fund Industry Association (ALFI) and as a council member of the Institute of Chartered Accountants of Scotland.

Report of the Investment Managers – Six Months to December 31, 2018

During the six months ended December 31, 2018, US-China trade tensions dominated investor attention. Though some optimism appeared later in the period that trade relations could improve, newsflow on the dispute generally dampened sentiment. Concerns also arose about the pace of US interest-rate hikes and signs of slowing global economic growth.

In Europe, despite US trade rhetoric and economic turmoil in Turkey, strong corporate earnings and promising trade talks buoyed regional financial markets early in the period. The European Union (EU) and Italy tussled over the latter's budget plans, but these tensions eased by period-end. However, during 2018's fourth quarter, continued Brexit uncertainty, worries about the pace of US interest-rate increases and mixed corporate earnings soured investor outlooks. Europe's third-quarter gross domestic product (GDP) growth slowed compared to previous quarters and came in below consensus expectations at 1.6% year-on-year in the euro area and 1.8% in the EU. However, Europe's unemployment rates through November were at historically low levels. The European Central Bank's (ECB's) net asset purchase programme concluded at the end of December, though balance sheet reinvestments are to continue. In early August, the Bank of England increased its benchmark interest rate to its highest level since 2009, at 0.75%. The United Kingdom's third-quarter GDP grew 1.5% year-on-year, ahead of consensus expectations and the paces of the first and second quarters.

In the United States, robust corporate earnings, high business and consumer confidence, multi-decade low unemployment and strength in other economic indicators all supported US equities early in the reporting period. In September, the US Federal Reserve (Fed) lifted the federal funds target rate 25 basis points (bps) to a range of 2.00% to 2.25%. As the reporting period wore on, though major US stock indices delivered their best week in nearly seven years to end the month of November, they otherwise saw widespread declines during the fourth quarter amidst doubts about trade policy and the strength of the global economy. Investors also appeared concerned over corporate earnings potentially softening in 2019. US real GDP growth for the third quarter was revised slightly lower from an earlier estimated 3.5% quarter-on-quarter annualised pace to 3.4% (compared to 4.2% in the second quarter). The Fed lifted the federal funds target rate in December by 25 bps to a range of 2.25% to 2.50%. It modestly lowered its forecast for US economic growth in 2019 and implied there may be fewer interest-rate hikes in the year ahead than previously projected.

Broad gauges of the global commodity complex were under pressure for much of the period amidst a slightly stronger US dollar and concerns over desynchronised global growth and China's demand outlook. The US-China trade dispute added to the commodity complex's headwinds and spurred uncertainty over global trade in 2019. Most commodities suffered steep price declines for the six-month period, led by crude oil. Crude oil prices were beset by signs of excess inventory and weak demand from China, India and other economies across emerging Asia (the source of two-thirds of global oil-demand growth), which overshadowed major producers' recent efforts to pare global oversupply. Some analysts believe the US dollar may have less of a downside influence on commodity prices in 2019 given its expensive valuation, a flagging equity boom, waning cash repatriation by US companies, and the possibility that going forward the Fed will not raise interest rates as many times as previously signalled.

Recent market shifts have been driven by a wide range of factors, including decelerating and desynchronising global economic growth, higher US interest rates, a gradual rise in US inflation, geopolitical uncertainty in several regions of the world, select emerging-market challenges, and policy risks with a view towards difficult US-China trade relations. Looking ahead, we see scope for continued moderate global growth as China is likely to undertake stimulus measures and as the Fed and ECB navigate their respective economic cycles. While valuations look extended in some parts of the equity market (albeit less so following fourth-quarter weakness), we also see pockets of opportunity, particularly outside the United States. Volatility is likely to remain elevated given rising late-cycle risks, and the resultant dislocations should continue to present opportunities for disciplined stockpickers. The policy backdrop is also an important consideration given nascent efforts to normalise what has been extraordinarily accommodative central bank policy. We continue to believe that the process of monetary policy normalisation is likely to drive a rotation away from expensive growth stocks, to the benefit of beaten-down value shares. From a global fixed income perspective, many of the countries that we believed were undervalued earlier this year have become even more undervalued with the recent "risk-off" cycle. Longer term we continue to believe that a number of local-currency markets are fundamentally stronger than markets have been indicating. We also expect currency appreciation across a select subset of emerging markets.

THE INVESTMENT MANAGERS
December, 2018

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

Fund Performance
Percentage Change to December 31, 2018

	Reference Share Class	Launch Date	6 Months %	1 Year %	3 Years %	5 Years %	10 Years %	Since Launch %
Franklin Asia Credit Fund	A (acc) USD	17 Nov 14	0.5	(3.1)	8.8	-	-	6.8
Franklin Biotechnology Discovery Fund	A (acc) USD	03 Apr 00	(18.6)	(16.3)	(19.6)	13.6	238.2	164.8
^Franklin Brazil Opportunities Fund	A (acc) USD	27 Jul 12	7.1	4.1	22.3	6.8	-	10.1
^Franklin Diversified Balanced Fund	A (acc) EUR	23 Mar 15	(9.1)	(11.4)	(8.8)	-	-	22.2
^Franklin Diversified Conservative Fund	A (acc) EUR	23 Mar 15	(6.0)	(8.5)	(6.6)	-	-	25.7
^Franklin Diversified Dynamic Fund	A (acc) EUR	23 Mar 15	(11.9)	(15.1)	(12.8)	-	-	17.4
Franklin Euro Government Bond Fund	A (Ydis) EUR	08 Jan 99	0.4	(0.1)	(1.1)	12.0	35.2	70.0
Franklin Euro High Yield Fund	A (Ydis) EUR	17 Apr 00	(1.8)	(3.9)	7.6	11.7	139.3	86.4
^Franklin Euro Short Duration Bond Fund	A (acc) EUR	21 Feb 14	(0.6)	(1.7)	(0.8)	-	-	1.0
^Franklin Euro Short-Term Money Market Fund	A (acc) EUR	23 Oct 09	(0.3)	(0.7)	(1.6)	(1.7)	-	(0.5)
^Franklin European Corporate Bond Fund	A (acc) EUR	30 Apr 10	(0.5)	(2.0)	4.9	11.5	-	30.4
Franklin European Dividend Fund	A (acc) EUR	29 Jul 11	(10.6)	(12.4)	(2.7)	11.6	-	51.0
^Franklin European Growth Fund	A (acc) EUR	29 Dec 00	(13.8)	(16.9)	(7.2)	(3.6)	150.7	39.6
^Franklin European Income Fund	A (acc) EUR	17 Nov 14	(6.6)	(8.7)	(3.2)	-	-	5.4
Franklin European Small-Mid Cap Growth Fund	A (acc) EUR	03 Dec 01	(17.9)	(20.4)	(11.3)	4.6	183.4	228.7
^Franklin European Total Return Fund	A (acc) EUR	29 Aug 03	(0.1)	(1.4)	2.3	14.7	63.7	49.6
^Franklin Flexible Alpha Bond Fund	A (acc) USD	18 Mar 16	(1.7)	(1.5)	-	-	-	0.7
^Franklin GCC Bond Fund	A (acc) USD	30 Aug 13	2.1	0.2	12.4	23.2	-	28.4
^Franklin Global Aggregate Bond Fund	A (acc) USD	29 Oct 10	(0.3)	(3.8)	(2.2)	(1.9)	-	2.4
^Franklin Global Aggregate Investment Grade Bond Fund	A (acc) USD	22 Jun 12	(0.4)	(3.2)	(1.1)	(1.9)	-	2.1
Franklin Global Convertible Securities Fund	A (acc) USD	24 Feb 12	(4.2)	3.8	22.1	17.0	-	37.6
^Franklin Global Fundamental Strategies Fund	A (acc) USD	25 Oct 07	(7.2)	(9.8)	5.8	(2.3)	66.8	30.3
Franklin Global Listed Infrastructure Fund	A (acc) USD	26 Apr 13	(7.9)	(10.8)	18.6	19.9	-	25.1
^Franklin Global Multi-Asset Income Fund	A (acc) EUR	26 Apr 13	(9.5)	(14.3)	(9.0)	5.3	-	3.3
Franklin Global Real Estate Fund	A (acc) USD	29 Dec 05	(7.1)	(7.5)	0.3	13.4	89.5	15.2
^Franklin Global Small-Mid Cap Growth Fund	A (acc) USD	15 Apr 02	(15.9)	(18.3)	(8.9)	(12.3)	126.4	181.2
Franklin Gold and Precious Metals Fund	A (acc) USD	30 Apr 10	(8.2)	(18.0)	23.5	(13.6)	-	(63.2)
Franklin High Yield Fund	A (Mdis) USD	01 Mar 96	(3.0)	(4.1)	19.6	3.7	109.0	172.1
Franklin Income Fund	A (Mdis) USD	01 Jul 99	(6.1)	(7.0)	13.9	4.5	98.2	156.6
Franklin India Fund	A (acc) USD	25 Oct 05	(6.1)	(15.5)	19.0	59.0	190.5	257.3
^Franklin Japan Fund	A (acc) JPY	01 Sep 00	(16.8)	(21.5)	(9.7)	7.6	54.3	(19.8)
^Franklin K2 Alternative Strategies Fund	A (acc) USD	15 Sep 14	(3.5)	(2.9)	5.6	-	-	8.3
^Franklin K2 Global Macro Opportunities Fund	A (acc) USD	04 Nov 16	(0.3)	(3.3)	-	-	-	(5.6)
^Franklin K2 Long Short Credit Fund	A (acc) USD	02 Dec 16	(0.8)	(0.4)	-	-	-	3.7
Franklin MENA Fund	A (acc) USD	16 Jun 08	(7.1)	2.4	9.2	5.9	56.8	(35.7)
Franklin Natural Resources Fund	A (acc) USD	12 Jul 07	(27.8)	(24.6)	(0.7)	(44.0)	1.9	(46.0)
Franklin NextStep Balanced Growth Fund	A (acc) USD	05 Feb 16	(6.3)	(9.6)	-	-	-	14.3
^Franklin NextStep Conservative Fund	A (acc) USD	05 Feb 16	(2.2)	(4.3)	-	-	-	8.0
Franklin NextStep Dynamic Growth Fund	A (acc) USD	05 Feb 16	(8.1)	(11.7)	-	-	-	16.9
^Franklin NextStep Growth Fund	A (acc) USD	05 Feb 16	(7.5)	(9.4)	-	-	-	14.6
^Franklin NextStep Moderate Fund	A (acc) USD	05 Feb 16	(5.9)	(7.7)	-	-	-	13.3
Franklin NextStep Stable Growth Fund	A (acc) USD	05 Feb 16	(2.1)	(5.0)	-	-	-	8.2
Franklin Select U.S. Equity Fund	A (acc) USD	01 Jul 99	(10.6)	(7.0)	8.4	17.0	125.7	150.7
Franklin Strategic Income Fund	A (acc) USD	12 Jul 07	(1.1)	(2.6)	7.3	2.8	61.9	49.2
Franklin Technology Fund	A (acc) USD	03 Apr 00	(10.3)	1.4	51.9	85.4	371.3	73.9
Franklin U.S. Dollar Liquid Reserve Fund	A (Mdis) USD	01 Jun 94	0.8	1.6	2.3	2.0	1.1	61.7
Franklin U.S. Government Fund	A (Mdis) USD	28 Feb 91	0.9	(0.3)	0.1	4.1	20.4	168.9
^Franklin U.S. Low Duration Fund	A (Mdis) USD	29 Aug 03	0.0	(0.2)	2.9	2.9	13.9	25.7
Franklin U.S. Opportunities Fund	A (acc) USD	03 Apr 00	(12.1)	(1.9)	21.6	36.0	238.7	46.1
Franklin World Perspectives Fund	A (acc) USD	14 Oct 08	(12.9)	(13.5)	6.2	8.8	132.7	102.7
Franklin Mutual European Fund	A (acc) EUR	03 Apr 00*	(10.9)	(13.2)	(9.4)	(5.3)	73.2	93.2
Franklin Mutual Global Discovery Fund	A (acc) USD	25 Oct 05	(11.0)	(13.8)	5.1	(4.8)	68.7	72.2

Fund Performance
Percentage Change to December 31, 2018 (continued)

	Reference Share Class	Launch Date	6 Months %	1 Year %	3 Years %	5 Years %	10 Years %	Since Launch %
Franklin Mutual U.S. Value Fund	A (acc) USD	07 Jul 97	(8.4)	(10.7)	9.7	11.7	120.9	211.8
^Templeton Africa Fund	A (acc) USD	04 May 12	(10.5)	(14.5)	(2.6)	(36.6)	-	(20.5)
Templeton Asian Bond Fund	A (acc) USD	25 Oct 05	2.2	(1.4)	6.0	(0.9)	44.9	77.6
Templeton Asian Growth Fund	A (Ydis) USD	30 Jun 91	(12.8)	(20.3)	23.4	(3.2)	133.3	237.7
Templeton Asian Smaller Companies Fund	A (acc) USD	14 Oct 08	(9.1)	(12.4)	20.7	23.4	319.0	339.5
Templeton BRIC Fund	A (acc) USD	25 Oct 05	(8.9)	(14.8)	42.1	10.3	72.6	63.4
Templeton China Fund	A (acc) USD	01 Sep 94	(12.8)	(9.5)	29.0	13.5	92.1	185.3
Templeton Eastern Europe Fund	A (acc) EUR	10 Nov 97	(10.3)	(21.2)	11.5	(5.9)	57.8	133.2
Templeton Emerging Markets Fund	A (Ydis) USD	28 Feb 91	(9.7)	(17.1)	33.6	(1.3)	81.5	238.2
Templeton Emerging Markets Balanced Fund	A (acc) USD	29 Apr 11	(4.9)	(12.0)	28.6	3.0	-	(6.9)
Templeton Emerging Markets Bond Fund	A (Qdis) USD	05 Jul 91	0.6	(5.1)	14.2	3.0	99.2	757.9
^Templeton Emerging Markets Local Currency Bond Fund	A (acc) USD	20 Feb 18	1.3	-	-	-	-	(8.2)
Templeton Emerging Markets Smaller Companies Fund	A (acc) USD	18 Oct 07	(9.7)	(15.3)	14.0	20.7	187.8	8.5
Templeton Euroland Fund	A (acc) EUR	08 Jan 99	(15.1)	(16.7)	(1.2)	10.5	91.6	101.5
Templeton Frontier Markets Fund	A (acc) USD	14 Oct 08	(10.0)	(19.4)	6.5	(12.5)	74.9	68.2
Templeton Global Fund	A (Ydis) USD	28 Feb 91	(13.4)	(14.8)	3.3	(5.1)	87.7	306.5
Templeton Global Balanced Fund	A (Qdis) USD	01 Jun 94	(7.9)	(10.4)	7.1	(2.2)	64.6	223.1
Templeton Global Bond Fund	A (Mdis) USD	28 Feb 91	3.0	1.5	8.3	3.5	56.7	455.6
^Templeton Global Bond (Euro) Fund	A (acc) EUR	29 Aug 03	(1.1)	(2.5)	(2.3)	3.2	33.7	53.5
Templeton Global Climate Change Fund	A (Ydis) EUR	26 Apr 91	(10.4)	(13.4)	(2.2)	12.1	109.1	315.5
^Templeton Global Currency Fund	A (acc) USD	07 Oct 16	3.3	1.3	-	-	-	2.9
Templeton Global Equity Income Fund	A (acc) USD	27 May 05	(13.0)	(14.3)	6.9	(4.1)	64.9	31.4
Templeton Global High Yield Fund	A (acc) USD	27 Sep 07	(1.3)	(5.0)	13.3	2.5	90.1	48.6
Templeton Global Income Fund	A (acc) USD	27 May 05	(7.8)	(10.1)	5.2	(1.1)	76.3	85.6
Templeton Global Smaller Companies Fund	A (Ydis) USD	08 Jul 91	(17.1)	(19.1)	12.4	(3.7)	113.4	301.4
Templeton Global Total Return Fund	A (acc) USD	29 Aug 03	2.7	(0.6)	9.1	2.5	93.8	201.2
^Templeton Growth (Euro) Fund	A (acc) EUR	09 Aug 00	(11.2)	(11.3)	(0.5)	13.1	127.3	55.0
Templeton Latin America Fund†	A (Ydis) USD	28 Feb 91	5.6	(8.0)	40.3	(17.8)	39.3	511.0
Templeton Thailand Fund	A (acc) USD	20 Jun 97	(1.3)	(8.4)	56.8	62.1	351.8	174.2

All the funds marked with "^" above are not authorised for public distribution in Hong Kong as of 31 December 2018 and are not available to Hong Kong investors.

The Fund Performance disclosed in this table is the performance of the reference share class in base currency of the Fund.

Where Class A distribution "A (dis)" Shares are disclosed, the performance is calculated with all the income reinvested (total return). Information on other share classes is available on request.

* The inception date is for the Fund, however the reference share class launched at a later date.

† Fund performance prior to September 1996 excluded from calculation because a different portfolio allocation strategy was in use.

Information on other share classes is available on request. This report shall not constitute an offer or a solicitation of an offer to buy shares. Subscriptions are to be made on the basis of the current prospectus, where available the relevant Key Investor Information Documents ("KIIDs"), a copy of the latest available audited annual report and, if published thereafter, the latest unaudited semi-annual report. The price of shares and income from them can go down as well as up and you may not get back the full amount that you invested. Past performance is no guarantee of future performance. Currency fluctuations may affect the value of investments.

Data source: Performance – Franklin Templeton

Statement of Net Assets at December 31, 2018

	Total (USD)	Franklin Asia Credit Fund (USD)	Franklin Biotechnology Discovery Fund (USD)	Franklin Brazil Opportunities Fund (USD)
ASSETS				
Investment in securities at market value (notes 2(b), 3)	84,570,484,717	7,915,978	1,634,350,037	24,506,079
Cash	2,518,101,526	86,436	66,418,758	2,501,848
Time deposits (note 4)	1,223,177,643	-	-	-
Amounts receivable on sale of investments	2,487,253,452	245,000	1,083,371	100,792
Amounts receivable on subscriptions	179,044,402	-	10,356,081	23,622
Interest and dividends receivable, net	754,566,263	109,901	124,104	598,550
Unrealised profit on forward foreign exchange contracts (notes 2(c), 5)	22,131,202	-	123,047	30,054
Unrealised profit on financial future contracts (notes 2(d), 6)	7,603,395	-	-	-
Unrealised profit on interest rate swap contracts (notes 2(e), 7)	35,637,252	-	-	-
Unrealised profit on inflation swap contracts (notes 2(f), 8)	301,458	-	-	112,383
Unrealised profit on cross currency swap contracts (notes 2(g), 9)	425,351	-	-	-
Unrealised profit on total return swap contracts (notes 2(h), 10)	9,698,815	-	-	-
Credit default swap contracts at market value (notes 2(j), 11)	1,081,212	-	-	-
Option contracts at market value (notes 2(k), 12)	5,453,912	-	-	-
Investment in mortgage dollar rolls at market value (notes 2(m), 13)	43,948,532	-	-	-
Other receivables	47,927,569	-	-	-
TOTAL ASSETS	91,906,836,701	8,357,315	1,712,455,398	27,873,328
LIABILITIES				
Amounts payable on purchases of investments	215,437,628	-	12,700,408	-
Amounts payable on purchases of mortgage dollar rolls (note 2(m))	43,497,376	-	-	-
Amounts payable on redemptions	196,587,302	-	8,022,496	15,973
Investment management fees payable (note 15)	69,450,797	4,910	1,456,919	21,922
Bank overdraft	21,259,262	-	-	-
Unrealised loss on forward foreign exchange contracts (notes 2(c), 5)	77,952,998	31,394	-	-
Unrealised loss on financial future contracts (notes 2(d), 6)	2,196,433	-	-	823,105
Unrealised loss on interest rate swap contracts (notes 2(e), 7)	259,794,784	-	-	-
Unrealised loss on inflation swap contracts (notes 2(f), 8)	150,017	-	-	-
Unrealised loss on total return swap contracts (notes 2(h), 10)	14,441,114	-	-	-
Credit default swap contracts at market value (notes 2(j), 11)	10,824,590	-	-	564,520
Option contracts at market value (notes 2(k), 12)	216,680	-	-	-
Taxes and expenses payable	155,889,555	14,800	1,505,242	119,408
TOTAL LIABILITIES	1,067,698,536	51,104	23,685,065	1,544,928
TOTAL NET ASSETS	90,839,138,165	8,306,211	1,688,770,333	26,328,400
THREE YEAR ASSET SUMMARY				
June 30, 2018	101,982,609,080	8,445,896	2,185,214,017	25,312,964
June 30, 2017	106,341,225,772	8,920,119	2,408,642,311	28,894,121
June 30, 2016	104,023,441,025	8,597,799	2,038,926,588	21,737,459

The accompanying notes form an integral part of these financial statements

Statement of Net Assets at December 31, 2018 (continued)

Franklin Diversified Balanced Fund (EUR)	Franklin Diversified Conservative Fund (EUR)	Franklin Diversified Dynamic Fund (EUR)	Franklin Euro Government Bond Fund (EUR)	Franklin Euro High Yield Fund (EUR)	Franklin Euro Short Duration Bond Fund (EUR)	Franklin Euro Short-Term Money Market Fund (EUR)
216,236,661	276,438,647	103,208,547	54,615,414	495,536,379	117,005,720	94,921,909
20,521,310	13,713,315	13,592,749	1,736,402	21,520,719	5,718,010	21,496,949
-	-	-	-	-	-	-
69,984	1,300	2,847	-	23	-	-
317,150	83,534	348,786	14,666	183,063	205,081	585,938
1,614,265	2,811,355	527,221	392,379	6,677,771	712,116	144,612
166,770	334,807	44,389	-	766,816	-	-
1,319,987	1,347,950	906,561	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
778,672	504,223	509,290	-	-	-	-
-	-	-	-	-	-	-
118,767	216,427	55,204	3,033	-	15,232	23,698
241,143,566	295,451,558	119,195,594	56,761,894	524,684,771	123,656,159	117,173,106
52,829	306,514	99,905	-	-	-	3,680,124
-	-	-	-	-	-	-
204,892	176,230	29,870	63,541	445,405	6,329	14,276
143,061	175,725	82,072	15,457	346,843	24,171	20,887
-	-	-	-	-	-	-
-	-	-	-	-	239,067	-
-	-	-	31,753	-	89,240	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,881,113	2,039,133	884,156	-	-	-	-
76,017	146,394	60,132	-	-	-	-
-	-	-	-	-	-	-
206,030	235,158	171,181	53,789	513,357	61,915	95,463
2,563,942	3,079,154	1,327,316	164,540	1,305,605	420,722	3,810,750
238,579,624	292,372,404	117,868,278	56,597,354	523,379,166	123,235,437	113,362,356
272,770,646	355,924,700	137,509,455	48,996,905	589,123,493	137,112,468	102,289,569
212,716,472	305,343,335	86,613,579	90,465,722	727,071,302	79,066,843	118,230,964
127,631,180	145,567,427	69,274,995	140,926,194	838,271,805	74,491,380	153,098,075

The accompanying notes form an integral part of these financial statements

Statement of Net Assets at December 31, 2018 (continued)

	Franklin European Corporate Bond Fund (EUR)	Franklin European Dividend Fund (EUR)	Franklin European Growth Fund (EUR)	Franklin European Income Fund (EUR)
ASSETS				
Investment in securities at market value (notes 2(b), 3)	60,020,907	103,213,881	293,258,674	19,444,182
Cash	705,192	4,009,448	-	597,001
Time deposits (note 4)	-	-	-	-
Amounts receivable on sale of investments	-	-	8,299,732	-
Amounts receivable on subscriptions	42,242	431,495	64,535	6,999
Interest and dividends receivable, net	489,030	208,741	36,090	100,638
Unrealised profit on forward foreign exchange contracts (notes 2(c), 5)	16,707	15,393	-	5,300
Unrealised profit on financial future contracts (notes 2(d), 6)	3,675	-	-	-
Unrealised profit on interest rate swap contracts (notes 2(e), 7)	-	-	-	-
Unrealised profit on inflation swap contracts (notes 2(f), 8)	-	-	-	-
Unrealised profit on cross currency swap contracts (notes 2(g), 9)	-	-	-	-
Unrealised profit on total return swap contracts (notes 2(h), 10)	-	-	-	-
Credit default swap contracts at market value (notes 2(j), 11)	-	-	-	-
Option contracts at market value (notes 2(k), 12)	-	-	-	-
Investment in mortgage dollar rolls at market value (notes 2(m), 13)	-	-	-	-
Other receivables	3,309	420,066	1,566,715	23,070
TOTAL ASSETS	61,281,062	108,299,024	303,225,746	20,177,190
LIABILITIES				
Amounts payable on purchases of investments	-	-	65,923	-
Amounts payable on purchases of mortgage dollar rolls (note 2(m))	-	-	-	-
Amounts payable on redemptions	27,138	111,256	705,076	41,114
Investment management fees payable (note 15)	22,254	86,153	251,662	14,321
Bank overdraft	-	-	781,795	-
Unrealised loss on forward foreign exchange contracts (notes 2(c), 5)	-	-	193,355	-
Unrealised loss on financial future contracts (notes 2(d), 6)	-	-	-	-
Unrealised loss on interest rate swap contracts (notes 2(e), 7)	-	-	-	-
Unrealised loss on inflation swap contracts (notes 2(f), 8)	-	-	-	-
Unrealised loss on total return swap contracts (notes 2(h), 10)	-	-	-	-
Credit default swap contracts at market value (notes 2(j), 11)	-	-	-	-
Option contracts at market value (notes 2(k), 12)	-	-	-	-
Taxes and expenses payable	60,259	95,725	324,640	29,047
TOTAL LIABILITIES	109,651	293,134	2,322,451	84,482
TOTAL NET ASSETS	61,171,411	108,005,890	300,903,295	20,092,708
THREE YEAR ASSET SUMMARY				
June 30, 2018	73,905,855	107,567,674	397,812,910	21,094,704
June 30, 2017	104,153,323	152,193,195	736,996,088	17,654,854
June 30, 2016	178,315,684	132,881,905	686,207,149	19,112,302

The accompanying notes form an integral part of these financial statements

Statement of Net Assets at December 31, 2018 (continued)

Franklin European Small-Mid Cap Growth Fund (EUR)	Franklin European Total Return Fund (EUR)	Franklin Flexible Alpha Bond Fund (USD)	Franklin GCC Bond Fund (USD)	Franklin Global Aggregate Bond Fund (USD)	Franklin Global Aggregate Investment Grade Bond Fund (USD)	Franklin Global Convertible Securities Fund (USD)
305,380,912	275,197,579	414,776,547	84,972,525	49,278,915	9,808,026	396,490,020
1,835,388	6,538,535	12,637,713	130,151	661,087	629,952	748,574
-	-	-	1,300,000	-	-	-
89,088	-	11,720,890	15,235	-	155,000	6,523,440
45,018	204,275	-	23,914	28,797	-	585,697
573,789	1,966,534	3,611,501	1,134,355	491,358	82,314	1,253,911
-	-	2,069,690	193,952	-	-	1,116,404
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	407,322	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	92,606	-	-	-	-
-	-	-	-	-	-	-
3,038,640	45,367	-	-	20,310	3,602	4,756
310,962,835	283,952,290	445,316,269	87,770,132	50,480,467	10,678,894	406,722,802
54,562	-	347,438	-	-	-	166
-	-	-	-	-	-	-
225,343	339,913	-	5,857	143,861	1,500	2,773,485
240,143	95,972	3,273	43,858	10,817	3,849	246,242
-	-	-	-	-	-	-
2,954	127,988	-	-	63,249	14,097	-
-	293,075	898,889	-	-	-	-
-	-	212,479	-	-	-	-
-	-	146,501	-	-	-	-
-	-	2,171,369	-	-	-	-
-	-	3,419,948	-	-	-	-
-	-	-	-	-	-	-
263,367	315,506	73,069	37,041	38,663	22,303	259,771
786,369	1,172,454	7,272,966	86,756	256,590	41,749	3,279,664
310,176,466	282,779,836	438,043,303	87,683,376	50,223,877	10,637,145	403,443,138
435,473,434	472,606,884	629,426,052	86,795,362	91,187,076	10,629,897	206,962,616
512,480,130	550,100,840	341,435,113	56,209,469	89,242,077	11,580,371	109,204,730
630,857,606	342,927,026	310,655,006	47,711,986	81,204,083	103,518,562	75,977,729

The accompanying notes form an integral part of these financial statements

Statement of Net Assets at December 31, 2018 (continued)

	Franklin Global Fundamental Strategies Fund (USD)	Franklin Global Listed Infrastructure Fund (USD)	Franklin Global Multi-Asset Income Fund (EUR)	Franklin Global Real Estate Fund (USD)
ASSETS				
Investment in securities at market value (notes 2(b), 3)	1,527,559,091	77,355,885	217,624,391	173,105,017
Cash	48,913,936	137,432	27,278,765	86,405
Time deposits (note 4)	-	500,000	-	900,000
Amounts receivable on sale of investments	180,042,217	1,440,509	6,069	523,335
Amounts receivable on subscriptions	803,109	35,845	67,297	84,387
Interest and dividends receivable, net	9,574,802	209,462	1,587,719	707,553
Unrealised profit on forward foreign exchange contracts (notes 2(c), 5)	-	-	72,021	87,191
Unrealised profit on financial future contracts (notes 2(d), 6)	-	-	1,500,316	-
Unrealised profit on interest rate swap contracts (notes 2(e), 7)	3,408,553	-	-	-
Unrealised profit on inflation swap contracts (notes 2(f), 8)	-	-	-	-
Unrealised profit on cross currency swap contracts (notes 2(g), 9)	-	-	-	-
Unrealised profit on total return swap contracts (notes 2(h), 10)	-	-	-	-
Credit default swap contracts at market value (notes 2(j), 11)	-	-	-	-
Option contracts at market value (notes 2(k), 12)	-	-	835,933	-
Investment in mortgage dollar rolls at market value (notes 2(m), 13)	-	-	-	-
Other receivables	926,394	45,250	155,330	20,435
TOTAL ASSETS	1,771,228,102	79,724,383	249,127,841	175,514,323
LIABILITIES				
Amounts payable on purchases of investments	1,470,887	1,021,751	279,166	1,875
Amounts payable on purchases of mortgage dollar rolls (note 2(m))	-	-	-	-
Amounts payable on redemptions	1,956,265	798,347	567,613	319,396
Investment management fees payable (note 15)	1,512,379	41,863	172,104	128,877
Bank overdraft	-	-	-	-
Unrealised loss on forward foreign exchange contracts (notes 2(c), 5)	3,326,481	352	-	-
Unrealised loss on financial future contracts (notes 2(d), 6)	-	-	-	-
Unrealised loss on interest rate swap contracts (notes 2(e), 7)	-	-	-	-
Unrealised loss on inflation swap contracts (notes 2(f), 8)	-	-	-	-
Unrealised loss on total return swap contracts (notes 2(h), 10)	-	-	776,036	-
Credit default swap contracts at market value (notes 2(j), 11)	-	-	203,492	-
Option contracts at market value (notes 2(k), 12)	-	-	-	-
Taxes and expenses payable	2,148,351	46,717	229,420	202,147
TOTAL LIABILITIES	10,414,363	1,909,030	2,227,831	652,295
TOTAL NET ASSETS	1,760,813,739	77,815,353	246,900,010	174,862,028
THREE YEAR ASSET SUMMARY				
June 30, 2018	1,953,764,526	80,953,870	322,054,366	203,221,322
June 30, 2017	2,050,664,897	69,873,407	339,752,720	251,611,501
June 30, 2016	1,785,550,418	60,542,687	135,211,370	342,101,642

The accompanying notes form an integral part of these financial statements

Statement of Net Assets at December 31, 2018 (continued)

Franklin Global Small-Mid Cap Growth Fund (USD)	Franklin Gold and Precious Metals Fund (USD)	Franklin High Yield Fund (USD)	Franklin Income Fund (USD)	Franklin India Fund (USD)	Franklin Japan Fund (JPY)	Franklin K2 Alternative Strategies Fund (USD)
89,069,944	216,630,315	1,570,902,066	1,401,799,158	2,318,736,207	17,392,477,850	1,373,244,178
54,798	954,451	15,174,186	3,857,195	15,325,222	1,078,197,472	262,633,849
2,000,000	-	-	-	25,000,000	-	645,597,300
634	2,750,101	48,311,352	21,953,198	36,576,474	170,793,732	7,972,136
49,066	835,090	326,842	2,065,858	4,488,398	22,980,400	4,374,989
64,056	42,497	26,180,661	12,501,342	-	26,194,860	7,074,781
-	88,980	-	281,629	482,466	-	7,175,100
-	-	-	-	-	-	141,915
-	-	-	-	-	-	181,958
-	-	-	-	-	-	167,044
-	-	-	-	-	-	-
-	-	-	-	-	-	9,698,815
-	-	-	-	-	-	808,026
-	-	-	-	-	-	2,231,669
-	-	-	-	-	-	-
969,498	-	-	259,138	-	430,287	95,112
92,207,996	221,301,434	1,660,895,107	1,442,717,518	2,400,608,767	18,691,074,601	2,321,396,872
73,118	-	-	829,878	28,978,312	644,046,876	10,391,551
-	-	-	-	-	-	-
123,494	390,903	8,003,773	5,738,938	10,351,330	76,763,386	5,766,432
77,925	175,575	1,146,315	1,051,108	1,742,087	13,546,816	3,639,444
-	-	-	-	-	-	-
-	-	125,284	-	-	7,585,384	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	216,680	-	-	-
105,271	219,750	2,087,184	1,697,331	12,129,347	22,044,650	1,060,383
379,808	786,228	11,362,556	9,533,935	53,201,076	763,987,112	20,857,810
91,828,188	220,515,206	1,649,532,551	1,433,183,583	2,347,407,691	17,927,087,489	2,300,539,062
111,463,910	216,042,075	1,935,878,158	1,669,750,494	3,306,103,248	26,937,411,320	2,410,932,627
163,701,065	250,181,745	2,466,883,234	2,200,863,666	4,279,578,096	32,561,977,383	1,320,092,754
200,170,691	245,152,174	2,648,362,272	2,413,536,952	3,238,697,682	26,519,107,459	1,084,826,827

The accompanying notes form an integral part of these financial statements

Statement of Net Assets at December 31, 2018 (continued)

	Franklin K2 Global Macro Opportunites Fund (USD)	Franklin K2 Long Short Credit Fund (USD)	Franklin MENA Fund (USD)	Franklin Natural Resources Fund (USD)
ASSETS				
Investment in securities at market value (notes 2(b), 3)	1,877,684	71,373,067	100,876,183	241,152,593
Cash	2,882,365	6,016,228	1,222,755	107,419
Time deposits (note 4)	19,506,000	18,563,400	500,000	-
Amounts receivable on sale of investments	28,014	-	183,537	355,000
Amounts receivable on subscriptions	56,568	90,000	117,218	3,302,955
Interest and dividends receivable, net	36,306	807,339	12,350	365,890
Unrealised profit on forward foreign exchange contracts (notes 2(c), 5)	51,031	216,217	66,729	106,617
Unrealised profit on financial future contracts (notes 2(d), 6)	135,713	6,691	-	-
Unrealised profit on interest rate swap contracts (notes 2(e), 7)	-	-	-	-
Unrealised profit on inflation swap contracts (notes 2(f), 8)	7,231	14,800	-	-
Unrealised profit on cross currency swap contracts (notes 2(g), 9)	-	-	-	-
Unrealised profit on total return swap contracts (notes 2(h), 10)	-	-	-	-
Credit default swap contracts at market value (notes 2(j), 11)	25,236	247,950	-	-
Option contracts at market value (notes 2(k), 12)	-	118,340	-	-
Investment in mortgage dollar rolls at market value (notes 2(m), 13)	-	-	-	-
Other receivables	-	110,882	3,990	26,087
TOTAL ASSETS	24,606,148	97,564,914	102,982,762	245,416,561
LIABILITIES				
Amounts payable on purchases of investments	-	433,481	934	63,198
Amounts payable on purchases of mortgage dollar rolls (note 2(m))	-	-	-	-
Amounts payable on redemptions	-	32,380	445,536	1,413,157
Investment management fees payable (note 15)	40,139	157,308	115,221	213,185
Bank overdraft	-	-	-	-
Unrealised loss on forward foreign exchange contracts (notes 2(c), 5)	-	-	-	-
Unrealised loss on financial future contracts (notes 2(d), 6)	-	-	-	-
Unrealised loss on interest rate swap contracts (notes 2(e), 7)	20,251	16,512	-	-
Unrealised loss on inflation swap contracts (notes 2(f), 8)	-	-	-	-
Unrealised loss on total return swap contracts (notes 2(h), 10)	-	358,552	-	-
Credit default swap contracts at market value (notes 2(j), 11)	-	-	-	-
Option contracts at market value (notes 2(k), 12)	-	-	-	-
Taxes and expenses payable	76,086	111,357	132,451	303,386
TOTAL LIABILITIES	136,476	1,109,590	694,142	1,992,926
TOTAL NET ASSETS	24,469,672	96,455,324	102,288,620	243,423,635
THREE YEAR ASSET SUMMARY				
June 30, 2018	24,987,801	97,806,969	138,386,723	351,976,498
June 30, 2017	25,215,832	73,961,073	86,705,941	357,146,962
June 30, 2016	-	-	95,875,802	301,524,049

[1] This Fund had its name changed effective on August 1, 2018 (refer to Note 1)

The accompanying notes form an integral part of these financial statements

Statement of Net Assets at December 31, 2018 (continued)

Franklin NextStep Balanced Growth Fund (USD)	Franklin NextStep Conservative Fund (USD)	Franklin NextStep Dynamic Growth Fund (USD)	Franklin NextStep Growth Fund (USD)	Franklin NextStep Moderate Fund (USD)	Franklin NextStep Stable Growth Fund (USD)	Franklin Select U.S. Equity Fund[1] (USD)
183,533,540	36,714,526	38,359,645	26,850,739	73,233,267	20,803,811	339,040,548
165,109	110,706	128,667	83,329	100,356	107,024	2,187,003
5,100,000	1,400,000	1,000,000	600,000	2,100,000	600,000	-
1,910,996	295	96,722	116	407	93,645	6,315,000
1,199	18,655	1,633	12,477	20,877	263	291,601
-	-	-	778	2,066	-	212,713
-	122,019	-	20,733	237,798	1,288	55,089
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	3,934	577	3,440	7,565	2,185	-
190,710,844	38,370,135	39,587,244	27,571,612	75,702,336	21,608,216	348,101,954
781	72,823	51	1,032	2,742	16	64
-	-	-	-	-	-	-
622,009	34,013	62,466	148,467	78,351	-	730,184
141,009	23,991	29,061	22,880	57,506	14,805	273,535
-	-	-	-	-	-	-
48,549	-	3,187	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
132,270	34,038	41,327	32,758	65,076	24,132	412,031
944,618	164,865	136,092	205,137	203,675	38,953	1,415,814
189,766,226	38,205,270	39,451,152	27,366,475	75,498,661	21,569,263	346,686,140
257,583,066	37,825,419	60,806,068	26,984,353	75,584,143	22,169,010	419,996,049
141,120,021	22,235,224	31,624,652	14,170,474	39,419,097	19,876,634	461,625,826
9,828,108	7,141,045	4,497,653	3,376,470	8,501,020	6,077,952	506,167,855

The accompanying notes form an integral part of these financial statements

Statement of Net Assets at December 31, 2018 (continued)

	Franklin Strategic Income Fund (USD)	Franklin Technology Fund (USD)	Franklin U.S. Dollar Liquid Reserve Fund (USD)	Franklin U.S. Government Fund (USD)
ASSETS				
Investment in securities at market value (notes 2(b), 3)	736,908,557	2,459,649,259	341,587,606	626,246,169
Cash	28,959,724	35,502,204	-	6,106,830
Time deposits (note 4)	-	-	-	-
Amounts receivable on sale of investments	59,547,182	1,142	63,800,000	17,595,000
Amounts receivable on subscriptions	661,127	8,123,368	8,482,409	2,660,294
Interest and dividends receivable, net	7,728,617	459,172	-	2,097,853
Unrealised profit on forward foreign exchange contracts (notes 2(c), 5)	2,298,744	214,012	-	54,727
Unrealised profit on financial future contracts (notes 2(d), 6)	328,113	-	-	-
Unrealised profit on interest rate swap contracts (notes 2(e), 7)	-	-	-	-
Unrealised profit on inflation swap contracts (notes 2(f), 8)	-	-	-	-
Unrealised profit on cross currency swap contracts (notes 2(g), 9)	9,834	-	-	-
Unrealised profit on total return swap contracts (notes 2(h), 10)	-	-	-	-
Credit default swap contracts at market value (notes 2(j), 11)	-	-	-	-
Option contracts at market value (notes 2(k), 12)	-	-	-	-
Investment in mortgage dollar rolls at market value (notes 2(m), 13)	43,948,532	-	-	-
Other receivables	194,400	110,603	91,691	5,263
TOTAL ASSETS	880,584,830	2,504,059,760	413,961,706	654,766,136
LIABILITIES				
Amounts payable on purchases of investments	116,425	-	38,276,467	-
Amounts payable on purchases of mortgage dollar rolls (note 2(m))	43,497,376	-	-	-
Amounts payable on redemptions	893,501	12,035,382	1,712,975	3,565,590
Investment management fees payable (note 15)	477,804	2,093,309	85,368	327,304
Bank overdraft	-	-	19,992,935	-
Unrealised loss on forward foreign exchange contracts (notes 2(c), 5)	-	-	-	-
Unrealised loss on financial future contracts (notes 2(d), 6)	-	-	-	-
Unrealised loss on interest rate swap contracts (notes 2(e), 7)	-	-	-	-
Unrealised loss on inflation swap contracts (notes 2(f), 8)	-	-	-	-
Unrealised loss on total return swap contracts (notes 2(h), 10)	3,321,715	-	-	-
Credit default swap contracts at market value (notes 2(j), 11)	4,554,909	-	-	-
Option contracts at market value (notes 2(k), 12)	-	-	-	-
Taxes and expenses payable	888,188	1,915,824	230,497	670,868
TOTAL LIABILITIES	53,749,918	16,044,515	60,298,242	4,563,762
TOTAL NET ASSETS	826,834,912	2,488,015,245	353,663,464	650,202,374
THREE YEAR ASSET SUMMARY				
June 30, 2018	965,025,829	2,624,600,522	332,606,406	625,792,030
June 30, 2017	1,123,520,954	1,229,456,650	310,691,013	855,045,873
June 30, 2016	1,179,933,357	912,322,077	403,995,936	1,211,181,698

The accompanying notes form an integral part of these financial statements

Statement of Net Assets at December 31, 2018 (continued)

Franklin U.S. Low Duration Fund (USD)	Franklin U.S. Opportunities Fund (USD)	Franklin World Perspectives Fund (USD)	Franklin Mutual European Fund (EUR)	Franklin Mutual Global Discovery Fund (USD)	Franklin Mutual U.S. Value Fund (USD)	Templeton Africa Fund (USD)
691,926,329	3,616,637,341	340,771,235	883,286,858	609,158,138	378,896,026	47,300,103
16,699,982	42,953,356	2,808,971	14,639,305	1,875,289	1,361,422	1,207,693
-	-	4,000,000	-	-	-	13,000,000
28,273,665	2,297,479	311,256	35,435,253	15,267,733	15,100,000	2,516
634,049	7,996,230	107,387	306,380	202,795	222,018	33,836
4,058,879	879,591	391,593	1,317,911	1,732,652	953,802	76,913
1,033,172	1,948,848	-	-	77,185	41,898	176,501
1,172,031	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
8,195	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
61,187	-	293,816	2,379,675	306,298	63,322	6,462
743,867,489	3,672,712,845	348,684,258	937,365,382	628,620,090	396,638,488	61,804,024
73,310	8,428	187,333	421,968	232,251	465,349	69
-	-	-	-	-	-	-
1,599,050	14,390,750	1,091,649	2,133,263	941,792	1,188,617	153,886
295,782	2,954,741	275,548	748,079	509,543	332,740	80,608
-	-	-	-	-	-	-
-	-	-	212,763	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
3,516	-	-	-	-	-	-
2,195,412	-	-	-	-	-	-
1,728,314	-	-	-	-	-	-
-	-	-	-	-	-	-
515,073	3,155,539	485,076	1,835,624	741,495	980,014	289,605
6,410,457	20,509,458	2,039,606	5,351,697	2,425,081	2,966,720	524,168
737,457,032	3,652,203,387	346,644,652	932,013,685	626,195,009	393,671,768	61,279,856
749,695,138	3,881,876,880	422,637,403	1,193,519,552	761,194,397	490,623,618	74,653,776
1,184,520,738	2,937,414,397	312,784,198	1,613,768,701	980,850,083	750,634,285	68,140,124
904,479,104	3,723,344,289	363,338,333	1,808,035,248	942,338,326	641,560,164	77,149,040

The accompanying notes form an integral part of these financial statements

Statement of Net Assets at December 31, 2018 (continued)

	Templeton Asian Bond Fund (USD)	Templeton Asian Growth Fund (USD)	Templeton Asian Smaller Companies Fund (USD)	Templeton BRIC Fund (USD)
ASSETS				
Investment in securities at market value (notes 2(b), 3)	471,940,178	3,048,884,909	1,409,337,514	600,680,645
Cash	30,993,357	-	1,210,491	923,386
Time deposits (note 4)	-	19,000,000	74,000,000	16,000,000
Amounts receivable on sale of investments	801,477	1,722,228	2,766,514	5,995,627
Amounts receivable on subscriptions	987,109	2,517,910	1,564,949	434,876
Interest and dividends receivable, net	8,739,967	6,142,984	2,312,897	1,037,697
Unrealised profit on forward foreign exchange contracts (notes 2(c), 5)	-	907,475	727	117,930
Unrealised profit on financial future contracts (notes 2(d), 6)	-	-	-	-
Unrealised profit on interest rate swap contracts (notes 2(e), 7)	126,383	-	-	-
Unrealised profit on inflation swap contracts (notes 2(f), 8)	-	-	-	-
Unrealised profit on cross currency swap contracts (notes 2(g), 9)	-	-	-	-
Unrealised profit on total return swap contracts (notes 2(h), 10)	-	-	-	-
Credit default swap contracts at market value (notes 2(j), 11)	-	-	-	-
Option contracts at market value (notes 2(k), 12)	-	-	-	-
Investment in mortgage dollar rolls at market value (notes 2(m), 13)	-	-	-	-
Other receivables	110,163	-	23,703	-
TOTAL ASSETS	513,698,634	3,079,175,506	1,491,216,795	625,190,161
LIABILITIES				
Amounts payable on purchases of investments	1,323,600	339	131,666	992,879
Amounts payable on purchases of mortgage dollar rolls (note 2(m))	-	-	-	-
Amounts payable on redemptions	5,340,724	5,404,064	2,015,517	2,515,985
Investment management fees payable (note 15)	288,662	3,453,180	1,357,384	856,363
Bank overdraft	-	5,124	-	-
Unrealised loss on forward foreign exchange contracts (notes 2(c), 5)	4,044,729	-	-	-
Unrealised loss on financial future contracts (notes 2(d), 6)	-	-	-	-
Unrealised loss on interest rate swap contracts (notes 2(e), 7)	-	-	-	-
Unrealised loss on inflation swap contracts (notes 2(f), 8)	-	-	-	-
Unrealised loss on total return swap contracts (notes 2(h), 10)	-	-	-	-
Credit default swap contracts at market value (notes 2(j), 11)	-	-	-	-
Option contracts at market value (notes 2(k), 12)	-	-	-	-
Taxes and expenses payable	2,089,828	6,255,138	2,717,598	1,875,184
TOTAL LIABILITIES	13,087,543	15,117,845	6,222,165	6,240,411
TOTAL NET ASSETS	500,611,091	3,064,057,661	1,484,994,630	618,949,750
THREE YEAR ASSET SUMMARY				
June 30, 2018	547,874,433	3,795,392,747	1,665,977,311	766,634,429
June 30, 2017	673,256,171	4,944,781,465	1,577,382,433	761,260,242
June 30, 2016	841,044,530	4,508,040,016	1,126,815,386	683,471,085

The accompanying notes form an integral part of these financial statements

Statement of Net Assets at December 31, 2018 (continued)

Templeton China Fund (USD)	Templeton Eastern Europe Fund (EUR)	Templeton Emerging Markets Fund (USD)	Templeton Emerging Markets Balanced Fund (USD)	Templeton Emerging Markets Bond Fund (USD)	Templeton Emerging Markets Local Currency Bond Fund (USD)	Templeton Emerging Markets Smaller Companies Fund (USD)
417,116,730	190,658,731	791,949,027	105,152,777	8,655,365,331	21,616,120	853,221,237
-	16,509,943	447,286	5,911,447	309,171,750	1,030,502	9,399,085
-	-	32,000,000	-	-	-	-
1,434,317	1,052,775	1,171,127	12,670,506	897,570,440	2,299,992	29,741,118
1,100,935	255,708	560,551	68,767	49,532,181	4,671	770,438
-	894,728	2,554,039	1,248,286	164,849,758	435,108	1,124,160
-	-	70,505	119,569	-	104,248	55,535
-	-	-	-	-	-	-
-	-	-	59,483	25,361,559	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
377	740,647	195,229	22,361	2,356,230	5,970	279,677
419,652,359	210,112,532	828,947,764	125,253,196	10,104,207,249	25,496,611	894,591,250
272	-	1,330,740	165,997	12,125,196	-	-
-	-	-	-	-	-	-
946,621	418,348	740,124	149,959	20,051,243	-	3,937,875
564,936	283,354	771,589	132,388	7,982,036	15,717	901,653
24,950	-	-	-	-	-	-
-	-	-	-	10,733,677	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
664,060	579,681	2,532,831	223,627	14,976,107	27,248	1,437,065
2,200,839	1,281,383	5,375,284	671,971	65,868,259	42,965	6,276,593
417,451,520	208,831,149	823,572,480	124,581,225	10,038,338,990	25,453,646	888,314,657
519,042,458	250,196,311	970,862,932	132,161,280	9,908,350,175	19,328,901	1,060,586,206
525,402,818	310,573,410	768,743,294	64,654,834	6,296,345,122	-	778,914,351
529,554,974	270,212,102	525,175,142	44,032,095	3,822,276,997	-	483,632,814

The accompanying notes form an integral part of these financial statements

Statement of Net Assets at December 31, 2018 (continued)

	Templeton Euroland Fund (EUR)	Templeton Frontier Markets Fund (USD)	Templeton Global Fund (USD)	Templeton Global Balanced Fund (USD)
ASSETS				
Investment in securities at market value (notes 2(b), 3)	563,771,878	511,678,943	894,366,670	722,441,114
Cash	1,199,653	6,044,647	296,718	95,366,754
Time deposits (note 4)	-	21,000,000	50,000,000	-
Amounts receivable on sale of investments	580,533	3,457,191	725,830	41,875
Amounts receivable on subscriptions	686,414	284,178	721,760	601,629
Interest and dividends receivable, net	261,312	433,340	1,934,266	3,546,907
Unrealised profit on forward foreign exchange contracts (notes 2(c), 5)	-	396,032	-	278,064
Unrealised profit on financial future contracts (notes 2(d), 6)	-	-	-	-
Unrealised profit on interest rate swap contracts (notes 2(e), 7)	-	-	-	-
Unrealised profit on inflation swap contracts (notes 2(f), 8)	-	-	-	-
Unrealised profit on cross currency swap contracts (notes 2(g), 9)	-	-	-	-
Unrealised profit on total return swap contracts (notes 2(h), 10)	-	-	-	-
Credit default swap contracts at market value (notes 2(j), 11)	-	-	-	-
Option contracts at market value (notes 2(k), 12)	-	-	-	-
Investment in mortgage dollar rolls at market value (notes 2(m), 13)	-	-	-	-
Other receivables	1,293,477	-	926,713	352,286
TOTAL ASSETS	567,793,267	543,294,331	948,971,957	822,628,629
LIABILITIES				
Amounts payable on purchases of investments	54	9,900,803	187	-
Amounts payable on purchases of mortgage dollar rolls (note 2(m))	-	-	-	-
Amounts payable on redemptions	992,323	378,166	520,554	3,892,701
Investment management fees payable (note 15)	429,049	630,445	776,872	555,888
Bank overdraft	-	-	-	-
Unrealised loss on forward foreign exchange contracts (notes 2(c), 5)	4,218	-	-	-
Unrealised loss on financial future contracts (notes 2(d), 6)	-	-	-	-
Unrealised loss on interest rate swap contracts (notes 2(e), 7)	-	-	-	-
Unrealised loss on inflation swap contracts (notes 2(f), 8)	-	-	-	-
Unrealised loss on total return swap contracts (notes 2(h), 10)	-	-	-	-
Credit default swap contracts at market value (notes 2(j), 11)	-	-	-	-
Option contracts at market value (notes 2(k), 12)	-	-	-	-
Taxes and expenses payable	496,837	4,917,252	1,156,549	1,166,214
TOTAL LIABILITIES	1,922,481	15,826,666	2,454,162	5,614,803
TOTAL NET ASSETS	565,870,786	527,467,665	946,517,795	817,013,826
THREE YEAR ASSET SUMMARY				
June 30, 2018	699,571,319	668,087,891	1,151,854,028	915,673,862
June 30, 2017	465,137,539	882,514,750	1,259,094,531	953,322,447
June 30, 2016	225,841,210	816,651,982	1,159,102,438	938,407,418

The accompanying notes form an integral part of these financial statements

Statement of Net Assets at December 31, 2018 (continued)

Templeton Global Bond Fund (USD)	Templeton Global Bond (Euro) Fund (EUR)	Templeton Global Climate Change Fund (EUR)	Templeton Global Currency Fund (USD)	Templeton Global Equity Income Fund (USD)	Templeton Global High Yield Fund (USD)	Templeton Global Income Fund (USD)
13,466,860,004	263,468,767	548,287,669	7,776,488	99,083,634	116,456,682	696,452,143
569,270,972	50,848,932	12,046,226	1,297,401	346,003	3,301,980	14,340,584
-	-	-	-	1,000,000	-	-
523,217,400	-	-	2,265,000	196	5,307,889	36,351,050
28,232,706	461,525	84,104	-	55,676	113,674	384,377
189,531,965	4,121,760	862,954	63,995	199,028	2,536,083	5,621,857
-	-	-	46,019	620	-	-
-	-	-	-	-	-	-
-	3,102,556	-	-	-	-	2,944,407
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
15,490,611	206,485	581,975	3,584	138,952	29,507	856,584
14,792,603,658	322,210,025	561,862,928	11,452,487	100,824,109	127,745,815	756,951,002
37,921,860	437,616	-	663	-	112,275	1,078,871
-	-	-	-	-	-	-
21,571,102	447,723	190,952	-	222,754	1,009,296	949,371
8,567,941	176,520	490,903	6,522	85,120	91,689	545,462
-	-	-	-	-	-	-
21,859,863	3,668,264	513	-	-	154,020	59,313
-	-	-	-	-	-	-
199,887,216	-	-	-	-	34,782	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
34,769,957	527,138	651,420	22,079	162,174	188,013	943,958
324,577,939	5,257,261	1,333,788	29,264	470,048	1,590,075	3,576,975
14,468,025,719	316,952,764	560,529,140	11,423,223	100,354,061	126,155,740	753,374,027
15,504,808,485	311,170,103	644,131,608	11,532,277	141,000,794	145,646,981	912,320,444
18,426,706,919	325,525,488	693,378,176	8,481,440	150,633,469	180,421,557	1,137,684,998
22,001,556,826	365,968,734	620,499,565	-	164,081,704	163,016,307	1,481,892,095

The accompanying notes form an integral part of these financial statements

Statement of Net Assets at December 31, 2018 (continued)

	Templeton Global Smaller Companies Fund (USD)	Templeton Global Total Return Fund (USD)	Templeton Growth (Euro) Fund (EUR)	Templeton Latin America Fund (USD)
ASSETS				
Investment in securities at market value (notes 2(b), 3)	91,605,584	15,233,609,619	6,057,969,016	935,115,390
Cash	781,616	426,355,546	157,971,458	-
Time deposits (note 4)	5,000,000	-	209,033,822	17,000,000
Amounts receivable on sale of investments	76,994	369,098,800	5,338,465	90,987
Amounts receivable on subscriptions	94,334	22,197,658	3,370,928	1,457,247
Interest and dividends receivable, net	154,202	231,688,688	10,519,094	5,455,054
Unrealised profit on forward foreign exchange contracts (notes 2(c), 5)	-	-	-	33,797
Unrealised profit on financial future contracts (notes 2(d), 6)	-	-	-	-
Unrealised profit on interest rate swap contracts (notes 2(e), 7)	-	-	-	-
Unrealised profit on inflation swap contracts (notes 2(f), 8)	-	-	-	-
Unrealised profit on cross currency swap contracts (notes 2(g), 9)	-	-	-	-
Unrealised profit on total return swap contracts (notes 2(h), 10)	-	-	-	-
Credit default swap contracts at market value (notes 2(j), 11)	-	-	-	-
Option contracts at market value (notes 2(k), 12)	-	-	-	-
Investment in mortgage dollar rolls at market value (notes 2(m), 13)	-	-	-	-
Other receivables	91,659	6,487,993	3,872,077	4,763
TOTAL ASSETS	97,804,389	16,289,438,304	6,448,074,860	959,157,238
LIABILITIES				
Amounts payable on purchases of investments	1,317,687	41,195,387	23,514	-
Amounts payable on purchases of mortgage dollar rolls (note 2(m))	-	-	-	-
Amounts payable on redemptions	109,300	27,413,342	2,014,008	2,107,752
Investment management fees payable (note 15)	82,878	9,624,056	5,689,308	1,104,905
Bank overdraft	-	-	-	340,472
Unrealised loss on forward foreign exchange contracts (notes 2(c), 5)	-	32,321,790	-	-
Unrealised loss on financial future contracts (notes 2(d), 6)	-	-	-	-
Unrealised loss on interest rate swap contracts (notes 2(e), 7)	-	59,623,544	-	-
Unrealised loss on inflation swap contracts (notes 2(f), 8)	-	-	-	-
Unrealised loss on total return swap contracts (notes 2(h), 10)	-	-	-	-
Credit default swap contracts at market value (notes 2(j), 11)	-	-	-	-
Option contracts at market value (notes 2(k), 12)	-	-	-	-
Taxes and expenses payable	166,028	29,354,253	6,589,009	1,560,031
TOTAL LIABILITIES	1,675,893	199,532,372	14,315,839	5,113,160
TOTAL NET ASSETS	96,128,496	16,089,905,932	6,433,759,021	954,044,078
THREE YEAR ASSET SUMMARY				
June 30, 2018	122,143,577	17,571,329,650	7,362,059,685	991,907,089
June 30, 2017	120,018,892	20,185,056,502	7,584,398,180	1,199,770,938
June 30, 2016	113,758,358	21,120,878,212	6,563,260,233	1,103,673,787

The accompanying notes form an integral part of these financial statements

Statement of Net Assets at December 31, 2018 (continued)

Templeton Thailand Fund (USD)
143,995,056
533,246
7,000,000
1,371
1,133,152
96,740
-
-
-
-
-
-
-
-
-
-
152,759,565
-
-
569,296
208,449
-
-
-
-
-
-
-
-
200,611
978,356
151,781,209
167,245,593
139,450,128
143,285,738

The accompanying notes form an integral part of these financial statements

Statement of Operations and Changes in Net Assets For the Period ended December 31, 2018

	Total (USD)	Franklin Asia Credit Fund (USD)	Franklin Biotechnology Discovery Fund (USD)	Franklin Brazil Opportunities Fund (USD)
NET ASSETS AT THE BEGINNING OF THE PERIOD	101,982,609,080	8,445,896	2,185,214,017	25,312,964
Currency translation adjustment	(315,541,285)	-	-	-
	101,667,067,795	8,445,896	2,185,214,017	25,312,964
INCOME				
Dividends (net of withholding taxes) (note 2(n))	326,074,281	-	1,430,311	53,284
Interest on bonds (net of withholding taxes) (note 2(n))	2,104,821,260	197,596	117,111	827,088
Bank interest	12,422,127	202	256,089	2,136
Securities lending (notes 2(o), 14)	4,137,603	-	1,398,014	-
Net interest income on swaps	6,299,504	-	-	25,639
Sundry income	9,808,849	400	1,501,052	-
TOTAL INCOME	2,463,563,624	198,198	4,702,577	908,147
EXPENSES				
Investment management fees (note 15)	437,825,913	29,408	9,656,498	126,803
Administration and transfer agency fees	112,003,296	9,222	2,301,915	34,796
Directors fees	119,021	10	2,462	30
Subscription tax (note 19)	21,227,250	1,673	505,297	6,212
Custodian fees	18,517,689	293	41,532	2,791
Audit fees	611,080	6,311	7,969	5,188
Printing and publishing expenses	4,227,320	358	87,174	1,071
Bank charges	10,284,551	-	5,214	35
Net interest expenses on swaps	16,703,881	-	-	-
Class A (dis) and Class A (acc) shares' maintenance charges (note 20)	137,861,855	9,353	3,945,171	26,227
Class AS (dis) and Class AS (acc) shares' maintenance charges (note 20)	685,874	-	-	-
Class AX (acc) shares' maintenance charges (note 20)	669,455	-	-	-
Class B (dis) and Class B (acc) shares' maintenance and service charges (note 20)	4,967,719	-	124,240	-
Class C (dis) and Class C (acc) shares' maintenance charges (note 20)	8,121,333	-	107,947	-
Class F (dis) and Class F (acc) shares' maintenance and service charges (note 20)	13,633,117	-	326,773	-
Class G (dis) and Class G (acc) shares' maintenance and service charges (note 20)	150,319	-	-	-
Class N (dis) and Class N (acc) shares' maintenance charges (note 20)	44,509,267	-	874,550	73,905
Other charges	14,570,794	1,147	286,862	3,455
TOTAL EXPENSES	846,689,734	57,775	18,273,604	280,513
Expenses reimbursement (note 21)	(6,578,789)	(663)	(3,576)	-
NET EXPENSES	840,110,945	57,112	18,270,028	280,513
NET PROFIT/(LOSS) FROM INVESTMENTS	1,623,452,679	141,086	(13,567,451)	627,634
Net realised profit/(loss) on sale of investments	(439,889,368)	(43,312)	7,700,009	(732,433)
Net realised profit/(loss) on forward foreign exchange contracts	1,070,140,329	(131,590)	(867,718)	(153,672)
Net realised profit/(loss) on financial future contracts	(3,101,311)	-	-	(302,655)
Net realised profit/(loss) on interest rate swap contracts	370,628	-	-	-
Net realised profit/(loss) on inflation swap contracts	(160,860)	-	-	-
Net realised profit/(loss) on total return swap contracts	(18,001,928)	-	-	-
Net realised profit/(loss) on credit default swap contracts	(2,488,790)	-	-	-
Net realised profit/(loss) on option contracts	(6,814,614)	-	-	-
Net realised profit/(loss) on mortgage dollar rolls	959,818	-	-	-
Net realised profit/(loss) on foreign exchange transactions	(138,334,108)	-	2,613	(131,450)
NET REALISED PROFIT/(LOSS) FOR THE PERIOD	2,086,132,475	(33,816)	(6,732,547)	(692,576)
Change in net unrealised appreciation/(depreciation) on:				
Investments	(5,887,816,728)	(49,207)	(363,269,322)	2,994,645
Forward foreign exchange contracts	(645,625,768)	44,715	336,641	1,250
Financial future contracts	8,489,591	-	-	(954,182)
Interest rate swap contracts	(190,451,492)	-	-	-
Inflation swap contracts	(260,310)	-	-	23,959
Cross currency swap contracts	80,814	-	-	-
Total return swap contracts	(15,238,023)	-	-	-
Credit default swap contracts	1,564,273	-	-	63,845
Option contracts	288,725	-	-	-
Mortgage dollar rolls	555,094	-	-	-
Foreign exchange transactions	44,999,778	39	282	53,942
Capital gains tax	31,311,471	-	-	27,056
NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS	(4,565,970,100)	(38,269)	(369,664,946)	1,517,939
MOVEMENT OF CAPITAL				
Issue of shares	13,875,999,861	104,935	605,527,374	3,835,698
Redemption of shares	(17,647,068,397)	(9,619)	(732,306,112)	(3,343,971)
Equalisation (note 24)	(13,252,460)	45	-	(7,104)
	(3,784,320,996)	95,361	(126,778,738)	484,623
Dividends paid/accumulated (note 25)	(2,477,638,534)	(196,777)	-	(987,126)
NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF MOVEMENT IN CAPITAL	(6,261,959,530)	(101,416)	(126,778,738)	(502,503)
NET ASSETS AT THE END OF THE PERIOD	90,839,138,165	8,306,211	1,688,770,333	26,328,400
Portfolio Turnover Ratio (note 26)		69.60%	(71.60)%	141.13%

The accompanying notes form an integral part of these financial statements

Statement of Operations and Changes in Net Assets For the Period ended December 31, 2018 (continued)

Franklin Diversified Balanced Fund (EUR)	Franklin Diversified Conservative Fund (EUR)	Franklin Diversified Dynamic Fund (EUR)	Franklin Euro Government Bond Fund (EUR)	Franklin Euro High Yield Fund (EUR)	Franklin Euro Short Duration Bond Fund (EUR)	Franklin Euro Short-Term Money Market Fund (EUR)
272,770,646	355,924,700	137,509,455	48,996,905	589,123,493	137,112,468	102,289,569
-	-	-	-	-	-	-
272,770,646	355,924,700	137,509,455	48,996,905	589,123,493	137,112,468	102,289,569
1,342,667	630,200	953,535	-	46,233	-	-
1,008,520	1,826,070	323,004	271,342	11,063,026	311,775	(154,395)
23,979	22,421	16,169	13	11,088	1,621	-
-	-	-	-	-	-	-
656,518	760,166	156,390	-	-	-	-
2,193	1,116	1,075	-	47,636	538	-
3,033,877	3,239,973	1,450,173	271,355	11,167,983	313,934	(154,395)
917,358	1,158,178	531,914	82,085	2,201,970	144,521	116,879
293,900	379,090	149,242	58,529	646,924	116,288	68,257
322	411	163	58	692	156	118
37,910	60,309	24,471	8,565	131,410	18,085	4,924
14,905	17,398	8,735	1,860	22,353	7,139	3,746
5,860	6,090	5,954	4,059	6,070	5,224	3,904
11,420	14,589	5,774	2,045	24,563	5,532	4,174
60,826	88,723	28,559	585	95,956	14,918	37,928
-	-	-	-	-	-	-
237,872	241,248	217,451	17,876	818,742	27,684	36,243
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	90,846	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
8,644	12,611	-	-	-	-	-
40,691	315,258	10,577	47,449	391,391	101,833	-
36,868	47,080	18,655	6,605	79,278	17,850	25,878
1,666,576	2,340,985	1,001,495	229,716	4,510,195	459,230	302,051
(102)	(7,552)	(1,452)	(24,447)	(958)	(44,529)	(155,486)
1,666,474	2,333,433	1,000,043	205,269	4,509,237	414,701	146,565
1,367,403	906,540	450,130	66,086	6,658,746	(100,767)	(300,960)
(7,192,473)	(11,951,016)	(2,579,676)	(68,244)	(1,007,394)	(397,471)	(525)
(2,984,397)	(3,417,301)	(1,360,897)	-	90,405	962,165	-
(716,660)	(543,425)	(445,962)	(309,655)	-	(466,097)	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(3,981,011)	(5,293,859)	(2,039,787)	-	-	-	-
-	-	-	-	-	-	-
(2,580,129)	(2,247,557)	(1,878,849)	-	-	-	-
-	-	-	-	-	-	-
5,107	8,337	9,020	-	(26,431)	69,328	-
(16,082,160)	(22,538,281)	(7,846,021)	(311,813)	5,715,326	67,158	(301,485)
(9,336,528)	1,761,621	(9,212,987)	376,185	(14,400,656)	(69,050)	-
1,661,032	1,430,581	887,016	-	12,111	(218,797)	-
1,335,592	1,351,845	1,044,519	201,314	-	296,810	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(1,795,554)	(1,950,288)	(902,080)	-	-	-	-
27,972	54,403	19,345	-	-	-	-
182,685	72,723	134,954	-	-	-	-
-	-	-	-	-	-	-
(4,422)	(1,706)	14,470	-	(3,609)	3,000	-
-	-	-	-	-	-	-
(24,011,383)	(19,819,102)	(15,860,784)	265,686	(8,676,828)	79,121	(301,485)
22,810,491	27,037,286	13,254,734	19,791,038	36,918,327	23,766,518	39,489,940
(19,364,923)	(56,300,887)	(10,786,831)	(12,090,329)	(77,196,610)	(37,246,839)	(28,115,668)
(197,006)	(873,786)	(45,851)	35,501	(301,612)	(3,905)	-
3,248,562	(30,137,387)	2,422,052	7,736,210	(40,579,895)	(13,484,226)	11,374,272
(13,428,201)	(13,595,807)	(6,202,445)	(401,447)	(16,487,604)	(471,926)	-
(10,179,639)	(43,733,194)	(3,780,393)	7,334,763	(57,067,499)	(13,956,152)	11,374,272
238,579,624	292,372,404	117,868,278	56,597,354	523,379,166	123,235,437	113,362,356
164.27%	125.62%	171.23%	112.30%	73.69%	85.62%	N/A

The accompanying notes form an integral part of these financial statements

Statement of Operations and Changes in Net Assets For the Period ended December 31, 2018 (continued)

	Franklin European Corporate Bond Fund (EUR)	Franklin European Dividend Fund (EUR)	Franklin European Growth Fund (EUR)	Franklin European Income Fund (EUR)
NET ASSETS AT THE BEGINNING OF THE PERIOD	73,905,855	107,567,674	397,812,910	21,094,704
Currency translation adjustment	-	-	-	-
	73,905,855	107,567,674	397,812,910	21,094,704
INCOME				
Dividends (net of withholding taxes) (note 2(n))	-	973,938	1,829,332	102,401
Interest on bonds (net of withholding taxes) (note 2(n))	572,699	-	-	90,422
Bank interest	-	-	296	-
Securities lending (notes 2(o), 14)	-	-	455,865	-
Net interest income on swaps	-	-	-	-
Sundry income	-	-	-	-
TOTAL INCOME	572,699	973,938	2,285,493	192,823
EXPENSES				
Investment management fees (note 15)	142,821	510,166	1,725,699	89,317
Administration and transfer agency fees	76,799	130,897	414,552	26,467
Directors fees	84	131	448	26
Subscription tax (note 19)	11,903	21,734	86,214	5,255
Custodian fees	2,528	4,537	17,941	1,501
Audit fees	4,308	4,794	4,782	5,607
Printing and publishing expenses	2,950	4,654	15,897	935
Bank charges	2,140	9,317	10,372	944
Net interest expenses on swaps	-	-	-	-
Class A (dis) and Class A (acc) shares' maintenance charges (note 20)	29,910	154,443	554,638	21,247
Class AS (dis) and Class AS (acc) shares' maintenance charges (note 20)	-	-	-	-
Class AX (acc) shares' maintenance charges (note 20)	-	-	-	-
Class B (dis) and Class B (acc) shares' maintenance and service charges (note 20)	-	-	-	-
Class C (dis) and Class C (acc) shares' maintenance charges (note 20)	-	-	-	-
Class F (dis) and Class F (acc) shares' maintenance and service charges (note 20)	-	-	-	-
Class G (dis) and Class G (acc) shares' maintenance and service charges (note 20)	-	-	-	-
Class N (dis) and Class N (acc) shares' maintenance charges (note 20)	103,657	126,289	557,226	58,363
Other charges	9,518	15,033	51,320	3,024
TOTAL EXPENSES	386,618	981,995	3,439,089	212,686
Expenses reimbursement (note 21)	(31,316)	-	(3,244)	(2,312)
NET EXPENSES	355,302	981,995	3,435,845	210,374
NET PROFIT/(LOSS) FROM INVESTMENTS	217,397	(8,057)	(1,150,352)	(17,551)
Net realised profit/(loss) on sale of investments	235,994	520,648	(2,553,633)	(30,292)
Net realised profit/(loss) on forward foreign exchange contracts	5,975	48,835	1,611,883	12,093
Net realised profit/(loss) on financial future contracts	(81,622)	-	-	-
Net realised profit/(loss) on interest rate swap contracts	-	-	-	-
Net realised profit/(loss) on inflation swap contracts	-	-	-	-
Net realised profit/(loss) on total return swap contracts	-	-	-	-
Net realised profit/(loss) on credit default swap contracts	-	-	-	-
Net realised profit/(loss) on option contracts	-	-	-	-
Net realised profit/(loss) on mortgage dollar rolls	-	-	-	-
Net realised profit/(loss) on foreign exchange transactions	-	(11,124)	10,026	(5,663)
NET REALISED PROFIT/(LOSS) FOR THE PERIOD	377,744	550,302	(2,082,076)	(41,413)
Change in net unrealised appreciation/(depreciation) on:				
Investments	(885,386)	(12,797,636)	(46,524,420)	(1,486,717)
Forward foreign exchange contracts	55,555	241,989	(595,453)	20,129
Financial future contracts	96,265	-	-	-
Interest rate swap contracts	-	-	-	-
Inflation swap contracts	-	-	-	-
Cross currency swap contracts	-	-	-	-
Total return swap contracts	-	-	-	-
Credit default swap contracts	-	-	-	-
Option contracts	-	-	-	-
Mortgage dollar rolls	-	-	-	-
Foreign exchange transactions	-	(6,223)	(50,385)	1,169
Capital gains tax	-	-	-	-
NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS	(355,822)	(12,011,568)	(49,252,334)	(1,506,832)
MOVEMENT OF CAPITAL				
Issue of shares	2,895,025	28,214,894	10,950,753	3,497,324
Redemption of shares	(14,018,510)	(11,807,429)	(56,527,224)	(2,694,509)
Equalisation (note 24)	(45,061)	72,745	(3,932)	17,082
	(11,168,546)	16,480,210	(45,580,403)	819,897
Dividends paid/accumulated (note 25)	(1,210,076)	(4,030,426)	(2,076,878)	(315,061)
NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF MOVEMENT IN CAPITAL	(12,378,622)	12,449,784	(47,657,281)	504,836
NET ASSETS AT THE END OF THE PERIOD	61,171,411	108,005,890	300,903,295	20,092,708
Portfolio Turnover Ratio (note 26)	56.50%	(0.76)%	42.44%	(12.31)%

The accompanying notes form an integral part of these financial statements

Statement of Operations and Changes in Net Assets For the Period ended December 31, 2018 (continued)

Franklin European Small-Mid Cap Growth Fund (EUR)	Franklin European Total Return Fund (EUR)	Franklin Flexible Alpha Bond Fund (USD)	Franklin GCC Bond Fund (USD)	Franklin Global Aggregate Bond Fund (USD)	Franklin Global Aggregate Investment Grade Bond Fund (USD)	Franklin Global Convertible Securities Fund (USD)
435,473,434	472,606,884	629,426,052	86,795,362	91,187,076	10,629,897	206,962,616
-	-	-	-	-	-	-
435,473,434	472,606,884	629,426,052	86,795,362	91,187,076	10,629,897	206,962,616
3,916,263	-	-	-	-	-	883,843
-	3,156,294	9,801,195	2,584,988	1,095,949	112,658	1,810,576
-	9,981	106,776	27,544	9,679	539	28,661
16,429	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	53,425	21	13,287	-	-
3,932,692	3,166,275	9,961,396	2,612,553	1,118,915	113,197	2,723,080
1,744,009	752,475	240,232	259,488	67,893	23,006	1,190,512
447,546	446,912	94,312	99,434	27,598	12,096	390,702
502	514	676	105	88	13	358
72,101	73,594	31,200	8,523	7,373	784	54,183
22,583	36,113	12,546	4,865	10,676	946	8,907
4,817	4,816	7,723	5,124	6,099	4,475	6,787
17,793	18,192	23,956	3,736	3,090	454	12,924
20,158	32,456	43,043	819	6,353	97	2,697
-	-	738,311	-	-	-	-
532,132	177,814	1,174	24,709	20,557	1,332	434,143
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	214	-	-	-
355	-	-	-	-	-	7,112
-	-	-	-	-	-	-
-	-	-	-	-	-	-
118,201	514,378	39,206	-	20,540	-	303,719
57,438	58,668	77,115	12,052	9,937	1,468	41,789
3,037,635	2,115,932	1,309,494	419,069	180,204	44,671	2,453,833
-	(182,311)	(34,820)	-	(14,021)	(8,414)	(2,984)
3,037,635	1,933,621	1,274,674	419,069	166,183	36,257	2,450,849
895,057	1,232,654	8,686,722	2,193,484	952,732	76,940	272,231
3,839,503	814,607	(4,510,576)	(369,951)	(1,250,747)	-	1,304,508
15,290	(352,821)	(18,558,616)	(1,088,021)	(471,962)	18,275	(5,463,437)
-	(3,818,606)	440,888	-	-	-	-
-	64,227	462,527	-	-	-	-
-	-	-	-	-	-	-
-	-	577,960	-	-	-	-
-	-	91,176	-	-	-	-
-	-	(80,478)	-	-	-	-
-	-	-	-	-	-	-
23,376	(36,614)	175,870	143	91,378	(8,806)	21,231
4,773,226	(2,096,553)	(12,714,527)	735,655	(678,599)	86,409	(3,865,467)
(74,006,811)	(1,231,196)	(4,949,927)	182,508	355,338	(77,454)	(24,909,049)
(4,390)	(265,056)	5,808,506	34,792	359,288	(21,396)	625,189
-	2,655,764	(1,310,504)	-	-	-	-
-	(31,617)	(547,190)	-	-	-	-
-	-	(463,799)	-	-	-	-
-	-	55,597	-	-	-	-
-	-	(2,530,746)	-	-	-	-
-	-	151,833	-	-	-	-
-	-	(173,069)	-	-	-	-
-	-	-	-	-	-	-
(67,138)	41,078	(20,309)	159	23,249	1,778	2,497
-	-	-	-	-	-	-
(69,305,113)	(927,580)	(16,694,135)	953,114	59,276	(10,663)	(28,146,830)
20,203,441	23,564,564	22,543,902	10,038,997	8,151,649	378,817	315,556,054
(67,712,951)	(209,039,890)	(182,440,708)	(7,533,501)	(48,025,594)	(225,083)	(90,658,304)
(145,730)	(246,166)	(988,084)	4,506	(64,461)	(383)	127,066
(47,655,240)	(185,721,492)	(160,884,890)	2,510,002	(39,938,406)	153,351	225,024,816
(8,336,615)	(3,177,976)	(13,803,724)	(2,575,102)	(1,084,069)	(135,440)	(397,464)
(55,991,855)	(188,899,468)	(174,688,614)	(65,100)	(41,022,475)	17,911	224,627,352
310,176,466	282,779,836	438,043,303	87,683,376	50,223,877	10,637,145	403,443,138
18.26%	82.73%	10.58%	32.54%	55.00%	34.63%	(48.35)%

The accompanying notes form an integral part of these financial statements

Statement of Operations and Changes in Net Assets For the Period ended December 31, 2018 (continued)

	Franklin Global Fundamental Strategies Fund (USD)	Franklin Global Listed Infrastructure Fund (USD)	Franklin Global Multi-Asset Income Fund (EUR)	Franklin Global Real Estate Fund (USD)
NET ASSETS AT THE BEGINNING OF THE PERIOD	1,953,764,526	80,953,870	322,054,366	203,221,322
Currency translation adjustment	-	-	-	-
	1,953,764,526	80,953,870	322,054,366	203,221,322
INCOME				
Dividends (net of withholding taxes) (note 2(n))	11,012,759	1,026,310	1,875,274	2,304,701
Interest on bonds (net of withholding taxes) (note 2(n))	22,074,131	-	1,659,764	-
Bank interest	263,987	6,492	40,027	12,351
Securities lending (notes 2(o), 14)	56,402	-	-	-
Net interest income on swaps	34,823	-	428,069	-
Sundry income	80,689	69,395	5,942	-
TOTAL INCOME	33,522,791	1,102,197	4,009,076	2,317,052
EXPENSES				
Investment management fees (note 15)	9,528,220	261,440	1,165,969	841,201
Administration and transfer agency fees	2,248,929	72,233	331,361	227,035
Directors fees	2,318	103	361	241
Subscription tax (note 19)	477,359	11,067	66,232	40,994
Custodian fees	239,478	8,009	20,849	7,751
Audit fees	7,432	6,116	6,516	6,966
Printing and publishing expenses	82,384	3,658	12,806	8,585
Bank charges	196,813	12	54,351	-
Net interest expenses on swaps	-	-	-	-
Class A (dis) and Class A (acc) shares' maintenance charges (note 20)	4,339,817	66,807	320,400	232,169
Class AS (dis) and Class AS (acc) shares' maintenance charges (note 20)	-	-	-	-
Class AX (acc) shares' maintenance charges (note 20)	-	-	-	-
Class B (dis) and Class B (acc) shares' maintenance and service charges (note 20)	-	-	-	43,452
Class C (dis) and Class C (acc) shares' maintenance charges (note 20)	-	-	6,945	87,532
Class F (dis) and Class F (acc) shares' maintenance and service charges (note 20)	-	-	-	-
Class G (dis) and Class G (acc) shares' maintenance and service charges (note 20)	-	-	99,222	-
Class N (dis) and Class N (acc) shares' maintenance charges (note 20)	820,320	41,467	498,740	157,678
Other charges	267,310	11,852	41,333	27,707
TOTAL EXPENSES	18,210,380	482,764	2,625,085	1,681,311
Expenses reimbursement (note 21)	-	(4,661)	(195)	(549)
NET EXPENSES	18,210,380	478,103	2,624,890	1,680,762
NET PROFIT/(LOSS) FROM INVESTMENTS	15,312,411	624,094	1,384,186	636,290
Net realised profit/(loss) on sale of investments	22,671,020	(358,103)	(12,637,866)	3,081,040
Net realised profit/(loss) on forward foreign exchange contracts	25,577,368	(41,709)	(3,046,262)	(589,838)
Net realised profit/(loss) on financial future contracts	-	-	(596,365)	-
Net realised profit/(loss) on interest rate swap contracts	-	-	-	-
Net realised profit/(loss) on inflation swap contracts	-	-	-	-
Net realised profit/(loss) on total return swap contracts	-	-	(4,936,178)	-
Net realised profit/(loss) on credit default swap contracts	-	-	-	-
Net realised profit/(loss) on option contracts	-	-	(2,706,190)	-
Net realised profit/(loss) on mortgage dollar rolls	-	-	-	-
Net realised profit/(loss) on foreign exchange transactions	(995,932)	20,998	(79,731)	(7,422)
NET REALISED PROFIT/(LOSS) FOR THE PERIOD	62,564,867	245,280	(22,618,406)	3,120,070
Change in net unrealised appreciation/(depreciation) on:				
Investments	(184,667,337)	(7,186,629)	(6,856,611)	(17,811,131)
Forward foreign exchange contracts	(17,900,812)	12,642	1,782,894	(16,515)
Financial future contracts	-	-	1,731,615	-
Interest rate swap contracts	(3,362,664)	-	-	-
Inflation swap contracts	-	-	-	-
Cross currency swap contracts	-	-	-	-
Total return swap contracts	-	-	(468,105)	-
Credit default swap contracts	-	-	76,265	-
Option contracts	-	-	191,439	-
Mortgage dollar rolls	-	-	-	-
Foreign exchange transactions	484,126	(243)	(14,580)	8,916
Capital gains tax	95,613	-	-	-
NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS	(142,786,207)	(6,928,950)	(26,175,489)	(14,698,660)
MOVEMENT OF CAPITAL				
Issue of shares	111,382,259	17,487,342	24,218,381	31,535,257
Redemption of shares	(127,717,080)	(11,534,923)	(59,121,006)	(42,088,171)
Equalisation (note 24)	(123,784)	(4,933)	(725,262)	(42,078)
	(16,458,605)	5,947,486	(35,627,887)	(10,594,992)
Dividends paid/accumulated (note 25)	(33,705,975)	(2,157,053)	(13,350,980)	(3,065,642)
NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF MOVEMENT IN CAPITAL	(50,164,580)	3,790,433	(48,978,867)	(13,660,634)
NET ASSETS AT THE END OF THE PERIOD	1,760,813,739	77,815,353	246,900,010	174,862,028
Portfolio Turnover Ratio (note 26)	25.85%	178.15%	159.65%	(5.17)%

The accompanying notes form an integral part of these financial statements

Statement of Operations and Changes in Net Assets For the Period ended December 31, 2018 (continued)

Franklin Global Small-Mid Cap Growth Fund (USD)	Franklin Gold and Precious Metals Fund (USD)	Franklin High Yield Fund (USD)	Franklin Income Fund (USD)	Franklin India Fund (USD)	Franklin Japan Fund (JPY)	Franklin K2 Alternative Strategies Fund (USD)
111,463,910	216,042,075	1,935,878,158	1,669,750,494	3,306,103,248	26,937,411,320	2,410,932,627
-	-	-	-	-	-	-
111,463,910	216,042,075	1,935,878,158	1,669,750,494	3,306,103,248	26,937,411,320	2,410,932,627
634,193	572,782	-	12,741,536	13,869,267	213,133,561	6,920,791
-	29,201	53,515,179	25,266,702	-	-	24,574,668
34,704	4,067	69,840	136,955	251,465	985	-
-	-	-	17,678	-	-	-
-	-	-	-	-	-	-
6,807	13,389	66,624	711,096	-	-	200,648
675,704	619,439	53,651,643	38,873,967	14,120,732	213,134,546	31,696,107
528,289	1,028,762	7,391,948	6,823,719	11,648,433	97,520,230	22,846,033
133,522	261,283	2,203,073	1,959,362	3,008,485	28,289,474	2,766,203
132	247	2,270	1,983	3,386	29,859	2,972
27,317	51,978	473,704	405,008	482,301	3,493,234	388,283
4,343	8,422	38,593	38,549	668,047	1,290,973	621,511
5,033	5,528	8,084	7,784	8,467	577,853	21,168
4,679	8,781	80,644	70,515	119,486	1,055,732	105,846
935	569	432	1,491	83,909	473,925	-
-	-	-	-	-	-	921,270
221,069	391,770	3,158,797	2,475,639	3,321,473	19,066,179	1,719,625
-	-	-	-	4,812	-	-
-	-	-	-	-	-	-
7,147	-	1,144,985	626,386	97,400	-	-
-	-	137,225	935,124	53,462	2,210,655	57,118
-	-	199,480	250,908	-	-	-
-	-	-	-	-	-	12,276
74,393	303,086	312,417	1,239,213	1,086,657	12,491,800	1,412,199
15,103	28,321	260,254	238,919	385,019	3,403,993	627,743
1,021,962	2,088,747	15,411,906	15,074,600	20,971,337	169,903,907	31,502,247
-	-	(2,729)	(8,644)	(4,144)	(569,313)	(2,343,624)
1,021,962	2,088,747	15,409,177	15,065,956	20,967,193	169,334,594	29,158,623
(346,258)	(1,469,308)	38,242,466	23,808,011	(6,846,461)	43,799,952	2,537,484
1,270,975	(4,793,820)	(6,284,412)	(14,483,821)	216,675,930	(1,525,986,116)	(7,392,259)
-	(457,219)	(1,060,219)	(2,490,044)	(3,401,305)	19,160,961	(74,619,950)
-	-	-	-	-	-	6,278,960
-	-	-	-	-	-	34,515
-	-	-	-	-	-	(138,506)
-	-	-	-	-	-	(3,332,334)
-	-	-	-	-	-	77,263
-	-	-	2,382,253	-	-	1,475,463
-	-	-	-	-	-	-
(1,410)	(861)	(1,772)	(87,349)	(2,216,547)	19,198,542	278,217
923,307	(6,721,208)	30,896,063	9,129,050	204,211,617	(1,443,826,661)	(74,801,147)
(18,671,681)	(10,387,991)	(85,761,197)	(111,108,923)	(395,073,316)	(2,140,532,250)	(86,630,478)
-	(14,657)	501,282	40,805	1,898,238	(10,780,446)	23,658,117
-	-	-	-	-	-	(1,278,205)
-	-	-	-	-	-	(181,973)
-	-	-	-	-	-	382,349
-	-	-	-	-	-	-
-	-	-	-	-	-	972,748
-	-	-	-	-	-	(327,931)
-	-	-	392,020	-	-	(1,021,105)
-	-	-	-	-	-	-
(50,572)	(278)	376	766	119,795	2,788,262	(73,481)
-	-	-	-	-	-	-
(17,798,946)	(17,124,134)	(54,363,476)	(101,546,282)	(188,843,666)	(3,592,351,095)	(139,301,106)
16,084,267	59,189,183	107,022,517	236,106,602	287,592,864	6,460,758,209	578,544,017
(17,351,869)	(37,591,918)	(284,049,691)	(332,571,003)	(1,057,396,458)	(11,762,243,925)	(550,978,791)
9,203	-	(674,567)	(109,696)	51	(11,854,103)	1,364,329
(1,258,399)	21,597,265	(177,701,741)	(96,574,097)	(769,803,543)	(5,313,339,819)	28,929,555
(578,377)	-	(54,280,390)	(38,446,532)	(48,348)	(104,632,917)	(22,014)
(1,836,776)	21,597,265	(231,982,131)	(135,020,629)	(769,851,891)	(5,417,972,736)	28,907,541
91,828,188	220,515,206	1,649,532,551	1,433,183,583	2,347,407,691	17,927,087,489	2,300,539,062
(10.64)%	(49.22)%	1.04%	29.31%	6.22%	496.08%	153.46%

The accompanying notes form an integral part of these financial statements

Statement of Operations and Changes in Net Assets For the Period ended December 31, 2018 (continued)

	Franklin K2 Global Macro Opportunites Fund (USD)	Franklin K2 Long Short Credit Fund (USD)	Franklin MENA Fund (USD)	Franklin Natural Resources Fund (USD)
NET ASSETS AT THE BEGINNING OF THE PERIOD	24,987,801	97,806,969	138,386,723	351,976,498
Currency translation adjustment	-	-	-	-
	24,987,801	97,806,969	138,386,723	351,976,498
INCOME				
Dividends (net of withholding taxes) (note 2(n))	-	40,506	984,490	2,664,860
Interest on bonds (net of withholding taxes) (note 2(n))	286,821	2,390,724	-	48,019
Bank interest	-	-	5,052	7,767
Securities lending (notes 2(o), 14)	-	-	-	52,833
Net interest income on swaps	-	-	-	-
Sundry income	5,161	100,820	-	153,611
TOTAL INCOME	291,982	2,532,050	989,542	2,927,090
EXPENSES				
Investment management fees (note 15)	241,605	955,207	822,656	1,512,304
Administration and transfer agency fees	27,110	110,400	165,269	382,277
Directors fees	30	118	153	384
Subscription tax (note 19)	4,764	17,411	25,509	82,507
Custodian fees	60,898	69,823	100,374	8,968
Audit fees	17,425	17,473	6,249	6,376
Printing and publishing expenses	1,066	4,203	5,412	13,608
Bank charges	-	-	9,222	21
Net interest expenses on swaps	7,820	189,827	-	-
Class A (dis) and Class A (acc) shares' maintenance charges (note 20)	24,790	116,489	166,720	523,782
Class AS (dis) and Class AS (acc) shares' maintenance charges (note 20)	-	-	-	-
Class AX (acc) shares' maintenance charges (note 20)	-	-	-	-
Class B (dis) and Class B (acc) shares' maintenance and service charges (note 20)	-	-	20,083	63,695
Class C (dis) and Class C (acc) shares' maintenance charges (note 20)	-	-	-	21,797
Class F (dis) and Class F (acc) shares' maintenance and service charges (note 20)	-	-	-	163,205
Class G (dis) and Class G (acc) shares' maintenance and service charges (note 20)	-	-	-	-
Class N (dis) and Class N (acc) shares' maintenance charges (note 20)	19,334	51,893	66,644	332,186
Other charges	5,962	23,495	17,463	44,834
TOTAL EXPENSES	410,804	1,556,339	1,405,754	3,155,944
Expenses reimbursement (note 21)	(94,021)	(153,049)	(4,198)	(1,205)
NET EXPENSES	316,783	1,403,290	1,401,556	3,154,739
NET PROFIT/(LOSS) FROM INVESTMENTS	(24,801)	1,128,760	(412,014)	(227,649)
Net realised profit/(loss) on sale of investments	(127,156)	(217,789)	(907,876)	(2,715,688)
Net realised profit/(loss) on forward foreign exchange contracts	(407,297)	(1,651,578)	(578,454)	(628,585)
Net realised profit/(loss) on financial future contracts	(100,135)	7,796	-	-
Net realised profit/(loss) on interest rate swap contracts	6,801	5,390	-	-
Net realised profit/(loss) on inflation swap contracts	(7,961)	(14,393)	-	-
Net realised profit/(loss) on total return swap contracts	201,136	(49,450)	-	-
Net realised profit/(loss) on credit default swap contracts	(432)	149,313	-	-
Net realised profit/(loss) on option contracts	-	(63,477)	-	-
Net realised profit/(loss) on mortgage dollar rolls	-	-	-	-
Net realised profit/(loss) on foreign exchange transactions	(7,231)	(10,634)	(103,273)	2,282
NET REALISED PROFIT/(LOSS) FOR THE PERIOD	(467,076)	(716,062)	(2,001,617)	(3,569,640)
Change in net unrealised appreciation/(depreciation) on:				
Investments	4,546	(1,643,877)	(8,389,329)	(90,088,753)
Forward foreign exchange contracts	106,069	473,950	185,305	397,987
Financial future contracts	24,150	12,422	-	-
Interest rate swap contracts	(36,843)	(124,895)	-	-
Inflation swap contracts	18,249	36,694	-	-
Cross currency swap contracts	-	-	-	-
Total return swap contracts	-	(188,574)	-	-
Credit default swap contracts	1,838	382,699	-	-
Option contracts	-	6,215	-	-
Mortgage dollar rolls	-	-	-	-
Foreign exchange transactions	1,169	(1,080)	4,375	(602)
Capital gains tax	-	-	-	-
NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS	(347,898)	(1,762,508)	(10,201,266)	(93,261,008)
MOVEMENT OF CAPITAL				
Issue of shares	220,189	5,468,889	18,649,744	110,145,494
Redemption of shares	(390,420)	(4,951,430)	(43,518,785)	(125,322,037)
Equalisation (note 24)	-	39,892	(8,392)	518
	(170,231)	557,351	(24,877,433)	(15,176,025)
Dividends paid/accumulated (note 25)	-	(146,488)	(1,019,404)	(115,830)
NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF MOVEMENT IN CAPITAL	(170,231)	410,863	(25,896,837)	(15,291,855)
NET ASSETS AT THE END OF THE PERIOD	24,469,672	96,455,324	102,288,620	243,423,635
Portfolio Turnover Ratio (note 26)	56.93%	206.81%	121.01%	(124.10)%

[1] This Fund had its name changed effective on August 1, 2018 (refer to Note 1)

The accompanying notes form an integral part of these financial statements

Statement of Operations and Changes in Net Assets For the Period ended December 31, 2018 (continued)

Franklin NextStep Balanced Growth Fund (USD)	Franklin NextStep Conservative Fund (USD)	Franklin NextStep Dynamic Growth Fund (USD)	Franklin NextStep Growth Fund (USD)	Franklin NextStep Moderate Fund (USD)	Franklin NextStep Stable Growth Fund (USD)	Franklin Select U.S. Equity Fund[1] (USD)
257,583,066	37,825,419	60,806,068	26,984,353	75,584,143	22,169,010	419,996,049
-	-	-	-	-	-	-
257,583,066	37,825,419	60,806,068	26,984,353	75,584,143	22,169,010	419,996,049
1,359,112	301,879	219,227	131,744	440,106	222,923	1,401,898
-	-	-	-	-	-	68,971
61,898	15,639	10,600	7,204	25,239	8,252	8,790
-	-	-	-	-	-	24,878
-	-	-	-	-	-	-
132,408	15,783	35,714	5,383	20,215	11,243	262,524
1,553,418	333,301	265,541	144,331	485,560	242,418	1,767,061
958,307	141,947	210,510	141,133	352,399	92,056	1,833,058
245,993	49,000	54,341	35,077	102,880	25,401	440,006
282	46	64	35	95	28	498
31,080	4,807	7,509	4,113	10,413	2,546	96,367
12,242	6,418	8,462	7,614	7,359	8,885	8,984
6,530	6,182	6,410	6,176	6,209	6,285	6,544
9,993	1,622	2,246	1,245	3,380	979	17,692
14	1,397	103	-	1,058	-	286
-	-	-	-	-	-	-
450,968	32,778	123,829	48,469	90,086	34,521	690,457
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	22,164
-	5,827	-	17	5,858	-	168,262
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	22,634	-	35,441	93,310	-	254,192
32,229	5,236	7,244	4,029	10,909	3,163	59,477
1,747,638	277,894	420,718	283,349	683,956	173,864	3,597,987
-	(27,086)	(4,552)	(23,736)	(53,847)	(16,206)	(907)
1,747,638	250,808	416,166	259,613	630,109	157,658	3,597,080
(194,220)	82,493	(150,625)	(115,282)	(144,549)	84,760	(1,830,019)
(123,633)	(194,560)	(246,289)	(62,838)	(335,580)	(43,564)	4,898,333
444,340	(605,714)	40,190	(180,249)	(1,619,132)	6,362	(348,211)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(19,404)	(2,953)	(1,173)	(2,855)	(4,282)	(2,380)	(6,987)
107,083	(720,734)	(357,897)	(361,224)	(2,103,543)	45,178	2,713,116
(13,721,836)	(814,466)	(3,515,279)	(2,223,453)	(4,477,510)	(611,132)	(44,380,431)
(32,355)	328,430	30,332	51,660	1,275,529	41,260	(21,155)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
410	180	191	-	312	32	(61)
-	-	-	-	-	-	-
(13,646,698)	(1,206,590)	(3,842,653)	(2,533,017)	(5,305,212)	(524,662)	(41,688,531)
14,440,580	9,520,272	6,967,624	7,092,431	17,559,460	5,339,716	44,713,689
(65,457,480)	(7,346,478)	(23,916,023)	(3,955,921)	(11,536,105)	(5,061,156)	(76,168,868)
(179,228)	5,582	(42,695)	(148)	2,684	(4,718)	(618)
(51,196,128)	2,179,376	(16,991,094)	3,136,362	6,026,039	273,842	(31,455,797)
(2,974,014)	(592,935)	(521,169)	(221,223)	(806,309)	(348,927)	(165,581)
(54,170,142)	1,586,441	(17,512,263)	2,915,139	5,219,730	(75,085)	(31,621,378)
189,766,226	38,205,270	39,451,152	27,366,475	75,498,661	21,569,263	346,686,140
37.99%	44.77%	35.79%	32.92%	26.70%	66.30%	125.88%

The accompanying notes form an integral part of these financial statements

Statement of Operations and Changes in Net Assets For the Period ended December 31, 2018 (continued)

	Franklin Strategic Income Fund (USD)	Franklin Technology Fund (USD)	Franklin U.S. Dollar Liquid Reserve Fund (USD)	Franklin U.S. Government Fund (USD)
NET ASSETS AT THE BEGINNING OF THE PERIOD	965,025,829	2,624,600,522	332,606,406	625,792,030
Currency translation adjustment	-	-	-	-
	965,025,829	2,624,600,522	332,606,406	625,792,030
INCOME				
Dividends (net of withholding taxes) (note 2(n))	490,680	8,025,999	-	-
Interest on bonds (net of withholding taxes) (note 2(n))	18,919,301	317,257	3,130,695	10,932,215
Bank interest	197,804	156,847	1,260	18,646
Securities lending (notes 2(o), 14)	-	336,302	-	-
Net interest income on swaps	3,286,453	-	-	-
Sundry income	80,951	7,541	-	-
TOTAL INCOME	22,975,189	8,843,946	3,131,955	10,950,861
EXPENSES				
Investment management fees (note 15)	3,073,084	13,418,625	478,617	1,911,509
Administration and transfer agency fees	1,003,184	3,199,505	211,223	740,921
Directors fees	1,117	3,374	383	762
Subscription tax (note 19)	197,752	649,846	16,102	137,302
Custodian fees	31,991	79,310	6,210	12,903
Audit fees	7,306	8,136	5,390	6,691
Printing and publishing expenses	39,662	120,538	13,579	27,133
Bank charges	46,969	163	485	-
Net interest expenses on swaps	-	-	-	-
Class A (dis) and Class A (acc) shares' maintenance charges (note 20)	1,283,075	5,122,617	130,121	608,142
Class AS (dis) and Class AS (acc) shares' maintenance charges (note 20)	-	-	-	-
Class AX (acc) shares' maintenance charges (note 20)	-	-	-	73,986
Class B (dis) and Class B (acc) shares' maintenance and service charges (note 20)	27,135	55,675	16,043	36,732
Class C (dis) and Class C (acc) shares' maintenance charges (note 20)	365,378	426,793	33,119	74,131
Class F (dis) and Class F (acc) shares' maintenance and service charges (note 20)	-	-	59,123	-
Class G (dis) and Class G (acc) shares' maintenance and service charges (note 20)	-	-	-	-
Class N (dis) and Class N (acc) shares' maintenance charges (note 20)	672,733	1,720,137	168,141	196,041
Other charges	127,962	389,066	58,474	87,624
TOTAL EXPENSES	6,877,348	25,193,785	1,197,010	3,913,877
Expenses reimbursement (note 21)	(673,383)	(36,637)	(545,903)	(43,549)
NET EXPENSES	6,203,965	25,157,148	651,107	3,870,328
NET PROFIT/(LOSS) FROM INVESTMENTS	16,771,224	(16,313,202)	2,480,848	7,080,533
Net realised profit/(loss) on sale of investments	(8,979,527)	71,727,178	81	(99,793)
Net realised profit/(loss) on forward foreign exchange contracts	(8,155,059)	(1,122,443)	-	(554,888)
Net realised profit/(loss) on financial future contracts	(483,190)	-	-	-
Net realised profit/(loss) on interest rate swap contracts	-	-	-	-
Net realised profit/(loss) on inflation swap contracts	-	-	-	-
Net realised profit/(loss) on total return swap contracts	1,970,895	-	-	-
Net realised profit/(loss) on credit default swap contracts	(3,071,200)	-	-	-
Net realised profit/(loss) on option contracts	-	-	-	-
Net realised profit/(loss) on mortgage dollar rolls	825,834	-	-	133,984
Net realised profit/(loss) on foreign exchange transactions	72,017	(120,842)	-	1,692
NET REALISED PROFIT/(LOSS) FOR THE PERIOD	(1,049,006)	54,170,691	2,480,929	6,561,528
Change in net unrealised appreciation/(depreciation) on:				
Investments	(13,759,884)	(360,673,047)	17,805	(1,014,370)
Forward foreign exchange contracts	(887,613)	310,005	-	308,853
Financial future contracts	547,210	-	-	-
Interest rate swap contracts	-	-	-	-
Inflation swap contracts	-	-	-	-
Cross currency swap contracts	13,755	-	-	-
Total return swap contracts	(4,734,985)	-	-	-
Credit default swap contracts	1,364,117	-	-	-
Option contracts	-	-	-	-
Mortgage dollar rolls	555,094	-	-	-
Foreign exchange transactions	53,074	7,313	-	387
Capital gains tax	3,917	-	-	-
NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS	(17,894,321)	(306,185,038)	2,498,734	5,856,398
MOVEMENT OF CAPITAL				
Issue of shares	87,047,862	1,150,901,118	272,387,252	185,993,831
Redemption of shares	(182,614,686)	(980,920,923)	(251,630,926)	(157,128,829)
Equalisation (note 24)	(398,185)	(58,352)	14,401	30,565
	(95,965,009)	169,921,843	20,770,727	28,895,567
Dividends paid/accumulated (note 25)	(24,331,587)	(322,082)	(2,212,403)	(10,341,621)
NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF MOVEMENT IN CAPITAL	(120,296,596)	169,599,761	18,558,324	18,553,946
NET ASSETS AT THE END OF THE PERIOD	826,834,912	2,488,015,245	353,663,464	650,202,374
Portfolio Turnover Ratio (note 26)	184.49%	(75.33)%	N/A	(49.84)%

The accompanying notes form an integral part of these financial statements

Statement of Operations and Changes in Net Assets For the Period ended December 31, 2018 (continued)

Franklin U.S. Low Duration Fund (USD)	Franklin U.S. Opportunities Fund (USD)	Franklin World Perspectives Fund (USD)	Franklin Mutual European Fund (EUR)	Franklin Mutual Global Discovery Fund (USD)	Franklin Mutual U.S. Value Fund (USD)	Templeton Africa Fund (USD)
749,695,138	3,881,876,880	422,637,403	1,193,519,552	761,194,397	490,623,618	74,653,776
-	-	-	-	-	-	-
749,695,138	3,881,876,880	422,637,403	1,193,519,552	761,194,397	490,623,618	74,653,776
-	8,755,920	2,189,504	9,544,128	5,455,917	3,497,676	906,047
12,367,636	357,728	-	227,579	1,271,561	1,121,443	-
87,547	506,481	52,446	1,490	10,916	2,389	145,854
-	77,772	74,229	117,201	39,705	-	-
-	-	-	-	-	-	-
269,887	43,080	61	1,072	1,044	40,940	-
12,725,070	9,740,981	2,316,240	9,891,470	6,779,143	4,662,448	1,051,901
1,790,561	19,042,709	1,844,695	5,083,090	3,414,879	2,233,508	513,491
718,328	4,683,920	551,973	1,268,883	870,312	558,334	119,987
884	4,934	494	1,378	896	575	82
120,242	888,660	81,975	234,373	160,105	108,165	17,361
16,019	98,399	21,603	59,206	28,288	8,367	33,596
6,432	10,088	5,453	6,901	7,431	7,149	6,096
31,386	176,043	17,557	48,877	31,833	20,420	2,918
18,863	16,160	-	84,275	11,024	2,723	-
720,477	-	-	-	-	-	-
470,216	6,320,636	525,449	1,677,683	1,066,703	681,491	110,143
-	55,681	-	-	-	-	-
82,360	-	-	-	-	-	-
58,207	154,912	-	34,722	14,456	9,343	-
98,126	939,412	-	66,109	155,819	180,033	-
-	184,073	-	-	-	-	-
-	-	-	-	-	-	-
127,614	2,487,382	492,201	595,172	641,346	492,060	65,535
101,318	568,491	58,221	157,819	103,622	65,932	9,412
4,361,033	35,631,500	3,599,621	9,318,488	6,506,714	4,368,100	878,621
(243,457)	(13,484)	(3,091)	(8,722)	(1,498)	(651)	(86,161)
4,117,576	35,618,016	3,596,530	9,309,766	6,505,216	4,367,449	792,460
8,607,494	(25,877,035)	(1,280,290)	581,704	273,927	294,999	259,441
(1,939,445)	92,075,081	(1,582,685)	38,303,389	13,313,195	18,396,905	(1,330,904)
(7,463,972)	(12,370,793)	-	1,763,175	(2,923,462)	(386,557)	(1,440,583)
(947,134)	-	-	-	-	-	-
(212,196)	-	-	-	-	-	-
-	-	-	-	-	-	-
1,250,071	-	-	-	-	-	-
265,090	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
9,354	(132,917)	(61,808)	(1,271,752)	(156,252)	(993)	(66,946)
(430,738)	53,694,336	(2,924,783)	39,376,516	10,507,408	18,304,354	(2,578,992)
(5,691,127)	(588,472,497)	(48,935,920)	(152,660,238)	(90,849,985)	(53,053,899)	(6,698,872)
3,423,834	1,144,264	-	219,369	(361,407)	117,766	584,262
1,464,514	-	-	-	-	-	-
235,591	-	-	-	-	-	-
(257,762)	-	-	-	-	-	-
11,462	-	-	-	-	-	-
(2,894,523)	-	-	-	-	-	-
(276,063)	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
18,224	(9,980)	4,049	97,670	(15,879)	(3,132)	(1,124)
354	-	-	-	-	-	55,462
(4,396,234)	(533,643,877)	(51,856,654)	(112,966,683)	(80,719,863)	(34,634,911)	(8,639,264)
167,686,001	1,226,002,979	23,105,088	68,947,368	41,186,878	52,865,131	7,379,235
(167,518,014)	(921,923,674)	(46,671,859)	(199,975,677)	(87,527,597)	(113,207,905)	(11,435,209)
(934)	2,424	(1,867)	(240,676)	(39,701)	(46,080)	(14,921)
167,053	304,081,729	(23,568,638)	(131,268,985)	(46,380,420)	(60,388,854)	(4,070,895)
(8,008,925)	(111,345)	(567,459)	(17,270,199)	(7,899,105)	(1,928,085)	(663,761)
(7,841,872)	303,970,384	(24,136,097)	(148,539,184)	(54,279,525)	(62,316,939)	(4,734,656)
737,457,032	3,652,203,387	346,644,652	932,013,685	626,195,009	393,671,768	61,279,856
(12.41)%	(43.52)%	54.79%	28.36%	14.70%	5.18%	0.76%

The accompanying notes form an integral part of these financial statements

Statement of Operations and Changes in Net Assets For the Period ended December 31, 2018 (continued)

	Templeton Asian Bond Fund (USD)	Templeton Asian Growth Fund (USD)	Templeton Asian Smaller Companies Fund (USD)	Templeton BRIC Fund (USD)
NET ASSETS AT THE BEGINNING OF THE PERIOD	547,874,433	3,795,392,747	1,665,977,311	766,634,429
Currency translation adjustment	-	-	-	-
	547,874,433	3,795,392,747	1,665,977,311	766,634,429
INCOME				
Dividends (net of withholding taxes) (note 2(n))	-	26,329,816	18,796,717	8,697,067
Interest on bonds (net of withholding taxes) (note 2(n))	13,594,280	-	-	-
Bank interest	71,624	462,333	871,170	104,902
Securities lending (notes 2(o), 14)	-	62,564	305,477	-
Net interest income on swaps	-	-	-	-
Sundry income	81,713	-	-	-
TOTAL INCOME	13,747,617	26,854,713	19,973,364	8,801,969
EXPENSES				
Investment management fees (note 15)	1,737,752	22,611,763	8,476,444	5,502,144
Administration and transfer agency fees	557,503	3,978,024	1,838,483	851,223
Directors fees	632	4,278	1,918	848
Subscription tax (note 19)	115,975	859,760	258,744	183,181
Custodian fees	119,192	690,710	420,926	122,487
Audit fees	7,708	10,478	7,112	6,665
Printing and publishing expenses	22,417	151,622	68,030	30,034
Bank charges	138,741	3,333	16	372
Net interest expenses on swaps	249,329	-	-	-
Class A (dis) and Class A (acc) shares' maintenance charges (note 20)	527,007	7,152,532	1,635,875	1,594,545
Class AS (dis) and Class AS (acc) shares' maintenance charges (note 20)	-	-	-	-
Class AX (acc) shares' maintenance charges (note 20)	-	-	-	-
Class B (dis) and Class B (acc) shares' maintenance and service charges (note 20)	19,750	59,785	24,876	8,459
Class C (dis) and Class C (acc) shares' maintenance charges (note 20)	41,237	158,550	-	42,717
Class F (dis) and Class F (acc) shares' maintenance and service charges (note 20)	-	-	173,873	-
Class G (dis) and Class G (acc) shares' maintenance and service charges (note 20)	-	-	-	-
Class N (dis) and Class N (acc) shares' maintenance charges (note 20)	184,231	1,051,828	311,216	199,697
Other charges	72,351	489,281	265,769	254,602
TOTAL EXPENSES	3,793,825	37,221,944	13,483,282	8,796,974
Expenses reimbursement (note 21)	(6,066)	(2,347)	(63,858)	-
NET EXPENSES	3,787,759	37,219,597	13,419,424	8,796,974
NET PROFIT/(LOSS) FROM INVESTMENTS	9,959,858	(10,364,884)	6,553,940	4,995
Net realised profit/(loss) on sale of investments	(2,531,106)	(134,108,842)	17,675,217	19,768,936
Net realised profit/(loss) on forward foreign exchange contracts	12,308,747	(10,630,714)	(4,171)	(1,096,637)
Net realised profit/(loss) on financial future contracts	-	-	-	-
Net realised profit/(loss) on interest rate swap contracts	-	-	-	-
Net realised profit/(loss) on inflation swap contracts	-	-	-	-
Net realised profit/(loss) on total return swap contracts	-	-	-	-
Net realised profit/(loss) on credit default swap contracts	-	-	-	-
Net realised profit/(loss) on option contracts	-	-	-	-
Net realised profit/(loss) on mortgage dollar rolls	-	-	-	-
Net realised profit/(loss) on foreign exchange transactions	(363,328)	(139,012)	(457,265)	62,283
NET REALISED PROFIT/(LOSS) FOR THE PERIOD	19,374,171	(155,243,452)	23,767,721	18,739,577
Change in net unrealised appreciation/(depreciation) on:				
Investments	3,201,492	(325,983,190)	(173,199,541)	(83,679,802)
Forward foreign exchange contracts	(10,889,357)	3,098,355	1,603	462,178
Financial future contracts	-	-	-	-
Interest rate swap contracts	(2,464,192)	-	-	-
Inflation swap contracts	-	-	-	-
Cross currency swap contracts	-	-	-	-
Total return swap contracts	-	-	-	-
Credit default swap contracts	-	-	-	-
Option contracts	-	-	-	-
Mortgage dollar rolls	-	-	-	-
Foreign exchange transactions	488,442	311,565	96,782	7,123
Capital gains tax	111,069	-	-	-
NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS	9,821,625	(477,816,722)	(149,333,435)	(64,470,924)
MOVEMENT OF CAPITAL				
Issue of shares	49,930,519	270,586,276	242,414,925	45,456,920
Redemption of shares	(92,317,449)	(509,066,426)	(270,526,992)	(128,642,382)
Equalisation (note 24)	(196,437)	(129,302)	218,698	(2,135)
	(42,583,367)	(238,609,452)	(27,893,369)	(83,187,597)
Dividends paid/accumulated (note 25)	(14,501,600)	(14,908,912)	(3,755,877)	(26,158)
NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF MOVEMENT IN CAPITAL	(57,084,967)	(253,518,364)	(31,649,246)	(83,213,755)
NET ASSETS AT THE END OF THE PERIOD	500,611,091	3,064,057,661	1,484,994,630	618,949,750
Portfolio Turnover Ratio (note 26)	(40.12)%	68.68%	(53.01)%	(44.93)%

The accompanying notes form an integral part of these financial statements

Statement of Operations and Changes in Net Assets For the Period ended December 31, 2018 (continued)

Templeton China Fund (USD)	Templeton Eastern Europe Fund (EUR)	Templeton Emerging Markets Fund (USD)	Templeton Emerging Markets Balanced Fund (USD)	Templeton Emerging Markets Bond Fund (USD)	Templeton Emerging Markets Local Currency Bond Fund (USD)	Templeton Emerging Markets Smaller Companies Fund (USD)
519,042,458	250,196,311	970,862,932	132,161,280	9,908,350,175	19,328,901	1,060,586,206
-	-	-	-	-	-	-
519,042,458	250,196,311	970,862,932	132,161,280	9,908,350,175	19,328,901	1,060,586,206
5,985,431	4,736,514	10,099,660	814,917	-	-	10,090,680
-	-	-	3,667,637	557,419,134	1,288,117	252,697
52,583	14	103,014	5,882	765,739	1,103	33,175
-	-	-	-	-	-	124,495
-	-	-	4,456	525,915	-	-
-	-	-	1,556	570,553	-	-
6,038,014	4,736,528	10,202,674	4,494,448	559,281,341	1,289,220	10,501,047
3,679,986	1,742,361	4,889,484	797,614	47,075,340	82,894	5,705,230
559,219	301,833	1,062,804	159,322	11,993,109	24,261	1,022,765
584	277	1,092	151	11,731	24	1,208
121,983	55,920	171,514	30,070	2,150,562	2,040	140,297
53,642	67,581	165,393	45,335	4,023,342	8,022	301,953
6,622	5,389	7,780	7,127	14,762	7,496	7,389
20,684	9,821	38,676	5,378	416,843	896	42,813
709	18,049	6,272	3,500	1,265,249	-	-
-	-	-	-	-	-	-
1,018,496	484,949	1,197,327	175,282	15,983,632	4,245	691,527
-	-	-	-	-	-	-
-	-	-	-	-	-	-
49,555	9,789	12,907	-	1,205,779	-	-
34,038	-	111,378	67,517	448,291	4,400	70,933
-	-	-	-	12,086,887	-	-
-	-	-	-	-	-	-
100,322	58,263	334,327	162,246	1,023,060	4,471	187,232
66,701	67,127	314,203	31,444	1,344,400	2,887	174,024
5,712,541	2,821,359	8,313,157	1,484,986	99,042,987	141,636	8,345,371
(1,444)	(2,276)	(365,722)	(71,507)	(429,633)	(16,679)	(10,366)
5,711,097	2,819,083	7,947,435	1,413,479	98,613,354	124,957	8,335,005
326,917	1,917,445	2,255,239	3,080,969	460,667,987	1,164,263	2,166,042
9,673,812	(18,696,098)	13,979,495	(2,450,301)	(418,207,461)	(961,302)	19,917,732
-	-	(858,328)	(205,985)	109,381,025	(250,847)	(30,868)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(20,378)	112,262	(9,875)	(251,905)	(39,841,379)	(48,813)	(129,070)
9,980,351	(16,666,391)	15,366,531	172,778	112,000,172	(96,699)	21,923,836
(73,783,239)	(8,436,288)	(104,030,980)	(7,419,559)	(79,780,061)	405,478	(120,021,486)
-	-	381,653	(299,315)	(15,647,273)	127,190	65,003
-	-	-	-	-	-	-
-	-	-	(91,157)	(24,298,500)	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
3,632	(13,483)	38,342	47,498	8,631,867	23,281	44,463
-	-	(650,124)	58,789	16,721,861	12,944	-
(63,799,256)	(25,116,162)	(88,894,578)	(7,530,966)	17,628,066	472,194	(97,988,184)
100,297,385	19,624,146	91,680,177	24,189,366	2,121,281,981	6,397,111	153,154,868
(137,589,619)	(35,301,917)	(147,199,011)	(18,185,239)	(1,458,262,167)	(101,823)	(223,486,664)
(160,610)	(40,673)	(32,806)	62,883	6,502,044	156,593	(226,038)
(37,452,844)	(15,718,444)	(55,551,640)	6,067,010	669,521,858	6,451,881	(70,557,834)
(338,838)	(530,556)	(2,844,234)	(6,116,099)	(557,161,109)	(799,330)	(3,725,531)
(37,791,682)	(16,249,000)	(58,395,874)	(49,089)	112,360,749	5,652,551	(74,283,365)
417,451,520	208,831,149	823,572,480	124,581,225	10,038,338,990	25,453,646	888,314,657
(87.22)%	20.44%	(46.96)%	(38.77)%	(46.75)%	(48.58)%	(53.95)%

The accompanying notes form an integral part of these financial statements

Statement of Operations and Changes in Net Assets For the Period ended December 31, 2018 (continued)

	Templeton Euroland Fund (EUR)	Templeton European Fund[2] (EUR)	Templeton Frontier Markets Fund (USD)	Templeton Global Fund (USD)
NET ASSETS AT THE BEGINNING OF THE PERIOD	699,571,319	165,851,467	668,087,891	1,151,854,028
Currency translation adjustment	-	-	-	-
	699,571,319	165,851,467	668,087,891	1,151,854,028
INCOME				
Dividends (net of withholding taxes) (note 2(n))	3,254,578	1,004,580	5,132,913	9,503,746
Interest on bonds (net of withholding taxes) (note 2(n))	-	-	-	-
Bank interest	-	-	242,755	268,376
Securities lending (notes 2(o), 14)	98,211	-	-	48,423
Net interest income on swaps	-	-	-	-
Sundry income	-	-	-	3,282
TOTAL INCOME	3,352,789	1,004,580	5,375,668	9,823,827
EXPENSES				
Investment management fees (note 15)	2,471,446	624,041	4,139,348	5,132,980
Administration and transfer agency fees	736,456	151,534	715,378	1,272,587
Directors fees	815	156	736	1,341
Subscription tax (note 19)	95,349	40,286	111,746	246,820
Custodian fees	48,702	5,957	331,818	64,140
Audit fees	5,236	3,854	6,779	7,039
Printing and publishing expenses	29,051	5,445	26,058	47,608
Bank charges	41,200	3,396	1,180	-
Net interest expenses on swaps	-	-	-	-
Class A (dis) and Class A (acc) shares' maintenance charges (note 20)	565,633	294,621	687,963	2,122,890
Class AS (dis) and Class AS (acc) shares' maintenance charges (note 20)	-	-	-	40,973
Class AX (acc) shares' maintenance charges (note 20)	-	-	-	-
Class B (dis) and Class B (acc) shares' maintenance and service charges (note 20)	7,553	-	229	37,161
Class C (dis) and Class C (acc) shares' maintenance charges (note 20)	292	-	3,472	57,747
Class F (dis) and Class F (acc) shares' maintenance and service charges (note 20)	-	-	-	-
Class G (dis) and Class G (acc) shares' maintenance and service charges (note 20)	-	-	-	-
Class N (dis) and Class N (acc) shares' maintenance charges (note 20)	255,590	31,778	361,341	133,506
Other charges	93,429	17,681	84,048	166,162
TOTAL EXPENSES	4,350,752	1,178,749	6,470,096	9,330,954
Expenses reimbursement (note 21)	(40,795)	-	-	(388)
NET EXPENSES	4,309,957	1,178,749	6,470,096	9,330,566
NET PROFIT/(LOSS) FROM INVESTMENTS	(957,168)	(174,169)	(1,094,428)	493,261
Net realised profit/(loss) on sale of investments	(3,561,503)	(6,135,461)	9,387,570	44,845,722
Net realised profit/(loss) on forward foreign exchange contracts	30,475	-	(3,589,947)	-
Net realised profit/(loss) on financial future contracts	-	-	-	-
Net realised profit/(loss) on interest rate swap contracts	-	-	-	-
Net realised profit/(loss) on inflation swap contracts	-	-	-	-
Net realised profit/(loss) on total return swap contracts	-	-	-	-
Net realised profit/(loss) on credit default swap contracts	-	-	-	-
Net realised profit/(loss) on option contracts	-	-	-	-
Net realised profit/(loss) on mortgage dollar rolls	-	-	-	-
Net realised profit/(loss) on foreign exchange transactions	(5,612)	(116,232)	(466,283)	(63,001)
NET REALISED PROFIT/(LOSS) FOR THE PERIOD	(4,493,808)	(6,425,862)	4,236,912	45,275,982
Change in net unrealised appreciation/(depreciation) on:				
Investments	(91,510,564)	(6,651,948)	(71,476,212)	(191,828,427)
Forward foreign exchange contracts	(9,389)	-	1,308,728	-
Financial future contracts	-	-	-	-
Interest rate swap contracts	-	-	-	-
Inflation swap contracts	-	-	-	-
Cross currency swap contracts	-	-	-	-
Total return swap contracts	-	-	-	-
Credit default swap contracts	-	-	-	-
Option contracts	-	-	-	-
Mortgage dollar rolls	-	-	-	-
Foreign exchange transactions	(1,321)	(4,615)	922,029	4,826
Capital gains tax	-	-	1,909,549	-
NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS	(96,015,082)	(13,082,425)	(63,098,994)	(146,547,619)
MOVEMENT OF CAPITAL				
Issue of shares	237,806,610	11,900,662	36,989,613	55,386,845
Redemption of shares	(266,430,262)	(163,095,359)	(106,283,602)	(108,728,643)
Equalisation (note 24)	(267,898)	(1,351)	(51,384)	(49,270)
	(28,891,550)	(151,196,048)	(69,345,373)	(53,391,068)
Dividends paid/accumulated (note 25)	(8,793,901)	(1,572,994)	(8,175,859)	(5,397,546)
NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF MOVEMENT IN CAPITAL	(37,685,451)	(152,769,042)	(77,521,232)	(58,788,614)
NET ASSETS AT THE END OF THE PERIOD	565,870,786	-	527,467,665	946,517,795
Portfolio Turnover Ratio (note 26)	(69.21)%	N/A	31.81%	57.76%

[2] This Fund was merged into Templeton Euroland Fund on November 23, 2018

The accompanying notes form an integral part of these financial statements

Statement of Operations and Changes in Net Assets For the Period ended December 31, 2018 (continued)

Templeton Global Balanced Fund (USD)	Templeton Global Bond Fund (USD)	Templeton Global Bond (Euro) Fund (EUR)	Templeton Global Climate Change Fund (EUR)	Templeton Global Currency Fund (USD)	Templeton Global Equity Income Fund (USD)	Templeton Global High Yield Fund (USD)
915,673,862	15,504,808,485	311,170,103	644,131,608	11,532,277	141,000,794	145,646,981
-	-	-	-	-	-	-
915,673,862	15,504,808,485	311,170,103	644,131,608	11,532,277	141,000,794	145,646,981
4,950,301	-	-	3,819,956	-	1,874,902	-
7,509,164	513,050,307	9,580,271	-	368,693	-	5,597,839
351,915	2,092,858	204,569	-	2,115	15,072	7,908
-	-	-	109,558	-	-	-
-	-	12,718	-	-	-	-
2,974	2,526,907	52,632	4,634	-	11,818	25,186
12,814,354	517,670,072	9,850,190	3,934,148	370,808	1,901,792	5,630,933
3,526,543	52,456,477	1,047,135	3,141,446	40,194	589,400	583,875
1,107,225	16,756,246	351,586	756,216	13,211	147,137	163,827
1,087	18,137	373	763	14	153	170
222,440	3,199,589	67,739	159,969	2,471	32,656	33,797
130,693	3,503,322	64,530	35,220	3,158	7,115	21,183
7,217	19,760	4,467	4,962	6,727	5,719	6,188
38,622	644,188	13,246	27,132	498	5,412	6,046
1,993	2,523,884	120,650	18,832	-	121	8,576
-	9,159,401	-	-	-	-	11,800
1,201,231	14,172,926	265,829	1,547,464	3,922	251,477	279,143
559,425	-	-	-	-	24,983	-
-	513,109	-	-	-	-	-
61,783	297,644	-	133	-	34,136	-
93,857	1,470,824	-	-	-	-	-
-	188,795	-	-	-	-	-
-	-	-	-	-	-	-
314,743	7,846,932	284,629	37,215	26,584	3,288	101,157
124,665	2,081,771	41,494	87,587	1,605	-	19,513
7,391,524	114,853,005	2,261,678	5,816,939	98,384	1,101,597	1,235,275
(30,699)	(183,866)	(12,335)	-	(10,539)	(115,145)	-
7,360,825	114,669,139	2,249,343	5,816,939	87,845	986,452	1,235,275
5,453,529	403,000,933	7,600,847	(1,882,791)	282,963	915,340	4,395,658
34,251,549	(198,616,161)	(1,189,937)	7,995,346	(565,375)	3,160,737	(2,049,479)
(301,398)	526,596,703	(9,674,754)	3,351	206,692	(36,064)	1,412,549
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(557,233)	(34,013,531)	(681,900)	93,120	17,561	(26,693)	(268,756)
38,846,447	696,967,944	(3,945,744)	6,209,026	(58,159)	4,013,320	3,489,972
(111,627,950)	(17,852,485)	3,809,114	(71,610,362)	423,637	(19,319,823)	(4,733,982)
(365,548)	(342,121,795)	(2,451,220)	(48)	(97,104)	16,586	(200,791)
-	-	-	-	-	-	-
-	(68,553,458)	(1,363,996)	-	-	-	(284,262)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	(2,441)	-
-	-	-	-	-	-	-
254,704	13,738,952	332,849	(9,241)	3,091	43	110,281
37,490	4,134,489	56,969	-	3,130	-	31,401
(72,854,857)	286,313,647	(3,562,028)	(65,410,625)	274,595	(15,292,315)	(1,587,381)
80,718,318	1,518,158,879	67,511,098	8,983,620	1,653,707	11,885,737	9,506,797
(87,660,058)	(2,253,323,293)	(44,967,358)	(22,541,065)	(1,449,442)	(34,309,813)	(21,798,140)
(94,058)	(5,110,043)	186,170	(5,515)	(9,787)	(138,960)	(63,766)
(7,035,798)	(740,274,457)	22,729,910	(13,562,960)	194,478	(22,563,036)	(12,355,109)
(18,769,381)	(582,821,956)	(13,385,221)	(4,628,883)	(578,127)	(2,791,382)	(5,548,751)
(25,805,179)	(1,323,096,413)	9,344,689	(18,191,843)	(383,649)	(25,354,418)	(17,903,860)
817,013,826	14,468,025,719	316,952,764	560,529,140	11,423,223	100,354,061	126,155,740
16.15%	(23.20)%	(59.26)%	159.53%	39.60%	(18.89)%	(5.06)%

The accompanying notes form an integral part of these financial statements

Statement of Operations and Changes in Net Assets For the Period ended December 31, 2018 (continued)

	Templeton Global Income Fund (USD)	Templeton Global Smaller Companies Fund (USD)	Templeton Global Total Return Fund (USD)	Templeton Growth (Euro) Fund (EUR)
NET ASSETS AT THE BEGINNING OF THE PERIOD	912,320,444	122,143,577	17,571,329,650	7,362,059,685
Currency translation adjustment	-	-	-	-
	912,320,444	122,143,577	17,571,329,650	7,362,059,685
INCOME				
Dividends (net of withholding taxes) (note 2(n))	7,596,619	838,797	30,827	62,114,011
Interest on bonds (net of withholding taxes) (note 2(n))	10,673,628	-	762,530,882	1,176,799
Bank interest	62,233	55,055	2,333,234	1,189,859
Securities lending (notes 2(o), 14)	60,945	65,909	-	417,588
Net interest income on swaps	114,736	-	-	-
Sundry income	37,765	135,489	2,088,019	7,704
TOTAL INCOME	18,545,926	1,095,250	766,982,962	64,905,961
EXPENSES				
Investment management fees (note 15)	3,581,289	560,869	59,198,622	36,498,069
Administration and transfer agency fees	1,001,302	139,199	18,701,969	8,646,998
Directors fees	1,061	139	20,382	8,870
Subscription tax (note 19)	207,485	29,696	3,580,435	1,849,083
Custodian fees	103,319	8,428	4,870,582	368,136
Audit fees	7,170	4,764	21,091	9,814
Printing and publishing expenses	37,672	4,926	723,402	315,437
Bank charges	116,145	123	4,201,594	615,242
Net interest expenses on swaps	-	-	4,705,646	-
Class A (dis) and Class A (acc) shares' maintenance charges (note 20)	1,303,177	270,410	15,688,350	18,068,011
Class AS (dis) and Class AS (acc) shares' maintenance charges (note 20)	-	-	-	-
Class AX (acc) shares' maintenance charges (note 20)	-	-	-	-
Class B (dis) and Class B (acc) shares' maintenance and service charges (note 20)	76,093	886	367,981	999
Class C (dis) and Class C (acc) shares' maintenance charges (note 20)	288,994	-	1,247,280	-
Class F (dis) and Class F (acc) shares' maintenance and service charges (note 20)	-	-	-	-
Class G (dis) and Class G (acc) shares' maintenance and service charges (note 20)	-	-	-	-
Class N (dis) and Class N (acc) shares' maintenance charges (note 20)	948,823	22,259	11,162,732	169,869
Other charges	129,576	-	2,333,948	1,018,613
TOTAL EXPENSES	7,802,106	1,041,699	126,824,014	67,569,141
Expenses reimbursement (note 21)	(13,608)	-	(196,738)	-
NET EXPENSES	7,788,498	1,041,699	126,627,276	67,569,141
NET PROFIT/(LOSS) FROM INVESTMENTS	10,757,428	53,551	640,355,686	(2,663,180)
Net realised profit/(loss) on sale of investments	(2,458,430)	2,737,409	(528,040,605)	273,010,431
Net realised profit/(loss) on forward foreign exchange contracts	15,629,993	-	565,386,204	-
Net realised profit/(loss) on financial future contracts	-	-	-	-
Net realised profit/(loss) on interest rate swap contracts	-	-	-	-
Net realised profit/(loss) on inflation swap contracts	-	-	-	-
Net realised profit/(loss) on total return swap contracts	-	-	-	-
Net realised profit/(loss) on credit default swap contracts	-	-	-	-
Net realised profit/(loss) on option contracts	-	-	-	224,057
Net realised profit/(loss) on mortgage dollar rolls	-	-	-	-
Net realised profit/(loss) on foreign exchange transactions	(796,686)	(18,480)	(49,859,985)	(5,037,992)
NET REALISED PROFIT/(LOSS) FOR THE PERIOD	23,132,305	2,772,480	627,841,300	265,533,316
Change in net unrealised appreciation/(depreciation) on:				
Investments	(80,432,189)	(22,799,901)	22,883,689	(1,078,607,738)
Forward foreign exchange contracts	(7,836,823)	-	(299,311,012)	-
Financial future contracts	-	-	-	-
Interest rate swap contracts	(2,278,568)	-	(86,864,288)	-
Inflation swap contracts	-	-	-	-
Cross currency swap contracts	-	-	-	-
Total return swap contracts	-	-	-	-
Credit default swap contracts	-	-	-	-
Option contracts	-	-	-	366,973
Mortgage dollar rolls	-	-	-	-
Foreign exchange transactions	309,706	1,371	17,739,019	1,044,385
Capital gains tax	66,802	-	8,626,394	-
NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS	(67,038,767)	(20,026,050)	290,915,102	(811,663,064)
MOVEMENT OF CAPITAL				
Issue of shares	59,135,046	5,539,453	1,954,048,338	126,665,484
Redemption of shares	(126,196,128)	(11,521,182)	(2,919,868,788)	(197,579,753)
Equalisation (note 24)	(541,911)	(880)	(8,563,132)	(164,054)
	(67,602,993)	(5,982,609)	(974,383,582)	(71,078,323)
Dividends paid/accumulated (note 25)	(24,304,657)	(6,422)	(797,955,238)	(45,559,277)
NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF MOVEMENT IN CAPITAL	(91,907,650)	(5,989,031)	(1,772,338,820)	(116,637,600)
NET ASSETS AT THE END OF THE PERIOD	753,374,027	96,128,496	16,089,905,932	6,433,759,021
Portfolio Turnover Ratio (note 26)	51.16%	24.77%	(33.50)%	54.66%

The accompanying notes form an integral part of these financial statements

Statement of Operations and Changes in Net Assets For the Period ended December 31, 2018 (continued)

Templeton Latin America Fund (USD)	Templeton Thailand Fund (USD)
991,907,089	167,245,593
-	-
991,907,089	167,245,593
13,174,804	1,512,826
-	-
136,662	96,926
-	-
-	-
277,686	-
13,589,152	1,609,752
6,857,311	1,321,180
1,226,419	204,378
1,193	201
232,435	42,776
162,123	42,299
6,822	5,146
42,464	7,139
511	-
-	-
2,218,743	370,633
-	-
-	-
19,356	4,027
15,389	-
-	-
-	-
198,553	72,644
241,882	23,745
11,223,201	2,094,168
(5,824)	(154)
11,217,377	2,094,014
2,371,775	(484,262)
(4,342,608)	4,832,011
(1,537,437)	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
184,339	(10,416)
(3,323,931)	4,337,333
55,447,842	(5,913,718)
(234,398)	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
35,752	(3,211)
-	-
51,925,265	(1,579,596)
107,813,819	44,830,460
(186,613,528)	(58,575,019)
(65,279)	(5,120)
(78,864,988)	(13,749,679)
(10,923,288)	(135,109)
(89,788,276)	(13,884,788)
954,044,078	151,781,209
(13.93)%	(41.87)%

The accompanying notes form an integral part of these financial statements

Statistical Information

	Total Expense Ratio December 31, 2018 (See Note 27)	Shares Outstanding December 31, 2018	Net Asset Value per Share December 31, 2018	June 30, 2018	June 30, 2017
Franklin Asia Credit Fund – USD					
A (acc) USD	1.50%	110,362.326	10.68	10.63	10.85
A (Mdis) AUD-H1 (hedged)	1.50%	231,654.420	9.44	9.63	10.22
A (Mdis) SGD-H1 (hedged)	1.50%	259,620.000	9.04	9.25	9.90
A (Mdis) USD	1.50%	183,804.453	9.11	9.28	9.86
I (acc) USD	0.95%	200,000.000	10.92	10.84	11.00
Y (Mdis) USD	0.20%	500.000	9.74	9.86	10.34
Franklin Biotechnology Discovery Fund – USD					
A (acc) CHF-H1 (hedged)	1.83%	129,907.554	12.31	15.41	15.08
A (acc) EUR-H1 (hedged)	1.82%	27,241.334	8.68	10.83	-
A (acc) HKD	1.84%	648,415.171	17.28	21.27	20.11
A (acc) SGD	1.83%	848,094.419	26.30	32.28	31.00
A (acc) USD	1.83%	50,130,746.441	26.48	32.52	30.91
B (acc) USD	3.14%	510,162.014	20.84	25.76	24.81
C (acc) USD	2.41%	526,275.956	31.20	38.43	36.74
F (acc) USD	2.82%	5,784,181.469	8.83	10.89	10.45
I (acc) EUR-H1 (hedged)	0.97%	534,734.500	17.10	21.27	20.60
I (acc) USD	0.97%	2,605,031.026	40.21	49.16	46.33
N (acc) USD	2.58%	5,011,455.097	22.83	28.14	26.95
W (acc) USD	1.03%	2,006,107.168	12.60	15.41	14.53
Z (acc) GBP	1.33%	102,794.364	27.32	32.31	30.98
Z (acc) USD	1.33%	519,075.295	9.62	11.79	11.15
Franklin Brazil Opportunities Fund – USD					
A (acc) EUR-H1 (hedged)	1.91%	185,674.917	10.27	9.72	9.95
A (acc) USD	1.92%	411,215.545	11.01	10.28	10.22
A (Qdis) HKD	1.85%	5,560.398	7.74	7.53	8.07
A (Qdis) USD	1.92%	595,600.562	7.64	7.42	8.00
I (acc) USD	1.00%	45,737.285	11.61	10.79	10.63
N (acc) EUR-H1 (hedged)	2.42%	264,975.787	9.96	9.46	9.73
N (acc) USD	2.42%	670,422.243	10.66	9.99	9.98
N (Qdis) USD	2.42%	582,010.087	7.49	7.30	7.91
Franklin Diversified Balanced Fund – EUR					
A (acc) CZK-H1 (hedged)	1.57%	511,183.319	91.75	100.58	101.39
A (acc) EUR	1.58%	4,754,719.412	12.22	13.45	13.48
A (acc) SGD-H1 (hedged)	1.58%	13,959.561	9.53	10.37	10.22
A (Qdis) EUR	1.59%	328,131.883	7.71	8.72	9.26
A (Ydis) EUR	1.58%	4,077,876.725	11.04	12.55	13.28
G (acc) EUR	2.28%	171,667.244	8.82	9.74	9.82
I (acc) EUR	0.83%	9,463,496.946	13.06	14.31	14.24
I (acc) USD-H1 (hedged)	0.81%	10,001.985	9.82	10.61	10.30
I (Qdis) EUR	0.82%	447.828	7.91	8.92	9.39
I (Ydis) EUR	0.81%	294.722	12.61	14.28	14.23
N (acc) EUR	2.38%	444,779.461	11.24	12.42	12.54
N (Ydis) EUR	2.38%	107,132.987	7.72	8.81	9.40
W (Ydis) EUR	0.87%	1,769.175	8.37	9.48	9.97
Franklin Diversified Conservative Fund – EUR					
A (acc) CZK-H1 (hedged)	1.41%	499,865.991	91.84	97.21	99.89
A (acc) EUR	1.43%	4,887,317.068	12.57	13.37	13.64
A (acc) SGD-H1 (hedged)	1.43%	13,902.714	9.59	10.09	10.11
A (Qdis) EUR	1.43%	392,877.051	8.34	9.11	9.68
A (Qdis) USD-H1 (hedged)	1.43%	9,844.338	9.20	9.87	-
A (Ydis) EUR	1.43%	6,598,055.912	11.77	12.74	13.48
G (acc) EUR	2.24%	128,859.488	9.02	9.63	9.90
I (acc) EUR	0.77%	7,380,230.150	13.28	14.07	14.26
I (acc) USD-H1 (hedged)	0.77%	270,052.469	9.88	10.30	10.18
I (Qdis) EUR	0.76%	447.828	8.53	9.28	9.80
I (Ydis) EUR	0.76%	37,238.231	12.47	13.45	14.14
N (acc) EUR	2.33%	3,301,983.846	11.41	12.18	12.54
N (acc) USD-H1 (hedged)	2.33%	11,049.317	9.56	10.06	10.08
N (Ydis) EUR	2.33%	930,204.967	8.35	9.07	9.69
W (Ydis) EUR	0.75%	58,299.446	9.05	9.76	10.26
Franklin Diversified Dynamic Fund – EUR					
A (acc) CZK-H1 (hedged)	1.73%	480,286.597	89.34	100.96	101.71
A (acc) EUR	1.74%	5,885,300.303	11.74	13.32	13.34
A (acc) NOK-H1 (hedged)	1.74%	182,955.373	8.71	9.83	9.72
A (acc) SEK-H1 (hedged)	1.74%	97,752.448	8.34	9.48	9.49
A (acc) SGD-H1 (hedged)	1.73%	14,807.015	9.23	10.36	10.21
A (Ydis) EUR	1.74%	810,729.268	10.73	12.77	13.34
I (acc) EUR	0.89%	2,881,122.488	12.66	14.30	14.21
I (acc) USD-H1 (hedged)	0.87%	10,026.678	9.53	10.61	10.30
I (Ydis) EUR	0.88%	343.506	12.70	14.34	14.24
N (acc) EUR	2.49%	138,319.747	10.66	12.14	12.25
W (Ydis) EUR	0.93%	2,629.685	7.80	9.24	9.85
Franklin Euro Government Bond Fund – EUR					
A (Ydis) EUR	0.80%	1,578,135.637	10.94	10.99	11.11
I (acc) EUR	0.50%	1,757,748.361	15.57	15.49	15.46
I (Qdis) EUR	0.50%	378.479	10.77	10.77	10.84
N (acc) EUR	1.35%	889,006.369	13.44	13.42	13.53

Statistical Information (continued)

	Total Expense Ratio December 31, 2018 (See Note 27)	Shares Outstanding December 31, 2018	Net Asset Value per Share December 31, 2018	June 30, 2018	June 30, 2017
Franklin Euro High Yield Fund – EUR					
A (acc) EUR	1.53%	2,264,095.092	18.46	18.79	18.88
A (Mdis) EUR	1.53%	45,543,116.048	5.78	6.00	6.27
A (Mdis) USD	1.53%	2,224,830.460	8.38	8.87	9.07
A (Mdis) USD-H1 (hedged)	1.52%	1,382,254.908	9.73	9.94	10.14
A (Ydis) EUR	1.53%	7,096,727.113	5.87	6.23	6.54
B (Mdis) EUR	2.93%	304,211.173	10.24	10.71	11.35
B (Mdis) USD	2.93%	822,754.391	8.37	8.92	9.25
I (acc) EUR	0.87%	3,290,763.631	20.41	20.71	20.67
I (Ydis) EUR	0.86%	26,000.000	9.07	9.59	10.01
N (acc) EUR	2.13%	4,338,749.850	16.53	16.87	17.06
W (acc) EUR	0.91%	43,189.954	11.68	11.85	11.84
Franklin Euro Short Duration Bond Fund – EUR					
A (acc) EUR	0.75%	2,604,951.259	10.10	10.16	10.27
A (Ydis) EUR	0.75%	83,115.924	9.94	10.04	10.22
I (acc) EUR	0.45%	4,884,569.219	10.27	10.32	10.39
N (acc) EUR	1.30%	2,177,659.954	9.84	9.92	10.09
W (acc) EUR	0.50%	331,574.814	10.24	10.29	10.37
Y (Mdis) EUR	0.06%	658.301	9.98	10.03	10.10
Y (Mdis) USD-H1 (hedged)	0.06%	2,389,625.133	10.11	10.00	-
Franklin Euro Short-Term Money Market Fund – EUR					
A (acc) EUR	0.22%	77,381.811	994.71	997.77	1,004.40
I (acc) EUR	0.22%	36,487.333	997.33	1,000.40	1,007.05
Franklin European Corporate Bond Fund – EUR					
A (acc) EUR	1.00%	1,030,098.165	13.04	13.11	13.16
A (Ydis) EUR	1.00%	467,336.023	10.98	11.23	11.49
I (acc) EUR	0.60%	1,684,537.971	13.61	13.65	13.65
I (Ydis) EUR	0.60%	387.931	11.13	11.36	11.58
N (acc) EUR	1.70%	1,007,249.031	12.13	12.24	12.39
N (Ydis) EUR	1.70%	635,012.696	10.66	10.94	11.29
W (acc) EUR	0.65%	705.148	10.91	10.95	10.95
Y (Mdis) EUR	0.05%	67,891.055	10.22	10.31	10.41
Franklin European Dividend Fund – EUR					
A (acc) EUR	1.84%	1,805,571.597	15.10	16.89	16.68
A (Mdis) SGD-H1 (hedged)	1.84%	13,058.961	9.42	10.65	10.85
A (Mdis) USD	1.85%	125,874.881	7.71	9.00	9.09
A (Mdis) USD-H1 (hedged)	1.84%	9,986.040	8.97	10.10	-
A (Ydis) EUR	1.85%	3,272,251.360	11.07	12.91	13.46
I (acc) EUR	0.98%	1,636,595.148	16.10	17.93	17.56
N (acc) EUR	2.60%	664,895.854	14.28	16.04	15.96
N (acc) PLN-H1 (hedged)	2.59%	3,046,670.985	10.81	12.01	11.72
Y (Mdis) EUR	0.06%	441.840	8.24	9.34	9.50
Franklin European Growth Fund – EUR					
A (acc) EUR	1.84%	10,507,475.392	13.96	16.20	16.39
A (acc) NOK-H1 (hedged)	1.84%	806,658.032	9.80	11.30	11.30
A (acc) SGD-H1 (hedged)	1.83%	301,758.856	12.13	13.94	13.89
A (acc) USD	1.84%	1,636,187.497	10.19	12.06	11.93
A (acc) USD-H1 (hedged)	1.83%	2,129,803.920	10.44	11.93	11.81
A (Ydis) GBP	1.83%	56,683.414	16.05	18.41	18.67
I (acc) EUR	0.97%	1,512,679.682	28.08	32.45	32.54
N (acc) EUR	2.59%	5,411,900.041	12.16	14.17	14.44
N (acc) USD	2.59%	852,398.233	9.75	11.59	11.55
W (acc) EUR	1.04%	53,440.947	10.47	12.10	12.15
Franklin European Income Fund – EUR					
A (acc) EUR	1.70%	106,727.581	10.54	11.29	11.47
A (Mdis) EUR	1.70%	618,844.240	9.45	10.27	10.71
A (Mdis) SGD-H1 (hedged)	1.70%	65,184.443	9.89	10.63	10.94
A (Mdis) USD	1.70%	66,176.185	8.69	9.63	9.83
I (acc) EUR	0.90%	43,664.091	10.89	11.62	11.71
I (Mdis) EUR	0.90%	39,375.110	9.77	10.58	10.95
N (acc) EUR	2.20%	379,077.365	10.33	11.09	11.32
N (Mdis) EUR	2.20%	695,581.157	9.24	10.07	10.57
N (Mdis) USD-H1 (hedged)	2.20%	25,254.137	8.64	9.27	9.50
W (acc) EUR	0.95%	20,214.790	10.82	11.55	11.65
W (Mdis) EUR	0.95%	19,696.345	9.70	10.51	10.89
Z (acc) EUR	1.20%	19,706.750	10.76	11.50	11.62
Z (Mdis) EUR	1.20%	19,696.662	9.65	10.46	10.86
Franklin European Small-Mid Cap Growth Fund – EUR					
A (acc) EUR	1.83%	4,370,872.993	32.87	40.03	38.96
A (acc) USD	1.84%	707,027.371	37.67	46.79	44.52
A (acc) USD-H1 (hedged)*	1.82%	9,988.874	8.11	-	-
C (acc) USD-H1 (hedged)*	2.39%	24,325.792	8.10	-	-
I (acc) EUR	0.98%	3,129,850.852	40.11	48.65	46.94
I (acc) USD	1.30%	5,089.766	45.66	56.56	53.51
I (acc) USD-H1 (hedged)	0.96%	10,235.799	10.28	12.29	11.58
N (acc) EUR	2.59%	505,546.957	29.95	36.62	35.91
N (acc) USD-H1 (hedged)*	2.57%	9,988.874	8.09	-	-
W (acc) EUR	1.04%	138,330.277	14.18	17.20	16.61

Statistical Information (continued)

	Total Expense Ratio December 31, 2018 (See Note 27)	Shares Outstanding December 31, 2018	Net Asset Value per Share December 31, 2018	June 30, 2018	June 30, 2017
Franklin European Small-Mid Cap Growth Fund – EUR (continued)					
X (acc) EUR	0.15%	388.991	11.85	14.32	13.70
Y (Mdis) EUR	0.06%	435.983	8.50	10.35	10.25
Franklin European Total Return Fund – EUR					
A (acc) EUR	0.95%	3,112,526.008	14.96	14.98	15.25
A (acc) NOK-H1 (hedged)	0.95%	147,691.683	11.91	11.83	11.92
A (acc) SEK-H1 (hedged)	0.95%	99,164.803	11.17	11.18	11.38
A (Mdis) EUR	0.95%	4,859,149.968	9.84	9.93	10.24
A (Mdis) USD	0.95%	101,471.284	11.29	11.63	11.72
I (acc) EUR	0.55%	6,037,175.437	14.74	14.73	14.95
N (acc) EUR	1.65%	3,788,828.810	13.43	13.50	13.84
N (acc) PLN-H1 (hedged)	1.65%	1,950,118.319	10.38	10.33	10.39
N (Mdis) EUR	1.65%	3,559,680.716	10.87	11.01	11.43
W (acc) EUR	0.60%	345,582.006	11.10	11.10	11.27
Franklin Flexible Alpha Bond Fund – USD					
A (acc) EUR	1.39%	10,463.335	9.92	9.89	10.05
A (acc) EUR-H1 (hedged)	1.39%	17,261.330	9.47	9.78	9.98
A (acc) USD	1.39%	1,599.472	10.07	10.24	10.17
A (Qdis) EUR-H1 (hedged)	1.39%	24,411.912	9.25	9.64	9.94
I (acc) EUR	0.75%	297,173.632	10.10	10.05	10.14
I (acc) EUR-H1 (hedged)	0.75%	64,750.000	9.65	9.93	10.05
I (acc) GBP-H1 (hedged)	0.75%	6,945.849	9.96	10.20	10.22
I (acc) NOK-H1 (hedged)	0.75%	86,610.315	9.83	10.04	10.02
I (acc) SEK-H1 (hedged)	0.75%	90,688.807	9.63	9.90	9.99
I (acc) USD	0.75%	492.126	10.24	10.39	10.26
I (Ydis) GBP-H1 (hedged)	0.75%	6,945.477	9.62	10.05	10.21
I (Ydis) USD	0.75%	430.291	9.91	10.25	10.25
N (acc) EUR	1.99%	29,599.308	9.74	9.75	9.96
N (acc) EUR-H1 (hedged)	1.99%	12,810.869	9.28	9.64	9.87
N (Qdis) EUR-H1 (hedged)	1.99%	13,992.477	9.30	9.64	9.89
N (Qdis) USD	1.99%	25,587.361	9.91	10.12	10.10
W (acc) USD	0.79%	500.000	9.96	10.11	9.99
Y (acc) GBP-H1 (hedged)	0.06%	22,634,992.761	9.93	10.12	10.08
Y (Mdis) USD	0.06%	15,030,060.120	9.68	9.96	10.00
Franklin GCC Bond Fund – USD					
A (acc) USD	1.40%	778,338.387	12.84	12.57	12.61
A (Mdis) USD	1.40%	666,617.335	10.27	10.36	10.89
B (acc) USD	2.90%	437.445	11.83	11.68	11.91
B (Mdis) USD	2.90%	22.413	9.75	9.91	10.59
I (acc) EUR-H1 (hedged)	0.84%	2,630,735.877	9.77	9.68	-
I (acc) USD	0.84%	2,804,910.400	13.25	12.94	12.90
W (Mdis) USD	0.90%	438,755.004	9.62	9.68	10.12
Franklin Global Aggregate Bond Fund – USD					
A (acc) EUR	1.25%	154,603.677	12.50	12.29	12.85
A (acc) EUR-H1 (hedged)	1.25%	43,623.429	9.41	9.58	10.08
A (acc) USD	1.25%	720,113.409	10.24	10.27	10.49
A (Mdis) EUR	1.25%	195,081.565	11.33	11.25	11.91
A (Mdis) USD	1.25%	76,841.094	9.33	9.45	9.77
I (acc) EUR	0.60%	24,673.660	13.17	12.91	13.41
I (acc) EUR-H1 (hedged)	0.60%	7,874.089	9.63	9.77	10.21
I (acc) USD	0.58%	279,410.654	10.85	10.84	11.01
N (acc) EUR	1.95%	253,418.460	11.82	11.67	12.28
N (acc) EUR-H1 (hedged)	1.95%	42,362.580	8.92	9.12	9.65
N (acc) USD	1.95%	2,077.463	9.71	9.77	10.05
W (acc) EUR	0.60%	48,250.000	11.56	11.33	11.77
Y (Mdis) USD	0.09%	2,953,778.209	9.78	9.91	10.25
Z (Mdis) USD	0.95%	500.000	9.19	9.30	9.63
Franklin Global Aggregate Investment Grade Bond Fund – USD					
A (acc) USD	1.25%	85,444.536	10.21	10.25	10.43
I (acc) USD	0.61%	876,661.315	10.66	10.66	10.78
Z (acc) USD	0.95%	44,238.390	9.58	9.60	9.74
Franklin Global Convertible Securities Fund – USD					
A (acc) CHF-H1 (hedged)	1.57%	281,914.924	12.36	13.16	12.21
A (acc) EUR	1.57%	2,173,660.642	16.15	16.54	15.26
A (acc) EUR-H1 (hedged)	1.57%	3,280,263.765	12.68	13.47	12.46
A (acc) HKD	1.58%	48,765.842	13.90	14.54	13.05
A (acc) USD	1.56%	5,745,513.847	13.76	14.37	12.97
A (Ydis) EUR	1.57%	807,357.264	15.70	16.08	14.87
A (Ydis) EUR-H1 (hedged)	1.58%	682,889.807	12.35	13.12	12.16
C (acc) USD*	2.14%	370,076.071	9.15	-	-
I (acc) EUR	0.86%	601,901.629	16.96	17.31	15.86
I (acc) EUR-H1 (hedged)	0.86%	6,406,490.290	11.16	11.81	10.85
I (acc) USD	0.87%	1,751,590.668	14.45	15.04	13.47
N (acc) EUR	2.32%	1,790,381.880	15.35	15.78	14.67
N (acc) USD	2.32%	1,754,492.914	13.06	13.70	12.45
W (acc) CHF-H1 (hedged)	0.90%	2,146,265.395	10.04	10.65	-
W (acc) EUR-H1 (hedged)	0.88%	161,856.512	10.09	10.67	-
W (acc) USD	0.92%	771,893.040	10.59	11.03	9.89

Statistical Information (continued)

	Total Expense Ratio December 31, 2018 (See Note 27)	Shares Outstanding December 31, 2018	Net Asset Value per Share December 31, 2018	June 30, 2018	June 30, 2017
Franklin Global Fundamental Strategies Fund – USD					
A (acc) EUR	1.85%	41,149,328.268	11.39	12.03	12.35
A (acc) EUR-H1 (hedged)	1.85%	12,512,349.607	8.27	9.05	9.33
A (acc) USD	1.85%	8,003,372.716	13.03	14.04	14.09
A (Ydis) EUR	1.85%	72,962,692.075	9.99	10.74	11.17
I (acc) EUR	0.99%	3,393,814.862	12.52	13.17	13.40
N (acc) EUR	2.60%	1,205,869.537	11.68	12.38	12.81
N (acc) EUR-H1 (hedged)	2.60%	4,887,968.358	7.28	8.00	8.31
N (acc) PLN-H1 (hedged)	2.59%	1,745,477.404	14.62	15.89	16.22
N (acc) USD	2.60%	599,408.306	10.24	11.07	11.20
N (Ydis) EUR	2.60%	3,414,659.704	11.95	12.79	13.32
W (acc) EUR	1.05%	81,155.058	8.89	9.36	9.54
W (acc) EUR-H1 (hedged)	1.05%	9,952.572	9.14	9.97	10.21
W (acc) USD	1.03%	721.822	9.62	10.32	10.27
W (Ydis) EUR	1.05%	471.676	8.61	9.29	9.54
Franklin Global Listed Infrastructure Fund – USD					
A (acc) EUR	1.85%	740,062.196	14.22	15.16	15.17
A (acc) USD	1.85%	713,344.988	12.51	13.59	13.30
A (Qdis) USD	1.85%	214,113.920	10.68	11.81	11.91
A (Ydis) EUR	1.85%	118,172.535	12.31	13.52	13.89
I (acc) EUR	1.00%	63,659.158	14.93	15.84	15.72
I (acc) GBP-H1 (hedged)	1.00%	36,000.000	12.80	13.95	13.71
I (acc) USD	1.00%	1,738,147.144	13.12	14.19	13.77
N (acc) EUR	2.60%	385,942.881	13.63	14.58	14.70
W (acc) GBP	1.05%	10,434.400	15.85	16.56	16.31
W (acc) USD	1.05%	500.000	9.40	10.17	-
W (Qdis) GBP	1.05%	3,412.204	13.54	14.40	14.60
Y (Mdis) USD	0.08%	2,033,107.969	10.87	11.87	11.75
Franklin Global Multi-Asset Income Fund – EUR					
A (acc) EUR	1.69%	2,039,376.504	10.33	11.42	11.83
A (acc) USD-H1 (hedged)	1.69%	633,256.897	9.21	10.02	10.11
A (Mdis) EUR	1.69%	330,744.102	7.66	8.69	9.50
A (Mdis) SGD-H1 (hedged)	1.68%	19,870.453	7.62	8.56	9.20
A (Mdis) USD-H1 (hedged)	1.69%	1,617,788.071	7.74	8.64	9.20
A (Qdis) EUR	1.69%	7,731,208.716	8.15	9.25	10.12
A (Ydis) EUR	1.69%	851,312.756	8.27	9.64	10.57
C (acc) USD-H1 (hedged)	2.27%	116,740.582	8.92	9.74	9.89
G (Qdis) EUR	2.29%	2,109,244.751	7.88	8.97	9.82
I (acc) EUR	0.88%	2,548,826.537	10.80	11.89	12.22
I (Mdis) USD-H1 (hedged)	0.86%	18,085.472	7.96	8.85	9.35
I (Qdis) EUR	0.87%	452.156	8.49	9.60	10.42
N (acc) EUR	2.19%	4,574,518.724	10.04	11.13	11.59
N (acc) USD-H1 (hedged)	2.19%	363,643.359	9.23	10.07	10.22
N (Mdis) USD-H1 (hedged)	2.19%	1,411,856.121	7.59	8.50	9.10
N (Qdis) EUR	2.19%	2,973,928.091	7.18	8.17	8.98
N (Ydis) EUR	2.19%	478,894.157	7.27	8.50	9.36
W (Mdis) USD-H1 (hedged)	0.95%	517,038.772	8.48	9.44	9.98
W (Ydis) EUR	0.94%	64,612.511	8.14	9.45	10.29
Y (Mdis) AUD-H1 (hedged)	0.07%	782,116.817	8.69	9.68	-
Z (Mdis) USD-H1 (hedged)	1.19%	53,612.736	7.87	8.76	9.29
Franklin Global Real Estate Fund – USD					
A (acc) EUR-H1 (hedged)	1.86%	513,688.467	14.19	15.50	15.33
A (acc) USD	1.86%	4,761,388.409	11.52	12.40	11.93
A (Qdis) USD	1.86%	1,757,917.414	8.95	9.78	9.66
A (Ydis) EUR-H1 (hedged)	1.86%	125,684.797	12.02	13.52	13.70
B (Qdis) USD	3.17%	515,400.873	8.23	9.05	9.06
C (Qdis) USD	2.44%	1,663,999.387	8.65	9.48	9.42
I (acc) CAD	0.98%	626.375	10.57	10.91	-
I (acc) USD	0.98%	2,425,600.336	12.92	13.85	13.21
N (acc) EUR-H1 (hedged)	2.61%	284,029.966	13.32	14.61	14.54
N (acc) USD	2.61%	1,623,572.112	10.45	11.29	10.95
W (acc) USD	1.06%	53,475.265	9.64	10.34	9.87
W (Qdis) USD	1.11%	76,661.219	9.93	10.79	10.57
Y (Mdis) USD	0.06%	2,043,525.917	9.53	10.30	10.00
Z (acc) USD	1.38%	210,058.788	10.39	11.16	10.69
Franklin Global Small-Mid Cap Growth Fund – USD					
A (acc) USD	1.84%	2,557,284.198	28.12	33.44	33.12
B (acc) USD	3.16%	21,301.790	22.54	26.98	27.07
I (acc) USD	0.99%	523,416.989	15.97	18.92	18.57
N (acc) USD	2.59%	399,384.867	24.59	29.36	29.29
W (acc) USD	1.03%	131,861.286	9.39	11.12	10.92
X (acc) USD	0.15%	500.000	9.93	11.71	11.40
Franklin Gold and Precious Metals Fund – USD					
A (acc) CHF-H1 (hedged)	1.86%	542,730.871	2.66	2.96	3.57
A (acc) EUR	1.86%	7,769,390.032	4.27	4.56	5.48
A (acc) EUR-H1 (hedged)	1.86%	3,909,522.715	3.15	3.50	4.24
A (acc) HKD	1.86%	6,898,150.100	3.71	4.05	4.72
A (acc) SGD	1.86%	3,451,455.650	3.66	3.98	4.72
A (acc) USD	1.85%	20,625,241.398	3.68	4.01	4.70

Statistical Information (continued)

	Total Expense Ratio December 31, 2018 (See Note 27)	Shares Outstanding December 31, 2018	Net Asset Value per Share December 31, 2018	June 30, 2018	June 30, 2017
Franklin Gold and Precious Metals Fund – USD (continued)					
A (Ydis) EUR	1.85%	5,390,108.193	4.27	4.57	5.48
I (acc) USD	1.02%	207,675.937	3.97	4.31	5.01
N (acc) EUR	2.60%	7,729,818.170	4.00	4.29	5.19
N (acc) USD	2.61%	4,598,108.891	3.44	3.76	4.44
Franklin High Yield Fund – USD					
A (acc) EUR	1.53%	191,067.794	9.82	9.94	-
A (acc) USD	1.53%	5,059,456.160	17.27	17.82	17.69
A (Mdis) AUD-H1 (hedged)	1.54%	1,370,234.235	8.37	8.91	9.36
A (Mdis) SGD-H1 (hedged)	1.53%	2,098,727.882	6.96	7.42	7.87
A (Mdis) USD	1.53%	233,145,247.903	5.56	5.91	6.22
B (Mdis) USD	2.94%	20,329,230.955	5.32	5.69	6.08
C (acc) USD	2.21%	1,044,859.610	21.87	22.65	22.63
F (Mdis) USD	2.53%	3,000,952.710	8.86	9.46	10.06
I (acc) EUR-H1 (hedged)	0.90%	16,724.082	11.99	12.53	12.67
I (acc) USD	0.88%	454,440.346	18.23	18.76	18.50
I (Mdis) USD	0.89%	902,853.150	8.94	9.46	9.91
N (acc) EUR	2.13%	417,533.062	9.75	9.90	-
N (acc) USD	2.13%	1,803,718.686	17.71	18.34	18.31
N (Mdis) USD	2.12%	2,415,168.588	7.60	8.10	8.58
W (Mdis) USD	0.92%	415,139.539	9.08	9.62	10.06
Y (Mdis) USD	0.05%	868,753.685	8.78	9.26	9.60
Z (Mdis) USD	1.13%	516,507.019	8.32	8.83	9.26
Franklin Income Fund – USD					
A (acc) USD	1.68%	3,060,892.569	10.25	10.94	10.59
A (Mdis) AUD-H1 (hedged)	1.68%	743,286.036	8.62	9.44	9.59
A (Mdis) EUR-H1 (hedged)	1.68%	1,721,397.129	7.89	8.76	9.11
A (Mdis) SGD-H1 (hedged)	1.68%	2,031,313.004	7.50	8.23	8.40
A (Mdis) USD	1.68%	77,065,778.741	10.57	11.55	11.70
A (Mdis) ZAR-H1 (hedged)	1.66%	106,202.355	97.55	104.01	99.96
B (Mdis) USD	3.00%	5,795,036.254	9.64	10.60	10.89
C (acc) USD	2.26%	3,531,782.066	22.68	24.27	23.63
C (Mdis) USD	2.26%	5,411,476.620	13.31	14.59	14.87
F (Mdis) USD	2.68%	3,592,578.028	9.00	9.88	10.12
I (acc) EUR	0.86%	1,631,582.085	10.95	11.41	11.21
I (acc) USD	0.88%	1,858,927.861	20.40	21.68	20.82
I (Ydis) EUR-H1 (hedged)	0.86%	14,446.660	8.20	9.34	9.62
N (acc) EUR-H1 (hedged)	2.18%	378,763.210	9.12	9.91	9.90
N (acc) USD	2.18%	7,995,243.722	21.13	22.60	21.98
N (Mdis) EUR	2.10%	53,665.095	8.85	9.51	9.91
N (Mdis) EUR-H1 (hedged)	2.18%	3,950,035.178	7.76	8.63	9.02
N (Mdis) USD	2.18%	1,132,913.248	8.11	8.88	9.05
W (acc) USD	0.93%	525,779.998	9.90	10.52	10.11
W (Mdis) USD	0.93%	689,169.546	9.37	10.19	10.26
Z (acc) USD	1.18%	1,170,177.845	15.49	16.48	15.88
Z (Mdis) USD	1.19%	902,319.902	9.73	10.60	10.69
Franklin India Fund – USD					
A (acc) EUR	1.87%	10,528,546.558	37.73	39.40	39.83
A (acc) EUR-H1 (hedged)	1.88%	2,138,690.788	10.48	11.34	11.50
A (acc) HKD	1.87%	1,170,016.997	16.57	17.68	17.39
A (acc) SEK	1.87%	8,429,431.877	19.39	20.87	19.40
A (acc) SGD	1.87%	1,552,600.933	13.25	14.11	14.09
A (acc) USD	1.87%	19,535,584.121	35.74	38.06	37.62
A (Ydis) EUR	1.87%	534,106.073	55.64	58.11	58.74
A (Ydis) GBP	1.87%	153,185.637	49.98	51.40	51.50
AS (acc) SGD	1.75%	307,306.998	11.10	11.81	11.78
B (acc) USD	3.18%	318,628.544	30.14	32.31	32.35
C (acc) USD	2.45%	257,026.059	33.09	35.34	35.13
I (acc) EUR	1.01%	1,188,979.885	42.42	44.12	44.23
I (acc) USD	1.02%	16,786,795.733	40.24	42.67	41.82
I (Ydis) EUR	1.02%	1,038,678.962	41.69	43.35	43.46
N (acc) EUR	2.62%	2,206,697.339	34.31	35.97	36.64
N (acc) PLN-H1 (hedged)	2.62%	3,020,539.072	17.03	18.30	18.31
N (acc) USD	2.62%	2,057,990.435	32.38	34.62	34.47
S (acc) USD	0.88%	351,242.000	18.85	19.97	19.55
W (acc) EUR	1.07%	443,276.204	20.79	21.63	21.69
W (acc) EUR-H1 (hedged)	1.08%	1,752,078.894	8.06	8.69	-
W (acc) GBP	1.07%	1,862,943.295	23.25	23.81	23.68
W (acc) USD	1.07%	1,167,804.449	18.95	20.10	19.71
X (acc) USD	0.25%	500.000	17.87	18.87	18.35
Y (Mdis) USD	0.10%	500.000	13.38	14.23	13.90
Z (acc) GBP	1.37%	9,123.793	22.84	23.43	23.36
Z (acc) USD	1.37%	478,129.996	14.65	15.56	15.30
Franklin Japan Fund – JPY					
A (acc) EUR	1.87%	969,951.134	6.37	7.44	6.84
A (acc) JPY	1.87%	2,258,965.251	801.93	963.94	880.78
A (acc) USD	1.87%	4,120,425.956	7.31	8.71	7.83
A (acc) USD-H1 (hedged)	1.86%	313,976.246	8.96	10.65	9.60
C (acc) USD	2.45%	374,629.777	7.95	9.49	8.58
I (acc) EUR	0.99%	280,055.783	10.18	11.84	10.80

Statistical Information (continued)

	Total Expense Ratio December 31, 2018 (See Note 27)	Shares Outstanding December 31, 2018	Net Asset Value per Share December 31, 2018	June 30, 2018	June 30, 2017
Franklin Japan Fund – JPY (continued)					
I (acc) USD	0.96%	8,933,646.287	9.67	11.46	10.21
N (acc) EUR	2.63%	1,050,818.359	5.53	6.47	6.00
N (acc) USD	2.63%	789,390.670	9.70	11.58	10.49
W (acc) EUR	0.97%	3,831.685	13.80	16.03	14.62
Franklin K2 Alternative Strategies Fund – USD					
A (acc) CHF-H1 (hedged)	2.75%	490,866.670	9.41	9.94	9.93
A (acc) CZK-H1 (hedged)	2.75%	3,091,010.593	94.64	99.16	99.14
A (acc) EUR-H1 (hedged)	2.75%	24,409,669.369	10.16	10.68	10.66
A (acc) NOK-H1 (hedged)	2.75%	285,603.936	10.29	10.73	10.58
A (acc) SEK-H1 (hedged)	2.75%	234,077.000	9.77	10.27	10.23
A (acc) SGD-H1 (hedged)	2.75%	489,366.953	10.83	11.27	11.05
A (acc) USD	2.75%	24,278,424.953	10.83	11.22	10.91
A (Ydis) EUR	2.75%	1,566,768.798	12.23	12.43	12.36
A (Ydis) EUR-H1 (hedged)	2.75%	3,751,765.733	9.52	10.02	9.99
A (Ydis) USD	2.75%	1,971,228.206	10.82	11.22	10.91
A PF (acc) EUR-H1 (hedged)*	2.00%	8,833.142	9.77	-	-
A PF (Ydis) EUR-H1 (hedged)*	2.00%	8,833.142	9.77	-	-
C (acc) USD	3.33%	1,164,171.780	9.92	10.32	10.09
G (acc) EUR-H1 (hedged)	3.35%	191,538.490	9.48	10.00	10.03
I (acc) CHF-H1 (hedged)	1.90%	9,398,823.400	9.71	10.20	10.12
I (acc) EUR-H1 (hedged)	1.90%	60,652,922.866	10.54	11.04	10.92
I (acc) GBP-H1 (hedged)	1.90%	1,240,946.424	10.95	11.40	11.17
I (acc) JPY	1.90%	658.471	1,147.38	1,195.94	1,171.66
I (acc) JPY-H1 (hedged)	1.90%	11,915.621	1,058.98	1,107.05	1,089.65
I (acc) USD	1.90%	14,599,259.414	11.23	11.58	11.17
I (acc) USD-H4 (BRL) (hedged)*	1.90%	537,789.993	9.20	-	-
I PF (acc) EUR-H1 (hedged)*	1.35%	8,833.142	9.77	-	-
I PF (Ydis) EUR-H1 (hedged)*	1.35%	8,833.142	9.77	-	-
N (acc) EUR-H1 (hedged)	3.50%	8,490,407.129	9.84	10.40	10.45
N (acc) HUF-H1 (hedged)	3.50%	4,791,068.297	95.37	100.47	103.02
N (acc) PLN-H1 (hedged)	3.50%	4,903,748.342	10.02	10.49	10.32
N (acc) USD	3.50%	8,472,343.892	10.49	10.91	10.69
N (Ydis) EUR-H1 (hedged)	3.50%	13,886.767	9.55	10.09	10.15
S (acc) CHF-H1 (hedged)	1.80%	3,564,917.298	9.66	10.15	10.06
S (acc) EUR-H1 (hedged)	1.80%	7,164,495.126	9.72	10.17	10.06
S (acc) GBP-H1 (hedged)	1.80%	5,891,755.186	9.91	10.30	10.10
S (acc) SGD-H1 (hedged)	1.80%	13,887.987	10.04	10.39	10.10
S (acc) USD	1.80%	7,534,549.293	10.17	10.49	10.11
W (acc) CHF-H1 (hedged)	1.95%	50,363.613	9.65	10.12	10.05
W (acc) EUR	1.95%	503,718.196	12.61	12.77	12.60
W (acc) EUR-H1 (hedged)	1.95%	4,737,928.381	9.67	10.14	10.05
W (acc) GBP-H1 (hedged)	1.95%	542,572.467	10.90	11.34	11.13
W (acc) USD	1.95%	4,958,233.583	10.72	11.07	10.69
W (Ydis) EUR-H1 (hedged)	1.95%	82,851.854	9.34	9.80	-
Y (acc) CAD-H1 (hedged)	0.12%	1,672,332.250	11.15	11.45	10.91
Y (Mdis) USD	0.12%	189,229.681	11.07	11.44	11.06
Z (acc) GBP-H1 (hedged)	2.25%	17,388.726	10.81	11.27	11.09
Z (acc) USD	2.25%	1,624,518.462	11.06	11.44	11.07
Franklin K2 Global Macro Opportunities Fund – USD					
A (acc) EUR-H1 (hedged)	2.75%	193,802.162	8.99	9.15	9.55
A (acc) SGD	2.75%	216,101.563	9.30	9.33	9.60
A (acc) USD	2.75%	156,250.000	9.44	9.47	9.64
A (Mdis) USD	2.75%	156,250.000	9.44	9.47	9.64
A (Ydis) EUR	2.75%	152,087.936	9.17	9.03	9.40
A (Ydis) USD	2.75%	156,250.000	9.44	9.47	9.64
I (acc) EUR-H1 (hedged)	1.90%	140,285.500	9.17	9.30	9.61
I (acc) GBP-H1 (hedged)	1.90%	124,870.125	9.35	9.41	9.64
I (acc) JPY	1.90%	1,609,453.130	102.26	103.20	105.87
I (acc) JPY-H1 (hedged)	1.90%	1,609,453.130	92.51	93.63	96.41
I (acc) USD	1.90%	156,250.000	9.61	9.60	9.70
N (acc) EUR-H1 (hedged)	3.50%	153,704.775	8.86	9.05	9.50
N (acc) USD	3.50%	163,256.308	9.29	9.35	9.60
W (acc) EUR	1.95%	140,285.500	9.32	9.14	9.45
W (acc) GBP-H1 (hedged)	1.95%	124,870.125	9.32	9.39	9.63
W (acc) USD	1.95%	10,601.010	9.78	9.77	9.88
Z (acc) USD	2.25%	156,250.000	9.54	9.55	9.67
Franklin K2 Long Short Credit Fund – USD					
A (acc) EUR-H1 (hedged)	2.75%	71,043.405	9.82	10.04	10.14
A (acc) SGD	2.75%	511,614.000	9.94	10.01	9.96
A (acc) USD	2.75%	2,762,733.768	10.37	10.45	10.28
A (Mdis) USD	2.75%	408,460.484	10.12	10.28	10.25
A (Ydis) EUR	2.75%	356,789.937	9.49	9.51	9.60
A (Ydis) USD	2.75%	424,482.759	10.20	10.41	10.28
I (acc) EUR-H1 (hedged)	1.90%	2,675,113.516	10.00	10.19	10.20
I (acc) GBP-H1 (hedged)	1.90%	39,795.590	10.25	10.37	10.26
I (acc) USD	1.90%	589,056.525	10.55	10.58	10.33
N (acc) EUR-H1 (hedged)	3.50%	198,403.669	9.67	9.92	10.10
N (acc) USD	3.50%	443,980.584	10.21	10.32	10.24
W (acc) EUR-H1 (hedged)	1.95%	45,841.224	9.97	10.15	10.18
W (acc) GBP-H1 (hedged)	1.95%	38,508.108	10.24	10.36	10.25

Statistical Information (continued)

	Total Expense Ratio December 31, 2018 (See Note 27)	Shares Outstanding December 31, 2018	Net Asset Value per Share December 31, 2018	June 30, 2018	June 30, 2017
Franklin K2 Long Short Credit Fund – USD (continued)					
W (acc) USD	1.95%	196,637.535	10.22	10.26	10.02
Z (acc) USD	2.25%	360,948.194	10.47	10.53	10.31
Franklin MENA Fund – USD					
A (acc) EUR	2.56%	2,277,700.240	5.57	5.88	5.34
A (acc) EUR-H1 (hedged)	2.56%	797,728.905	3.61	3.94	3.60
A (acc) USD	2.57%	4,890,761.352	6.43	6.92	6.14
A (Ydis) USD	2.56%	60,249.953	6.77	7.34	6.52
B (acc) USD	3.87%	365,002.702	5.59	6.05	5.45
I (acc) EUR	1.43%	1,036,813.317	6.30	6.61	5.94
I (acc) USD	1.42%	4,292,866.151	7.21	7.71	6.77
N (acc) EUR-H1 (hedged)	3.06%	1,824,148.091	3.43	3.75	3.45
N (acc) USD	3.06%	800,457.146	6.09	6.57	5.87
W (acc) EUR	1.41%	6,986.786	11.05	11.59	10.42
W (Qdis) USD	1.41%	500.000	11.88	12.86	11.44
X (acc) USD	0.30%	361.795	17.50	18.61	16.17
Franklin Natural Resources Fund – USD					
A (acc) EUR	1.86%	3,852,624.867	4.72	6.41	5.44
A (acc) USD	1.86%	26,652,447.015	5.40	7.48	6.20
A (Ydis) EUR-H1 (hedged)	1.85%	417,593.947	4.23	5.97	5.08
A (Ydis) USD	1.86%	344,821.104	5.40	7.48	6.21
B (acc) USD	3.17%	929,279.809	5.59	7.79	6.55
C (acc) USD	2.44%	623,019.587	4.85	6.73	5.62
F (acc) USD	2.86%	1,942,637.000	7.90	11.00	9.22
I (acc) EUR	0.99%	132,396.928	5.23	7.07	5.95
I (acc) USD	0.99%	1,164,934.047	5.97	8.24	6.78
N (acc) EUR	2.61%	5,134,413.852	4.32	5.89	5.04
N (acc) PLN-H1 (hedged)	2.61%	11,884,730.270	5.73	8.03	6.76
Franklin NextStep Balanced Growth Fund – USD					
A (acc) HKD	1.55%	205,122.079	11.50	12.29	11.87
A (acc) RMB-H1 (hedged)	1.55%	338,922.159	9.21	9.76	-
A (acc) SGD-H1 (hedged)	1.55%	171,515.336	11.24	12.04	11.78
A (acc) USD	1.55%	14,489,635.308	11.43	12.20	11.84
A (Mdis) HKD	1.55%	559,822.288	11.11	11.96	11.69
A (Mdis) SGD-H1 (hedged)	1.55%	268,915.840	10.87	11.73	11.61
A (Mdis) USD	1.55%	1,719,961.195	11.05	11.87	11.66
Franklin NextStep Conservative Fund – USD					
A (acc) PLN-H1 (hedged)	1.37%	5,960,201.321	10.70	10.99	11.01
A (acc) USD	1.37%	277,876.167	10.80	11.04	10.97
A (Mdis) USD	1.37%	39,409.783	10.32	10.64	10.76
C (acc) USD*	2.15%	296,199.834	9.65	-	-
N (acc) USD	2.25%	336,597.504	10.53	10.81	10.84
W (Mdis) EUR-H1 (hedged)	0.78%	464,908.463	9.41	9.82	10.14
W (Mdis) GBP-H1 (hedged)	0.78%	210,722.262	10.18	10.56	10.80
W (Mdis) USD	0.78%	360,573.780	10.01	10.29	10.35
Franklin NextStep Dynamic Growth Fund – USD					
A (acc) HKD	1.68%	29,401.691	11.73	12.80	12.25
A (acc) RMB-H1 (hedged)	1.68%	64,363.000	8.95	9.69	-
A (acc) SGD-H1 (hedged)	1.68%	154,486.403	11.45	12.52	12.16
A (acc) USD	1.68%	2,835,687.346	11.69	12.72	12.23
A (Mdis) HKD	1.68%	4,767.566	11.50	12.61	12.13
A (Mdis) SGD-H1 (hedged)	1.68%	60,142.110	11.16	12.26	12.01
A (Mdis) USD	1.68%	385,558.765	11.37	12.44	12.08
Franklin NextStep Growth Fund – USD					
A (acc) PLN-H1 (hedged)	1.73%	636,296.615	11.33	12.31	11.87
A (acc) USD	1.73%	989,743.321	11.46	12.39	11.83
A (Mdis) USD	1.73%	491,229.332	11.15	12.12	11.68
C (acc) USD*	2.31%	500.000	8.99	-	-
N (acc) USD	2.53%	404,171.729	11.20	12.15	11.70
W (Mdis) EUR-H1 (hedged)	0.89%	10,042.306	9.98	10.98	10.78
W (Mdis) GBP-H1 (hedged)	0.89%	233,893.370	11.04	12.07	11.76
W (Mdis) USD	0.89%	64,363.848	10.64	11.52	11.01
Franklin NextStep Moderate Fund – USD					
A (acc) PLN-H1 (hedged)	1.58%	9,155,542.091	11.25	12.00	11.67
A (acc) USD	1.58%	1,012,477.103	11.33	12.04	11.63
A (Mdis) USD	1.58%	325,179.428	10.95	11.71	11.45
C (acc) USD*	2.26%	271,375.096	9.19	-	-
N (acc) USD	2.38%	1,284,812.675	11.07	11.81	11.50
W (Mdis) EUR-H1 (hedged)	0.83%	403,880.402	9.88	10.69	10.64
W (Mdis) GBP-H1 (hedged)	0.83%	297,349.138	10.88	11.69	11.53
W (Mdis) USD	0.83%	718,913.355	10.50	11.18	10.85
Franklin NextStep Stable Growth Fund – USD					
A (acc) HKD	1.37%	309,967.054	10.87	11.13	11.03
A (acc) SGD-H1 (hedged)	1.37%	94,230.409	10.65	10.92	10.96
A (acc) USD	1.37%	1,201,370.394	10.82	11.05	11.00
A (Mdis) HKD	1.37%	1,035,574.721	10.34	10.70	10.81

Statistical Information (continued)

	Total Expense Ratio December 31, 2018 (See Note 27)	Shares Outstanding December 31, 2018	Net Asset Value per Share December 31, 2018	June 30, 2018	June 30, 2017
Franklin NextStep Stable Growth Fund – USD (continued)					
A (Mdis) SGD-H1 (hedged)	1.37%	176,263.759	10.13	10.50	10.74
A (Mdis) USD	1.37%	459,723.281	10.29	10.62	10.78
Franklin Select U.S. Equity Fund – USD					
A (acc) EUR	1.82%	341,799.130	21.88	24.00	22.30
A (acc) EUR-H1 (hedged)	1.83%	295,396.243	16.60	18.89	17.60
A (acc) HKD	1.83%	1,596,982.111	16.57	18.58	16.79
A (acc) USD	1.83%	8,712,526.032	25.07	28.05	25.48
B (acc) USD	3.15%	99,042.851	19.40	21.85	20.10
C (acc) USD	2.41%	1,295,984.923	21.24	23.83	21.77
I (acc) EUR	0.98%	16,372.462	17.24	18.84	17.36
I (acc) EUR-H1 (hedged)	0.96%	29,394.959	12.23	13.79	12.73
I (acc) USD	0.99%	316,395.695	21.30	23.73	21.38
N (acc) EUR	2.58%	424,578.698	18.87	20.79	19.46
N (acc) EUR-H1 (hedged)	2.57%	143,021.486	11.00	12.56	11.80
N (acc) USD	2.58%	1,048,170.687	21.66	24.32	22.26
W (acc) EUR	1.00%	17,229.614	15.56	17.01	15.67
Y (Mdis) USD	0.06%	2,635,521.718	12.42	13.84	12.44
Z (acc) USD	1.34%	704,872.770	9.95	11.10	10.03
Franklin Strategic Income Fund – USD					
A (acc) EUR	1.35%	2,700,909.286	13.05	12.93	13.32
A (acc) EUR-H1 (hedged)	1.35%	1,197,378.601	10.98	11.26	11.64
A (acc) USD	1.35%	9,608,388.315	14.92	15.08	15.18
A (Mdis) AUD-H1 (hedged)	1.35%	145,615.207	9.05	9.41	9.90
A (Mdis) EUR	1.35%	5,606,172.807	8.24	8.39	9.02
A (Mdis) EUR-H1 (hedged)	1.35%	12,051,488.966	7.81	8.24	8.89
A (Mdis) SGD-H1 (hedged)	1.35%	15,682.206	8.47	8.83	9.34
A (Mdis) USD	1.35%	12,842,800.110	9.44	9.80	10.30
B (Mdis) USD	2.89%	289,622.622	8.92	9.33	9.96
C (acc) USD	1.95%	471,324.693	9.77	9.91	10.04
C (Mdis) USD	1.95%	6,104,139.685	9.23	9.61	10.17
I (acc) EUR-H1 (hedged)	0.82%	5,712,876.056	10.97	11.23	11.55
I (acc) USD	0.83%	727,584.114	15.83	15.95	15.98
I (Ydis) USD	0.81%	43,540.750	8.75	9.23	9.67
N (acc) EUR-H1 (hedged)	2.08%	1,186,348.455	10.42	10.74	11.16
N (acc) USD	2.08%	7,270,045.671	11.35	11.52	11.68
N (Mdis) EUR-H1 (hedged)	2.08%	2,576,915.307	7.66	8.11	8.81
W (acc) EUR	0.86%	163,076.849	9.21	9.11	9.34
W (acc) USD	0.88%	660,097.022	9.95	10.03	10.06
W (Mdis) USD	0.88%	481,843.218	9.34	9.67	10.13
Y (Mdis) USD	0.06%	6,356,685.369	9.37	9.67	-
Z (acc) USD	1.08%	449,783.147	13.32	13.45	13.50
Franklin Technology Fund – USD					
A (acc) EUR	1.82%	21,699,014.151	15.21	16.63	13.14
A (acc) EUR-H1 (hedged)	1.82%	2,057,611.241	9.84	11.16	-
A (acc) HKD	1.82%	1,384,304.605	22.92	25.61	19.67
A (acc) SGD-H1 (hedged)	1.82%	1,454,184.821	9.63	10.80	-
A (acc) USD	1.82%	80,864,807.119	17.39	19.39	14.98
B (acc) USD	3.13%	335,450.370	13.60	15.27	11.95
C (acc) USD	2.40%	2,140,681.906	33.71	37.70	29.29
I (acc) EUR	0.97%	3,405,256.002	28.37	30.90	24.20
I (acc) USD	0.96%	4,938,538.473	24.17	26.83	20.55
I (Ydis) EUR*	0.96%	1,803,832.707	9.38	-	-
N (acc) EUR	2.57%	8,875,390.461	12.76	14.01	11.15
N (acc) USD	2.57%	8,260,261.225	14.60	16.34	12.72
W (acc) EUR	1.00%	625,772.180	25.03	27.26	21.36
W (acc) EUR-H1 (hedged)	1.00%	120,656.693	9.57	10.80	-
W (acc) USD	1.00%	2,435,928.146	20.48	22.75	17.43
X (acc) USD	0.15%	202.758	21.17	23.39	17.76
Z (acc) USD	1.32%	822,237.393	25.16	27.99	21.51
Franklin U.S. Dollar Liquid Reserve Fund – USD					
A (acc) USD	0.25%	15,078,983.090	11.81	11.71	11.58
A (Mdis) USD	0.25%	11,343,510.549	9.80	9.80	9.69
B (Mdis) USD	1.33%	257,522.558	8.93	8.90	8.89
C (acc) USD	1.24%	698,578.547	9.87	9.83	9.81
F (Mdis) USD	1.25%	1,072,776.776	10.00	10.00	10.00
N (acc) USD	1.15%	3,364,896.642	10.43	10.39	10.36
W (acc) USD	0.20%	915,185.342	10.23	10.14	10.02
Franklin U.S. Government Fund – USD					
A (acc) EUR-H1 (hedged)	1.27%	15,402.075	9.30	9.35	9.70
A (acc) HKD	1.26%	416,760.943	11.38	11.30	11.37
A (acc) USD	1.28%	6,769,550.874	10.98	10.88	11.00
A (Mdis) HKD	1.28%	683,295.648	9.44	9.53	9.77
A (Mdis) USD	1.27%	37,316,136.405	8.81	8.87	9.15
AX (acc) USD	1.47%	1,782,090.844	15.35	15.23	15.43
B (acc) USD	2.54%	38,246.866	12.03	12.00	12.29
B (Mdis) USD	2.53%	414,827.703	8.79	8.89	9.17
C (acc) USD	2.05%	966,776.261	13.20	13.13	13.38
I (acc) EUR-H1 (hedged)	0.60%	491,356.949	10.08	10.11	10.41

Statistical Information (continued)

	Total Expense Ratio December 31, 2018 (See Note 27)	Shares Outstanding December 31, 2018	Net Asset Value per Share December 31, 2018	June 30, 2018	June 30, 2017
Franklin U.S. Government Fund – USD (continued)					
I (acc) USD	0.60%	3,730,885.478	14.00	13.83	13.89
I (Mdis) JPY-H1 (hedged)	0.60%	32,241.865	850.80	867.26	911.62
I (Mdis) USD	0.60%	6,405,475.732	9.30	9.34	9.61
N (acc) USD	1.97%	2,232,612.737	13.90	13.82	14.07
N (Mdis) USD	1.97%	1,247,793.665	8.81	8.90	9.18
W (acc) USD	0.70%	1,449,367.655	10.53	10.41	10.47
W (Mdis) USD	0.70%	2,325,029.996	9.17	9.21	9.49
X (acc) USD	0.15%	500.000	10.97	10.81	10.81
Z (acc) USD	0.97%	403,193.268	11.69	11.56	11.66
Z (Mdis) USD	0.97%	14,960.534	9.29	9.35	9.63
Franklin U.S. Low Duration Fund – USD					
A (acc) EUR	1.15%	735,292.942	10.55	10.35	10.60
A (acc) EUR-H1 (hedged)	1.15%	52,818.285	9.56	9.72	9.98
A (acc) USD	1.15%	9,620,941.877	10.77	10.77	10.79
A (Mdis) USD	1.15%	18,965,698.628	9.65	9.75	9.90
AX (acc) USD	1.35%	2,432,666.232	12.20	12.22	12.26
B (Mdis) USD	2.41%	647,429.336	9.32	9.38	9.51
C (acc) USD	2.05%	270,491.537	9.85	9.90	10.00
C (Mdis) USD	2.04%	2,031,098.107	9.58	9.63	9.73
I (acc) EUR-H1 (hedged)	0.66%	11,947,834.967	10.20	10.33	10.55
I (acc) USD	0.66%	7,285,499.805	13.20	13.17	13.13
N (Mdis) USD	1.85%	3,335,032.101	9.67	9.74	9.83
W (acc) USD	0.67%	482,161.150	10.05	10.03	10.00
W (Qdis) USD	0.67%	53,492.566	9.83	9.93	10.05
Y (Mdis) USD	0.05%	11,097,374.835	9.81	9.91	-
Z (acc) USD	0.85%	109,779.234	10.26	10.25	10.24
Franklin U.S. Opportunities Fund – USD					
A (acc) CHF-H1 (hedged)	1.82%	164,669.182	20.35	23.61	19.68
A (acc) EUR	1.82%	11,684,456.392	12.93	14.43	11.99
A (acc) EUR-H1 (hedged)	1.82%	15,165,962.654	9.71	11.25	9.38
A (acc) HKD	1.82%	5,720,953.248	20.16	22.98	18.58
A (acc) NOK-H1 (hedged)	1.81%	2,693,173.465	14.32	16.48	13.58
A (acc) RMB-H1 (hedged)	1.81%	54,545.484	144.19	163.07	130.11
A (acc) SEK-H1 (hedged)	1.83%	2,806,800.665	19.42	22.48	18.68
A (acc) SGD	1.82%	4,271,588.672	17.95	20.41	16.76
A (acc) SGD-H1 (hedged)	1.82%	2,018,435.399	22.48	25.69	21.05
A (acc) USD	1.82%	116,134,913.188	14.80	16.84	13.68
A (Ydis) EUR	1.82%	2,094,449.661	13.17	14.69	12.21
A (Ydis) GBP	1.82%	877,646.495	11.60	12.74	10.49
AS (acc) SGD	1.71%	4,643,483.894	11.99	13.62	11.17
B (acc) USD	3.14%	1,150,121.192	11.58	13.26	10.91
C (acc) USD	2.40%	6,713,533.692	23.67	27.01	22.07
F (acc) USD	2.82%	1,982,031.372	11.08	12.67	10.40
I (acc) EUR	0.97%	5,032,484.150	33.33	37.02	30.51
I (acc) EUR-H1 (hedged)	0.96%	1,326,818.105	24.74	28.54	23.56
I (acc) USD	0.97%	11,202,716.408	38.19	43.26	34.85
N (acc) EUR	2.57%	2,545,972.366	25.67	28.75	24.07
N (acc) EUR-H1 (hedged)	2.57%	710,822.765	17.33	20.14	16.91
N (acc) PLN-H1 (hedged)	2.57%	5,204,893.589	26.07	30.01	24.73
N (acc) USD	2.57%	7,299,880.383	29.46	33.65	27.54
S (acc) USD	0.91%	500.000	10.07	11.39	-
W (acc) EUR	1.00%	468,439.161	18.47	20.52	16.92
W (acc) EUR-H1 (hedged)	1.00%	610,855.271	10.93	12.60	10.40
W (acc) USD	1.02%	5,062,973.315	20.87	23.64	19.06
X (acc) USD	0.15%	500.000	15.43	17.41	13.91
X (Ydis) USD	0.25%	2,181,910.553	21.19	23.99	19.24
Y (Mdis) USD	0.05%	159,173.284	12.16	13.75	11.04
Z (acc) USD	1.32%	880,900.188	25.72	29.18	23.59
Franklin World Perspectives Fund – USD					
A (acc) EUR	1.90%	4,488,913.983	24.14	27.16	25.47
A (acc) USD	1.90%	2,662,317.804	20.27	23.26	21.32
I (acc) EUR	0.98%	2,219,898.509	26.41	29.58	27.48
I (acc) USD	0.98%	1,423,949.247	22.17	25.32	23.00
N (acc) EUR	2.64%	2,920,715.737	8.94	10.10	-
N (acc) USD	2.65%	2,076,061.016	18.78	21.62	19.97
W (acc) GBP	1.00%	4,866.301	19.42	21.42	19.73
Z (acc) USD	1.27%	62,976.815	11.03	12.61	11.49
Franklin Mutual European Fund – EUR					
A (acc) CZK-H1 (hedged)	1.82%	2,675,403.623	131.36	146.61	150.39
A (acc) EUR	1.84%	16,577,485.194	21.67	24.31	24.79
A (acc) RMB-H1 (hedged)	1.82%	6,435.005	115.12	126.17	123.60
A (acc) SEK	1.84%	5,301,360.118	14.20	16.41	15.39
A (acc) USD	1.85%	6,998,618.022	24.83	28.39	28.31
A (acc) USD-H1 (hedged)	1.82%	2,528,298.926	10.03	11.06	11.00
A (Ydis) EUR	1.85%	1,206,488.760	18.19	20.67	21.24
A (Ydis) GBP	1.85%	87,919.153	16.47	18.43	18.77
B (acc) USD	3.15%	180,485.799	19.51	22.46	22.69
B (Ydis) EUR	3.16%	6,914.362	16.82	18.99	19.62
C (acc) EUR	2.42%	6,178.348	19.25	21.66	22.21

Statistical Information (continued)

	Total Expense Ratio December 31, 2018 (See Note 27)	Shares Outstanding December 31, 2018	Net Asset Value per Share December 31, 2018	June 30, 2018	June 30, 2017
Franklin Mutual European Fund – EUR (continued)					
C (acc) USD	2.43%	488,290.167	22.06	25.31	25.38
I (acc) EUR	0.97%	9,570,794.507	20.50	22.89	23.14
I (Ydis) EUR	1.00%	5,145.000	15.90	18.15	18.64
N (acc) EUR	2.58%	3,873,877.554	17.66	19.88	20.42
N (acc) USD	2.60%	417,186.542	20.14	23.12	23.22
N (acc) USD-H1 (hedged)	2.56%	523,846.150	10.05	11.12	11.15
W (acc) EUR	1.00%	233,378.053	12.15	13.56	13.72
W (acc) USD	1.00%	34,645.955	8.89	10.13	10.01
W (acc) USD-H1 (hedged)	1.00%	64,887.216	9.06	9.95	9.82
W (Ydis) EUR	1.00%	25,069.943	9.73	11.10	11.41
X (acc) EUR	0.15%	362.897	10.73	11.94	11.97
Y (Mdis) EUR	0.06%	1,173,424.926	9.62	10.83	11.18
Z (acc) EUR	1.35%	20,956.800	13.51	15.12	15.34
Z (acc) USD	1.34%	3,801,369.112	12.76	14.55	14.44
Z (acc) USD-H1 (hedged)	1.33%	762,442.963	10.58	11.63	11.51
Franklin Mutual Global Discovery Fund – USD					
A (acc) EUR	1.84%	7,344,381.627	18.18	20.03	20.62
A (acc) EUR-H2 (hedged)	1.85%	1,552,484.113	12.05	13.61	14.03
A (acc) USD	1.84%	8,811,915.794	17.22	19.35	19.47
A (Ydis) EUR	1.84%	1,326,601.107	24.48	27.25	28.16
A (Ydis) GBP	1.84%	85,499.181	22.17	24.30	24.90
B (acc) USD	3.15%	73,825.061	14.51	16.41	16.74
C (acc) USD	2.42%	1,494,432.972	15.94	17.96	18.18
I (acc) EUR	0.97%	331,708.391	20.42	22.39	22.86
I (acc) EUR-H2 (hedged)	0.98%	3,519,122.027	17.40	19.56	20.00
I (acc) USD	0.98%	2,642,643.750	19.33	21.62	21.58
N (acc) EUR	2.59%	2,489,458.495	16.44	18.18	18.85
N (acc) EUR-H2 (hedged)	2.60%	1,253,069.083	11.25	12.76	13.28
N (acc) USD	2.59%	1,456,039.761	15.59	17.58	17.83
W (acc) EUR	1.03%	72,402.972	12.27	13.46	13.75
W (acc) EUR-H1 (hedged)	1.03%	1,256,361.676	7.92	9.03	-
W (acc) USD	1.03%	177,458.809	8.98	10.05	10.04
Z (acc) USD	1.34%	443,747.340	15.06	16.88	16.90
Franklin Mutual U.S. Value Fund – USD					
A (acc) EUR	1.83%	255,727.757	64.40	68.92	70.07
A (acc) EUR-H1 (hedged)	1.84%	51,130.438	47.36	52.47	53.49
A (acc) SGD	1.84%	308,442.593	12.00	13.09	13.15
A (acc) USD	1.84%	2,685,194.019	73.70	80.43	79.95
A (Ydis) USD	1.84%	124,639.052	69.66	76.27	75.81
B (acc) USD	3.15%	26,708.674	32.00	35.15	35.40
C (acc) USD	2.42%	1,449,363.720	20.50	22.44	22.43
I (acc) EUR	0.98%	131,625.008	18.28	19.48	19.64
I (acc) EUR-H1 (hedged)	1.06%	7,682.372	13.45	14.85	15.00
I (acc) USD	0.97%	2,042,305.666	20.95	22.77	22.44
N (acc) EUR	2.57%	747,365.051	31.13	33.44	34.25
N (acc) EUR-H1 (hedged)	2.59%	137,049.458	23.12	25.71	26.43
N (acc) USD	2.59%	994,820.234	35.70	39.10	39.16
W (acc) USD	1.03%	1,142,633.988	9.60	10.43	10.29
Z (acc) USD	1.34%	535,706.372	18.17	19.78	19.56
Templeton Africa Fund – USD					
A (acc) EUR	2.40%	1,229,419.211	9.08	9.95	9.40
A (acc) EUR-H1 (hedged)	2.40%	925,684.467	7.26	8.25	7.85
A (acc) GBP	2.40%	34,953.421	10.08	10.88	10.18
A (acc) SGD	2.40%	28,855.486	8.70	9.72	9.07
A (acc) USD	2.40%	1,775,605.912	7.95	8.88	8.20
A (Ydis) EUR	2.40%	271,892.626	8.37	9.25	8.84
A (Ydis) EUR-H1 (hedged)	2.40%	126,528.368	6.69	7.68	7.39
I (acc) EUR	1.40%	12,841.103	9.70	10.58	9.89
I (acc) USD	1.40%	139,333.363	8.49	9.44	8.64
N (acc) EUR-H1 (hedged)	2.90%	1,525,531.654	7.02	8.01	7.65
W (acc) EUR	1.45%	315,495.001	7.88	8.60	8.05
W (acc) GBP	1.45%	449,512.514	10.49	11.27	10.46
Templeton Asian Bond Fund – USD					
A (acc) CHF-H1 (hedged)	1.42%	1,062,277.275	9.79	9.74	10.16
A (acc) EUR	1.42%	2,289,604.870	18.75	17.99	18.64
A (acc) EUR-H1 (hedged)	1.42%	1,619,653.248	11.83	11.74	12.21
A (acc) USD	1.41%	7,564,144.808	17.76	17.38	17.61
A (Mdis) AUD-H1 (hedged)	1.42%	111,253.479	8.11	8.17	8.72
A (Mdis) EUR	1.41%	1,985,797.615	9.52	9.39	10.27
A (Mdis) SGD	1.38%	278,705.411	8.32	8.37	9.04
A (Mdis) SGD-H1 (hedged)	1.41%	6,251,056.958	7.75	7.83	8.43
A (Mdis) USD	1.42%	5,663,350.689	10.89	10.95	11.70
B (Mdis) USD	2.93%	184,145.607	10.29	10.43	11.31
C (Mdis) USD	2.20%	598,462.329	10.56	10.67	11.49
I (acc) CHF-H1 (hedged)	0.86%	1,227,001.160	10.29	10.22	10.59
I (acc) EUR	0.86%	813,317.186	16.65	15.93	16.42
I (acc) EUR-H1 (hedged)	0.88%	93,940.491	11.30	11.14	11.44
I (acc) USD	0.87%	828,754.900	19.09	18.63	18.78
I (Mdis) EUR	0.87%	310,287.883	10.10	9.94	10.80

Statistical Information (continued)

	Total Expense Ratio December 31, 2018 (See Note 27)	Shares Outstanding December 31, 2018	Net Asset Value per Share December 31, 2018	June 30, 2018	June 30, 2017
Templeton Asian Bond Fund – USD (continued)					
I (Ydis) EUR-H1 (hedged)	0.84%	11,095.444	7.74	8.12	8.89
N (acc) EUR	2.11%	544,961.272	17.09	16.46	17.18
N (acc) USD	2.12%	814,287.501	16.20	15.90	16.23
N (Mdis) USD	2.11%	1,013,656.739	10.60	10.71	11.52
W (acc) EUR	0.90%	7,166.376	9.54	9.13	9.42
W (acc) EUR-H1 (hedged)	0.90%	218,295.353	10.04	9.94	10.29
W (Mdis) USD	0.90%	4,090,756.224	8.25	8.28	8.81
Y (Mdis) USD	0.08%	3,331,072.163	9.52	9.51	10.03
Z (acc) USD	1.12%	279,148.164	11.90	11.62	11.74
Templeton Asian Growth Fund – USD					
A (acc) CHF-H1 (hedged)	2.21%	802,997.304	10.26	12.00	12.07
A (acc) CZK-H1 (hedged)	2.21%	1,893,721.080	90.29	105.00	106.02
A (acc) EUR	2.21%	10,457,824.540	27.45	30.88	30.90
A (acc) EUR-H1 (hedged)	2.21%	4,053,691.484	20.00	23.36	23.49
A (acc) HKD	2.21%	20,110,975.131	9.51	10.93	10.64
A (acc) RMB-H1 (hedged)	2.22%	129,546.407	118.26	135.26	130.44
A (acc) SGD	2.21%	6,057,717.861	8.15	9.35	9.24
A (acc) SGD-H1 (hedged)	2.22%	60,142.799	10.61	12.24	12.11
A (acc) USD	2.21%	31,205,937.899	31.51	36.14	35.36
A (Ydis) EUR	2.21%	3,590,892.070	24.99	28.19	28.29
A (Ydis) GBP	2.21%	335,313.666	22.46	24.95	24.82
A (Ydis) USD	2.21%	33,599,714.115	28.62	32.92	32.30
B (acc) USD	3.52%	442,646.440	12.73	14.69	14.57
C (acc) USD	2.79%	985,629.215	26.22	30.16	29.68
I (acc) CHF-H1 (hedged)	1.23%	75,876.526	9.04	10.53	10.49
I (acc) EUR	1.19%	1,666,516.480	29.09	32.55	32.25
I (acc) EUR-H1 (hedged)	1.22%	280,752.733	18.35	21.31	21.26
I (acc) USD	1.21%	4,868,379.215	33.32	38.03	36.84
I (Ydis) EUR-H2 (hedged)	1.21%	5,112,041.584	5.29	6.31	6.81
N (acc) EUR	2.71%	1,036,733.697	36.92	41.63	41.87
N (acc) EUR-H1 (hedged)	2.72%	1,019,143.812	26.78	31.36	31.73
N (acc) HUF	2.71%	1,939,603.386	132.75	153.46	144.83
N (acc) PLN-H1 (hedged)	2.71%	3,442,542.519	12.33	14.29	14.18
N (acc) USD	2.71%	2,284,570.036	42.29	48.63	47.83
W (acc) EUR	1.25%	397,476.490	10.65	11.92	11.83
W (acc) EUR-H1 (hedged)	1.25%	9,895.407	8.80	10.22	10.22
W (acc) GBP	1.25%	114,694.077	13.32	14.68	14.43
W (acc) USD	1.25%	2,122,969.567	10.91	12.45	12.08
W (Ydis) EUR	1.25%	10,699.467	10.96	12.43	12.45
Y (Mdis) USD	0.09%	450.450	9.28	10.64	10.43
Z (acc) USD	1.71%	267,788.853	12.41	14.20	13.83
Z (Ydis) EUR-H1 (hedged)	1.71%	28,768.792	9.61	11.29	11.38
Z (Ydis) USD	1.71%	107,582.355	8.97	10.35	10.15
Templeton Asian Smaller Companies Fund – USD					
A (acc) EUR	2.25%	4,185,352.022	52.34	56.48	54.25
A (acc) SGD	2.24%	142,009.718	40.96	45.04	42.74
A (acc) USD	2.24%	5,999,884.437	43.95	48.35	45.41
A (Ydis) USD	2.24%	1,806,208.815	43.06	47.38	44.50
B (acc) USD	3.56%	58,260.783	39.91	44.20	42.05
F (acc) USD	3.25%	1,791,205.202	9.85	10.89	10.33
I (acc) EUR	1.20%	2,622,323.940	58.17	62.44	59.36
I (acc) USD	1.20%	7,710,426.230	48.86	53.47	49.71
I (Ydis) USD	1.21%	9,420,073.100	10.23	11.24	10.47
N (acc) EUR	2.74%	1,466,999.704	19.76	21.37	20.63
N (acc) USD	2.74%	1,520,547.686	15.94	17.58	16.59
W (acc) EUR	1.22%	1,270,711.206	16.18	17.37	16.52
W (acc) USD	1.22%	1,955,909.727	13.52	14.79	13.76
W (Ydis) EUR-H1 (hedged)	1.22%	11,949.250	8.15	9.07	-
W (Ydis) USD	1.22%	5,755,955.641	9.03	9.89	-
X (Ydis) USD	0.32%	3,275,799.886	12.53	13.83	12.97
Y (Mdis) USD	0.10%	1,488,476.109	13.32	14.66	13.69
Templeton BRIC Fund – USD					
A (acc) EUR	2.47%	3,876,160.829	17.26	18.58	16.37
A (acc) EUR-H1 (hedged)	2.49%	1,203,826.381	9.98	11.15	9.88
A (acc) HKD	2.45%	143,706.652	9.00	9.89	8.47
A (acc) USD	2.47%	29,584,002.742	16.34	17.94	15.46
B (acc) USD	3.78%	53,108.812	13.80	15.24	13.31
C (acc) USD	3.05%	467,239.383	15.13	16.66	14.44
I (acc) USD	1.43%	79,048.348	18.83	20.55	17.53
N (acc) EUR	2.97%	1,336,938.840	16.16	17.44	15.45
N (acc) USD	2.98%	706,211.604	15.30	16.84	14.58
Templeton China Fund – USD					
A (acc) HKD	2.46%	408,205.578	11.96	13.76	11.64
A (acc) SGD	2.45%	767,919.338	8.79	10.08	8.66
A (acc) USD	2.45%	12,923,436.856	26.18	30.04	25.55
A (Ydis) EUR	2.45%	561,371.685	22.07	24.84	21.61
A (Ydis) GBP	2.45%	42,254.049	19.70	21.82	18.82
B (acc) USD	3.76%	379,656.022	10.92	12.61	10.87
C (acc) USD	3.03%	314,270.178	18.15	20.88	17.86

Statistical Information (continued)

	Total Expense Ratio December 31, 2018 (See Note 27)	Shares Outstanding December 31, 2018	Net Asset Value per Share December 31, 2018	June 30, 2018	June 30, 2017
Templeton China Fund – USD (continued)					
I (acc) USD	1.38%	607,028.026	32.75	37.38	31.46
I (Ydis) GBP	1.54%	4,031.365	12.47	13.76	11.75
N (acc) USD	2.95%	718,523.984	25.28	29.08	24.86
W (acc) EUR	1.40%	19,008.768	13.41	15.01	12.93
W (acc) GBP	1.40%	51,512.759	15.85	17.47	14.92
W (acc) USD	1.40%	170,320.499	11.76	13.42	11.30
W (Ydis) EUR	1.40%	11,851.442	12.46	14.13	12.24
X (acc) HKD	0.27%	2,890,968.565	12.45	14.16	11.73
Z (acc) USD	1.97%	201,415.935	10.86	12.43	10.54
Templeton Eastern Europe Fund – EUR					
A (acc) EUR	2.53%	6,844,507.932	20.04	22.35	22.80
A (acc) USD	2.53%	2,123,831.024	22.95	26.11	26.03
A (Ydis) EUR	2.53%	60,793.010	19.82	22.10	22.54
B (acc) USD	3.84%	186,778.137	4.91	5.62	5.68
B (Ydis) EUR	3.83%	13,001.166	4.29	4.81	4.97
I (acc) EUR	1.40%	774,799.446	15.17	16.82	16.97
N (acc) EUR	3.03%	568,506.214	18.16	20.30	20.81
W (acc) EUR	1.50%	190,212.038	9.47	10.51	10.62
X (acc) EUR	0.30%	386,174.744	8.23	9.08	9.06
Templeton Emerging Markets Fund – USD					
A (acc) EUR-H1 (hedged)	2.00%	1,100,052.124	8.36	9.43	9.12
A (acc) HKD	2.00%	195,471.494	10.59	11.76	11.00
A (acc) SGD	2.00%	2,120,571.750	7.70	8.52	8.09
A (acc) USD	2.00%	6,326,463.108	36.29	40.19	37.79
A (Ydis) USD	2.00%	5,248,360.120	34.64	38.37	36.07
B (acc) USD	3.31%	72,049.217	16.40	18.29	17.42
C (acc) USD	2.58%	653,842.045	30.04	33.38	31.56
I (acc) EUR-H1 (hedged)	1.15%	48,420.658	8.98	10.10	9.72
I (acc) USD	1.15%	11,568,331.903	24.87	27.43	25.53
N (acc) EUR	2.50%	1,029,487.990	16.68	18.16	17.55
N (acc) USD	2.50%	2,417,216.458	19.09	21.20	20.03
W (acc) USD	1.25%	874,522.869	10.84	11.97	11.15
W (Ydis) EUR-H1 (hedged)	1.25%	14,381.480	7.45	8.41	-
Z (acc) USD	1.50%	492,054.115	10.15	11.22	10.49
Templeton Emerging Markets Balanced Fund – USD					
A (acc) EUR	2.11%	1,462,135.561	12.04	12.41	12.41
A (acc) EUR-H1 (hedged)	2.11%	1,086,207.574	8.57	9.15	9.23
A (acc) USD	2.11%	1,717,533.606	9.31	9.79	9.58
A (Mdis) HKD	2.11%	14,362.613	8.43	9.15	-
A (Mdis) SGD-H1 (hedged)	2.11%	14,679.046	8.66	9.42	-
A (Mdis) USD	2.11%	500.000	8.45	9.15	-
A (Qdis) USD	2.11%	828,959.709	7.53	8.16	8.29
A (Ydis) EUR	2.11%	1,090,155.218	9.82	10.63	10.88
A (Ydis) EUR-H1 (hedged)	2.11%	594,692.489	6.92	7.77	8.02
C (acc) USD	2.81%	1,302,376.062	8.95	9.44	9.29
I (acc) EUR	1.25%	598,507.372	12.85	13.19	13.08
I (acc) EUR-H1 (hedged)	1.23%	8,141.334	8.64	9.19	-
N (acc) EUR-H1 (hedged)	2.55%	1,771,471.931	8.27	8.85	8.96
N (acc) USD	2.55%	1,737,070.421	9.00	9.49	9.32
X (acc) USD	0.30%	38,642.493	10.67	11.11	10.67
Z (acc) USD	1.72%	107,671.324	9.54	10.00	9.75
Templeton Emerging Markets Bond Fund – USD					
A (acc) CHF-H1 (hedged)	1.91%	429,866.172	11.59	11.69	12.62
A (acc) EUR-H1 (hedged)	1.92%	2,169,107.550	10.45	10.52	11.35
A (acc) NOK-H1 (hedged)	1.93%	524,698.072	12.25	12.27	13.05
A (acc) SEK-H1 (hedged)	1.91%	5,803,755.967	11.48	11.57	12.47
A (acc) USD	1.91%	16,881,880.164	13.44	13.35	13.98
A (Mdis) AUD-H1 (hedged)	1.91%	73,268,985.979	6.72	7.06	8.13
A (Mdis) HKD	1.91%	177,772,579.200	6.97	7.33	8.40
A (Mdis) SGD-H1 (hedged)	1.91%	6,589,429.184	6.21	6.54	7.60
A (Mdis) USD	1.91%	549,484,748.948	7.59	7.97	9.18
A (Mdis) ZAR-H1 (hedged)	1.90%	4,365,703.931	88.63	91.10	99.62
A (Qdis) EUR	1.92%	30,722,274.092	11.63	11.96	14.08
A (Qdis) GBP	1.92%	1,781,227.863	9.00	9.11	10.64
A (Qdis) USD	1.91%	71,204,291.931	13.24	13.88	15.98
A (Ydis) EUR-H1 (hedged)	1.92%	10,462,637.820	6.32	7.10	8.35
B (Mdis) USD	3.22%	13,072,424.955	7.24	7.65	8.93
B (Qdis) USD	3.22%	2,322,289.088	11.44	12.08	14.08
C (acc) USD	2.50%	2,897,435.286	27.58	27.48	28.95
F (Mdis) USD	2.89%	204,106,053.060	8.04	8.48	9.86
I (acc) CHF-H1 (hedged)	0.99%	71,840.001	10.89	10.93	11.68
I (acc) EUR-H1 (hedged)	0.99%	11,000,011.475	12.60	12.63	13.51
I (acc) SEK-H1 (hedged)	0.95%	153,978,528.000	9.92	9.93	-
I (acc) USD	0.98%	25,311,370.676	26.49	26.19	27.19
I (Qdis) GBP-H1 (hedged)	0.99%	3,979,673.637	6.93	7.30	8.47
I (Qdis) USD	0.97%	16,767,925.206	10.69	11.16	12.73
I (Ydis) EUR-H1 (hedged)	0.98%	27,024,554.696	6.50	7.28	8.48
N (acc) USD	2.42%	2,816,707.117	33.52	33.37	35.13
N (Mdis) USD	2.38%	10,275,408.463	6.87	7.23	8.36

Statistical Information (continued)

	Total Expense Ratio December 31, 2018 (See Note 27)	Shares Outstanding December 31, 2018	Net Asset Value per Share December 31, 2018	June 30, 2018	June 30, 2017
Templeton Emerging Markets Bond Fund – USD (continued)					
N (Qdis) PLN-H1 (hedged)	2.39%	15,641,754.079	7.71	8.14	9.50
S (acc) USD	0.92%	500.000	11.23	11.10	11.52
W (acc) EUR-H1 (hedged)	1.01%	115,809.646	9.88	9.91	10.60
W (acc) USD	1.01%	1,673,441.279	10.70	10.58	10.99
W (Qdis) EUR	1.01%	824,987.600	8.36	8.56	9.99
W (Qdis) GBP	1.01%	82,874.528	8.27	8.33	9.65
W (Qdis) GBP-H1 (hedged)	1.01%	2,591,806.542	7.18	7.56	8.78
W (Qdis) USD	1.01%	4,358,616.338	6.58	6.87	7.84
W (Ydis) EUR-H1 (hedged)	1.01%	58,697.839	8.62	9.06	-
Y (acc) USD	0.13%	500.000	9.29	9.15	-
Y (Mdis) USD	0.13%	3,804,314.292	8.47	8.82	9.97
Z (acc) USD	1.36%	906,990.144	13.80	13.67	14.25
Z (Mdis) USD	1.37%	1,084,755.006	6.72	7.04	8.06
Templeton Emerging Markets Local Currency Bond Fund – USD					
A (acc) USD	1.80%	90,000.000	9.18	9.06	-
A (Mdis) EUR-H1 (hedged)	1.80%	11,858.684	8.22	8.67	-
A (Ydis) EUR	1.80%	72,960.156	9.49	9.56	-
C (acc) USD	2.38%	90,000.000	9.13	9.04	-
I (acc) EUR	0.95%	72,960.156	9.96	9.59	-
I (acc) EUR-H1 (hedged)	0.96%	585,153.684	9.03	8.98	-
I (acc) NOK-H1 (hedged)	0.95%	81,430.000	10.05	9.93	-
I (acc) SEK-H1 (hedged)	0.95%	80,999.500	9.03	9.00	-
I (acc) USD	0.95%	1,217,895.267	9.25	9.09	-
I (Qdis) USD	0.95%	90,000.000	8.65	8.98	-
I (Ydis) EUR	0.95%	72,960.156	9.56	9.59	-
I (Ydis) EUR-H1 (hedged)	0.95%	8,106.684	8.64	8.98	-
N (acc) USD	2.30%	90,000.000	9.14	9.04	-
N (Qdis) EUR-H1 (hedged)	2.30%	8,106.684	8.33	8.84	-
W (acc) EUR-H1 (hedged)	0.99%	8,106.684	9.01	8.98	-
W (acc) GBP-H1 (hedged)	0.99%	7,147.707	9.10	9.01	-
W (acc) USD	0.99%	90,000.000	9.24	9.08	-
W (Qdis) EUR-H1 (hedged)	0.99%	8,106.684	8.42	8.88	-
W (Qdis) GBP-H1 (hedged)	0.99%	7,147.707	8.50	8.90	-
W (Qdis) USD	0.99%	90,000.000	8.65	8.98	-
Y (acc) SEK-H1 (hedged)	0.11%	80,999.500	9.10	9.03	-
Templeton Emerging Markets Smaller Companies Fund – USD					
A (acc) EUR	2.50%	6,454,254.010	13.54	14.69	14.62
A (acc) EUR-H1 (hedged)	2.50%	419,267.505	8.63	9.71	-
A (acc) USD	2.49%	11,213,734.886	10.85	12.01	11.68
A (Ydis) GBP	2.49%	268,190.413	16.65	17.80	17.55
A (Ydis) USD	2.50%	1,693,484.275	10.39	11.50	11.18
C (acc) USD	3.08%	1,038,279.077	11.31	12.55	12.28
I (acc) EUR	1.43%	10,307,570.732	15.27	16.49	16.22
I (acc) USD	1.43%	21,473,060.573	12.24	13.47	12.97
N (acc) USD	3.00%	3,209,486.033	10.27	11.39	11.14
W (acc) EUR	1.49%	2,134,608.911	9.01	9.73	-
W (acc) GBP	1.50%	1,553,062.752	19.61	20.85	20.37
W (acc) USD	1.49%	2,265,629.703	13.08	14.41	13.88
W (Ydis) EUR-H1 (hedged)	1.50%	8,050.882	7.87	8.84	-
Y (Mdis) USD	0.11%	119,928.522	10.32	11.41	11.01
Y (Ydis) JPY	0.09%	7,159,276.509	910.89	1,020.92	-
Templeton Euroland Fund – EUR					
A (acc) EUR	1.84%	7,893,236.599	20.02	23.58	23.79
A (acc) SGD*	1.84%	913,815.672	8.16	-	-
A (acc) USD*	1.84%	2,321,432.068	8.18	-	-
A (acc) USD-H1 (hedged)	1.84%	42,891.170	8.54	9.90	-
A (Ydis) EUR	1.84%	2,404,982.186	16.50	19.58	19.94
A (Ydis) USD*	1.84%	6,326,397.589	8.18	-	-
B (acc) USD	3.15%	40,545.118	8.79	10.63	10.62
B (Ydis) EUR	3.15%	46,285.628	7.32	8.67	8.86
C (acc) USD-H1 (hedged)*	2.41%	9,988.875	8.41	-	-
I (acc) EUR	0.98%	11,924,047.813	19.07	22.36	22.36
N (acc) EUR	2.59%	3,209,556.268	11.54	13.64	13.86
N (acc) USD-H1 (hedged)*	2.58%	9,988.875	8.41	-	-
W (acc) EUR	1.04%	3,616,911.749	8.68	10.18	10.19
X (acc) EUR	0.15%	367,303.000	12.70	14.84	14.72
Templeton European Fund – EUR[Ω]					
A (acc) EUR	-	-	-	23.69	23.59
A (acc) SGD	-	-	-	9.08	8.93
A (acc) USD	-	-	-	27.64	26.91
A (Ydis) USD	-	-	-	22.55	22.16
I (acc) EUR	-	-	-	21.05	20.78
N (acc) EUR	-	-	-	21.05	21.12
W (acc) EUR	-	-	-	11.91	11.76
Z (acc) EUR	-	-	-	11.77	11.66

Statistical Information (continued)

	Total Expense Ratio December 31, 2018 (See Note 27)	Shares Outstanding December 31, 2018	Net Asset Value per Share December 31, 2018	June 30, 2018	June 30, 2017
Templeton Frontier Markets Fund – USD					
A (acc) EUR	2.56%	5,063,880.857	20.04	21.83	23.82
A (acc) EUR-H1 (hedged)	2.56%	1,885,201.214	9.45	10.65	11.71
A (acc) SGD	2.56%	129,605.272	15.69	17.42	18.78
A (acc) USD	2.56%	5,567,222.036	16.82	18.69	19.94
A (Ydis) GBP	2.56%	150,074.489	20.83	22.50	24.52
A (Ydis) USD	2.56%	771,468.740	15.18	17.00	18.27
B (acc) USD	3.82%	1,709.484	13.93	15.57	16.83
C (acc) USD	3.14%	38,662.834	14.99	16.71	17.92
I (acc) EUR	1.48%	4,796,295.626	22.36	24.23	26.16
I (acc) USD	1.48%	2,859,613.406	18.78	20.75	21.89
I (Ydis) GBP	1.48%	230,849.880	21.06	22.92	24.96
N (acc) EUR	3.06%	1,104,006.322	19.04	20.80	22.80
N (acc) EUR-H1 (hedged)	3.06%	2,251,746.215	14.12	15.96	17.62
N (acc) PLN-H1 (hedged)	3.06%	1,377,745.502	10.86	12.15	13.19
W (acc) EUR	1.56%	599,933.556	11.30	12.25	13.24
W (acc) GBP	1.56%	622,474.936	14.83	15.83	16.96
W (acc) USD	1.56%	928,113.502	12.60	13.93	14.72
X (acc) USD	0.30%	500.000	12.68	13.93	14.53
Z (acc) GBP	2.06%	15,592.682	14.47	15.48	16.66
Z (Ydis) EUR-H1 (hedged)	2.06%	51,893.970	8.64	9.84	10.89
Templeton Global Fund – USD					
A (acc) HKD	1.84%	510,275.745	15.17	17.56	16.63
A (acc) SGD	1.84%	1,897,063.475	9.47	10.94	10.52
A (acc) USD	1.84%	4,411,297.047	36.99	42.72	40.66
A (Ydis) USD	1.84%	17,119,145.063	32.82	38.03	36.29
AS (acc) SGD	1.74%	2,438,706.898	9.77	11.27	10.83
B (acc) USD	3.15%	157,413.166	21.04	24.47	23.60
C (acc) USD	2.42%	425,700.066	20.72	24.00	22.97
I (acc) USD	0.98%	6,589,820.387	21.88	25.16	23.75
N (acc) USD	2.59%	789,757.875	23.31	27.02	25.92
W (Ydis) USD	1.04%	42,408.864	10.45	12.15	11.59
X (Ydis) USD	0.26%	1,503,172.470	9.11	10.64	10.14
Z (acc) USD	1.33%	96,441.066	9.93	11.44	10.83
Templeton Global Balanced Fund – USD					
A (acc) EUR	1.67%	2,015,643.771	24.26	25.86	25.75
A (acc) EUR-H1 (hedged)	1.67%	528,893.698	17.65	19.48	19.48
A (acc) SGD	1.67%	1,735,155.266	10.77	11.70	11.51
A (acc) USD	1.67%	5,486,609.570	27.79	30.20	29.40
A (Qdis) USD	1.67%	9,630,636.812	20.73	23.00	23.09
AS (acc) SGD	1.55%	34,610,802.829	10.21	11.09	10.90
B (acc) USD	2.98%	329,991.668	16.84	18.42	18.17
C (Qdis) USD	2.25%	1,230,982.725	11.94	13.28	13.41
I (Ydis) USD	0.90%	2,285,363.171	11.78	13.17	13.09
N (acc) EUR	2.17%	2,455,895.507	16.85	18.01	18.02
N (acc) EUR-H1 (hedged)	2.17%	926,826.526	9.05	10.03	10.08
W (acc) EUR	0.88%	6,575.439	9.17	9.74	9.63
W (acc) GBP-H1 (hedged)	0.88%	52,988.163	9.47	10.34	10.17
W (acc) USD	0.88%	980,041.819	10.42	11.28	10.90
X (Ydis) USD	0.28%	607,044.680	9.16	10.22	10.09
Z (acc) USD	1.15%	455,785.798	9.70	10.52	10.18
Templeton Global Bond Fund – USD					
A (acc) CHF-H1 (hedged)	1.41%	3,729,452.359	12.24	12.07	12.69
A (acc) CZK-H1 (hedged)	1.41%	24,614,968.428	107.02	104.92	110.50
A (acc) EUR	1.40%	41,039,494.638	25.95	24.70	25.83
A (acc) EUR-H1 (hedged)	1.41%	35,938,388.324	20.33	20.03	21.01
A (acc) HKD	1.38%	2,920,169.853	13.29	12.93	13.15
A (acc) NOK-H1 (hedged)	1.42%	1,892,906.389	13.74	13.43	13.90
A (acc) SEK-H1 (hedged)	1.42%	7,538,468.720	12.71	12.53	13.13
A (acc) USD	1.41%	48,653,083.833	29.73	28.86	29.50
A (Mdis) AUD-H1 (hedged)	1.41%	3,083,259.582	10.11	10.16	11.08
A (Mdis) CAD-H1 (hedged)	1.41%	472,556.837	9.02	9.10	10.01
A (Mdis) EUR	1.41%	27,908,248.810	15.04	14.81	16.55
A (Mdis) EUR-H1 (hedged)	1.41%	31,499,670.716	10.50	10.69	11.97
A (Mdis) GBP	1.41%	2,017,749.555	13.53	13.12	14.53
A (Mdis) GBP-H1 (hedged)	1.41%	3,662,300.838	8.64	8.75	9.72
A (Mdis) HKD	1.41%	28,800,752.831	9.43	9.48	10.31
A (Mdis) RMB-H1 (hedged)	1.41%	89,776.455	101.02	100.68	108.03
A (Mdis) SGD	1.40%	8,221,680.251	10.16	10.20	11.25
A (Mdis) SGD-H1 (hedged)	1.41%	11,616,548.344	10.56	10.65	11.70
A (Mdis) USD	1.41%	155,106,316.957	17.22	17.29	18.88
A (Ydis) CHF-H1 (hedged)	1.41%	1,128,202.155	8.51	9.02	10.06
A (Ydis) EUR	1.41%	52,072,121.336	15.47	15.79	17.52
A (Ydis) EUR-H1 (hedged)	1.41%	66,589,763.106	8.47	8.96	9.96
AX (acc) USD	1.61%	8,590,258.891	22.30	21.67	22.19
B (Mdis) USD	2.92%	1,672,363.530	16.99	17.19	19.06
C (acc) USD	2.18%	1,677,217.838	9.76	9.51	9.80
C (Mdis) USD	2.19%	19,080,380.503	12.84	12.95	14.25
F (Mdis) USD	2.40%	5,871,248.027	8.87	8.95	9.88
I (acc) CHF-H1 (hedged)	0.86%	11,768,397.785	12.10	11.90	12.41
I (acc) EUR	0.85%	9,487,782.851	21.80	20.70	21.52

Statistical Information (continued)

	Total Expense Ratio December 31, 2018 (See Note 27)	Shares Outstanding December 31, 2018	Net Asset Value per Share December 31, 2018	June 30, 2018	June 30, 2017
Templeton Global Bond Fund – USD (continued)					
I (acc) EUR-H1 (hedged)	0.86%	18,815,478.229	17.38	17.06	17.76
I (acc) NOK-H1 (hedged)	0.86%	185,802,336.100	10.64	10.37	10.69
I (acc) USD	0.86%	38,724,349.840	25.13	24.34	24.74
I (Mdis) EUR	0.86%	1,502,506.985	12.83	12.60	14.00
I (Mdis) GBP	0.86%	3,862,269.993	12.88	12.46	13.72
I (Mdis) GBP-H1 (hedged)	0.86%	9,434,523.352	9.69	9.77	10.81
I (Mdis) JPY	0.85%	4,655,970.568	1,160.88	1,174.01	1,295.39
I (Mdis) JPY-H1 (hedged)	0.84%	5,792,971.841	853.78	865.77	958.02
I (Ydis) EUR	0.86%	6,134,986.390	13.82	14.06	15.51
I (Ydis) EUR-H1 (hedged)	0.86%	19,141,359.873	8.72	9.20	10.16
N (acc) EUR	2.10%	7,828,055.463	24.69	23.59	24.84
N (acc) EUR-H1 (hedged)	2.11%	16,250,215.149	19.41	19.19	20.25
N (acc) HUF	2.11%	3,226,428.238	150.87	147.79	146.00
N (acc) PLN-H1 (hedged)	2.11%	6,200,080.245	14.25	13.95	14.42
N (acc) USD	2.11%	11,823,442.733	28.29	27.56	28.38
N (Mdis) EUR-H1 (hedged)	2.11%	28,988,699.221	11.94	12.21	13.77
N (Mdis) USD	2.11%	6,499,333.085	8.99	9.06	9.96
N (Ydis) EUR-H1 (hedged)	2.12%	8,774,685.894	8.31	8.84	9.87
S (acc) USD	0.74%	44,742.000	10.92	10.56	10.72
S (Mdis) EUR	0.74%	422.244	8.74	8.58	9.53
W (acc) CHF-H1 (hedged)	0.89%	2,596,575.151	9.80	9.64	10.06
W (acc) EUR	0.92%	1,764,977.647	12.17	11.56	12.03
W (acc) EUR-H1 (hedged)	0.90%	6,297,231.851	11.32	11.11	11.60
W (acc) USD	0.90%	9,261,699.830	12.01	11.63	11.83
W (Mdis) EUR	0.91%	673,477.336	9.95	9.77	10.86
W (Mdis) GBP	0.91%	2,457,955.901	11.27	10.90	12.01
W (Mdis) GBP-H1 (hedged)	0.91%	4,629,030.733	9.15	9.23	10.20
W (Mdis) USD	0.90%	8,475,150.227	8.21	8.22	8.94
W (Ydis) CHF-H1 (hedged)	0.85%	578,082.419	9.71	9.77	-
W (Ydis) EUR	0.91%	928,561.236	10.19	10.37	11.45
W (Ydis) EUR-H1 (hedged)	0.90%	1,329,840.573	7.88	8.31	9.19
X (acc) EUR	0.15%	379.158	13.23	12.52	12.92
X (acc) EUR-H1 (hedged)	0.15%	16,681,275.491	10.88	10.64	11.03
X (acc) USD	0.29%	2,237,807.512	10.70	10.33	10.45
Y (acc) CAD	0.08%	1,009,512.739	11.82	10.97	10.91
Y (Mdis) USD	0.08%	500.000	10.10	10.06	10.85
Z (acc) EUR	1.11%	170,969.851	14.93	14.20	14.80
Z (acc) USD	1.11%	7,802,931.259	13.28	12.87	13.12
Z (Mdis) GBP-H1 (hedged)	1.11%	24,504.396	9.12	9.21	10.19
Z (Mdis) USD	1.11%	4,166,915.223	8.82	8.84	9.62
Z (Ydis) EUR-H1 (hedged)	1.10%	337,749.411	8.60	9.08	10.05
Templeton Global Bond (Euro) Fund – EUR					
A (acc) EUR	1.41%	7,380,403.197	15.35	15.52	15.88
A (acc) USD	1.41%	104,710.492	9.97	10.27	10.28
A (Ydis) EUR	1.41%	5,784,067.774	9.11	9.63	10.25
I (acc) EUR	0.86%	2,003,843.905	15.96	16.09	16.38
N (acc) EUR	2.11%	3,778,643.837	13.79	13.99	14.42
N (Ydis) EUR	2.07%	1,895.049	8.82	9.29	9.88
W (acc) EUR	0.90%	4,565,931.711	10.60	10.69	10.89
X (acc) EUR	0.15%	1,796,400.000	9.79	9.84	9.95
Templeton Global Climate Change Fund – EUR					
A (acc) EUR	1.84%	1,433,387.031	19.49	21.76	21.90
A (acc) USD-H1 (hedged)	1.83%	12,422.687	9.26	10.18	-
A (Ydis) EUR	1.84%	30,034,950.162	17.41	19.59	19.79
B (acc) USD	3.14%	894.454	9.67	11.08	11.04
I (acc) EUR	0.98%	196,252.065	19.50	21.68	21.63
N (acc) EUR	2.59%	328,533.190	15.68	17.58	17.82
W (acc) EUR	1.03%	33,266.975	12.19	13.56	13.54
Z (acc) EUR	1.34%	9,121.023	11.10	12.36	12.38
Templeton Global Currency Fund – USD					
A (acc) EUR	1.35%	63,836.527	10.06	9.55	10.07
A (acc) EUR-H1 (hedged)	1.35%	62,508.369	9.75	9.57	10.15
A (acc) USD	1.35%	146,491.417	10.29	9.96	10.27
I (acc) EUR	0.81%	86,490.191	10.18	9.64	10.11
I (acc) EUR-H1 (hedged)	0.81%	62,508.369	9.88	9.67	10.18
I (acc) USD	0.81%	70,000.000	10.42	10.05	10.31
N (acc) EUR	2.05%	74,804.023	9.90	9.43	10.01
N (acc) EUR-H1 (hedged)	2.05%	63,964.680	9.61	9.47	10.09
N (acc) USD	2.05%	299,949.177	10.13	9.84	10.21
W (acc) EUR	0.85%	62,508.369	10.16	9.62	10.09
W (acc) EUR-H1 (hedged)	0.85%	62,923.739	9.86	9.66	10.18
W (acc) USD	0.85%	500.000	10.03	9.68	9.94
Templeton Global Equity Income Fund – USD					
A (acc) EUR	1.60%	115,718.340	14.43	16.27	15.67
A (acc) USD	1.60%	1,365,205.639	13.14	15.11	14.23
A (Mdis) RMB-H1 (hedged)	1.80%	7,180.287	92.52	108.20	104.49
A (Mdis) SGD	1.86%	3,716,035.670	5.57	6.56	6.50
A (Mdis) USD	1.60%	5,495,011.255	8.51	10.00	9.79
AS (Mdis) SGD	1.75%	1,692,674.924	8.78	10.32	10.22

Statistical Information (continued)

	Total Expense Ratio December 31, 2018 (See Note 27)	Shares Outstanding December 31, 2018	Net Asset Value per Share December 31, 2018	June 30, 2018	June 30, 2017
Templeton Global Equity Income Fund – USD (continued)					
B (Qdis) USD	2.91%	350,305.848	7.89	9.34	9.27
N (Mdis) USD	2.57%	55,174.033	7.76	9.17	9.06
Y (Mdis) USD	0.07%	376,036.287	10.50	12.25	11.81
Z (Qdis) USD	1.10%	46,525.734	9.48	11.13	10.84
Templeton Global High Yield Fund – USD					
A (acc) EUR	1.71%	818,479.878	12.98	12.90	13.46
A (acc) USD	1.71%	635,254.186	14.86	15.06	15.37
A (Mdis) EUR	1.71%	8,550,574.214	6.59	6.81	7.70
A (Mdis) USD	1.71%	2,573,299.460	7.54	7.95	8.78
I (acc) EUR	0.91%	163,853.744	14.14	13.99	14.49
N (acc) EUR	2.21%	1,277,766.932	12.24	12.19	12.79
Templeton Global Income Fund – USD					
A (acc) EUR	1.69%	8,508,608.597	20.38	21.67	21.96
A (acc) EUR-H1 (hedged)	1.66%	648,517.680	9.52	10.48	10.65
A (acc) USD	1.70%	7,294,083.365	18.56	20.13	19.94
A (Mdis) SGD-H1 (hedged)	1.66%	25,801.035	8.38	9.32	9.72
A (Qdis) EUR-H1 (hedged)	1.66%	824,829.856	8.10	9.18	9.70
A (Qdis) HKD	1.69%	4,202,535.977	10.57	11.80	12.13
A (Qdis) USD	1.70%	8,200,695.182	12.13	13.51	13.95
B (Qdis) USD	3.01%	625,071.908	11.50	12.90	13.49
C (acc) USD	2.27%	175,357.959	9.44	10.26	10.23
C (Qdis) USD	2.28%	3,688,637.820	11.83	13.22	13.73
I (acc) EUR-H1 (hedged)	0.88%	1,427,529.964	9.91	10.86	10.95
I (acc) USD	0.89%	2,708,562.351	20.40	22.04	21.66
N (acc) EUR-H1 (hedged)	2.20%	527,797.292	9.10	10.04	10.27
N (acc) USD	2.20%	8,056,075.980	17.35	18.86	18.78
N (Qdis) EUR-H1 (hedged)	2.20%	2,207,062.743	7.95	9.02	9.59
S (acc) USD	0.77%	500.000	10.48	11.32	11.11
W (acc) EUR	0.91%	4,841.279	8.94	9.47	9.52
W (acc) USD	0.91%	40,920.632	9.66	10.43	10.26
Z (acc) USD	1.05%	636,369.710	14.95	16.16	15.90
Templeton Global Smaller Companies Fund – USD					
A (acc) USD	1.86%	917,646.386	37.13	44.77	41.05
A (Ydis) USD	1.86%	1,674,117.202	35.05	42.26	38.74
B (acc) USD	3.17%	9,047.428	9.34	11.34	10.54
I (acc) USD	1.08%	13,601.903	17.34	20.83	18.94
N (acc) USD	2.61%	127,393.699	24.03	29.09	26.87
Templeton Global Total Return Fund – USD					
A (acc) CHF-H1 (hedged)	1.42%	5,524,765.292	13.79	13.64	14.57
A (acc) EUR	1.41%	23,342,526.589	26.27	25.09	26.61
A (acc) EUR-H1 (hedged)	1.42%	36,189,609.655	20.45	20.21	21.49
A (acc) HKD	1.42%	8,063,260.368	14.59	14.24	14.70
A (acc) NOK-H1 (hedged)	1.43%	1,714,126.134	10.64	10.43	10.97
A (acc) PLN-H1 (hedged)	1.42%	3,081,661.410	88.72	86.86	90.65
A (acc) SEK-H1 (hedged)	1.42%	10,648,713.540	12.37	12.22	12.99
A (acc) USD	1.42%	66,614,327.670	30.12	29.33	30.42
A (Mdis) AUD-H1 (hedged)	1.42%	25,863,473.524	9.61	9.80	10.95
A (Mdis) EUR	1.42%	37,040,706.732	12.18	12.16	13.90
A (Mdis) EUR-H1 (hedged)	1.42%	67,862,457.414	8.46	8.73	10.03
A (Mdis) GBP	1.42%	2,665,533.495	10.95	10.77	12.20
A (Mdis) GBP-H1 (hedged)	1.42%	17,267,117.481	6.71	6.89	7.85
A (Mdis) HKD	1.42%	680,867,872.239	9.19	9.38	10.43
A (Mdis) RMB-H1 (hedged)	1.42%	1,271,274.261	95.61	96.67	106.16
A (Mdis) SGD	1.41%	20,834,796.825	9.63	9.80	11.07
A (Mdis) SGD-H1 (hedged)	1.42%	59,073,043.965	9.04	9.24	10.41
A (Mdis) USD	1.42%	188,028,364.605	13.91	14.16	15.82
A (Ydis) CHF-H1 (hedged)	1.42%	1,479,968.780	8.12	8.73	9.98
A (Ydis) EUR	1.42%	34,726,316.369	12.59	13.04	14.84
A (Ydis) EUR-H1 (hedged)	1.42%	37,006,536.312	8.28	8.89	10.14
B (acc) USD	2.93%	310,358.872	24.00	23.55	24.80
B (Mdis) USD	2.93%	2,137,627.527	13.12	13.46	15.28
C (acc) USD	2.19%	955,770.035	9.64	9.43	9.85
C (Mdis) USD	2.20%	17,531,149.877	12.03	12.30	13.85
I (acc) CHF-H1 (hedged)	0.87%	2,338,365.699	12.52	12.34	13.09
I (acc) EUR	0.87%	5,424,793.237	25.40	24.19	25.52
I (acc) EUR-H1 (hedged)	0.87%	17,975,147.619	19.11	18.83	19.90
I (acc) NOK-H1 (hedged)	0.87%	227,946.344	10.64	10.41	10.87
I (acc) USD	0.87%	20,904,924.671	29.07	28.23	29.12
I (acc) USD-H4 (BRL) (hedged)	0.86%	3,471,450.230	8.88	8.56	9.85
I (Mdis) EUR	0.87%	1,309,524.717	12.16	12.11	13.77
I (Mdis) GBP	0.87%	245,342.172	13.00	12.74	14.36
I (Mdis) GBP-H1 (hedged)	0.88%	1,308,143.003	9.70	9.94	11.22
I (Mdis) JPY	0.85%	124,992,237.432	1,110.65	1,138.77	1,285.82
I (Mdis) JPY-H1 (hedged)	0.85%	16,389,586.696	778.44	800.47	907.84
I (Qdis) USD	0.85%	7,172,525.443	9.15	9.28	-
I (Ydis) EUR	0.87%	1,742,508.280	12.82	13.24	15.00
I (Ydis) EUR-H1 (hedged)	0.87%	19,698,103.993	8.48	9.08	10.30
N (acc) EUR	2.11%	12,830,556.728	23.59	22.61	24.15
N (acc) EUR-H1 (hedged)	2.11%	26,343,545.099	18.27	18.10	19.42

Statistical Information (continued)

	Total Expense Ratio December 31, 2018 (See Note 27)	Shares Outstanding December 31, 2018	Net Asset Value per Share December 31, 2018	June 30, 2018	June 30, 2017
Templeton Global Total Return Fund – USD (continued)					
N (acc) HUF	2.12%	5,982,040.700	162.47	159.63	159.99
N (acc) USD	2.11%	16,748,651.004	27.05	26.44	27.61
N (Mdis) EUR-H1 (hedged)	2.12%	58,535,978.953	9.78	10.13	11.70
N (Mdis) USD	2.12%	2,365,589.513	7.13	7.29	8.20
N (Ydis) EUR-H1 (hedged)	2.13%	9,308,264.352	8.10	8.74	10.03
S (acc) EUR-H1 (hedged)	0.74%	76,851.000	10.35	10.17	10.76
S (acc) USD	0.74%	56,974.000	10.96	10.64	10.96
S (Ydis) USD	0.74%	2,659,000.000	7.99	8.41	9.30
W (acc) CHF-H1 (hedged)	0.92%	1,944,391.612	9.73	9.59	10.18
W (acc) EUR	0.92%	1,223,824.113	12.64	12.04	12.71
W (acc) EUR-H1 (hedged)	0.92%	7,657,219.192	11.71	11.53	12.22
W (acc) GBP-H1 (hedged)	0.92%	222,261.855	10.33	10.10	10.61
W (acc) PLN-H1 (hedged)	0.92%	3,999.888	97.19	94.70	98.43
W (acc) USD	0.92%	8,483,628.625	12.43	12.08	12.47
W (Mdis) EUR	0.92%	8,091,465.397	9.31	9.27	10.55
W (Mdis) GBP	0.91%	1,196,071.754	10.67	10.46	11.80
W (Mdis) GBP-H1 (hedged)	0.92%	1,278,284.513	7.47	7.64	8.67
W (Mdis) USD	0.92%	10,094,828.216	7.64	7.76	8.64
W (Ydis) CHF-H1 (hedged)	0.91%	9,513.000	9.45	9.58	-
W (Ydis) EUR	0.92%	837,786.200	9.49	9.80	11.11
W (Ydis) EUR-H1 (hedged)	0.90%	391,411.594	9.29	9.51	-
X (acc) USD	0.30%	8,925,100.375	9.92	9.60	-
X (Ydis) USD	0.30%	110,165.608	9.00	9.44	10.39
Y (Mdis) USD	0.10%	1,374,392.970	9.61	9.71	10.71
Z (acc) USD	1.12%	4,196,957.452	14.54	14.14	14.62
Z (Mdis) GBP-H1 (hedged)	1.12%	442,378.294	8.58	8.80	10.00
Z (Mdis) USD	1.12%	3,616,158.701	8.43	8.57	9.55
Z (Ydis) EUR-H1 (hedged)	1.12%	1,169,389.168	8.33	8.93	10.15
Templeton Growth (Euro) Fund – EUR					
A (acc) EUR	1.83%	382,289,297.611	15.50	17.45	17.39
A (acc) USD	1.83%	13,888,796.289	17.78	20.41	19.88
A (Ydis) EUR	1.83%	14,779,961.624	15.59	17.66	17.66
A (Ydis) USD	1.83%	1,401,210.371	17.83	20.59	20.13
B (Ydis) EUR	3.14%	10,707.668	10.31	11.68	11.80
I (acc) EUR	0.98%	673,931.483	17.95	20.14	19.89
I (Ydis) EUR	0.98%	229,815.064	14.67	16.69	16.69
I (Ydis) USD	0.98%	38,997.072	16.93	19.61	19.17
N (acc) EUR	2.58%	1,773,316.395	13.43	15.18	15.24
W (acc) EUR	1.03%	1,101.142	8.83	9.89	9.78
W (acc) USD	1.03%	32,107.026	9.53	10.90	10.54
W (Ydis) EUR	1.04%	468.779	8.64	9.82	9.78
Templeton Latin America Fund – USD					
A (acc) EUR	2.26%	1,638,880.123	7.85	7.29	7.82
A (acc) SGD	2.27%	2,483,575.358	6.43	6.08	6.45
A (acc) USD	2.26%	1,873,564.788	57.84	54.71	57.43
A (Ydis) EUR	2.26%	239,293.184	44.40	41.63	45.05
A (Ydis) GBP	2.26%	18,424.411	40.07	37.00	39.67
A (Ydis) USD	2.26%	14,045,953.776	50.81	48.58	51.40
B (acc) USD	3.57%	180,723.683	10.08	9.60	10.21
C (acc) USD	2.84%	232,280.613	11.02	10.45	11.03
I (acc) USD	1.27%	899,316.848	19.00	17.88	18.60
I (Ydis) EUR-H2 (hedged)	1.27%	3,741,772.532	7.37	7.34	7.59
N (acc) PLN-H1 (hedged)	2.75%	3,449,512.311	7.02	6.69	7.21
N (acc) USD	2.76%	938,128.149	29.39	27.87	29.40
W (acc) GBP	1.31%	87,151.206	9.95	9.04	9.53
W (Ydis) USD	1.31%	538,514.781	7.44	7.15	7.56
X (acc) USD	0.25%	500.000	9.30	8.71	8.96
Z (acc) GBP	1.76%	11,411.237	9.74	8.88	9.40
Templeton Thailand Fund – USD					
A (acc) SGD	2.49%	644,238.277	21.02	21.29	19.34
A (acc) USD	2.49%	4,571,993.502	27.42	27.78	24.97
B (acc) USD	3.81%	15,961.716	25.23	25.73	23.43
N (acc) USD	2.99%	389,579.990	33.67	34.20	30.89
W (acc) USD	1.48%	203,938.959	14.48	14.60	13.00

* This Fund / share class was launched during the period
Ω This Fund/ share class was closed during the period

Notes to the Financial Statements At December 31, 2018

Note 1 — The Company

Franklin Templeton Investment Funds ("FTIF" or the "Company") is a collective investment undertaking pursuant to Part I of the amended Luxembourg law of December 17, 2010 on undertakings for collective investment and qualifies as a société d'investissement à capital variable. The Company was incorporated in Luxembourg on November 6, 1990, for an undetermined period. At the date of this report, it offers shares in 81 sub-funds of the Company (the "Funds"). The Board of Directors of the Company may authorise the creation of additional Funds in future with different investment objectives.

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

With effect from August 1, 2018:

- Franklin Templeton Investments (Asia) Limited has been appointed as lead investment manager and has in turn appointed Franklin Templeton Investments (ME) Limited as sub-investment manager of Templeton Eastern Europe Fund.
- The management structure of Franklin European Growth Fund has changed from a single management structure with Franklin Templeton Investment Management Limited to a co-management structure between Franklin Templeton International Services S.à r.l. and Franklin Templeton Investment Management Limited.
- The management structure of Franklin Global Multi Asset Income Fund has changed with the removal of Franklin Alternative Strategies Advisers, LLC and the appointment by Franklin Templeton International Services S.à r.l. of Franklin Advisers, Inc and Franklin Templeton Investment Management Limited as investment co-managers together with Franklin Templeton Institutional, LLC.
- The management structure of Franklin Diversified Balanced Fund changed from a co-management structure with Franklin Templeton Investment Management Limited as lead investment manager and Franklin Templeton Institutional, LLC as co-investment manager to a management structure with Franklin Templeton International Services S.à r.l. acting as sole investment manager.
- The management structure of Franklin Diversified Conservative Fund changed from a co-management structure with Franklin Templeton Investment Management Limited as lead investment manager and Franklin Templeton Institutional, LLC as co-investment manager to a management structure with Franklin Templeton International Services S.à r.l. acting as sole investment manager.
- Franklin Templeton Investment Management Limited has been replaced by Franklin Templeton International Services S.à r.l acting as sole investment manager of Franklin Diversified Dynamic Fund.
- The management structure of Franklin Asia Credit Fund has changed with the replacement of Templeton Asset Management LTD by Franklin Templeton Investment Management Limited acting as co-investment manager together with Franklin Advisers, Inc and Franklin Templeton Institutional, LLC.

With effect from October 1, 2018, Franklin Templeton Investment Management Limited has been removed from the management structure of Franklin Global Fundamental Strategies Fund.

With effect from October 9, 2018, the management structure of Franklin European Growth Fund has changed from a co-management structure between Franklin Templeton International Services S.à r.l. and Franklin Templeton Investment Management Limited to a management structure with Franklin Templeton Investment Management Limited acting as sole investment manager.

Fund name changes

The Franklin U.S. Equity Fund is renamed Franklin Select U.S. Equity Fund from August 01, 2018.

Fund mergers

On November 23, 2018, Templeton European Fund was merged into Templeton Euroland Fund. The conversions of Shares were based on the following ratios:

- For 1 Templeton European Fund - Class A (Acc) SGD, the Shareholder received 0.92865474 Shares of Templeton Euroland Fund - Class A (Acc) SGD;
- For 1 Templeton European Fund - Class A (Acc) EUR, the Shareholder received 1.00647278 Shares of Templeton Euroland Fund - Class A (Acc) EUR;
- For 1 Templeton European Fund - Class A (Acc) USD, the Shareholder received 2.81731426 Shares of Templeton Euroland Fund - Class A (Acc) USD;
- For 1 Templeton European Fund - Class A (Ydis) USD, the Shareholder received 2.27615021 Shares of Templeton Euroland Fund - Class A (Ydis) USD;
- For 1 Templeton European Fund - Class I (Acc) EUR, the Shareholder received 0.94334346 Shares of Templeton Euroland Fund - Class I (Acc) EUR;
- For 1 Templeton European Fund - Class N (Acc) EUR, the Shareholder received 1.54679591 Shares of Templeton Euroland Fund - Class N (Acc) EUR;
- For 1 Templeton European Fund - Class Z (Acc) EUR, the Shareholder received 1.15706431 Shares of Templeton Euroland Fund - Class W (Acc) EUR;
- For 1 Templeton European Fund - Class W (Acc) EUR, the Shareholder received 1.17198663 Shares of Templeton Euroland Fund - Class W (Acc) EUR.

Note 2 — Significant accounting policies

(a) General

The financial statements are prepared in accordance with the regulations of the Grand Duchy of Luxembourg relating to investment funds.

(b) Investment in securities

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

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

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

Notes to the Financial Statements At December 31, 2018 (continued)

Note 2 — Significant accounting policies (continued)

(b) Investment in securities (continued)

During the accounting period under review, gains and losses on investment securities sold were computed on the average cost basis for all Funds with the exception of the Franklin High Yield Fund, the Franklin Income Fund, the Franklin U.S. Government Fund, the Templeton Asian Bond Fund and the Templeton BRIC Fund which were computed on the first-in, first-out basis.

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

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

Money market instruments are valued at market value with the exception of Franklin Euro Short-Term Money Market Fund, where all securities are valued at amortised cost. Under this method, the cost of investments is adjusted to income for the amortisation of premiums and accretion of discounts over the life of the investments. Where the amortised cost basis does not reflect a prudent approach to the valuation of the security, the latest available price prevailing on the valuation day is used.

(c) Forward foreign exchange contracts

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

(d) Financial future contracts

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

(e) Interest rate swap contracts

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

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

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

(f) Inflation swap contracts

An inflation swap contract is a bilateral agreement used to transfer inflation risk from one party to another through an exchange of cash flows.

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

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

(g) Cross currency swap contracts

A cross currency swap is an agreement between two parties to exchange interest payments and principals denominated in two different currencies. Cross currency swap contracts are marked to market daily based upon quotations from the market makers and the change in value, if any, is recorded as an unrealised gain or loss in the "Statement of Operations and Changes in Net Assets".

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

The risks of cross currency swap contracts include changes in market conditions and the possible inability of the counterparty to fulfill its obligations under the agreement.

(h) Total return swap contracts

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

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

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

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

Notes to the Financial Statements At December 31, 2018 (continued)

Note 2 — Significant accounting policies (continued)

(i) Volatility swap contracts

A volatility swap is a bilateral agreement in which each party agrees to exchange cash flows based on the measured volatility of a specified underlying asset.

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

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

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

(j) Credit default swap contracts

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

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

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

(k) Option contracts

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

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

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

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

(l) Foreign exchange transactions

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

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

The reference currency of the Company as reflected in the financial statements is U.S. dollar. The principal exchange rates applied as at December 31, 2018, are as follows:

AUD	1.4193457	CNH	6.8688000	GBP	0.7841600	JPY	109.6000000	SEK	8.8597000
CAD	1.3649500	CZK	22.4530000	HKD	7.8305000	NOK	8.6477000	SGD	1.3630500
CHF	0.9822000	EUR	0.8727527	HUF	280.1900000	PLN	3.7425500	ZAR	14.3683000

The list of the currency abbreviations is available in note 30.

(m) Mortgage dollar rolls

In a mortgage dollar roll, a Fund sells mortgage-backed securities for delivery in the current month and simultaneously contracts to repurchase substantially similar (name, type, coupon, and maturity) securities on a specified future date. During the period between the sale and repurchase, the Fund foregoes principal and interest paid on the mortgage-backed securities. The Fund is compensated by the difference between the current sales price and the lower forward price for the future purchase, as well as by the interest earned on the cash proceeds of the initial sale.

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

The difference between the current sales price and the lower forward price is treated as realised gain.

The market values are recorded under "Investment in mortgage dollar rolls at market value" or under "Open Short Positions on mortgage dollar rolls" in the "Statement of Net Assets".

(n) Income

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

Notes to the Financial Statements At December 31, 2018 (continued)

Note 2 — Significant accounting policies (continued)

(o) Securities lending

Unless otherwise provided in the relevant Fund's investment policy, a Fund may utilise up to 50% of its assets for securities lending transactions. The volume of the securities lending transactions of each Fund shall be kept at an appropriate level or each Fund shall be entitled to request the return of the securities lent in a manner that enables it, at all times, to meet its redemption obligations and that these transactions do not jeopardise the management of each Fund's assets in accordance with its investment policy. The counterparties to securities lending transactions must have a minimum credit rating of A- or better, as rated by Standard & Poor's, Moody's or Fitch, at the time of the transactions. Loans will be secured continuously by collateral which must at least equal the value of the securities lent. Securities lending income is disclosed under the caption "Securities lending" in the "Statement of Operations and Changes in Net Assets". Any transaction expenses in connection with the loans are charged to the concerned Fund.

(p) Formation expenses

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

(q) Swing pricing

A Fund may suffer dilution of the net asset value per share due to investors buying or selling shares in a Fund at a price that does not reflect dealing and other costs that arise when security trades are undertaken by the Investment Manager to accommodate cash inflows or outflows.

In order to counter this impact, a swing pricing mechanism may be adopted to protect the interests of Shareholders of the Fund. If on any valuation date, the aggregate net capital activity of a Fund exceeds a pre-determined threshold, as determined and reviewed for each Fund on a periodic basis, the net asset value per share will be adjusted upwards or downwards to reflect net capital inflows or net capital outflows respectively.

The net capital inflows and net capital outflows will be determined based on the latest available information at the time of calculation of the net asset value per share. The swing pricing mechanism may be applied across all Funds. The extent of the price adjustment is set to reflect dealing and other costs. Such adjustment may vary from Fund to Fund and will not exceed 2% of the original net asset value per share.

In the case of a swing pricing event on the last day of the annual/semi-annual period, the net assets as disclosed in the "Statement of Net Assets", exclude the swing pricing adjustment, however, the net asset value per share as at year/semi-annual period end, as disclosed in the Statistical Information, would include the swing pricing adjustment.

There was no swing pricing adjustment affecting the Funds' net asset value per share on the last day of the period.

Note 3 — Cross Funds investments

Some Funds may invest into units of UCITS and other open and closed end UCIs which may include other Funds of Franklin Templeton Investment Funds. As at December 31, 2018, the following Funds held shares issued by another Fund of the Company.

	-Currency	Investment in securities at market value as per Statement of Net Assets	Market value of Cross Funds investments	Investment in securities at market value after deduction of Cross Funds investments
Franklin Diversified Balanced Fund	EUR	216,236,661	28,628	216,208,033
Franklin Diversified Conservative Fund	EUR	276,438,647	21,449	276,417,198
Franklin Diversified Dynamic Fund	EUR	103,208,547	26,254	103,182,293
Franklin European Income Fund	EUR	19,444,182	540,929	18,903,253
Franklin Global Multi-Asset Income Fund	EUR	217,624,391	6,256,332	211,368,059
Franklin NextStep Balanced Growth Fund	USD	183,533,540	53,819,542	129,713,998
Franklin NextStep Conservative Fund	USD	36,714,526	12,368,170	24,346,356
Franklin NextStep Dynamic Growth Fund	USD	38,359,645	9,122,818	29,236,827
Franklin NextStep Growth Fund	USD	26,850,739	7,658,676	19,192,063
Franklin NextStep Moderate Fund	USD	73,233,267	22,424,160	50,809,107
Franklin NextStep Stable Growth Fund	USD	20,803,811	8,393,802	12,410,009

The total combined net assets at period-end without Cross Funds investments would amount to USD 90,717,475,236.

Note 4 — Time deposits ("TDs")

As at December 31, 2018, the Company had the following cash on time deposits:

Fund Counterparty		Value of TDs in Fund currency
Franklin GCC Bond Fund		
National Australia Bank	USD	400,000
Royal Bank of Canada	USD	900,000
		1,300,000
Franklin Global Listed Infrastructure Fund		
National Australia Bank	USD	200,000
Royal Bank of Canada	USD	300,000
		500,000
Franklin Global Real Estate Fund		
Royal Bank of Canada	USD	900,000
Franklin Global Small-Mid Cap Growth Fund		
Royal Bank of Canada	USD	2,000,000
Franklin India Fund		
Royal Bank of Canada	USD	25,000,000

Fund Counterparty		Value of TDs in Fund currency
Franklin K2 Alternative Strategies Fund		
Bank of Montreal	USD	215,199,100
National Australia Bank	USD	215,199,100
Royal Bank of Canada	USD	215,199,100
		645,597,300
Franklin K2 Global Macro Opportunities Fund		
Bank of Montreal	USD	3,901,200
Credit Agricole CIB US	USD	3,901,200
National Australia Bank	USD	3,901,200
National Bank of Canada	USD	3,901,200
Royal Bank of Canada	USD	3,901,200
		19,506,000
Franklin K2 Long Short Credit Fund		
Bank of Montreal	USD	6,187,800
National Australia Bank	USD	6,187,800
Royal Bank of Canada	USD	6,187,800
		18,563,400

Notes to the Financial Statements At December 31, 2018 (continued)

Note 4 — Time deposits ("TDs") (continued)

Fund Counterparty		Value of TDs in Fund currency
Franklin MENA Fund		
Royal Bank of Canada	USD	500,000
Franklin NextStep Balanced Growth Fund		
National Australia Bank	USD	2,000,000
Royal Bank of Canada	USD	3,100,000
		5,100,000
Franklin NextStep Conservative Fund		
National Australia Bank	USD	500,000
Royal Bank of Canada	USD	900,000
		1,400,000
Franklin NextStep Dynamic Growth Fund		
National Australia Bank	USD	400,000
Royal Bank of Canada	USD	600,000
		1,000,000
Franklin NextStep Growth Fund		
National Australia Bank	USD	200,000
Royal Bank of Canada	USD	400,000
		600,000
Franklin NextStep Moderate Fund		
National Australia Bank	USD	900,000
Royal Bank of Canada	USD	1,200,000
		2,100,000
Franklin NextStep Stable Growth Fund		
National Australia Bank	USD	200,000
Royal Bank of Canada	USD	400,000
		600,000
Franklin World Perspectives Fund		
Royal Bank of Canada	USD	4,000,000
Templeton Africa Fund		
National Australia Bank	USD	6,000,000
Royal Bank of Canada	USD	7,000,000
		13,000,000
Templeton Asian Growth Fund		
Royal Bank of Canada	USD	19,000,000
Templeton Asian Smaller Companies Fund		
National Australia Bank	USD	10,000,000
National Bank of Canada	USD	64,000,000
		74,000,000
Templeton BRIC Fund		
Royal Bank of Canada	USD	16,000,000
Templeton Emerging Markets Fund		
Royal Bank of Canada	USD	32,000,000
Templeton Frontier Markets Fund		
Royal Bank of Canada	USD	21,000,000
Templeton Global Fund		
Royal Bank of Canada	USD	50,000,000
Templeton Global Equity Income Fund		
Royal Bank of Canada	USD	1,000,000
Templeton Global Smaller Companies Fund		
Royal Bank of Canada	USD	5,000,000
Templeton Growth (Euro) Fund		
Credit Agricole CIB London	EUR	91,967,469
Royal Bank of Canada	EUR	117,066,353
		209,033,822
Templeton Latin America Fund		
Royal Bank of Canada	USD	17,000,000
Templeton Thailand Fund		
Royal Bank of Canada	USD	7,000,000

Note 5 — Forward foreign exchange contracts

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin Asia Credit Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for share class hedging:					
AUD	2,173,777	USD	1,572,374	15-Jan-19	(40,338)
SGD	2,351,188	USD	1,716,578	15-Jan-19	8,944
					(31,394)

Notes to the Financial Statements At December 31, 2018 (continued)

Note 5 — Forward foreign exchange contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin Asia Credit Fund (continued)

	Unrealised profit/(loss) USD
The above contracts were opened with the following counterparties:	
BNP Paribas	416
Citigroup	(645)
HSBC	(27,144)
JPMorgan	199
Morgan Stanley	(3,524)
Toronto–Dominion Bank	(696)
	(31,394)

Franklin Biotechnology Discovery Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for share class hedging:					
CHF	2,006,447	USD	2,019,130	10-Jan-19	25,644
EUR	11,295,837	USD	12,847,494	10-Jan-19	106,759
USD	449,289	CHF	443,981	10-Jan-19	(3,172)
USD	2,466,963	EUR	2,156,531	10-Jan-19	(6,184)
					123,047

The above contracts were opened with the following counterparties:	
Bank of America	12,656
Barclays	14,132
BNP Paribas	17,456
Citigroup	14,879
Credit Suisse	2,522
Goldman Sachs	12,045
HSBC	15,128
JPMorgan	11,619
Morgan Stanley	11,502
The Bank of New York Mellon	3,634
Toronto–Dominion Bank	26
UBS	7,448
	123,047

Franklin Brazil Opportunities Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for share class hedging:					
EUR	4,539,877	USD	5,181,900	22-Jan-19	30,054

The above contracts were opened with the following counterparties:	
Bank of America	5,719
Barclays	810
BNP Paribas	2,607
Citigroup	3,480
Credit Suisse	561
Goldman Sachs	1,650
HSBC	2,200
JPMorgan	6,483
Morgan Stanley	2,634
The Bank of New York Mellon	186
UBS	3,724
	30,054

Franklin Diversified Balanced Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) EUR
Forward foreign exchange contracts used for share class hedging:					
CZK	46,841,155	EUR	1,817,347	21-Jan-19	1,120
EUR	3,002	SGD	4,681	21-Jan-19	9
SGD	137,619	EUR	87,996	21-Jan-19	(1)
EUR	1,995	USD	2,278	22-Jan-19	11
USD	100,695	EUR	88,172	22-Jan-19	(461)
					678

Notes to the Financial Statements At December 31, 2018 (continued)

Note 5 — Forward foreign exchange contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin Diversified Balanced Fund (continued)

Purchases		Sales		Maturity Date	Unrealised profit/(loss) EUR
Forward foreign exchange contracts used for efficient portfolio management:					
EUR	1,555,457	AUD	2,457,000	11-Feb-19	48,835
EUR	1,491,463	NZD	2,508,000	11-Feb-19	26,248
EUR	3,360,389	USD	3,837,000	11-Feb-19	23,673
EUR	3,707,383	USD	4,234,000	12-Feb-19	25,717
JPY	1,201,332,000	CHF	10,708,242	14-Mar-19	41,619
					166,092
					166,770

The above contracts were opened with the following counterparties:	
Bank of America	360
Barclays	8
BNP Paribas	(21)
Citigroup	26,137
Goldman Sachs	(270)
HSBC	13
JPMorgan	140,614
Morgan Stanley	(2)
The Bank of New York Mellon	4
Toronto–Dominion Bank	1
UBS	(74)
	166,770

Franklin Diversified Conservative Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) EUR
Forward foreign exchange contracts used for share class hedging:					
CZK	45,642,729	EUR	1,770,671	21-Jan-19	1,273
SGD	133,457	EUR	85,334	21-Jan-19	(1)
USD	2,872,935	EUR	2,522,589	22-Jan-19	(20,122)
					(18,850)
Forward foreign exchange contracts used for efficient portfolio management:					
EUR	3,381,869	AUD	5,342,000	11-Feb-19	106,177
EUR	5,227,255	NZD	8,790,000	11-Feb-19	91,992
EUR	3,877,432	USD	4,417,000	11-Feb-19	36,339
EUR	9,148,496	USD	10,448,000	12-Feb-19	63,459
EUR	6,588,297	USD	7,524,000	13-Feb-19	46,329
USD	7,524,000	EUR	6,583,901	13-Feb-19	(41,933)
JPY	1,480,602,000	CHF	13,197,555	14-Mar-19	51,294
					353,657
					334,807

The above contracts were opened with the following counterparties:	
Bank of America	(11,705)
Citigroup	62,997
Goldman Sachs	(4,128)
HSBC	(206)
JPMorgan	288,917
Morgan Stanley	23
UBS	(1,091)
	334,807

Franklin Diversified Dynamic Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) EUR
Forward foreign exchange contracts used for share class hedging:					
CZK	42,196,327	EUR	1,629,989	10-Jan-19	9,221
EUR	10,962	NOK	108,910	10-Jan-19	(24)
EUR	5,999	SEK	61,889	10-Jan-19	(98)
EUR	5,987	SGD	9,385	10-Jan-19	(19)
EUR	5,986	USD	6,847	10-Jan-19	15
NOK	1,671,775	EUR	172,017	10-Jan-19	(3,363)
SEK	862,214	EUR	84,319	10-Jan-19	615
SGD	143,311	EUR	91,940	10-Jan-19	(240)
USD	100,299	EUR	88,157	10-Jan-19	(697)
					5,410

Notes to the Financial Statements At December 31, 2018 (continued)

Note 5 — Forward foreign exchange contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin Diversified Dynamic Fund (continued)

Purchases		Sales		Maturity Date	Unrealised profit/(loss) EUR
Forward foreign exchange contracts used for efficient portfolio management:					
EUR	196,252	AUD	310,000	11-Feb-19	6,162
EUR	410,331	NZD	690,000	11-Feb-19	7,221
EUR	709,451	USD	810,000	12-Feb-19	5,117
JPY	591,136,000	CHF	5,269,174	14-Mar-19	20,479
					38,979
					44,389

The above contracts were opened with the following counterparties:	
Bank of America	1,400
Barclays	(804)
BNP Paribas	(21)
Citigroup	1,431
Goldman Sachs	(441)
HSBC	(59)
JPMorgan	41,244
Morgan Stanley	1,492
Toronto–Dominion Bank	(43)
UBS	190
	44,389

Franklin Euro High Yield Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) EUR
Forward foreign exchange contracts used for share class hedging:					
USD	13,684,527	EUR	11,992,780	22-Jan-19	(72,879)
Forward foreign exchange contracts used for efficient portfolio management:					
EUR	30,970,287	GBP	27,150,000	15-Jan-19	769,315
GBP	1,500,000	EUR	1,673,985	15-Jan-19	(5,423)
EUR	23,501,354	USD	27,000,000	11-Mar-19	75,803
					839,695
					766,816

The above contracts were opened with the following counterparties:	
Bank of America	(22,413)
BNP Paribas	(9,889)
Deutsche Bank	75,803
Goldman Sachs	(9,543)
HSBC	(7,052)
JPMorgan	(9,566)
Morgan Stanley	758,411
UBS	(8,935)
	766,816

Franklin Euro Short Duration Bond Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) EUR
Forward foreign exchange contracts used for share class hedging:					
USD	24,125,453	EUR	21,267,665	22-Jan-19	(253,200)
Forward foreign exchange contracts used for efficient portfolio management:					
EUR	1,984,763	GBP	1,775,000	11-Mar-19	14,133
					(239,067)

The above contracts were opened with the following counterparties:	
Bank of America	(249,073)
Citigroup	10,500
JPMorgan	(494)
	(239,067)

Notes to the Financial Statements At December 31, 2018 (continued)

Note 5 — Forward foreign exchange contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin European Corporate Bond Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) EUR
Forward foreign exchange contracts used for efficient portfolio management:					
SEK	20,000,000	EUR	1,952,936	11-Mar-19	16,707

The above contracts were opened with the following counterparty:	
Barclays	16,707

Franklin European Dividend Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) EUR
Forward foreign exchange contracts used for share class hedging:					
EUR	594,651	PLN	2,554,010	15-Jan-19	(319)
EUR	3,987	SGD	6,240	15-Jan-19	(5)
EUR	3,987	USD	4,554	15-Jan-19	18
PLN	35,332,780	EUR	8,214,737	15-Jan-19	16,225
SGD	127,718	EUR	81,788	15-Jan-19	(93)
USD	92,714	EUR	81,242	15-Jan-19	(433)
					15,393

The above contracts were opened with the following counterparties:	
Bank of America	1,184
Barclays	1,811
BNP Paribas	707
Citigroup	1,629
Deutsche Bank	1,356
Goldman Sachs	1,233
HSBC	1,381
JPMorgan	1,864
Morgan Stanley	1,233
Toronto–Dominion Bank	1,024
UBS	1,971
	15,393

Franklin European Growth Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) EUR
Forward foreign exchange contracts used for share class hedging:					
EUR	154,007	NOK	1,502,648	10-Jan-19	2,415
EUR	262,331	SGD	410,484	10-Jan-19	(325)
EUR	2,384,374	USD	2,722,448	10-Jan-19	10,459
NOK	9,327,669	EUR	960,145	10-Jan-19	(19,140)
SGD	4,017,307	EUR	2,577,621	10-Jan-19	(7,075)
USD	24,837,127	EUR	21,837,112	10-Jan-19	(179,689)
					(193,355)

The above contracts were opened with the following counterparties:	
Bank of America	(12,456)
Barclays	(20,427)
BNP Paribas	(20,928)
Citigroup	(17,975)
Credit Suisse	(19,585)
Goldman Sachs	(18,708)
HSBC	(18,717)
JPMorgan	(22,178)
Morgan Stanley	(21,460)
The Bank of New York Mellon	(565)
Toronto–Dominion Bank	(508)
UBS	(19,848)
	(193,355)

Notes to the Financial Statements At December 31, 2018 (continued)

Note 5 — Forward foreign exchange contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin European Income Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) EUR
Forward foreign exchange contracts used for share class hedging:					
EUR	8,975	SGD	14,074	15-Jan-19	(27)
EUR	5,985	USD	6,828	15-Jan-19	34
SGD	655,320	EUR	419,608	15-Jan-19	(430)
USD	221,420	EUR	194,032	15-Jan-19	(1,045)
					(1,468)
Forward foreign exchange contracts used for efficient portfolio management:					
EUR	603,799	PLN	2,600,000	11-Mar-19	85
SEK	8,000,000	EUR	781,175	11-Mar-19	6,683
					6,768
					5,300

The above contracts were opened with the following counterparties:	
Bank of America	(213)
Barclays	6,686
BNP Paribas	(31)
Citigroup	(137)
Deutsche Bank	(146)
Goldman Sachs	(150)
HSBC	(95)
JPMorgan	(257)
Morgan Stanley	(236)
Toronto–Dominion Bank	(22)
UBS	(99)
	5,300

Franklin European Small-Mid Cap Growth Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) EUR
Forward foreign exchange contracts used for share class hedging:					
EUR	39,897	USD	45,591	10-Jan-19	143
USD	497,750	EUR	437,124	10-Jan-19	(3,097)
					(2,954)

The above contracts were opened with the following counterparties:	
Barclays	(66)
Citigroup	(1,929)
Goldman Sachs	(371)
JPMorgan	(238)
Morgan Stanley	(236)
UBS	(114)
	(2,954)

Franklin European Total Return Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) EUR
Forward foreign exchange contracts used for share class hedging:					
NOK	1,749,483	EUR	179,346	15-Jan-19	(2,887)
PLN	20,106,878	EUR	4,674,773	15-Jan-19	9,232
SEK	1,108,494	EUR	107,632	15-Jan-19	1,561
					7,906
Forward foreign exchange contracts used for efficient portfolio management:					
EUR	6,485,423	GBP	5,800,000	11-Mar-19	46,182
EUR	20,667,773	PLN	89,000,000	11-Mar-19	2,169
NOK	130,900,000	EUR	13,432,943	11-Mar-19	(258,592)
SEK	89,000,000	EUR	8,690,567	11-Mar-19	74,347
					(135,894)
					(127,988)

Notes to the Financial Statements At December 31, 2018 (continued)

Note 5 — Forward foreign exchange contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin European Total Return Fund (continued)

	Unrealised profit/(loss) EUR
The above contracts were opened with the following counterparties:	
Bank of America	1,762
Barclays	74,485
BNP Paribas	237
Citigroup	48,042
Deutsche Bank	112
Goldman Sachs	2,147
HSBC	544
JPMorgan	(257,368)
Morgan Stanley	2,179
Toronto–Dominion Bank	(117)
UBS	(11)
	(127,988)

Franklin Flexible Alpha Bond Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for share class hedging:					
EUR	1,284,157	USD	1,465,391	15-Jan-19	7,957
GBP	230,502,812	USD	292,351,266	15-Jan-19	1,829,485
NOK	875,389	USD	102,364	15-Jan-19	(1,061)
SEK	883,925	USD	97,867	15-Jan-19	2,032
USD	9,021	EUR	7,919	15-Jan-19	(65)
USD	6,595,702	GBP	5,206,037	15-Jan-19	(48,539)
USD	1,999	NOK	17,229	15-Jan-19	5
					1,789,814
Forward foreign exchange contracts used for efficient portfolio management:					
EUR	1,460,000	USD	1,704,054	04-Jan-19	(30,592)
NOK	1,990,000	USD	243,356	15-Jan-19	(13,068)
GBP	200,000	USD	265,042	17-Jan-19	(9,764)
INR	99,700,000	USD	1,344,309	29-Jan-19	85,403
USD	1,486,021	CAD	1,940,000	30-Jan-19	63,532
MXN	18,500,000	USD	910,164	05-Feb-19	25,755
AUD	913,213	CAD	850,000	11-Feb-19	20,529
IDR	14,737,000,000	USD	1,000,271	26-Feb-19	15,331
USD	1,602,876	PHP	84,700,000	27-Feb-19	(6,553)
USD	902,120	KRW	1,000,000,000	05-Mar-19	2,208
SEK	15,000,000	USD	1,673,883	06-Mar-19	28,041
USD	201,309	CAD	265,000	07-Mar-19	6,857
MXN	27,620,000	USD	1,319,007	11-Mar-19	71,291
USD	318,186	CHF	302,550	14-Mar-19	8,020
USD	10,021,924	EUR	8,750,000	14-Mar-19	(65,923)
EUR	3,200,000	USD	3,694,944	15-Mar-19	(5,342)
USD	3,663,291	EUR	3,200,000	15-Mar-19	(26,311)
BRL	606,000	USD	155,508	20-Mar-19	95
CHF	181,000	USD	184,190	20-Mar-19	1,482
EUR	758,000	USD	871,136	20-Mar-19	3,232
GBP	731,000	USD	931,304	20-Mar-19	4,513
JPY	152,745,000	USD	1,368,801	20-Mar-19	33,890
KRW	680,208,000	USD	607,871	20-Mar-19	4,628
MXN	24,562,000	USD	1,205,826	20-Mar-19	28,686
NZD	201,000	USD	138,159	20-Mar-19	(3,039)
RUB	13,260,000	USD	198,066	20-Mar-19	(9,851)
SEK	9,264,000	USD	1,031,868	20-Mar-19	20,475
TRY	2,222,000	USD	391,554	20-Mar-19	10,724
USD	1,205,467	AUD	1,664,000	20-Mar-19	31,488
USD	26,548	BRL	104,000	20-Mar-19	(157)
USD	1,081,862	CAD	1,445,000	20-Mar-19	21,264
USD	498,444	CHF	490,000	20-Mar-19	(4,204)
USD	2,757,007	CZK	62,242,000	20-Mar-19	(21,090)
USD	1,796,024	EUR	1,565,000	20-Mar-19	(9,234)
USD	938,644	GBP	738,000	20-Mar-19	(6,135)
USD	754,128	HUF	212,554,000	20-Mar-19	(8,685)
USD	4,032,235	ILS	15,022,000	20-Mar-19	(10,341)
USD	605,598	KRW	680,208,000	20-Mar-19	(6,901)
USD	2,409,580	NOK	20,559,000	20-Mar-19	23,817
USD	428,571	NZD	623,000	20-Mar-19	9,768
USD	37,898	RUB	2,573,000	20-Mar-19	1,377
USD	234,832	ZAR	3,391,000	20-Mar-19	1,073
ZAR	4,962,000	USD	347,332	20-Mar-19	(5,276)
PLN	1,777,000	USD	473,803	21-Mar-19	1,915
USD	7,988,394	AUD	11,311,000	01-Apr-19	6,890

Notes to the Financial Statements At December 31, 2018 (continued)

Note 5 — Forward foreign exchange contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin Flexible Alpha Bond Fund (continued)

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
USD	927,776	CNH	6,500,000	26-Apr-19	(18,270)
GBP	1,065,700	USD	1,363,733	15-Aug-19	10,007
USD	1,687,811	GBP	1,265,700	15-Aug-19	56,261
USD	5,020,250	EUR	4,300,000	13-Dec-19	(57,940)
					279,876
					2,069,690

The above contracts were opened with the following counterparties:	
Bank of America	115,773
Barclays	153
BNP Paribas	12
Citigroup	86,632
Deutsche Bank	(60,089)
Goldman Sachs	1,985
HSBC	130
JPMorgan	1,459,032
Morgan Stanley	234,978
Royal Bank of Scotland	222,141
UBS	8,943
	2,069,690

Franklin GCC Bond Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for share class hedging:					
EUR	26,281,494	USD	29,975,881	22-Jan-19	196,291
USD	691,121	EUR	604,039	22-Jan-19	(2,339)
					193,952

The above contracts were opened with the following counterparties:	
Bank of America	69,619
Citigroup	4,612
JPMorgan	60,550
Morgan Stanley	59,171
	193,952

Franklin Global Aggregate Bond Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for share class hedging:					
EUR	858,283	USD	979,252	22-Jan-19	6,091
Forward foreign exchange contracts used for efficient portfolio management:					
EUR	2,900,000	USD	3,358,316	15-Jan-19	(31,072)
GBP	2,000,000	USD	2,641,772	15-Jan-19	(89,259)
SEK	19,000,000	USD	2,107,302	15-Jan-19	40,017
USD	2,129,916	AUD	3,000,000	15-Jan-19	15,575
USD	4,583,641	EUR	4,000,000	15-Jan-19	(5,661)
EUR	300,000	USD	344,716	11-Mar-19	1,060
					(69,340)
					(63,249)

Notes to the Financial Statements At December 31, 2018 (continued)

Note 5 — Forward foreign exchange contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin Global Aggregate Bond Fund (continued)

	Unrealised profit/(loss) USD
The above contracts were opened with the following counterparties:	
Bank of America	1,291
Barclays	15,850
BNP Paribas	78
Citigroup	(84,179)
Credit Suisse	401
Deutsche Bank	442
Goldman Sachs	540
HSBC	170
JPMorgan	1,257
Morgan Stanley	421
The Bank of New York Mellon	111
UBS	369
	(63,249)

Franklin Global Aggregate Investment Grade Bond Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for efficient portfolio management:					
EUR	50,000	USD	57,902	15-Jan-19	(536)
GBP	300,000	USD	398,577	15-Jan-19	(15,700)
USD	283,989	AUD	400,000	15-Jan-19	2,077
USD	527,831	EUR	460,000	15-Jan-19	62
					(14,097)

The above contracts were opened with the following counterparties:	
Barclays	2,077
Citigroup	(16,174)
	(14,097)

Franklin Global Convertible Securities Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for share class hedging:					
CHF	26,393,260	USD	26,725,809	22-Jan-19	202,724
EUR	144,354,880	USD	164,617,568	22-Jan-19	1,107,419
USD	1,667,993	CHF	1,648,546	22-Jan-19	(13,986)
USD	26,094,944	EUR	22,886,595	22-Jan-19	(179,753)
					1,116,404

The above contracts were opened with the following counterparties:	
Bank of America	425,088
Barclays	51,890
BNP Paribas	90,048
Citigroup	162,392
Credit Suisse	13,135
Deutsche Bank	9,045
Goldman Sachs	39,271
HSBC	36,337
JPMorgan	106,466
Morgan Stanley	162,061
The Bank of New York Mellon	1,447
UBS	19,224
	1,116,404

Franklin Global Fundamental Strategies Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for share class hedging:					
EUR	144,964,716	USD	165,483,373	22-Jan-19	941,728
PLN	26,332,559	USD	7,004,707	22-Jan-19	34,323
USD	8,153,772	EUR	7,131,594	22-Jan-19	(33,572)
USD	352,904	PLN	1,323,696	22-Jan-19	(937)
					941,542

Notes to the Financial Statements At December 31, 2018 (continued)

Note 5 — Forward foreign exchange contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin Global Fundamental Strategies Fund (continued)

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for efficient portfolio management:					
USD	11,496,102	JPY	1,296,429,613	04-Jan-19	(336,515)
USD	4,098,547	EUR	3,521,225	07-Jan-19	61,423
USD	243,544	JPY	27,600,000	07-Jan-19	(8,425)
USD	214,935	AUD	303,550	09-Jan-19	1,027
USD	364,141	EUR	313,226	09-Jan-19	4,960
USD	7,397,281	JPY	837,350,000	09-Jan-19	(248,414)
USD	13,671,282	KRW	15,257,425,558	10-Jan-19	(32,276)
INR	6,186,000	USD	83,011	11-Jan-19	5,827
USD	2,895,756	AUD	4,099,500	11-Jan-19	6,760
USD	25,374,383	EUR	21,981,017	11-Jan-19	163,954
USD	17,748,909	JPY	1,971,611,000	11-Jan-19	(256,476)
INR	11,752,040	USD	157,207	14-Jan-19	11,524
USD	5,823,832	AUD	8,199,000	14-Jan-19	45,463
INR	11,750,960	USD	156,117	15-Jan-19	12,585
USD	9,007,588	AUD	12,651,053	15-Jan-19	91,372
USD	23,099,054	EUR	19,799,801	15-Jan-19	382,238
USD	2,389,503	JPY	268,200,000	15-Jan-19	(60,589)
INR	41,044,000	USD	543,629	16-Jan-19	45,570
USD	1,664,464	EUR	1,429,742	16-Jan-19	23,940
USD	2,164,890	JPY	235,540,000	16-Jan-19	12,980
USD	248,860	EUR	213,000	17-Jan-19	4,436
USD	7,070,882	JPY	784,030,000	17-Jan-19	(92,658)
INR	114,985,500	USD	1,640,015	18-Jan-19	10,369
USD	1,533,520	JPY	173,665,000	18-Jan-19	(53,356)
USD	16,088,975	AUD	22,532,000	22-Jan-19	206,438
USD	11,844,314	EUR	10,218,140	22-Jan-19	113,495
USD	1,289,957	JPY	142,009,117	22-Jan-19	(8,087)
USD	8,236,800	EUR	7,127,250	23-Jan-19	53,714
INR	12,372,000	USD	166,167	24-Jan-19	11,321
USD	5,788,092	AUD	8,160,000	24-Jan-19	35,955
USD	4,633,268	EUR	4,003,950	24-Jan-19	35,762
USD	946,614	JPY	102,360,000	24-Jan-19	10,832
USD	10,144,825	KRW	11,453,000,000	24-Jan-19	(145,881)
INR	71,836,000	USD	960,631	25-Jan-19	69,842
USD	6,067,371	EUR	5,252,567	25-Jan-19	35,614
USD	5,465,162	JPY	588,943,000	25-Jan-19	80,560
USD	14,149,325	EUR	12,308,042	28-Jan-19	11,683
USD	129,186	EUR	112,306	29-Jan-19	174
INR	114,933,500	USD	1,547,822	30-Jan-19	100,207
USD	15,316,983	EUR	13,390,097	30-Jan-19	(66,296)
USD	2,652,207	KRW	3,008,000,000	30-Jan-19	(50,994)
USD	3,770,470	EUR	3,285,451	31-Jan-19	(4,332)
USD	2,158,120	JPY	235,290,272	31-Jan-19	5,862
USD	216,100	AUD	303,550	01-Feb-19	2,088
USD	13,406,538	EUR	11,706,700	01-Feb-19	(44,861)
USD	7,610,304	JPY	851,730,000	01-Feb-19	(181,245)
INR	38,658,000	USD	516,018	04-Feb-19	37,954
USD	296,686	EUR	258,327	05-Feb-19	(233)
USD	7,930,744	EUR	6,928,763	08-Feb-19	(34,992)
USD	9,383,708	JPY	1,049,000,000	08-Feb-19	(217,343)
USD	8,649,252	EUR	7,552,182	11-Feb-19	(35,239)
USD	4,001,181	JPY	426,910,000	12-Feb-19	92,717
USD	5,488,451	AUD	7,740,553	13-Feb-19	30,167
USD	2,109,957	JPY	236,535,966	13-Feb-19	(55,745)
USD	241,740	EUR	210,000	14-Feb-19	198
USD	462,899	JPY	49,040,667	14-Feb-19	13,854
USD	6,574,575	AUD	9,010,000	15-Feb-19	220,951
USD	298,784	EUR	262,859	15-Feb-19	(3,580)
USD	1,501,239	JPY	162,508,000	15-Feb-19	13,113
USD	400,819	AUD	551,000	19-Feb-19	12,246
USD	36,264,561	EUR	31,849,811	19-Feb-19	(383,431)
USD	32,413,906	JPY	3,567,750,320	19-Feb-19	(266,380)
USD	10,803,651	KRW	12,072,000,000	19-Feb-19	(53,912)
USD	343,718	AUD	469,000	20-Feb-19	12,967
USD	6,785,280	EUR	5,897,782	20-Feb-19	(1,534)
USD	2,356,733	JPY	263,478,025	20-Feb-19	(56,879)
USD	1,745,226	AUD	2,390,000	21-Feb-19	59,711
USD	13,576,361	EUR	11,774,893	21-Feb-19	25,462
USD	8,604,896	JPY	949,035,150	21-Feb-19	(89,451)
USD	8,116,612	KRW	9,132,000,000	25-Feb-19	(98,716)
USD	3,781,946	EUR	3,311,897	28-Feb-19	(31,571)
USD	5,251,909	JPY	592,327,759	28-Feb-19	(177,325)
USD	5,988,269	KRW	6,738,000,000	28-Feb-19	(74,109)
USD	1,325,549	EUR	1,156,051	04-Mar-19	(6,060)
USD	1,507,605	JPY	169,645,699	04-Mar-19	(47,913)

Notes to the Financial Statements At December 31, 2018 (continued)

Note 5 — Forward foreign exchange contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin Global Fundamental Strategies Fund (continued)

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
USD	1,926,226	EUR	1,684,869	05-Mar-19	(14,682)
USD	5,826,852	EUR	5,086,156	06-Mar-19	(32,744)
USD	13,471,986	EUR	11,725,000	11-Mar-19	(42,083)
USD	10,967,774	JPY	1,226,634,100	11-Mar-19	(287,009)
USD	5,813,868	EUR	5,056,482	12-Mar-19	(14,686)
USD	397,259	JPY	44,500,000	12-Mar-19	(11,082)
INR	26,339,000	USD	360,561	13-Mar-19	15,152
USD	2,639,883	AUD	3,653,893	13-Mar-19	62,270
USD	262,349	JPY	29,452,000	13-Mar-19	(7,934)
USD	295,619	EUR	258,327	14-Mar-19	(2,205)
USD	405,622	JPY	45,586,000	14-Mar-19	(12,764)
USD	6,905,389	EUR	6,075,226	18-Mar-19	(101,241)
USD	32,302,881	JPY	3,642,962,175	18-Mar-19	(1,144,853)
USD	561,969	JPY	62,985,000	19-Mar-19	(16,380)
INR	7,069,000	USD	96,869	20-Mar-19	3,880
USD	2,255,023	JPY	249,597,256	20-Mar-19	(37,083)
USD	6,261,651	KRW	6,761,500,000	20-Mar-19	173,199
MXN	486,600,804	USD	25,199,420	21-Mar-19	(746,443)
USD	1,301,052	EUR	1,129,532	21-Mar-19	(2,003)
USD	1,622,864	JPY	180,865,000	22-Mar-19	(38,376)
USD	2,162,498	JPY	239,770,756	25-Mar-19	(40,421)
USD	6,066,018	JPY	673,363,000	26-Mar-19	(121,165)
USD	698,875	EUR	611,260	28-Mar-19	(6,734)
USD	7,850,905	KRW	8,720,000,000	10-Apr-19	(7,940)
USD	4,192,829	JPY	464,380,667	15-Apr-19	(81,532)
USD	1,469,215	KRW	1,668,000,000	16-Apr-19	(34,443)
USD	375,834	JPY	41,360,000	17-Apr-19	(4,925)
USD	282,592	JPY	31,225,620	18-Apr-19	(4,894)
USD	8,615,153	KRW	9,711,000,000	18-Apr-19	(139,806)
USD	4,109,203	JPY	453,799,600	22-Apr-19	(70,219)
USD	1,704,730	JPY	188,677,000	23-Apr-19	(33,100)
USD	715,800	JPY	78,972,120	26-Apr-19	(11,764)
USD	3,943,271	KRW	4,426,518,442	29-Apr-19	(49,330)
USD	1,795,210	JPY	198,539,225	30-Apr-19	(34,532)
USD	413,799	JPY	45,946,980	07-May-19	(9,899)
USD	1,969,255	KRW	2,229,000,000	15-May-19	(42,614)
USD	3,293,825	KRW	3,710,000,000	16-May-19	(54,920)
USD	756,472	JPY	84,769,117	20-May-19	(26,077)
USD	4,887,845	JPY	543,543,000	21-May-19	(130,310)
USD	3,037,034	KRW	3,411,500,000	21-May-19	(42,933)
USD	7,618,790	KRW	8,434,000,000	07-Jun-19	(1,109)
USD	3,337,531	KRW	3,710,000,000	10-Jun-19	(14,786)
					(4,268,023)
					(3,326,481)

The above contracts were opened with the following counterparties:	
Bank of America	(1,229,959)
Barclays	(469,528)
BNP Paribas	80,865
Citigroup	(707,618)
Credit Suisse	66,635
Deutsche Bank	(558,350)
Goldman Sachs	28,375
HSBC	(662,327)
JPMorgan	(15,598)
Morgan Stanley	75,894
Standard Chartered	(140,994)
The Bank of New York Mellon	36,550
UBS	169,574
	(3,326,481)

Franklin Global Listed Infrastructure Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for share class hedging:					
GBP	494,119	USD	630,448	10-Jan-19	9
USD	54,018	GBP	42,619	10-Jan-19	(361)
					(352)

Notes to the Financial Statements At December 31, 2018 (continued)

Note 5 — Forward foreign exchange contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin Global Listed Infrastructure Fund (continued)

	Unrealised profit/(loss) USD
The above contracts were opened with the following counterparties:	
Bank of America	216
Barclays	(257)
BNP Paribas	3
Credit Suisse	(5)
HSBC	13
JPMorgan	(6)
Morgan Stanley	(309)
UBS	(7)
	(352)

Franklin Global Multi-Asset Income Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) EUR
Forward foreign exchange contracts used for share class hedging:					
AUD	7,027,966	EUR	4,443,970	21-Jan-19	(128,561)
EUR	122,786	AUD	194,739	21-Jan-19	3,209
EUR	2,003	SGD	3,139	21-Jan-19	(5)
SGD	155,091	EUR	99,208	21-Jan-19	(43)
EUR	1,217,140	USD	1,391,269	22-Jan-19	5,274
USD	39,750,705	EUR	34,856,023	22-Jan-19	(231,184)
					(351,310)
Forward foreign exchange contracts used for efficient portfolio management:					
AUD	980,000	EUR	600,645	15-Jan-19	1,349
CAD	2,200,000	USD	1,700,579	15-Jan-19	(76,807)
CHF	450,000	EUR	395,047	15-Jan-19	4,854
EUR	196,600	AUD	310,000	15-Jan-19	6,173
EUR	141,364	CHF	160,000	15-Jan-19	(823)
EUR	105,725	MXN	2,500,000	15-Jan-19	(4,881)
EUR	223,100	SEK	2,300,000	15-Jan-19	(3,461)
MXN	13,500,000	EUR	602,136	15-Jan-19	(4,864)
SEK	12,300,000	EUR	1,177,658	15-Jan-19	33,949
USD	341,414	CAD	450,000	15-Jan-19	10,104
EUR	2,662,699	AUD	4,206,000	11-Feb-19	83,598
EUR	3,507,434	NZD	5,898,000	11-Feb-19	61,726
EUR	29,259,777	USD	33,416,000	12-Feb-19	202,962
USD	5,846,000	EUR	5,080,452	12-Feb-19	2,924
EUR	8,961,275	USD	10,234,000	13-Feb-19	63,016
USD	6,708,000	EUR	5,889,759	13-Feb-19	(57,287)
EUR	6,012,587	USD	6,851,000	14-Feb-19	56,244
USD	498,000	EUR	431,862	14-Feb-19	1,106
JPY	1,254,155,000	CHF	11,179,088	14-Mar-19	43,449
					423,331
					72,021

The above contracts were opened with the following counterparties:	
Bank of America	(85,606)
Barclays	(41,906)
BNP Paribas	(7,473)
Citigroup	177,546
Credit Suisse	(1,654)
Deutsche Bank	(6,116)
Goldman Sachs	(7,137)
HSBC	(5,406)
JPMorgan	89,048
Morgan Stanley	(34,060)
Toronto–Dominion Bank	(2,260)
UBS	(2,955)
	72,021

Franklin Global Real Estate Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for share class hedging:					
EUR	13,893,052	USD	15,856,536	22-Jan-19	93,227
USD	1,756,025	EUR	1,534,843	22-Jan-19	(6,036)
					87,191

Notes to the Financial Statements At December 31, 2018 (continued)

Note 5 — Forward foreign exchange contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin Global Real Estate Fund (continued)

	Unrealised profit/(loss) USD
The above contracts were opened with the following counterparties:	
Bank of America	22,441
Barclays	5,495
BNP Paribas	7,301
Citigroup	8,399
Credit Suisse	3,131
Deutsche Bank	1,429
Goldman Sachs	6,740
HSBC	6,639
JPMorgan	7,577
Morgan Stanley	8,305
The Bank of New York Mellon	1,538
Toronto–Dominion Bank	173
UBS	8,023
	87,191

Franklin Gold and Precious Metals Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for share class hedging:					
CHF	1,462,193	USD	1,481,085	22-Jan-19	10,761
EUR	12,470,301	USD	14,238,355	22-Jan-19	78,035
USD	48,105	CHF	47,402	22-Jan-19	(258)
USD	459,778	EUR	400,105	22-Jan-19	442
					88,980

The above contracts were opened with the following counterparties:	
Bank of America	17,155
Barclays	7,212
BNP Paribas	9,361
Citigroup	11,458
Credit Suisse	4,112
Deutsche Bank	2,558
Goldman Sachs	7,771
HSBC	7,080
JPMorgan	8,831
Morgan Stanley	5,130
The Bank of New York Mellon	3,089
Toronto–Dominion Bank	1,189
UBS	4,034
	88,980

Franklin High Yield Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for share class hedging:					
AUD	11,881,582	USD	8,562,329	10-Jan-19	(189,339)
EUR	205,781	USD	234,035	10-Jan-19	1,959
SGD	15,361,682	USD	11,209,024	10-Jan-19	63,567
USD	246,216	AUD	346,894	10-Jan-19	1,759
USD	6,009	EUR	5,255	10-Jan-19	(17)
USD	473,720	SGD	649,937	10-Jan-19	(3,213)
					(125,284)

The above contracts were opened with the following counterparties:	
Bank of America	(21,028)
Barclays	(2,632)
BNP Paribas	(5,269)
Citigroup	(11,214)
Credit Suisse	(12,320)
Goldman Sachs	(18,196)
HSBC	(21,243)
JPMorgan	(10,679)
Morgan Stanley	(11,910)
UBS	(10,793)
	(125,284)

Notes to the Financial Statements At December 31, 2018 (continued)

Note 5 — Forward foreign exchange contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin Income Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for share class hedging:					
AUD	6,976,157	USD	5,023,078	22-Jan-19	(105,667)
EUR	50,186,994	USD	57,272,582	22-Jan-19	344,029
SGD	16,195,707	USD	11,824,597	22-Jan-19	63,185
USD	502,406	AUD	708,283	22-Jan-19	3,145
USD	3,339,954	EUR	2,922,653	22-Jan-19	(15,368)
USD	776,210	SGD	1,063,616	22-Jan-19	(4,492)
USD	37,008	ZAR	536,677	22-Jan-19	(240)
ZAR	10,822,548	USD	754,083	22-Jan-19	(2,963)
					281,629

The above contracts were opened with the following counterparties:	
Bank of America	69,615
Barclays	20,504
BNP Paribas	13,814
Citigroup	41,887
Credit Suisse	5,333
Goldman Sachs	31,896
HSBC	17,556
JPMorgan	45,580
Morgan Stanley	27,795
Toronto–Dominion Bank	(179)
UBS	7,828
	281,629

Franklin India Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for share class hedging:					
EUR	38,370,078	USD	43,656,270	10-Jan-19	347,166
PLN	54,521,996	USD	14,416,556	10-Jan-19	154,441
USD	2,897,652	EUR	2,536,203	10-Jan-19	(10,907)
USD	1,172,999	PLN	4,419,958	10-Jan-19	(8,234)
					482,466

The above contracts were opened with the following counterparties:	
Bank of America	126,966
Barclays	42,761
BNP Paribas	51,035
Citigroup	50,966
Credit Suisse	14,214
Goldman Sachs	29,443
HSBC	19,474
JPMorgan	70,325
Morgan Stanley	52,792
The Bank of New York Mellon	763
UBS	23,727
	482,466

Franklin Japan Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) JPY
Forward foreign exchange contracts used for share class hedging:					
JPY	31,997,904	USD	289,286	22-Jan-19	349,392
USD	3,090,541	JPY	346,046,888	22-Jan-19	(7,934,776)
					(7,585,384)

Notes to the Financial Statements At December 31, 2018 (continued)

Note 5 — Forward foreign exchange contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin Japan Fund (continued)

The above contracts were opened with the following counterparties:	Unrealised profit/(loss) JPY
Bank of America	(1,371,532)
BNP Paribas	(1,350,156)
Credit Suisse	(434,072)
Deutsche Bank	(1,336,967)
Goldman Sachs	(856,000)
JPMorgan	(709,119)
Morgan Stanley	(1,527,538)
	(7,585,384)

Franklin K2 Alternative Strategies Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for share class hedging:					
BRL	19,419,000	USD	5,000,000	03-Jan-19	10,385
USD	4,942,479	BRL	19,419,000	03-Jan-19	(67,906)
CAD	18,976,344	USD	14,204,629	15-Jan-19	(299,956)
CHF	132,646,199	USD	134,226,439	15-Jan-19	882,378
CZK	293,455,968	USD	12,979,309	15-Jan-19	90,452
EUR	1,178,094,549	USD	1,344,481,719	15-Jan-19	6,706,399
GBP	78,963,815	USD	100,163,503	15-Jan-19	545,245
HUF	467,256,263	USD	1,648,958	15-Jan-19	19,985
JPY	12,783,544	USD	113,060	15-Jan-19	3,694
NOK	3,869,905	USD	452,434	15-Jan-19	(4,607)
PLN	53,861,508	USD	14,290,412	15-Jan-19	104,611
SEK	2,351,921	USD	260,469	15-Jan-19	5,175
SGD	5,570,663	USD	4,067,038	15-Jan-19	21,294
USD	290,230	CAD	392,645	15-Jan-19	2,524
USD	3,062,762	CHF	3,033,461	15-Jan-19	(27,017)
USD	67,953,591	EUR	59,755,636	15-Jan-19	(581,746)
USD	2,189,166	GBP	1,728,302	15-Jan-19	(15,072)
USD	33,095	HUF	9,342,300	15-Jan-19	(274)
USD	2,005	JPY	222,390	15-Jan-19	(26)
USD	106,051	NOK	923,647	15-Jan-19	(834)
USD	1,350,579	PLN	5,089,357	15-Jan-19	(9,602)
USD	8,024	SEK	71,855	15-Jan-19	(92)
USD	89,067	SGD	121,787	15-Jan-19	(313)
BRL	18,891,600	USD	4,800,000	04-Feb-19	64,629
					7,449,326
Forward foreign exchange contracts used for efficient portfolio management:					
BRL	19,739,001	USD	5,099,068	03-Jan-19	(6,118)
MXN	1,905,000	USD	92,650	03-Jan-19	4,288
USD	5,122,357	BRL	19,739,001	03-Jan-19	29,407
USD	93,788	MXN	1,905,000	03-Jan-19	(3,150)
ARS	1,130,000	USD	28,680	07-Jan-19	1,152
CAD	120,000	USD	91,011	07-Jan-19	(3,102)
IDR	2,181,730,000	USD	150,724	07-Jan-19	939
TRY	160,000	USD	29,563	07-Jan-19	602
USD	89,505	CAD	120,000	07-Jan-19	1,596
USD	96,767	EUR	85,000	07-Jan-19	(654)
USD	93,233	HUF	26,455,000	07-Jan-19	(1,206)
USD	107,517	ILS	400,000	07-Jan-19	510
INR	45,505,899	USD	631,173	09-Jan-19	20,194
USD	609,409	INR	45,505,899	09-Jan-19	(41,958)
CNY	885,000	USD	129,395	10-Jan-19	(491)
PEN	420,000	USD	123,908	10-Jan-19	739
PHP	6,500,000	USD	123,164	10-Jan-19	351
RUB	5,300,000	USD	78,752	10-Jan-19	(2,758)
USD	79,320	BRL	305,000	10-Jan-19	677
USD	128,896	CNY	885,000	10-Jan-19	(9)
USD	124,187	PEN	420,000	10-Jan-19	(461)
USD	122,873	PHP	6,500,000	10-Jan-19	(642)
USD	79,348	RUB	5,300,000	10-Jan-19	3,354
THB	2,650,000	USD	81,493	11-Jan-19	(106)
USD	601,886	BRL	2,257,872	11-Jan-19	19,734
USD	80,726	THB	2,650,000	11-Jan-19	(661)
NZD	135,000	USD	92,529	14-Jan-19	(1,898)
USD	92,947	NZD	135,000	14-Jan-19	2,317
USD	76,440	SGD	105,000	14-Jan-19	(618)
USD	90,534	ZAR	1,305,000	14-Jan-19	(52)
ZAR	1,305,000	USD	90,821	14-Jan-19	(234)
USD	1,189,124	KRW	1,343,091,600	17-Jan-19	(15,114)

Notes to the Financial Statements At December 31, 2018 (continued)

Note 5 — Forward foreign exchange contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin K2 Alternative Strategies Fund (continued)

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
CHF	1,000,000	USD	1,009,926	18-Jan-19	8,937
USD	1,093,304	CHF	1,081,000	18-Jan-19	(8,086)
USD	37,775,647	EUR	33,093,600	18-Jan-19	(190,647)
USD	6,038,409	GBP	4,758,951	18-Jan-19	(32,035)
USD	3,535,181	HKD	27,601,000	18-Jan-19	8,775
CAD	115,000	USD	85,424	22-Jan-19	(1,142)
NOK	750,000	USD	86,207	22-Jan-19	614
USD	84,748	CAD	115,000	22-Jan-19	467
USD	85,571	NOK	750,000	22-Jan-19	(1,249)
USD	253,557	GBP	200,000	24-Jan-19	(1,643)
CAD	679,530	USD	500,386	25-Jan-19	(2,331)
MXN	247,168,049	USD	12,260,056	25-Jan-19	272,282
NOK	42,869,112	USD	4,947,603	25-Jan-19	15,692
SEK	14,059,087	USD	1,561,477	25-Jan-19	27,822
TRY	8,745,200	USD	1,617,270	25-Jan-19	13,522
USD	7,481,920	AUD	10,420,139	25-Jan-19	139,023
USD	2,053,756	BRL	7,593,666	25-Jan-19	97,231
USD	1,880,588	CAD	2,541,586	25-Jan-19	17,757
USD	8,095,009	CHF	8,010,999	25-Jan-19	(72,640)
USD	903,765	CLP	613,792,757	25-Jan-19	18,788
USD	1,411,642	EUR	1,234,793	25-Jan-19	(5,863)
USD	9,649	GBP	7,642	25-Jan-19	(103)
USD	224,882	JPY	25,313,435	25-Jan-19	(6,493)
USD	8,509,389	NZD	12,501,893	25-Jan-19	114,670
USD	164,156	PEN	549,703	25-Jan-19	1,110
USD	86,080	RUB	5,765,360	25-Jan-19	3,606
USD	1,102,273	SGD	1,513,496	25-Jan-19	(8,730)
USD	1,715,887	ZAR	24,612,346	25-Jan-19	9,926
USD	86,589	RUB	5,995,000	28-Jan-19	870
USD	87,610	NZD	130,000	29-Jan-19	312
USD	179,405	EUR	157,000	31-Jan-19	(924)
USD	620,151	GBP	490,000	31-Jan-19	(5,323)
USD	4,055,352	HUF	1,140,815,000	31-Jan-19	(24,170)
USD	3,338,611	ZAR	48,075,000	31-Jan-19	9,044
BRL	19,739,001	USD	5,112,274	04-Feb-19	(29,437)
USD	3,142,653	KRW	3,512,857,441	07-Feb-19	(9,283)
EUR	267,296	USD	305,434	28-Feb-19	2,260
GBP	334,000	USD	442,224	28-Feb-19	(15,337)
TRY	1,311,045	USD	240,309	28-Feb-19	(96)
USD	5,541,750	CAD	7,516,449	28-Feb-19	28,442
USD	2,011,901	COP	6,536,664,923	28-Feb-19	4,576
USD	2,001,954	GBP	1,513,697	28-Feb-19	67,289
USD	4,300,000	TWD	131,528,400	04-Mar-19	(141)
USD	625,697	INR	45,505,899	18-Mar-19	(20,853)
USD	3,416,099	CAD	4,564,000	19-Mar-19	67,105
USD	1,656,154	EUR	1,454,000	19-Mar-19	(20,370)
USD	3,164,022	JPY	355,805,000	19-Mar-19	(102,023)
AUD	165,000	USD	116,623	20-Mar-19	(253)
CAD	13,142,000	USD	9,812,222	20-Mar-19	(168,626)
CHF	86,000	USD	87,242	20-Mar-19	887
CNH	27,216,642	USD	3,951,057	20-Mar-19	10,769
COP	13,773,952,856	USD	4,352,372	20-Mar-19	(126,441)
EUR	5,056,000	USD	5,802,056	20-Mar-19	28,249
GBP	3,015,000	USD	3,829,525	20-Mar-19	27,701
HKD	26,588,000	USD	3,408,629	20-Mar-19	(5,460)
JPY	474,618,000	USD	4,316,965	20-Mar-19	40,118
MXN	6,029,000	USD	299,968	20-Mar-19	3,190
NZD	2,824,000	USD	1,913,694	20-Mar-19	(15,680)
RUB	50,399,945	USD	747,979	20-Mar-19	(31,926)
SEK	14,090,000	USD	1,571,054	20-Mar-19	28,513
TRY	21,126,819	EUR	3,262,592	20-Mar-19	71,032
USD	15,196,463	AUD	20,998,000	20-Mar-19	387,198
USD	32,201,510	CAD	42,959,000	20-Mar-19	678,204
USD	24,267,561	CHF	23,854,496	20-Mar-19	(177,396)
USD	3,960,167	CNH	27,216,642	20-Mar-19	(1,660)
USD	51,150,859	EUR	44,676,271	20-Mar-19	(367,386)
USD	20,166,938	GBP	15,969,000	20-Mar-19	(262,933)
USD	3,637,638	HKD	28,399,464	20-Mar-19	2,609
USD	3,164,419	INR	224,718,002	20-Mar-19	(27,734)
USD	36,670,680	JPY	4,114,255,000	20-Mar-19	(1,098,953)
USD	4,069,733	MXN	83,152,000	20-Mar-19	(111,424)
USD	7,310,028	NZD	10,696,000	20-Mar-19	121,229
USD	3,416,957	SEK	30,602,000	20-Mar-19	(57,135)
USD	14,246,077	ZAR	197,820,004	20-Mar-19	622,237
ZAR	110,652,937	USD	8,003,115	20-Mar-19	(382,461)
GBP	2,508,000	USD	3,195,341	29-Mar-19	14,684

Notes to the Financial Statements At December 31, 2018 (continued)

Note 5 — Forward foreign exchange contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin K2 Alternative Strategies Fund (continued)

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
MXN	79,008,000	USD	3,860,205	29-Mar-19	106,610
USD	729,642	EUR	635,000	29-Mar-19	(3,195)
USD	581,412	GBP	439,000	29-Mar-19	19,529
USD	3,990,664	MXN	79,008,000	29-Mar-19	23,849
					(274,226)
					7,175,100

The above contracts were opened with the following counterparties:	
Bank of America	2,130,071
Barclays	638,506
Citigroup	3,227
Deutsche Bank	58,923
HSBC	(231)
JPMorgan	2,700,334
Morgan Stanley	1,672,251
Standard Chartered	(2,331)
UBS	(25,650)
	7,175,100

Franklin K2 Global Macro Opportunities Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for share class hedging:					
EUR	4,511,219	USD	5,147,128	15-Jan-19	26,910
GBP	2,342,907	USD	2,972,085	15-Jan-19	16,007
JPY	147,569,420	USD	1,305,122	15-Jan-19	42,654
USD	116,305	EUR	101,938	15-Jan-19	(610)
					84,961
Forward foreign exchange contracts used for efficient portfolio management:					
BRL	859,723	USD	222,087	03-Jan-19	(266)
USD	223,102	BRL	859,723	03-Jan-19	1,281
BRL	859,723	USD	222,663	04-Feb-19	(1,282)
CAD	252,000	USD	187,558	20-Mar-19	(2,640)
CHF	270,000	USD	274,770	20-Mar-19	1,914
CNH	1,529,975	USD	221,873	20-Mar-19	840
COP	760,152,852	USD	239,694	20-Mar-19	(6,475)
CZK	3,882,570	EUR	150,000	20-Mar-19	267
EUR	950,000	NOK	9,440,951	20-Mar-19	(100)
EUR	100,000	PLN	432,227	20-Mar-19	(388)
EUR	1,300,000	SEK	13,348,333	20-Mar-19	(16,280)
EUR	44,000	USD	50,508	20-Mar-19	230
GBP	335,000	USD	425,712	20-Mar-19	2,869
INR	3,567,084	USD	50,000	20-Mar-19	671
JPY	118,053,000	USD	1,071,059	20-Mar-19	12,689
MXN	3,986,000	USD	195,772	20-Mar-19	4,658
NOK	5,833,335	EUR	600,000	20-Mar-19	(14,950)
NZD	265,000	USD	181,854	20-Mar-19	(3,747)
PHP	2,631,300	USD	50,000	20-Mar-19	(273)
PLN	1,509,358	EUR	350,000	20-Mar-19	440
RUB	2,200,720	USD	32,661	20-Mar-19	(1,394)
SEK	6,181,387	EUR	600,000	20-Mar-19	9,854
TRY	978,008	EUR	151,033	20-Mar-19	3,288
TWD	1,527,571	USD	50,000	20-Mar-19	13
USD	461,809	AUD	643,000	20-Mar-19	8,320
USD	100,000	BRL	389,339	20-Mar-19	114
USD	890,510	CAD	1,185,000	20-Mar-19	20,958
USD	550,211	CHF	541,000	20-Mar-19	(4,181)
USD	200,000	CLP	135,803,976	20-Mar-19	4,154
USD	422,270	CNH	2,905,031	20-Mar-19	(605)
USD	400,000	COP	1,292,827,225	20-Mar-19	3,353
USD	1,323,275	EUR	1,152,041	20-Mar-19	(5,196)
USD	1,215,093	GBP	959,000	20-Mar-19	(11,800)
USD	400,000	ILS	1,484,744	20-Mar-19	542
USD	273,928	INR	19,422,801	20-Mar-19	(1,976)
USD	1,569,908	JPY	176,344,000	20-Mar-19	(48,963)
USD	108,742	MXN	2,211,000	20-Mar-19	(2,434)
USD	396,452	NZD	586,000	20-Mar-19	2,601
USD	150,000	RUB	10,321,478	20-Mar-19	3,358
USD	150,000	SGD	204,423	20-Mar-19	(248)
USD	100,000	THB	3,268,143	20-Mar-19	(578)
USD	400,000	TWD	12,206,352	20-Mar-19	358

Notes to the Financial Statements At December 31, 2018 (continued)

Note 5 — Forward foreign exchange contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin K2 Global Macro Opportunities Fund (continued)

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
USD	721,326	ZAR	10,055,760	20-Mar-19	28,786
ZAR	6,220,215	USD	450,098	20-Mar-19	(21,712)
					(33,930)
					51,031

The above contracts were opened with the following counterparties:	
Bank of America	349
Barclays	51,679
Citigroup	1,853
Deutsche Bank	56,780
Goldman Sachs	61
JPMorgan	(37,030)
Morgan Stanley	(22,661)
	51,031

Franklin K2 Long Short Credit Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for share class hedging:					
EUR	30,952,497	USD	35,320,567	15-Jan-19	179,677
GBP	812,625	USD	1,030,651	15-Jan-19	5,754
USD	1,300,730	EUR	1,135,942	15-Jan-19	(2,112)
					183,319
Forward foreign exchange contracts used for efficient portfolio management:					
BRL	1,811,014	USD	467,829	03-Jan-19	(561)
USD	469,700	BRL	1,811,014	03-Jan-19	2,432
CAD	410,000	USD	302,309	31-Jan-19	(1,753)
USD	317,366	CAD	410,000	31-Jan-19	16,811
USD	297,395	EUR	250,000	31-Jan-19	10,246
BRL	1,763,656	USD	456,775	04-Feb-19	(2,630)
CNH	2,645,233	USD	384,016	20-Mar-19	1,041
COP	1,224,740,079	USD	387,000	20-Mar-19	(11,243)
RUB	4,493,968	USD	66,694	20-Mar-19	(2,847)
TRY	1,879,885	EUR	290,309	20-Mar-19	6,320
USD	384,896	CNH	2,645,234	20-Mar-19	(161)
USD	187,745	EUR	164,739	20-Mar-19	(2,222)
USD	315,683	INR	22,405,172	20-Mar-19	(2,586)
USD	1,485,064	ZAR	20,606,641	20-Mar-19	65,886
ZAR	12,843,908	USD	930,394	20-Mar-19	(45,835)
					32,898
					216,217

The above contracts were opened with the following counterparties:	
Bank of America	25,568
Barclays	63,951
BNP Paribas	646
Citigroup	2,175
HSBC	501
JPMorgan	71,251
Morgan Stanley	51,089
UBS	1,036
	216,217

Franklin MENA Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for share class hedging:					
EUR	9,633,731	USD	10,982,706	15-Jan-19	70,320
USD	682,332	EUR	597,844	15-Jan-19	(3,591)
					66,729

Notes to the Financial Statements At December 31, 2018 (continued)

Note 5 — Forward foreign exchange contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin MENA Fund (continued)

	Unrealised profit/(loss) USD
The above contracts were opened with the following counterparties:	
Bank of America	7,377
Barclays	6,544
BNP Paribas	1,940
Citigroup	10,505
Goldman Sachs	8,322
HSBC	6,320
JPMorgan	5,004
Morgan Stanley	3,718
The Bank of New York Mellon	831
Toronto–Dominion Bank	5,538
UBS	10,630
	66,729

Franklin Natural Resources Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for share class hedging:					
EUR	1,945,400	USD	2,220,879	22-Jan-19	12,514
PLN	73,562,805	USD	19,562,122	22-Jan-19	102,154
USD	213,754	EUR	186,925	22-Jan-19	(844)
USD	1,483,098	PLN	5,575,141	22-Jan-19	(7,207)
					106,617

The above contracts were opened with the following counterparties:	
Bank of America	17,459
Barclays	12,889
BNP Paribas	10,502
Citigroup	11,957
Credit Suisse	5,910
Deutsche Bank	6,667
Goldman Sachs	10,303
HSBC	5,774
JPMorgan	9,469
Morgan Stanley	8,843
The Bank of New York Mellon	427
Toronto–Dominion Bank	369
UBS	6,048
	106,617

Franklin NextStep Balanced Growth Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for share class hedging:					
CNH	3,135,109	USD	454,038	10-Jan-19	2,373
SGD	5,060,712	USD	3,692,684	10-Jan-19	20,928
USD	8,007	CNH	55,263	10-Jan-19	(38)
USD	162,086	SGD	221,967	10-Jan-19	(797)
					22,466
Forward foreign exchange contracts used for efficient portfolio management:					
USD	10,859,641	EUR	9,504,000	13-Feb-19	(71,015)
					(48,549)

The above contracts were opened with the following counterparties:	
Bank of America	(68,593)
Barclays	935
BNP Paribas	409
Citigroup	4,074
Goldman Sachs	2,229
HSBC	1,995
JPMorgan	3,955
Morgan Stanley	4,348
Toronto–Dominion Bank	529
UBS	1,570
	(48,549)

Notes to the Financial Statements At December 31, 2018 (continued)

Note 5 — Forward foreign exchange contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin NextStep Conservative Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for share class hedging:					
EUR	4,458,819	USD	5,084,317	22-Jan-19	34,580
GBP	2,161,374	USD	2,741,150	22-Jan-19	18,336
PLN	63,919,252	USD	16,997,529	22-Jan-19	88,900
USD	100,454	EUR	87,796	22-Jan-19	(340)
					141,476
Forward foreign exchange contracts used for efficient portfolio management:					
USD	2,975,432	EUR	2,604,000	13-Feb-19	(19,457)
					122,019

The above contracts were opened with the following counterparties:	
Bank of America	10,130
Barclays	659
BNP Paribas	4,196
Citigroup	21,843
Deutsche Bank	2,025
Goldman Sachs	7,898
HSBC	3,289
JPMorgan	37,309
Morgan Stanley	33,889
Toronto–Dominion Bank	346
UBS	435
	122,019

Franklin NextStep Dynamic Growth Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for share class hedging:					
CNH	590,506	USD	85,822	15-Jan-19	143
SGD	2,489,745	USD	1,817,541	15-Jan-19	9,667
USD	2,000	CNH	13,825	15-Jan-19	(12)
USD	45,019	SGD	61,687	15-Jan-19	(253)
					9,545
Forward foreign exchange contracts used for efficient portfolio management:					
USD	1,947,057	EUR	1,704,000	13-Feb-19	(12,732)
					(3,187)

The above contracts were opened with the following counterparties:	
Bank of America	(11,413)
Barclays	373
BNP Paribas	802
Citigroup	865
Deutsche Bank	34
Goldman Sachs	697
HSBC	1,170
JPMorgan	1,743
Morgan Stanley	1,332
Toronto–Dominion Bank	191
UBS	1,019
	(3,187)

Franklin NextStep Growth Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for share class hedging:					
EUR	102,449	USD	116,864	22-Jan-19	752
GBP	2,637,551	USD	3,345,629	22-Jan-19	21,805
PLN	7,499,459	USD	1,994,403	22-Jan-19	10,298
USD	6,016	EUR	5,263	22-Jan-19	(27)
USD	155,128	GBP	122,291	22-Jan-19	(1,003)
USD	101,196	PLN	379,920	22-Jan-19	(362)
					31,463

Notes to the Financial Statements At December 31, 2018 (continued)

Note 5 — Forward foreign exchange contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin NextStep Growth Fund (continued)

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for efficient portfolio management:					
USD	1,640,830	EUR	1,436,000	13-Feb-19	(10,730)
					20,733

The above contracts were opened with the following counterparties:	
Bank of America	(6,235)
Barclays	509
BNP Paribas	2,586
Citigroup	3,634
Credit Suisse	82
Deutsche Bank	747
Goldman Sachs	1,918
HSBC	392
JPMorgan	12,319
Morgan Stanley	4,466
UBS	315
	20,733

Franklin NextStep Moderate Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for share class hedging:					
EUR	4,056,272	USD	4,626,774	15-Jan-19	27,088
GBP	3,327,608	USD	4,219,697	15-Jan-19	27,187
PLN	107,663,375	USD	28,553,130	15-Jan-19	222,712
USD	99,166	EUR	86,705	15-Jan-19	(313)
USD	203,236	GBP	160,248	15-Jan-19	(1,281)
USD	1,298,724	PLN	4,883,274	15-Jan-19	(6,459)
					268,934
Forward foreign exchange contracts used for efficient portfolio management:					
USD	4,761,377	EUR	4,167,000	13-Feb-19	(31,136)
					237,798

The above contracts were opened with the following counterparties:	
Bank of America	13,149
Barclays	11,480
BNP Paribas	12,389
Citigroup	35,045
Deutsche Bank	2,695
Goldman Sachs	12,905
HSBC	9,878
JPMorgan	69,159
Morgan Stanley	66,486
Toronto–Dominion Bank	3,459
UBS	1,153
	237,798

Franklin NextStep Stable Growth Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for share class hedging:					
SGD	2,789,166	USD	2,035,199	10-Jan-19	11,525
Forward foreign exchange contracts used for efficient portfolio management:					
USD	1,565,416	EUR	1,370,000	13-Feb-19	(10,237)
					1,288

Notes to the Financial Statements At December 31, 2018 (continued)

Note 5 — Forward foreign exchange contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin NextStep Stable Growth Fund (continued)

	Unrealised profit/(loss) USD
The above contracts were opened with the following counterparties:	
Bank of America	(7,696)
BNP Paribas	211
Citigroup	1,639
Credit Suisse	80
Goldman Sachs	1,295
HSBC	545
JPMorgan	1,953
Morgan Stanley	3,193
UBS	68
	1,288

Franklin Select U.S. Equity Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for share class hedging:					
EUR	15,771,376	USD	18,002,286	22-Jan-19	103,866
USD	10,371,699	EUR	9,076,762	22-Jan-19	(48,777)
					55,089

The above contracts were opened with the following counterparties:	
Bank of America	26,381
Barclays	7,210
BNP Paribas	13,628
Citigroup	4,360
Credit Suisse	9,181
Deutsche Bank	819
Goldman Sachs	13,942
HSBC	10,287
JPMorgan	5,031
Morgan Stanley	(40,843)
The Bank of New York Mellon	115
UBS	4,978
	55,089

Franklin Strategic Income Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for share class hedging:					
AUD	1,360,603	USD	979,648	22-Jan-19	(20,576)
EUR	207,694,700	USD	237,114,581	22-Jan-19	1,326,974
SGD	135,243	USD	98,701	22-Jan-19	568
USD	22,027	AUD	31,023	22-Jan-19	160
USD	7,411,693	EUR	6,491,146	22-Jan-19	(40,393)
USD	2,001	SGD	2,746	22-Jan-19	(14)
					1,266,719
Forward foreign exchange contracts used for efficient portfolio management:					
USD	2,369,351	AUD	3,300,000	14-Jan-19	43,626
USD	900,047	BRL	3,800,000	18-Jan-19	(79,374)
INR	302,425,000	USD	4,042,654	04-Feb-19	291,116
USD	4,535,953	AUD	6,300,000	04-Feb-19	94,062
USD	2,743,211	BRL	11,000,000	04-Feb-19	(91,476)
USD	5,466,808	CAD	6,995,000	04-Feb-19	337,259
MXN	160,000,000	USD	7,862,574	05-Feb-19	231,868
USD	4,800,392	MXN	92,000,000	05-Feb-19	146,088
USD	2,723,359	KRW	3,100,000,000	07-Feb-19	(63,424)
USD	2,769,436	IDR	41,500,000,000	08-Feb-19	(96,942)
NOK	22,690,000	USD	2,793,473	19-Feb-19	(163,590)
EUR	1,025,000	USD	1,210,427	14-Mar-19	(28,709)
GBP	9,087,000	USD	11,905,465	14-Mar-19	(275,853)
SEK	24,400,000	USD	2,730,366	14-Mar-19	39,955
USD	1,783,622	CHF	1,700,000	14-Mar-19	40,828
USD	8,751,079	EUR	7,381,679	14-Mar-19	240,763
USD	12,007,115	GBP	9,087,000	14-Mar-19	377,503
USD	2,584,053	CNH	18,100,000	11-Apr-19	(50,366)

Notes to the Financial Statements At December 31, 2018 (continued)

Note 5 — Forward foreign exchange contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin Strategic Income Fund (continued)

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
USD	1,817,026	PHP	100,000,000	11-Apr-19	(76,613)
USD	4,292,863	BRL	16,300,000	12-Apr-19	115,304
					1,032,025
					2,298,744

The above contracts were opened with the following counterparties:	
Bank of America	215,913
Barclays	53,889
BNP Paribas	53,046
Citigroup	174,802
Credit Suisse	61,227
Deutsche Bank	354,102
Goldman Sachs	131,888
HSBC	162,628
JPMorgan	881,071
Morgan Stanley	116,701
The Bank of New York Mellon	6,996
UBS	86,481
	2,298,744

Franklin Technology Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for share class hedging:					
EUR	23,518,604	USD	26,816,022	15-Jan-19	167,469
USD	4,051,127	EUR	3,545,270	15-Jan-19	(16,451)
EUR	1,234,018	USD	1,408,987	22-Jan-19	7,715
SGD	14,893,482	USD	10,870,993	22-Jan-19	60,944
USD	118,338	EUR	103,519	22-Jan-19	(507)
USD	869,408	SGD	1,191,494	22-Jan-19	(5,158)
					214,012

The above contracts were opened with the following counterparties:	
Bank of America	28,846
Barclays	27,954
BNP Paribas	29,089
Citigroup	33,545
Deutsche Bank	41
Goldman Sachs	24,881
HSBC	8,112
JPMorgan	27,622
Morgan Stanley	21,578
Toronto–Dominion Bank	4,517
UBS	7,827
	214,012

Franklin U.S. Government Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for share class hedging:					
EUR	5,056,122	USD	5,750,129	10-Jan-19	48,314
JPY	27,327,044	USD	243,126	10-Jan-19	6,413
					54,727

Notes to the Financial Statements At December 31, 2018 (continued)

Note 5 — Forward foreign exchange contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin U.S. Government Fund (continued)

	Unrealised profit/(loss) USD
The above contracts were opened with the following counterparties:	
Bank of America	5,303
Barclays	8,185
BNP Paribas	10,837
Citigroup	1,704
Credit Suisse	10,600
HSBC	362
JPMorgan	9,720
Morgan Stanley	189
UBS	7,827
	54,727

Franklin U.S. Low Duration Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for share class hedging:					
EUR	129,339,497	USD	147,142,272	10-Jan-19	1,186,394
USD	10,270,711	EUR	9,012,244	10-Jan-19	(64,680)
					1,121,714
Forward foreign exchange contracts used for efficient portfolio management:					
INR	85,335,000	USD	1,140,995	04-Feb-19	81,862
MXN	29,600,000	USD	1,485,766	05-Feb-19	11,706
EUR	3,600,000	USD	4,391,244	28-Feb-19	(245,988)
USD	11,404,630	EUR	10,300,000	28-Feb-19	(455,408)
EUR	5,500,000	USD	6,271,485	14-Mar-19	69,448
PLN	3,210,000	USD	875,661	14-Mar-19	(16,498)
SEK	11,920,000	USD	1,354,798	14-Mar-19	(1,428)
USD	781,962	CAD	1,000,000	14-Mar-19	48,075
USD	14,739,081	EUR	12,433,718	14-Mar-19	404,286
USD	859,924	SEK	7,460,000	14-Mar-19	12,933
USD	765,499	AUD	1,080,000	11-Apr-19	3,289
USD	760,939	CNH	5,330,000	11-Apr-19	(14,831)
USD	764,641	KRW	865,000,000	11-Apr-19	(14,968)
USD	285,273	PHP	15,700,000	11-Apr-19	(12,028)
USD	1,961,850	EUR	1,650,000	03-Jul-19	41,008
					(88,542)
					1,033,172

The above contracts were opened with the following counterparties:	
Bank of America	172,752
BNP Paribas	74,085
Citigroup	172,123
Deutsche Bank	264,567
Goldman Sachs	161,499
HSBC	58,320
JPMorgan	(108,942)
Morgan Stanley	188,780
UBS	49,988
	1,033,172

Franklin U.S. Opportunities Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for share class hedging:					
CHF	3,669,589	USD	3,716,043	22-Jan-19	27,966
CNH	8,905,162	USD	1,291,539	22-Jan-19	4,823
EUR	227,913,930	USD	260,083,319	22-Jan-19	1,570,697
NOK	42,274,388	USD	4,873,764	22-Jan-19	20,031
PLN	154,843,797	USD	41,171,691	22-Jan-19	220,029
SEK	63,117,193	USD	7,009,162	22-Jan-19	128,460
SGD	49,226,392	USD	35,932,376	22-Jan-19	200,198
USD	390,155	CHF	385,575	22-Jan-19	(3,239)
USD	170,902	CNH	1,180,508	22-Jan-19	(950)
USD	36,569,224	EUR	31,989,200	22-Jan-19	(155,620)
USD	513,352	NOK	4,467,259	22-Jan-19	(3,790)
USD	5,307,545	PLN	19,927,575	22-Jan-19	(19,350)

Notes to the Financial Statements At December 31, 2018 (continued)

Note 5 — Forward foreign exchange contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin U.S. Opportunities Fund (continued)

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
USD	1,062,167	SEK	9,587,675	22-Jan-19	(22,058)
USD	3,158,377	SGD	4,327,916	22-Jan-19	(18,349)
					1,948,848

The above contracts were opened with the following counterparties:	
Bank of America	489,266
Barclays	212,980
BNP Paribas	180,276
Citigroup	202,013
Credit Suisse	24,480
Deutsche Bank	28,759
Goldman Sachs	134,085
HSBC	101,962
JPMorgan	202,049
Morgan Stanley	165,437
The Bank of New York Mellon	25,029
Toronto–Dominion Bank	43,922
UBS	138,590
	1,948,848

Franklin Mutual European Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) EUR
Forward foreign exchange contracts used for share class hedging:					
CZK	361,405,865	EUR	14,022,212	21-Jan-19	8,293
EUR	638,744	CZK	16,535,047	21-Jan-19	(3,181)
CNH	761,592	EUR	96,693	22-Jan-19	(120)
EUR	3,984	CNH	31,397	22-Jan-19	3
EUR	2,701,585	USD	3,089,311	22-Jan-19	10,642
USD	41,603,172	EUR	36,466,825	22-Jan-19	(228,400)
					(212,763)

The above contracts were opened with the following counterparties:	
Bank of America	(63,516)
Barclays	(25,214)
BNP Paribas	(16,671)
Citigroup	(28,366)
Credit Suisse	(4,485)
Deutsche Bank	(4,205)
Goldman Sachs	(18,201)
HSBC	(10,096)
JPMorgan	(15,939)
Morgan Stanley	(12,942)
The Bank of New York Mellon	(3,013)
Toronto–Dominion Bank	143
UBS	(10,258)
	(212,763)

Franklin Mutual Global Discovery Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for share class hedging:					
EUR	8,020,697	GBP	7,246,700	25-Jan-19	(42,995)
EUR	73,433,168	USD	84,182,910	25-Jan-19	143,676
USD	4,937,235	EUR	4,319,897	25-Jan-19	(23,496)
					77,185

Notes to the Financial Statements At December 31, 2018 (continued)

Note 5 — Forward foreign exchange contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin Mutual Global Discovery Fund (continued)

	Unrealised profit/(loss) USD
The above contracts were opened with the following counterparties:	
Bank of America	93,049
Barclays	(955)
BNP Paribas	(1,089)
Citigroup	(3)
Goldman Sachs	(718)
JPMorgan	(7,596)
Morgan Stanley	(5,081)
Toronto–Dominion Bank	(422)
	77,185

Franklin Mutual U.S. Value Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for share class hedging:					
EUR	6,348,251	USD	7,237,086	15-Jan-19	46,425
USD	808,052	EUR	708,237	15-Jan-19	(4,527)
					41,898

The above contracts were opened with the following counterparties:	
Bank of America	2,913
Barclays	3,626
BNP Paribas	5,036
Citigroup	5,524
Goldman Sachs	2,006
HSBC	4,094
JPMorgan	3,693
Morgan Stanley	3,339
The Bank of New York Mellon	2,699
Toronto–Dominion Bank	3,112
UBS	5,856
	41,898

Templeton Africa Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for share class hedging:					
EUR	19,849,571	USD	22,576,329	10-Jan-19	187,489
USD	2,083,598	EUR	1,826,433	10-Jan-19	(10,988)
					176,501

The above contracts were opened with the following counterparties:	
Bank of America	20,640
Barclays	21,619
BNP Paribas	14,330
Citigroup	17,968
Credit Suisse	8,404
Goldman Sachs	16,948
HSBC	18,925
JPMorgan	19,250
Morgan Stanley	14,231
The Bank of New York Mellon	2,523
Toronto–Dominion Bank	2,364
UBS	19,299
	176,501

Notes to the Financial Statements At December 31, 2018 (continued)

Note 5 — Forward foreign exchange contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Templeton Asian Bond Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for share class hedging:					
AUD	896,346	USD	645,420	22-Jan-19	(13,594)
CHF	23,177,293	USD	23,471,936	22-Jan-19	175,406
EUR	24,924,228	USD	28,459,856	22-Jan-19	154,122
SGD	53,967,062	USD	39,392,421	22-Jan-19	219,843
USD	2,597,294	EUR	2,273,601	22-Jan-19	(12,888)
USD	4,051,940	SGD	5,533,463	22-Jan-19	(9,667)
					513,222
Forward foreign exchange contracts used for efficient portfolio management:					
USD	11,134,465	JPY	1,261,830,000	07-Jan-19	(385,191)
JPY	1,106,500,000	USD	9,788,657	09-Jan-19	314,599
USD	9,797,845	JPY	1,106,500,000	09-Jan-19	(305,411)
USD	6,674,496	KRW	7,388,000,000	10-Jan-19	38,916
USD	5,140,770	AUD	7,277,750	11-Jan-19	12,001
USD	2,282,819	JPY	256,041,000	11-Jan-19	(55,430)
USD	10,338,917	AUD	14,555,500	14-Jan-19	80,710
USD	4,597,687	AUD	6,463,735	15-Jan-19	42,173
USD	2,446,490	JPY	273,980,000	15-Jan-19	(56,404)
USD	9,806,100	JPY	1,061,020,000	22-Jan-19	107,772
JPY	894,200,000	USD	7,920,014	24-Jan-19	254,826
USD	39,722,200	AUD	56,000,000	24-Jan-19	246,750
USD	10,808,147	JPY	1,169,030,000	24-Jan-19	120,791
USD	1,139,179	KRW	1,292,000,000	30-Jan-19	(21,903)
JPY	938,000,000	USD	8,312,434	31-Jan-19	267,681
USD	14,916,308	JPY	1,641,689,000	31-Jan-19	(100,622)
USD	9,908,989	JPY	1,065,900,000	06-Feb-19	154,680
USD	9,743,421	AUD	13,741,485	13-Feb-19	53,554
USD	3,908,772	JPY	438,859,333	13-Feb-19	(109,384)
USD	2,031,029	JPY	215,172,335	14-Feb-19	60,788
USD	2,200,579	JPY	241,579,600	19-Feb-19	(12,269)
USD	50,819,526	INR	3,674,000,000	20-Feb-19	(1,724,738)
USD	7,685,935	JPY	836,866,000	21-Feb-19	19,197
USD	5,509,813	JPY	621,511,000	28-Feb-19	(186,912)
USD	3,297,660	JPY	371,267,000	04-Mar-19	(106,568)
USD	4,686,420	AUD	6,486,529	13-Mar-19	110,545
USD	919,853	JPY	103,265,000	13-Mar-19	(27,819)
USD	50,660,108	INR	3,674,000,000	18-Mar-19	(1,715,368)
USD	3,088,078	JPY	347,994,000	18-Mar-19	(107,017)
USD	987,161	JPY	110,640,000	19-Mar-19	(28,774)
USD	795,461	JPY	88,652,500	22-Mar-19	(18,810)
USD	2,515,989	JPY	279,154,000	25-Mar-19	(48,767)
USD	4,343,704	JPY	482,629,000	26-Mar-19	(90,923)
USD	10,018,497	JPY	1,108,872,332	15-Apr-19	(188,045)
USD	7,910,694	JPY	870,560,000	17-Apr-19	(103,662)
USD	24,248,988	JPY	2,693,383,600	24-Apr-19	(560,808)
USD	369,993	KRW	415,335,782	29-Apr-19	(4,629)
USD	3,999,041	JPY	442,210,000	30-Apr-19	(76,378)
USD	2,184,556	JPY	242,566,519	07-May-19	(52,258)
USD	11,337,506	KRW	12,770,000,000	16-May-19	(189,036)
USD	2,904,508	JPY	322,990,000	21-May-19	(77,434)
USD	9,850,045	KRW	10,904,000,000	07-Jun-19	(1,434)
USD	19,624,865	KRW	21,815,000,000	10-Jun-19	(86,940)
					(4,557,951)
					(4,044,729)

The above contracts were opened with the following counterparties:	
Bank of America	(21,157)
Barclays	459,894
BNP Paribas	(1,717,887)
Citigroup	(767,781)
Credit Suisse	26,295
Deutsche Bank	(431,869)
Goldman Sachs	(49,696)
HSBC	(1,911,403)
JPMorgan	425,324
Morgan Stanley	235,344
Standard Chartered	(338,455)
The Bank of New York Mellon	8,265
Toronto–Dominion Bank	(376)
UBS	38,773
	(4,044,729)

Notes to the Financial Statements At December 31, 2018 (continued)

Note 5 — Forward foreign exchange contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Templeton Asian Growth Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for share class hedging:					
CHF	9,293,562	USD	9,395,414	15-Jan-19	80,236
CNH	15,407,385	USD	2,239,545	15-Jan-19	3,433
CZK	178,401,931	USD	7,879,071	15-Jan-19	70,041
EUR	124,346,361	USD	141,744,184	15-Jan-19	921,554
PLN	42,973,559	USD	11,389,964	15-Jan-19	95,842
SGD	660,688	USD	482,350	15-Jan-19	2,524
USD	435,963	CHF	432,105	15-Jan-19	(4,609)
USD	47,014	CNH	324,006	15-Jan-19	(154)
USD	399,441	CZK	9,018,745	15-Jan-19	(2,409)
USD	13,278,689	EUR	11,649,993	15-Jan-19	(87,643)
USD	281,847	PLN	1,053,453	15-Jan-19	284
USD	16,011	SGD	21,993	15-Jan-19	(129)
EUR	6,342,140	HKD	57,074,800	25-Jan-19	(11,486)
EUR	3,435,091	IDR	57,197,698,100	25-Jan-19	(14,107)
EUR	3,580,376	INR	289,545,000	25-Jan-19	(41,960)
EUR	3,518,561	KRW	4,536,656,000	25-Jan-19	(35,855)
EUR	3,168,878	THB	119,133,600	25-Jan-19	(47,195)
EUR	2,570,427	TWD	90,483,800	25-Jan-19	(15,360)
EUR	3,593,445	USD	4,132,200	25-Jan-19	(5,687)
KRW	109,579,900	EUR	85,656	25-Jan-19	99
THB	5,669,000	EUR	152,195	25-Jan-19	635
USD	188,500	EUR	164,653	25-Jan-19	(579)
					907,475

The above contracts were opened with the following counterparties:	
Bank of America	3,869
Barclays	90,551
BNP Paribas	89,621
Citigroup	55,123
Deutsche Bank	10,482
Goldman Sachs	107,619
HSBC	96,380
JPMorgan	56,986
Morgan Stanley	88,281
The Bank of New York Mellon	116,076
Toronto–Dominion Bank	88,070
UBS	104,417
	907,475

Templeton Asian Smaller Companies Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for share class hedging:					
EUR	98,543	USD	112,327	15-Jan-19	733
USD	2,004	EUR	1,752	15-Jan-19	(6)
					727

The above contracts were opened with the following counterparties:	
Bank of America	22
Barclays	21
BNP Paribas	13
Citigroup	166
Credit Suisse	93
JPMorgan	145
Morgan Stanley	267
	727

Templeton BRIC Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for share class hedging:					
EUR	12,941,265	USD	14,718,246	10-Jan-19	123,011
USD	1,167,722	EUR	1,022,659	10-Jan-19	(5,081)
					117,930

Notes to the Financial Statements At December 31, 2018 (continued)

Note 5 — Forward foreign exchange contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Templeton BRIC Fund (continued)

	Unrealised profit/(loss) USD
The above contracts were opened with the following counterparties:	
Bank of America	13,507
Barclays	17,682
BNP Paribas	10,461
Citigroup	14,140
Credit Suisse	394
Goldman Sachs	5,914
HSBC	14,507
JPMorgan	13,438
Morgan Stanley	12,759
The Bank of New York Mellon	693
UBS	14,435
	117,930

Templeton Emerging Markets Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for share class hedging:					
EUR	9,941,039	USD	11,334,181	15-Jan-19	71,425
USD	264,988	EUR	231,764	15-Jan-19	(920)
					70,505

The above contracts were opened with the following counterparties:	
Bank of America	8,140
Barclays	8,673
BNP Paribas	10,142
Citigroup	13,676
Credit Suisse	1,197
Goldman Sachs	2,664
HSBC	1,730
JPMorgan	7,804
Morgan Stanley	7,950
The Bank of New York Mellon	1,297
Toronto–Dominion Bank	1,737
UBS	5,495
	70,505

Templeton Emerging Markets Balanced Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for share class hedging:					
EUR	28,090,807	USD	32,043,225	22-Jan-19	206,104
SGD	127,866	USD	93,367	22-Jan-19	487
					206,591
Forward foreign exchange contracts used for efficient portfolio management:					
USD	438,364	EUR	382,895	07-Jan-19	(629)
USD	83,528	AUD	118,250	11-Jan-19	195
USD	400,133	AUD	562,500	14-Jan-19	3,702
USD	587,467	EUR	505,000	14-Jan-19	8,119
USD	74,599	AUD	104,877	15-Jan-19	684
USD	345,470	EUR	296,098	15-Jan-19	5,750
USD	378,077	JPY	42,255,000	15-Jan-19	(7,936)
USD	1,080,810	EUR	932,497	22-Jan-19	10,266
USD	168,997	EUR	146,230	23-Jan-19	1,105
USD	489,434	AUD	690,000	24-Jan-19	3,040
USD	873,256	EUR	754,460	24-Jan-19	6,953
USD	217,143	EUR	187,942	25-Jan-19	1,322
USD	47,084	EUR	40,957	28-Jan-19	39
USD	1,718,251	JPY	191,963,000	28-Jan-19	(37,265)
USD	46,851	EUR	40,957	30-Jan-19	(202)
USD	75,785	EUR	66,000	31-Jan-19	(45)
USD	24,139	EUR	21,100	01-Feb-19	(106)
USD	4,834	EUR	4,209	05-Feb-19	(4)
USD	158,209	AUD	223,127	13-Feb-19	869
USD	4,868	EUR	4,283	15-Feb-19	(58)
USD	114,583	EUR	100,689	19-Feb-19	(1,275)
USD	121,807	EUR	105,875	20-Feb-19	(28)
USD	272,314	EUR	236,208	21-Feb-19	479

Notes to the Financial Statements At December 31, 2018 (continued)

Note 5 — Forward foreign exchange contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Templeton Emerging Markets Balanced Fund (continued)

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
USD	909,271	AUD	1,255,000	28-Feb-19	24,110
USD	2,502,858	EUR	2,201,000	28-Feb-19	(31,505)
USD	685,877	JPY	77,500,000	28-Feb-19	(24,482)
USD	1,124,265	EUR	980,500	04-Mar-19	(5,134)
USD	983,854	JPY	110,600,000	04-Mar-19	(30,261)
USD	119,694	EUR	104,395	06-Mar-19	(577)
USD	325,130	EUR	282,775	12-Mar-19	(821)
USD	76,039	AUD	105,247	13-Mar-19	1,794
USD	4,816	EUR	4,209	14-Mar-19	(36)
USD	737,521	AUD	1,030,000	18-Mar-19	10,862
USD	822,737	EUR	719,446	18-Mar-19	(7,009)
USD	161,493	JPY	18,100,000	19-Mar-19	(4,707)
MXN	35,000,000	USD	1,810,657	20-Mar-19	(51,521)
USD	5,127	EUR	4,451	21-Mar-19	(8)
USD	323,892	JPY	36,000,000	25-Mar-19	(6,861)
USD	37,730	EUR	33,000	28-Mar-19	(364)
USD	1,739,426	JPY	191,963,000	30-Apr-19	(29,711)
MXN	37,950,000	USD	1,824,519	03-Jun-19	58,344
MXN	13,700,000	USD	661,836	20-Jun-19	15,890
					(87,022)
					119,569

The above contracts were opened with the following counterparties:	
Bank of America	14,658
Barclays	(24,352)
BNP Paribas	24,981
Citigroup	(20,736)
Credit Suisse	2,643
Deutsche Bank	37,771
Goldman Sachs	7,891
HSBC	63,518
JPMorgan	36,063
Morgan Stanley	25,527
The Bank of New York Mellon	1,411
Toronto–Dominion Bank	10
UBS	(49,816)
	119,569

Templeton Emerging Markets Bond Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for share class hedging:					
AUD	488,622,842	USD	353,214,038	15-Jan-19	(8,842,229)
CHF	5,732,644	USD	5,796,451	15-Jan-19	48,509
EUR	404,619,834	USD	461,456,521	15-Jan-19	2,774,107
GBP	45,592,083	USD	57,812,337	15-Jan-19	374,862
NOK	6,322,679	USD	739,019	15-Jan-19	(7,340)
PLN	117,912,624	USD	31,265,684	15-Jan-19	249,539
SEK	1,580,642,727	USD	175,009,713	15-Jan-19	3,629,525
SGD	40,931,005	USD	29,880,358	15-Jan-19	158,650
USD	1,621,812	EUR	1,423,221	15-Jan-19	(11,086)
USD	824,066	SEK	7,452,910	15-Jan-19	(18,238)
ZAR	380,974,102	USD	26,422,860	15-Jan-19	41,486
					(1,602,215)
Forward foreign exchange contracts used for efficient portfolio management:					
MXN	1,456,169,725	USD	76,048,137	02-Jan-19	(1,969,712)
USD	73,354,242	MXN	1,456,169,725	02-Jan-19	(724,183)
USD	5,248,403	EUR	4,512,000	04-Jan-19	76,720
USD	40,228,455	JPY	4,558,950,000	07-Jan-19	(1,391,684)
USD	42,435,600	AUD	60,000,000	09-Jan-19	154,306
USD	351,543	EUR	302,390	09-Jan-19	4,788
USD	25,401,733	JPY	2,875,400,000	09-Jan-19	(853,036)
INR	626,076,000	USD	8,401,449	11-Jan-19	589,719
USD	18,665,598	AUD	26,424,750	11-Jan-19	43,576
USD	51,585,054	JPY	5,735,500,000	11-Jan-19	(793,376)
INR	198,261,604	USD	2,652,152	14-Jan-19	194,417
USD	141,221,288	AUD	198,449,500	14-Jan-19	1,361,017
USD	179,148,200	EUR	154,000,000	14-Jan-19	2,475,767
INR	198,243,396	USD	2,633,764	15-Jan-19	212,312
USD	16,694,147	AUD	23,469,746	15-Jan-19	153,130
USD	69,476,439	EUR	59,575,251	15-Jan-19	1,124,238

Notes to the Financial Statements At December 31, 2018 (continued)

Note 5 — Forward foreign exchange contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Templeton Emerging Markets Bond Fund (continued)

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
USD	115,572,979	JPY	12,919,850,000	15-Jan-19	(2,453,975)
INR	91,436,000	USD	1,211,073	16-Jan-19	101,519
USD	7,599,952	EUR	6,529,000	16-Jan-19	108,399
USD	13,060,790	JPY	1,448,200,000	17-Jan-19	(171,151)
INR	852,902,083	USD	12,164,765	18-Jan-19	76,911
USD	107,644,394	EUR	92,871,626	22-Jan-19	1,024,172
USD	55,043,881	JPY	5,982,831,528	22-Jan-19	357,390
USD	25,413,710	EUR	21,991,469	23-Jan-19	164,409
INR	2,324,952,000	USD	31,237,342	24-Jan-19	2,116,345
USD	15,534,217	AUD	21,900,000	24-Jan-19	96,497
USD	195,690,694	EUR	169,030,380	24-Jan-19	1,602,803
USD	14,057,668	JPY	1,524,540,000	24-Jan-19	120,214
INR	1,604,076,666	USD	21,450,611	25-Jan-19	1,559,550
USD	53,461,636	EUR	46,271,918	25-Jan-19	325,526
USD	2,923,644	EUR	2,543,183	28-Jan-19	2,414
INR	2,550,742,500	USD	34,351,121	30-Jan-19	2,223,908
USD	3,535,090	EUR	3,090,402	30-Jan-19	(15,334)
USD	71,844,349	EUR	62,594,027	31-Jan-19	(72,719)
BRL	164,000,000	USD	43,831,516	01-Feb-19	(1,558,463)
USD	7,809,516	EUR	6,811,587	01-Feb-19	(17,230)
USD	106,686,686	JPY	11,940,160,000	01-Feb-19	(2,540,826)
INR	487,121,000	USD	6,502,229	04-Feb-19	478,249
MXN	3,523,499,581	USD	182,515,626	05-Feb-19	(4,260,859)
USD	3,594,540	EUR	3,129,797	05-Feb-19	(2,826)
USD	56,091,231	JPY	5,984,710,000	12-Feb-19	1,299,763
USD	35,377,767	AUD	49,894,496	13-Feb-19	194,452
USD	160,229,660	EUR	140,984,706	15-Feb-19	(1,943,739)
USD	140,160,575	JPY	15,833,800,000	15-Feb-19	(4,833,389)
USD	109,651,157	EUR	96,282,273	19-Feb-19	(1,136,062)
USD	274,021,897	JPY	30,810,200,000	19-Feb-19	(8,196,879)
USD	24,263,738	EUR	21,090,100	20-Feb-19	(5,486)
USD	94,898,799	EUR	82,293,469	21-Feb-19	193,002
MXN	2,651,921,750	USD	135,136,657	22-Feb-19	(1,293,711)
USD	145,438,189	AUD	200,826,000	28-Feb-19	3,794,053
USD	58,452,991	EUR	51,239,524	28-Feb-19	(547,269)
USD	235,360,227	EUR	204,961,888	04-Mar-19	(727,278)
USD	12,634,490	EUR	11,051,380	05-Mar-19	(96,302)
USD	51,678,091	EUR	45,020,390	06-Mar-19	(188,442)
USD	43,430,400	AUD	60,000,000	11-Mar-19	1,105,082
USD	14,019,752	EUR	12,200,000	11-Mar-19	(41,794)
USD	53,433,429	JPY	5,971,720,000	11-Mar-19	(1,359,118)
USD	39,706,522	EUR	34,533,866	12-Mar-19	(100,302)
INR	146,040,000	USD	1,999,179	13-Mar-19	84,012
MXN	1,148,193,277	USD	57,711,205	13-Mar-19	65,660
USD	17,016,334	AUD	23,552,509	13-Mar-19	401,387
USD	3,581,614	EUR	3,129,797	14-Mar-19	(26,719)
USD	21,632,750	AUD	29,870,000	18-Mar-19	559,621
USD	36,220,623	EUR	31,673,355	18-Mar-19	(308,634)
INR	140,242,000	USD	1,921,781	20-Mar-19	76,974
USD	17,094,427	JPY	1,892,096,627	20-Mar-19	(281,111)
USD	17,616,586	EUR	15,294,167	21-Mar-19	(27,123)
USD	17,036,007	JPY	1,888,117,650	25-Mar-19	(311,270)
MXN	2,827,620,211	USD	144,746,364	27-Mar-19	(2,793,068)
USD	10,199,669	EUR	8,920,980	28-Mar-19	(98,273)
MXN	3,069,863,163	USD	155,167,100	29-Mar-19	(1,103,985)
USD	12,894,023	JPY	1,428,200,000	15-Apr-19	(251,750)
USD	39,570,826	JPY	4,354,710,000	17-Apr-19	(518,538)
MXN	2,952,525,000	USD	145,674,216	30-Apr-19	1,678,695
MXN	945,957,180	USD	44,773,739	15-May-19	2,313,815
USD	8,411,334	JPY	942,561,528	20-May-19	(289,949)
MXN	1,314,359,940	USD	62,404,031	31-May-19	2,840,837
MXN	2,430,000,000	USD	117,391,304	20-Jun-19	2,818,454
					(9,131,462)
					(10,733,677)

Notes to the Financial Statements At December 31, 2018 (continued)

Note 5 — Forward foreign exchange contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Templeton Emerging Markets Bond Fund (continued)

	Unrealised profit/(loss) USD
The above contracts were opened with the following counterparties:	
Bank of America	4,082,682
Barclays	(2,474,751)
BNP Paribas	1,226,635
Citigroup	(7,890,815)
Credit Suisse	816
Deutsche Bank	5,853,623
Goldman Sachs	1,364,923
HSBC	(4,674,491)
JPMorgan	(7,254,193)
Morgan Stanley	(262,481)
Standard Chartered	(2,232,262)
The Bank of New York Mellon	30,146
Toronto–Dominion Bank	135,479
UBS	1,361,012
	(10,733,677)

Templeton Emerging Markets Local Currency Bond Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for share class hedging:					
EUR	5,599,639	USD	6,389,576	22-Jan-19	39,024
GBP	124,311	USD	157,604	22-Jan-19	1,107
NOK	805,061	USD	92,790	22-Jan-19	406
SEK	1,444,398	USD	160,414	22-Jan-19	2,927
					43,464
Forward foreign exchange contracts used for efficient portfolio management:					
INR	69,500,000	USD	935,775	30-Jan-19	60,784
					104,248

The above contracts were opened with the following counterparties:	
Bank of America	7,777
Barclays	4,175
BNP Paribas	110
Citigroup	4,703
HSBC	60,824
JPMorgan	15,951
Morgan Stanley	10,658
Toronto–Dominion Bank	40
UBS	10
	104,248

Templeton Emerging Markets Smaller Companies Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for share class hedging:					
EUR	4,170,278	USD	4,727,132	10-Jan-19	55,411
USD	621,191	EUR	541,558	10-Jan-19	124
					55,535

The above contracts were opened with the following counterparties:	
Bank of America	181
Barclays	393
BNP Paribas	120
Citigroup	218
JPMorgan	1,357
Morgan Stanley	53,266
	55,535

Notes to the Financial Statements At December 31, 2018 (continued)

Note 5 — Forward foreign exchange contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Templeton Euroland Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) EUR
Forward foreign exchange contracts used for share class hedging:					
EUR	134,666	USD	153,578	10-Jan-19	748
USD	684,308	EUR	601,669	10-Jan-19	(4,966)
					(4,218)

The above contracts were opened with the following counterparties:	
Bank of America	(107)
Barclays	(539)
BNP Paribas	(170)
Citigroup	(1,506)
Credit Suisse	(232)
HSBC	(779)
JPMorgan	(241)
Morgan Stanley	(569)
UBS	(75)
	(4,218)

Templeton Frontier Markets Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for share class hedging:					
EUR	51,487,773	USD	58,701,487	15-Jan-19	371,741
PLN	15,142,549	USD	4,012,496	15-Jan-19	34,746
USD	2,157,012	EUR	1,888,958	15-Jan-19	(10,237)
USD	102,124	PLN	382,908	15-Jan-19	(218)
					396,032

The above contracts were opened with the following counterparties:	
Bank of America	44,437
Barclays	41,141
BNP Paribas	13,811
Citigroup	55,589
Goldman Sachs	51,711
HSBC	25,461
JPMorgan	32,170
Morgan Stanley	36,592
The Bank of New York Mellon	39,333
Toronto–Dominion Bank	39,912
UBS	15,875
	396,032

Templeton Global Balanced Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for share class hedging:					
EUR	18,200,826	USD	20,747,768	15-Jan-19	134,497
GBP	518,278	USD	657,333	15-Jan-19	4,121
USD	885,361	EUR	773,963	15-Jan-19	(2,624)
USD	31,055	GBP	24,467	15-Jan-19	(171)
					135,823
Forward foreign exchange contracts used for efficient portfolio management:					
USD	8,805,884	KRW	9,860,944,739	10-Jan-19	(50,788)
INR	11,162,000	USD	149,785	11-Jan-19	10,514
INR	40,131,843	USD	536,845	14-Jan-19	39,354
INR	40,128,157	USD	533,123	15-Jan-19	42,976
INR	74,078,000	USD	981,166	16-Jan-19	82,247
INR	198,613,000	USD	2,832,776	18-Jan-19	17,910
INR	45,741,000	USD	614,344	24-Jan-19	41,855
USD	7,311,218	KRW	8,254,000,000	24-Jan-19	(105,134)
INR	59,611,000	USD	797,152	25-Jan-19	57,956
INR	41,515,000	USD	559,087	30-Jan-19	36,196
USD	1,911,564	KRW	2,168,000,000	30-Jan-19	(36,754)
INR	62,439,000	USD	833,453	04-Feb-19	61,302
USD	4,314,788	KRW	4,855,000,000	28-Feb-19	(53,398)
INR	47,538,000	USD	650,760	13-Mar-19	27,347
INR	12,768,000	USD	174,964	20-Mar-19	7,008

Notes to the Financial Statements At December 31, 2018 (continued)

Note 5 — Forward foreign exchange contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Templeton Global Balanced Fund (continued)

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
USD	2,841,793	KRW	3,190,055,261	29-Apr-19	(35,550)
USD	5,499,548	KRW	6,088,000,000	07-Jun-19	(800)
					142,241
					278,064

The above contracts were opened with the following counterparties:

Bank of America	12,310
Barclays	12,299
BNP Paribas	4,955
Citigroup	25,763
Deutsche Bank	103,370
Goldman Sachs	13,847
HSBC	(151,624)
JPMorgan	209,220
Morgan Stanley	11,052
The Bank of New York Mellon	12,819
Toronto–Dominion Bank	8,636
UBS	15,417
	278,064

Templeton Global Bond Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for share class hedging:					
CHF	168,775,645	USD	169,793,393	10-Jan-19	2,206,270
CZK	2,664,260,513	USD	117,025,647	10-Jan-19	1,669,039
EUR	909,138,055	USD	1,034,059,219	10-Jan-19	8,555,277
JPY	5,029,149,448	USD	44,756,303	10-Jan-19	1,167,738
PLN	89,606,757	USD	23,709,314	10-Jan-19	238,080
SGD	126,404,162	USD	92,232,162	10-Jan-19	524,743
USD	18,079,948	EUR	15,831,643	10-Jan-19	(76,042)
USD	883,700	JPY	97,562,430	10-Jan-19	(7,198)
USD	438,790	PLN	1,654,195	10-Jan-19	(3,293)
USD	1,861,935	SGD	2,552,175	10-Jan-19	(10,882)
AUD	30,848,831	USD	22,312,394	15-Jan-19	(570,741)
CHF	46,268,484	USD	46,787,303	15-Jan-19	387,717
EUR	689,648,590	USD	786,305,002	15-Jan-19	4,946,353
GBP	43,590,792	USD	55,294,670	15-Jan-19	338,373
NOK	2,005,001,936	USD	234,237,186	15-Jan-19	(2,212,563)
SEK	95,354,611	USD	10,553,086	15-Jan-19	223,589
USD	1,424,199	GBP	1,123,071	15-Jan-19	(9,127)
CAD	4,324,242	USD	3,229,915	22-Jan-19	(59,909)
CHF	15,807,180	USD	16,005,572	22-Jan-19	122,185
CNH	9,232,853	USD	1,338,923	22-Jan-19	5,144
EUR	1,562,943,412	USD	1,784,423,388	22-Jan-19	9,896,136
GBP	123,521,703	USD	156,512,280	22-Jan-19	1,191,215
USD	704,795	CHF	699,155	22-Jan-19	(8,539)
USD	29,001	CNH	199,919	22-Jan-19	(102)
USD	14,381,119	EUR	12,598,971	22-Jan-19	(82,988)
					28,430,475
Forward foreign exchange contracts used for efficient portfolio management:					
USD	143,957,717	EUR	123,759,009	04-Jan-19	2,104,355
USD	115,314,200	EUR	100,935,000	07-Jan-19	(408,921)
USD	12,194,853	JPY	1,382,000,000	07-Jan-19	(421,875)
USD	135,258,184	AUD	191,042,450	09-Jan-19	632,818
USD	9,799,212	EUR	8,429,068	09-Jan-19	133,476
USD	235,147,040	JPY	26,553,600,000	09-Jan-19	(7,309,188)
USD	318,151,624	KRW	353,800,412,997	10-Jan-19	383,471
INR	7,133,944,000	USD	95,731,938	11-Jan-19	6,719,663
USD	8,045,708	AUD	11,390,250	11-Jan-19	18,783
USD	87,645,400	EUR	75,879,996	11-Jan-19	617,249
USD	121,123,096	JPY	13,415,872,690	11-Jan-19	(1,394,965)
INR	1,276,545,116	USD	17,076,384	14-Jan-19	1,251,790
USD	16,181,217	AUD	22,780,500	14-Jan-19	126,317
INR	1,276,427,884	USD	16,957,990	15-Jan-19	1,367,010
USD	7,195,639	AUD	10,116,109	15-Jan-19	66,003
USD	218,175,204	EUR	187,069,425	15-Jan-19	3,545,697
USD	20,194,305	JPY	2,261,540,000	15-Jan-19	(465,585)
INR	9,624,010,000	USD	127,470,331	16-Jan-19	10,685,252
USD	147,257,428	EUR	126,504,000	16-Jan-19	2,103,289
USD	81,663,341	EUR	69,896,000	17-Jan-19	1,455,646

Notes to the Financial Statements At December 31, 2018 (continued)

Note 5 — Forward foreign exchange contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Templeton Global Bond Fund (continued)

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
USD	42,236,081	JPY	4,683,200,000	17-Jan-19	(553,469)
INR	4,064,084,000	USD	57,965,185	18-Jan-19	366,484
USD	63,740,441	JPY	7,218,350,000	18-Jan-19	(2,217,729)
USD	76,824,640	AUD	107,590,000	22-Jan-19	985,740
USD	308,412,188	EUR	266,120,143	22-Jan-19	2,895,965
USD	138,984,554	JPY	15,111,345,146	22-Jan-19	858,244
USD	58,010,410	JPY	6,261,237,600	23-Jan-19	774,429
INR	5,936,619,000	USD	79,734,323	24-Jan-19	5,432,220
USD	320,314,299	EUR	276,708,251	24-Jan-19	2,586,083
USD	324,602,507	KRW	366,460,000,000	24-Jan-19	(4,667,736)
USD	149,554,521	EUR	129,459,775	25-Jan-19	890,081
USD	31,834,783	EUR	27,692,052	28-Jan-19	26,286
USD	457,214,465	JPY	51,080,000,000	28-Jan-19	(9,916,000)
USD	380,585,341	AUD	536,254,725	29-Jan-19	2,528,111
USD	68,352,149	EUR	59,421,150	29-Jan-19	91,933
INR	6,511,439,500	USD	87,690,250	30-Jan-19	5,677,107
USD	92,417,666	EUR	80,796,062	30-Jan-19	(405,291)
USD	84,896,178	KRW	96,285,000,000	30-Jan-19	(1,632,303)
USD	206,080,427	AUD	290,385,000	31-Jan-19	1,352,839
USD	365,697,494	EUR	318,606,534	31-Jan-19	(363,759)
USD	332,708,153	JPY	36,524,415,434	31-Jan-19	(1,389,599)
USD	124,365,302	AUD	174,692,450	01-Feb-19	1,201,631
USD	163,948,537	EUR	143,307,900	01-Feb-19	(717,145)
USD	152,549,419	JPY	17,070,280,000	01-Feb-19	(3,607,971)
USD	233,322,922	EUR	203,102,980	05-Feb-19	(122,210)
USD	242,305,907	JPY	26,063,200,000	06-Feb-19	3,795,270
USD	15,249,116	AUD	21,506,359	13-Feb-19	83,816
USD	101,248,960	JPY	11,367,777,656	13-Feb-19	(2,833,379)
USD	139,988,441	EUR	121,608,000	14-Feb-19	114,813
USD	120,730,648	JPY	12,790,506,688	14-Feb-19	3,613,398
USD	140,561,864	EUR	123,661,102	15-Feb-19	(1,684,353)
USD	356,696,925	JPY	38,479,716,000	15-Feb-19	4,328,792
USD	158,364,415	AUD	217,701,000	19-Feb-19	4,838,267
USD	522,873,350	EUR	459,066,459	19-Feb-19	(5,351,572)
USD	183,688,323	JPY	20,407,464,390	19-Feb-19	(3,242,291)
USD	135,779,018	AUD	185,269,000	20-Feb-19	5,122,527
USD	114,084,295	EUR	99,162,345	20-Feb-19	(25,795)
USD	66,537,103	JPY	7,438,715,000	20-Feb-19	(1,605,853)
USD	732,758,231	EUR	635,399,580	21-Feb-19	1,521,295
USD	25,191,342	JPY	2,743,312,000	21-Feb-19	59,177
USD	285,365,834	KRW	321,065,100,000	25-Feb-19	(3,470,694)
USD	389,090,341	AUD	536,254,725	28-Feb-19	10,865,721
USD	434,746,769	EUR	381,164,406	28-Feb-19	(4,148,772)
USD	354,479,714	JPY	40,004,119,000	28-Feb-19	(12,195,133)
USD	456,092,517	KRW	513,195,300,000	28-Feb-19	(5,644,432)
USD	299,676,923	EUR	261,340,755	04-Mar-19	(1,351,171)
USD	155,783,470	JPY	17,523,187,000	04-Mar-19	(4,890,430)
USD	150,160,871	EUR	131,345,612	05-Mar-19	(1,144,553)
USD	117,909,740	EUR	102,855,409	06-Mar-19	(586,647)
USD	11,834,784	AUD	16,350,000	11-Mar-19	301,135
USD	311,961,938	EUR	271,943,000	11-Mar-19	(1,475,690)
USD	226,405,171	JPY	25,311,740,000	11-Mar-19	(5,838,585)
USD	115,035,244	EUR	100,049,351	12-Mar-19	(290,587)
INR	7,011,302,780	USD	95,979,504	13-Mar-19	4,033,374
USD	7,334,510	AUD	10,151,782	13-Mar-19	173,009
USD	22,964,000	JPY	2,577,996,000	13-Mar-19	(694,496)
USD	245,300,752	EUR	214,348,980	14-Mar-19	(1,821,513)
USD	115,961,077	JPY	13,025,212,000	14-Mar-19	(3,583,839)
USD	101,689,682	EUR	89,010,683	18-Mar-19	(967,400)
USD	325,121,794	JPY	36,648,309,219	18-Mar-19	(11,363,426)
INR	3,744,585,000	USD	51,313,258	20-Mar-19	2,055,270
USD	46,212,245	JPY	5,115,002,306	20-Mar-19	(759,942)
USD	97,638,494	EUR	84,766,675	21-Mar-19	(150,327)
USD	65,673,904	JPY	7,286,651,000	25-Mar-19	(1,272,957)
USD	182,497,200	JPY	20,268,235,000	26-Mar-19	(3,737,092)
USD	70,887,559	EUR	62,000,690	28-Mar-19	(682,993)
USD	86,369,450	JPY	9,559,586,656	15-Apr-19	(1,621,134)
USD	75,836,926	JPY	8,345,740,000	17-Apr-19	(993,772)
USD	100,470,083	JPY	11,101,642,791	18-Apr-19	(1,739,968)
USD	67,450,450	KRW	75,716,503,003	29-Apr-19	(843,796)
USD	785,927,251	JPY	86,750,650,000	30-Apr-19	(13,569,031)
USD	117,362,771	JPY	13,031,610,000	07-May-19	(2,807,520)
USD	290,176,233	KRW	326,840,000,000	16-May-19	(4,838,259)
USD	22,738,794	JPY	2,548,075,146	20-May-19	(783,835)
USD	72,615,613	JPY	8,075,074,000	21-May-19	(1,935,934)

Notes to the Financial Statements At December 31, 2018 (continued)

Note 5 — Forward foreign exchange contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Templeton Global Bond Fund (continued)

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
USD	239,352,304	KRW	264,963,000,000	07-Jun-19	(34,840)
USD	563,964,106	KRW	626,902,500,000	10-Jun-19	(2,498,417)
					(50,290,338)
					(21,859,863)

The above contracts were opened with the following counterparties:	
Bank of America	(14,967,435)
Barclays	(9,006,482)
BNP Paribas	(1,228,559)
Citigroup	(2,346,825)
Credit Suisse	1,478,190
Deutsche Bank	(3,397,427)
Goldman Sachs	8,738,742
HSBC	(2,586,536)
JPMorgan	17,289,670
Morgan Stanley	(1,835,167)
Standard Chartered	(19,140,756)
The Bank of New York Mellon	656,274
Toronto–Dominion Bank	358,895
UBS	4,127,553
	(21,859,863)

Templeton Global Bond (Euro) Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) EUR
Forward foreign exchange contracts used for efficient portfolio management:					
BRL	11,869,400	EUR	2,649,420	03-Jan-19	19,029
EUR	2,512,308	BRL	11,869,400	03-Jan-19	(156,141)
EUR	15,343,390	KRW	20,009,008,000	10-Jan-19	(327,123)
EUR	5,047,631	USD	5,889,626	15-Jan-19	(85,713)
EUR	4,082,501	BRL	17,901,765	17-Jan-19	61,733
EUR	6,367,503	USD	7,380,000	22-Jan-19	(60,843)
EUR	1,209,478	MXN	27,429,763	28-Jan-19	(36)
EUR	16,131,731	MXN	373,241,480	31-Jan-19	(314,317)
EUR	20,030,219	USD	23,000,000	31-Jan-19	11,851
EUR	1,364,809	BRL	5,849,025	01-Feb-19	52,700
EUR	6,152,409	COP	22,714,693,750	01-Feb-19	75,466
EUR	541,735	MXN	12,582,075	01-Feb-19	(12,544)
EUR	1,206,937	BRL	5,150,000	04-Feb-19	52,197
EUR	143,511	MXN	3,367,579	05-Feb-19	(4,712)
EUR	14,719,409	IDR	251,416,202,006	19-Feb-19	(351,535)
EUR	11,645,228	INR	974,239,750	26-Feb-19	(448,151)
EUR	1,508,197	IDR	25,300,000,000	28-Feb-19	(5,638)
EUR	23,378,402	USD	26,794,000	04-Mar-19	116,920
EUR	29,552,871	BRL	131,400,916	06-Mar-19	233,092
EUR	3,556,192	COP	13,029,000,000	06-Mar-19	84,623
EUR	765,688	IDR	13,300,000,000	21-Mar-19	(26,273)
EUR	15,556,338	KRW	20,764,600,000	21-Mar-19	(652,077)
EUR	12,605,524	IDR	231,500,450,600	26-Mar-19	(1,163,435)
EUR	2,612,679	BRL	11,869,400	02-Apr-19	(23,560)
EUR	8,317,625	INR	706,000,000	05-Apr-19	(375,515)
EUR	2,693,603	INR	240,000,000	12-Apr-19	(257,155)
EUR	14,361,237	MXN	329,577,687	15-Apr-19	97,777
EUR	1,086,763	COP	3,960,000,000	23-Apr-19	38,170
EUR	9,539,544	MXN	219,490,600	23-Apr-19	60,330
EUR	1,547,748	KRW	2,000,000,000	29-May-19	(8,553)
EUR	6,192,112	KRW	7,967,700,000	05-Jun-19	(6,031)
EUR	21,206,337	MXN	506,283,482	27-Jun-19	(292,800)
					(3,668,264)

The above contracts were opened with the following counterparties:	
Barclays	11,851
BNP Paribas	77,876
Citigroup	191,533
Deutsche Bank	(1,233,158)
HSBC	(343,352)
JPMorgan	(2,373,014)
	(3,668,264)

Notes to the Financial Statements At December 31, 2018 (continued)

Note 5 — Forward foreign exchange contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Templeton Global Climate Change Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) EUR
Forward foreign exchange contracts used for share class hedging:					
EUR	5,986	USD	6,854	22-Jan-19	15
USD	120,349	EUR	105,358	22-Jan-19	(528)
					(513)

The above contracts were opened with the following counterparties:	
BNP Paribas	(15)
Citigroup	(153)
HSBC	(12)
JPMorgan	(12)
Morgan Stanley	(321)
	(513)

Templeton Global Currency Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for share class hedging:					
EUR	2,459,899	USD	2,807,405	22-Jan-19	16,653
Forward foreign exchange contracts used for efficient portfolio management:					
USD	261,890	EUR	225,000	07-Jan-19	3,925
USD	300,930	AUD	425,000	09-Jan-19	1,437
USD	650,846	EUR	564,444	11-Jan-19	3,475
USD	524,974	EUR	450,000	15-Jan-19	8,678
USD	1,091,821	JPY	122,078,000	15-Jan-19	(23,401)
USD	92,212	AUD	130,000	24-Jan-19	573
USD	262,069	AUD	370,000	31-Jan-19	1,211
USD	688,016	EUR	600,000	31-Jan-19	(1,351)
USD	302,064	AUD	425,000	01-Feb-19	2,426
INR	66,100,000	USD	882,322	04-Feb-19	64,896
USD	484,829	EUR	423,334	11-Feb-19	(1,975)
USD	481,801	JPY	50,500,000	15-Feb-19	19,360
USD	320,942	EUR	282,222	19-Feb-19	(3,797)
USD	216,121	JPY	24,300,000	19-Feb-19	(6,465)
INR	28,000,000	USD	390,952	28-Feb-19	9,097
USD	139,779	EUR	122,000	04-Mar-19	(748)
USD	257,542	EUR	225,000	06-Mar-19	(1,673)
USD	460,642	JPY	51,600,000	12-Mar-19	(12,850)
USD	516,100	EUR	450,000	13-Mar-19	(2,656)
USD	161,496	EUR	141,000	20-Mar-19	(1,150)
USD	464,391	JPY	51,400,000	15-Apr-19	(8,717)
USD	992,834	JPY	110,000,000	30-Apr-19	(20,929)
					29,366
					46,019

The above contracts were opened with the following counterparties:	
Bank of America	9,659
Barclays	569
BNP Paribas	(23,401)
Citigroup	32,227
Deutsche Bank	(10,598)
HSBC	64
JPMorgan	37,105
Morgan Stanley	72
UBS	322
	46,019

Templeton Global Equity Income Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for share class hedging:					
CNH	3,902,492	USD	565,877	22-Jan-19	2,225
USD	470,387	CNH	3,242,286	22-Jan-19	(1,605)
					620

Notes to the Financial Statements At December 31, 2018 (continued)

Note 5 — Forward foreign exchange contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Templeton Global Equity Income Fund (continued)

	Unrealised profit/(loss) USD
The above contracts were opened with the following counterparties:	
Bank of America	122
Barclays	42
BNP Paribas	33
Citigroup	97
Credit Suisse	39
Goldman Sachs	37
HSBC	24
JPMorgan	34
Morgan Stanley	108
Toronto–Dominion Bank	36
UBS	48
	620

Templeton Global High Yield Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for efficient portfolio management:					
USD	481,638	EUR	413,795	07-Jan-19	7,218
USD	151,333	JPY	17,150,000	07-Jan-19	(5,235)
USD	179,805	JPY	20,300,000	09-Jan-19	(5,551)
MXN	132,066,099	USD	6,729,140	10-Jan-19	(19,720)
USD	98,009	AUD	138,750	11-Jan-19	229
USD	71,193	JPY	7,985,000	11-Jan-19	(1,729)
MXN	3,768,700	USD	191,791	14-Jan-19	(457)
USD	197,111	AUD	277,500	14-Jan-19	1,539
USD	87,625	AUD	123,188	15-Jan-19	804
USD	1,748,301	EUR	1,498,359	15-Jan-19	29,195
USD	51,076	JPY	5,720,000	15-Jan-19	(1,178)
USD	402,370	EUR	347,174	22-Jan-19	3,801
USD	171,257	JPY	18,530,000	22-Jan-19	1,882
USD	485,398	EUR	420,000	23-Jan-19	3,179
USD	2,475,544	AUD	3,490,000	24-Jan-19	15,378
USD	2,803,297	EUR	2,422,870	24-Jan-19	21,254
USD	52,836	JPY	5,730,000	24-Jan-19	452
MXN	121,319,360	USD	6,215,290	25-Jan-19	(67,389)
USD	548,011	EUR	474,397	25-Jan-19	3,239
INR	81,830,000	USD	1,102,013	30-Jan-19	71,345
USD	1,440,152	EUR	1,259,094	30-Jan-19	(6,365)
USD	4,650	EUR	4,050	31-Jan-19	(3)
USD	565,689	JPY	62,272,628	31-Jan-19	(3,933)
USD	181,233	EUR	158,417	01-Feb-19	(793)
USD	185,727	AUD	261,939	13-Feb-19	1,020
USD	118,862	JPY	13,345,334	13-Feb-19	(3,326)
USD	25,054	JPY	2,654,333	14-Feb-19	750
USD	37,213	JPY	3,900,000	15-Feb-19	1,499
USD	670,794	EUR	589,157	19-Feb-19	(7,119)
USD	5,098,467	JPY	572,905,859	19-Feb-19	(149,301)
USD	220,753	EUR	191,879	20-Feb-19	(50)
USD	295,346	EUR	256,142	21-Feb-19	569
USD	275,969	JPY	30,047,500	21-Feb-19	696
USD	862,522	AUD	1,191,000	28-Feb-19	22,501
USD	1,468,467	EUR	1,286,091	28-Feb-19	(12,414)
USD	564,709	JPY	63,722,896	28-Feb-19	(19,371)
USD	117,414	JPY	13,219,000	04-Mar-19	(3,794)
USD	473,643	EUR	413,795	06-Mar-19	(3,077)
USD	1,722,791	EUR	1,498,359	12-Mar-19	(4,352)
USD	89,316	AUD	123,623	13-Mar-19	2,107
USD	28,683	JPY	3,220,000	13-Mar-19	(868)
USD	193,647	JPY	21,822,851	18-Mar-19	(6,718)
USD	64,767	JPY	7,259,000	19-Mar-19	(1,888)
USD	18,379	EUR	15,956	21-Mar-19	(28)
USD	108,768	JPY	12,068,000	25-Mar-19	(2,108)
USD	303,959	JPY	33,754,000	26-Mar-19	(6,189)
USD	2,315	EUR	2,025	28-Mar-19	(22)
ARS	103,947,031	USD	2,453,652	03-Apr-19	2,754
USD	23,982	JPY	2,654,333	15-Apr-19	(450)
USD	146,663	JPY	16,140,000	17-Apr-19	(1,922)
USD	74,833	JPY	8,268,860	18-Apr-19	(1,296)
USD	147,884	JPY	16,315,550	26-Apr-19	(2,431)
USD	107,796	JPY	11,920,000	30-Apr-19	(2,059)

Notes to the Financial Statements At December 31, 2018 (continued)

Note 5 — Forward foreign exchange contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Templeton Global High Yield Fund (continued)

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
USD	68,311	JPY	7,585,026	07-May-19	(1,634)
USD	99,817	JPY	11,100,000	21-May-19	(2,661)
					(154,020)

The above contracts were opened with the following counterparties:

Bank of America	19,840
Barclays	(9,506)
BNP Paribas	(7,292)
Citigroup	(77,281)
Deutsche Bank	41,384
Goldman Sachs	(6,914)
HSBC	39,192
JPMorgan	(126,551)
Morgan Stanley	(2,278)
Standard Chartered	(24,614)
	(154,020)

Templeton Global Income Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for share class hedging:					
EUR	51,867,918	USD	59,141,900	15-Jan-19	367,481
SGD	221,701	USD	161,843	15-Jan-19	863
USD	3,549,372	EUR	3,107,195	15-Jan-19	(15,591)
USD	7,000	SGD	9,596	15-Jan-19	(43)
					352,710
Forward foreign exchange contracts used for efficient portfolio management:					
USD	6,166,350	JPY	695,502,600	04-Jan-19	(181,558)
USD	1,478,415	EUR	1,270,165	07-Jan-19	22,156
USD	248,662	JPY	28,180,000	07-Jan-19	(8,602)
USD	492,888	AUD	696,100	09-Jan-19	2,354
USD	431,693	EUR	371,333	09-Jan-19	5,880
JPY	405,000,000	USD	3,617,915	11-Jan-19	80,676
USD	1,258,041	AUD	1,781,000	11-Jan-19	2,937
USD	5,377,988	EUR	4,658,999	11-Jan-19	34,497
USD	17,512,230	JPY	1,949,692,000	11-Jan-19	(292,983)
USD	2,530,124	AUD	3,562,000	14-Jan-19	19,751
USD	796,200	AUD	1,119,351	15-Jan-19	7,303
USD	8,943,707	EUR	7,667,410	15-Jan-19	146,693
USD	1,863,595	JPY	209,640,000	15-Jan-19	(51,534)
USD	4,971,975	JPY	551,300,000	17-Jan-19	(65,154)
USD	1,613,611	JPY	182,735,000	18-Jan-19	(56,143)
USD	15,824,776	AUD	22,162,000	22-Jan-19	203,048
USD	12,689,562	EUR	10,946,365	22-Jan-19	122,712
USD	1,077,029	JPY	119,005,000	22-Jan-19	(10,744)
USD	971,210	EUR	839,410	24-Jan-19	7,364
USD	86,861	JPY	9,420,000	24-Jan-19	743
USD	4,243,430	KRW	4,790,620,000	24-Jan-19	(61,020)
USD	3,788,804	EUR	3,278,490	25-Jan-19	23,967
USD	809,975	EUR	704,143	29-Jan-19	1,089
USD	839,233	EUR	733,724	30-Jan-19	(3,709)
USD	75,315,033	EUR	65,681,731	31-Jan-19	(149,636)
USD	757,651	JPY	82,427,915	31-Jan-19	3,663
USD	495,561	AUD	696,100	01-Feb-19	4,788
USD	1,700,150	EUR	1,482,000	01-Feb-19	(2,718)
USD	1,876,676	JPY	210,000,000	01-Feb-19	(44,386)
MXN	85,916,000	USD	4,482,028	05-Feb-19	(135,515)
USD	39,748,334	GBP	30,235,837	08-Feb-19	1,113,571
USD	6,474,687	JPY	723,802,000	08-Feb-19	(149,965)
USD	1,972,801	JPY	210,490,000	12-Feb-19	45,714
USD	2,056,601	AUD	2,900,351	13-Feb-19	11,407
USD	285,396	JPY	32,043,000	13-Feb-19	(7,987)
USD	7,264,183	EUR	6,377,209	19-Feb-19	(73,755)
USD	10,251,726	EUR	8,910,825	20-Feb-19	(2,318)
USD	1,982,050	JPY	221,589,225	20-Feb-19	(47,836)
USD	16,399,832	EUR	14,224,479	21-Feb-19	29,874
USD	6,863,800	JPY	759,676,325	21-Feb-19	(95,785)
USD	2,100,258	KRW	2,363,000,000	25-Feb-19	(25,544)
USD	9,869,200	EUR	8,652,535	28-Feb-19	(93,848)
USD	1,271,539	JPY	143,482,435	28-Feb-19	(43,610)
USD	514,083	JPY	57,878,000	04-Mar-19	(16,613)

Notes to the Financial Statements At December 31, 2018 (continued)

Note 5 — Forward foreign exchange contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Templeton Global Income Fund (continued)

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
USD	1,880,498	EUR	1,641,498	06-Mar-19	(10,618)
USD	847,689	EUR	740,000	11-Mar-19	(5,225)
USD	3,092,442	JPY	345,820,000	11-Mar-19	(80,573)
USD	2,060,886	EUR	1,792,410	12-Mar-19	(5,206)
USD	811,566	AUD	1,123,298	13-Mar-19	19,144
USD	67,217	JPY	7,546,000	13-Mar-19	(2,033)
USD	653,093	EUR	574,673	18-Mar-19	(9,684)
USD	9,123,330	JPY	1,028,525,325	18-Mar-19	(320,041)
USD	141,409	JPY	15,849,000	19-Mar-19	(4,122)
USD	2,423,544	JPY	268,250,000	20-Mar-19	(39,854)
USD	1,773,848	EUR	1,539,999	21-Mar-19	(2,731)
USD	438,469	JPY	48,649,000	25-Mar-19	(8,499)
USD	3,958,573	JPY	439,366,000	26-Mar-19	(78,533)
USD	254,161	JPY	27,970,000	17-Apr-19	(3,331)
USD	4,015,570	JPY	443,403,200	22-Apr-19	(68,103)
USD	313,984	JPY	34,720,000	30-Apr-19	(5,997)
MXN	74,782,000	USD	3,642,217	02-May-19	88,663
USD	767,233	JPY	85,975,000	20-May-19	(26,447)
USD	4,428,239	JPY	492,433,500	21-May-19	(118,057)
					(412,023)
					(59,313)

The above contracts were opened with the following counterparties:	
Bank of America	(207,414)
Barclays	(292,790)
BNP Paribas	20,153
Citigroup	(126,148)
Deutsche Bank	(414,028)
Goldman Sachs	(14,327)
HSBC	(534,226)
JPMorgan	1,374,156
Morgan Stanley	40,829
Standard Chartered	(69,069)
The Bank of New York Mellon	16,666
Toronto–Dominion Bank	1,955
UBS	144,930
	(59,313)

Templeton Global Total Return Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for share class hedging:					
BRL	122,331,550	USD	31,500,000	03-Jan-19	20,504
USD	31,150,204	BRL	122,331,550	03-Jan-19	(370,301)
EUR	1,183,878,167	USD	1,346,586,442	10-Jan-19	11,104,552
GBP	13,101,983	USD	16,724,130	10-Jan-19	(7,034)
JPY	12,906,935,390	USD	114,860,769	10-Jan-19	2,999,843
PLN	274,702,253	USD	72,623,530	10-Jan-19	790,609
USD	32,716,776	EUR	28,651,169	10-Jan-19	(140,857)
USD	553,440	GBP	436,051	10-Jan-19	(2,926)
CHF	118,744,585	USD	120,057,912	15-Jan-19	1,013,236
EUR	1,068,696,923	USD	1,218,174,680	15-Jan-19	7,968,464
GBP	2,300,298	USD	2,917,145	15-Jan-19	18,624
NOK	2,431,628	USD	284,593	15-Jan-19	(3,197)
PLN	386,810	USD	102,600	15-Jan-19	785
SGD	532,116,005	USD	388,485,071	15-Jan-19	2,031,559
AUD	249,612,444	USD	179,714,557	22-Jan-19	(3,765,739)
CHF	19,729,379	USD	19,978,330	22-Jan-19	151,176
CNH	121,843,105	USD	17,668,707	22-Jan-19	68,506
EUR	1,150,933,041	USD	1,314,113,367	22-Jan-19	7,202,296
GBP	127,808,975	USD	162,090,702	22-Jan-19	1,086,467
NOK	18,193,972	USD	2,099,119	22-Jan-19	7,065
SEK	133,426,073	USD	14,818,364	22-Jan-19	270,148
USD	544,094	CHF	538,125	22-Jan-19	(4,944)
USD	104,151	GBP	82,006	22-Jan-19	(549)
BRL	118,072,500	USD	30,000,000	04-Feb-19	427,136
					30,865,423

Notes to the Financial Statements At December 31, 2018 (continued)

Note 5 — Forward foreign exchange contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Templeton Global Total Return Fund (continued)

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for efficient portfolio management:					
MXN	1,623,680,221	USD	84,796,335	02-Jan-19	(2,196,298)
USD	84,089,713	MXN	1,623,680,221	02-Jan-19	1,489,676
USD	30,707,435	EUR	26,398,875	04-Jan-19	448,877
USD	291,560,455	JPY	32,806,090,872	04-Jan-19	(7,863,360)
MXN	1,753,525,150	USD	84,645,933	07-Jan-19	4,484,359
USD	303,098,890	EUR	263,929,003	07-Jan-19	501,297
USD	18,818,988	JPY	2,132,690,000	07-Jan-19	(651,034)
USD	404,275,364	AUD	571,325,850	09-Jan-19	1,668,763
USD	216,941,523	EUR	186,608,338	09-Jan-19	2,954,991
USD	125,521,956	JPY	14,183,350,000	09-Jan-19	(3,983,706)
USD	306,761,675	KRW	343,451,152,510	10-Jan-19	(1,711,222)
INR	1,740,008,000	USD	23,349,544	11-Jan-19	1,638,963
USD	31,489,709	AUD	44,579,750	11-Jan-19	73,514
USD	519,081,872	EUR	450,131,202	11-Jan-19	2,818,191
USD	360,743,862	JPY	39,900,167,860	11-Jan-19	(3,637,295)
INR	1,945,074,293	USD	26,019,320	14-Jan-19	1,907,355
USD	63,330,884	AUD	89,159,500	14-Jan-19	494,385
INR	1,944,895,667	USD	25,838,922	15-Jan-19	2,082,916
USD	42,442,760	AUD	59,668,862	15-Jan-19	389,314
USD	444,120,111	EUR	380,775,907	15-Jan-19	7,246,234
USD	186,647,711	JPY	20,998,520,000	15-Jan-19	(5,180,472)
MXN	454,357,500	USD	23,480,401	16-Jan-19	(420,775)
USD	91,118,282	EUR	78,272,858	16-Jan-19	1,305,871
USD	50,867,840	EUR	43,538,000	17-Jan-19	906,717
USD	34,057,079	JPY	3,776,300,000	17-Jan-19	(446,290)
INR	7,081,691,232	USD	101,004,689	18-Jan-19	638,601
USD	120,432,819	JPY	13,638,535,000	18-Jan-19	(4,190,234)
USD	134,626,987	AUD	188,540,000	22-Jan-19	1,727,404
USD	523,112,515	EUR	451,327,985	22-Jan-19	4,970,523
USD	61,189,255	JPY	6,729,509,532	22-Jan-19	(322,298)
USD	50,554,238	EUR	43,754,750	23-Jan-19	317,630
USD	15,897,407	JPY	1,715,854,800	23-Jan-19	212,228
INR	8,483,261,320	USD	113,984,930	24-Jan-19	7,715,660
USD	56,929,434	EUR	49,203,713	24-Jan-19	431,632
USD	146,546,718	JPY	15,837,890,000	24-Jan-19	1,755,596
USD	314,675,584	KRW	355,253,000,000	24-Jan-19	(4,524,989)
JPY	12,566,000,000	USD	111,883,574	25-Jan-19	3,005,131
USD	227,460,075	EUR	196,875,423	25-Jan-19	1,379,235
USD	192,291,549	JPY	20,721,946,000	25-Jan-19	2,834,479
USD	208,154,698	AUD	293,520,000	29-Jan-19	1,224,385
USD	68,707,011	EUR	59,729,646	29-Jan-19	92,410
INR	1,218,424,500	USD	16,408,653	30-Jan-19	1,062,304
USD	14,146,840	EUR	12,368,282	30-Jan-19	(62,521)
USD	38,213,640	KRW	43,340,000,000	30-Jan-19	(734,736)
USD	67,824,277	EUR	59,114,196	31-Jan-19	(94,658)
USD	123,803,460	JPY	13,633,700,841	31-Jan-19	(907,332)
USD	175,290,645	AUD	246,225,850	01-Feb-19	1,693,677
USD	127,828,150	JPY	14,303,970,000	01-Feb-19	(3,023,284)
MXN	1,015,769,584	USD	53,020,164	05-Feb-19	(1,632,115)
USD	70,736,804	EUR	61,585,509	05-Feb-19	(49,145)
USD	123,424,559	JPY	13,275,900,000	06-Feb-19	1,933,593
USD	219,943,656	EUR	192,155,661	08-Feb-19	(970,430)
USD	40,366,045	JPY	4,512,500,000	08-Feb-19	(934,948)
USD	266,355,934	EUR	232,571,362	11-Feb-19	(1,085,188)
USD	134,371,579	JPY	14,336,910,000	12-Feb-19	3,113,698
USD	73,913,148	AUD	104,248,612	13-Feb-19	401,798
USD	311,148,981	JPY	34,880,318,779	13-Feb-19	(8,212,047)
USD	3,458,040	EUR	3,004,000	14-Feb-19	2,836
USD	261,776,727	JPY	27,733,280,943	14-Feb-19	7,834,824
USD	61,262,851	EUR	53,896,778	15-Feb-19	(734,113)
USD	516,239,202	JPY	56,034,877,000	15-Feb-19	3,114,183
USD	198,697,326	AUD	273,146,000	19-Feb-19	6,070,497
USD	841,780,808	EUR	739,224,723	19-Feb-19	(8,808,285)
USD	246,769,842	JPY	27,192,760,208	19-Feb-19	(2,313,497)
USD	170,359,725	AUD	232,454,000	20-Feb-19	6,427,151
USD	124,554,677	EUR	108,263,227	20-Feb-19	(28,163)
USD	76,855,221	JPY	8,592,260,000	20-Feb-19	(1,854,877)
USD	517,669,246	EUR	448,874,295	21-Feb-19	1,091,214
USD	43,708,417	JPY	4,759,263,000	21-Feb-19	107,621
USD	849,089,325	KRW	955,310,400,000	25-Feb-19	(10,326,845)
MXN	139,958,300	USD	7,208,029	27-Feb-19	(149,238)
USD	251,726,871	EUR	220,744,436	28-Feb-19	(2,451,502)
USD	145,092,030	JPY	16,373,719,046	28-Feb-19	(4,988,289)
USD	409,203,822	EUR	356,920,958	04-Mar-19	(1,919,334)
USD	22,353,582	JPY	2,516,678,000	04-Mar-19	(722,384)

Notes to the Financial Statements At December 31, 2018 (continued)

Note 5 — Forward foreign exchange contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Templeton Global Total Return Fund (continued)

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
MXN	1,179,814,300	USD	60,078,129	05-Mar-19	(630,649)
USD	41,064,909	EUR	35,919,448	05-Mar-19	(313,004)
USD	711,120,604	EUR	619,494,486	06-Mar-19	(2,578,939)
USD	235,320,384	AUD	325,100,000	11-Mar-19	5,987,702
USD	84,646,618	EUR	73,659,558	11-Mar-19	(252,340)
USD	605,576,827	JPY	67,712,620,000	11-Mar-19	(15,709,315)
MXN	1,278,939,000	USD	64,366,944	12-Mar-19	(227)
USD	209,190,063	EUR	181,938,417	12-Mar-19	(528,429)
INR	614,617,000	USD	8,413,648	13-Mar-19	353,569
MXN	1,470,519,940	USD	73,912,188	13-Mar-19	84,092
USD	43,261,879	AUD	59,879,277	13-Mar-19	1,020,477
USD	6,328,952	JPY	710,504,000	13-Mar-19	(191,405)
MXN	967,646,000	USD	49,471,919	14-Mar-19	(788,292)
USD	150,022,910	EUR	131,091,509	14-Mar-19	(1,112,078)
USD	56,930,424	JPY	6,394,653,000	14-Mar-19	(1,759,465)
USD	276,074,604	EUR	242,278,123	18-Mar-19	(3,347,643)
USD	468,711,968	JPY	52,834,211,444	18-Mar-19	(16,383,573)
USD	13,385,656	JPY	1,500,251,000	19-Mar-19	(390,162)
INR	1,114,241,000	USD	15,268,804	20-Mar-19	611,568
MXN	973,468,180	USD	50,360,485	20-Mar-19	(1,432,971)
USD	96,120,373	JPY	10,639,083,513	20-Mar-19	(1,580,662)
USD	72,137,330	EUR	62,627,364	21-Mar-19	(111,064)
USD	17,919,632	JPY	1,988,219,000	25-Mar-19	(347,336)
USD	413,002,577	JPY	45,838,160,000	26-Mar-19	(8,180,485)
MXN	346,471,480	USD	17,735,934	27-Mar-19	(342,238)
MXN	511,680,221	USD	25,425,104	29-Mar-19	253,906
USD	175,262,944	JPY	19,398,540,778	15-Apr-19	(3,289,643)
USD	19,527,845	JPY	2,149,010,000	17-Apr-19	(255,894)
USD	68,556,752	JPY	7,575,315,408	18-Apr-19	(1,187,284)
USD	123,884,732	JPY	13,667,830,850	26-Apr-19	(2,036,067)
USD	122,307,941	KRW	137,296,779,490	29-Apr-19	(1,530,056)
USD	322,202,436	JPY	35,636,763,628	30-Apr-19	(6,226,919)
USD	71,575,205	JPY	7,947,496,004	07-May-19	(1,712,203)
USD	33,799,931	JPY	3,787,569,531	20-May-19	(1,165,126)
USD	19,526,119	JPY	2,171,363,000	21-May-19	(520,567)
USD	228,910,569	KRW	253,404,000,000	07-Jun-19	(33,320)
					(63,187,213)
					(32,321,790)

The above contracts were opened with the following counterparties:	
Bank of America	(799,633)
Barclays	(11,650,841)
BNP Paribas	(426,526)
Citigroup	(13,966,279)
Credit Suisse	1,829,602
Deutsche Bank	(14,611,135)
Goldman Sachs	(4,418,262)
HSBC	(21,290,967)
JPMorgan	26,037,223
Morgan Stanley	1,072,425
Standard Chartered	(3,662,561)
The Bank of New York Mellon	1,484,010
Toronto–Dominion Bank	661,992
UBS	7,419,162
	(32,321,790)

Templeton Latin America Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for share class hedging:					
PLN	24,546,985	USD	6,507,285	15-Jan-19	53,536
USD	265,316	PLN	992,709	15-Jan-19	(11)
EUR	5,819,769	MXN	133,594,300	25-Jan-19	(86,838)
EUR	8,223,692	USD	9,459,000	25-Jan-19	(15,367)
USD	199,000	EUR	174,392	25-Jan-19	(1,262)
EUR	12,406,728	BRL	54,955,600	28-Jan-19	83,739
					33,797

Notes to the Financial Statements At December 31, 2018 (continued)

Note 5 — Forward foreign exchange contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Templeton Latin America Fund (continued)

	Unrealised profit/(loss) USD
The above contracts were opened with the following counterparties:	
Bank of America	87,326
Barclays	3,929
BNP Paribas	4,503
Citigroup	(96,146)
Deutsche Bank	4,290
Goldman Sachs	3,503
HSBC	5,347
JPMorgan	3,535
Morgan Stanley	4,608
The Bank of New York Mellon	2,606
Toronto–Dominion Bank	4,810
UBS	5,486
	33,797

Note 6 — Open positions on financial future contracts

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin Brazil Opportunities Fund

Number of contracts purchased/(sold)	Description	Counterparty	Trading currency	Commitment USD	Unrealised profit/(loss) USD
Bond Future					
(20)	U.S. Treasury 10 Yr. Note Future, Mar. 2019	JPMorgan	USD	(2,440,312)	(27,564)
Currency Future					
290	USD/BRL Future, Feb. 2019	CM Capital Markets CCTVM	BRL	14,490,036	(198,991)
Deposit Future					
(60)	BM&F, One-Day Interbank Deposits Future, Jan. 2021	CM Capital Markets CCTVM	BRL	(1,340,448)	(94,734)
(65)	BM&F, One-Day Interbank Deposits Future, Jan. 2023	CM Capital Markets CCTVM	BRL	(1,207,098)	(152,515)
(210)	BM&F, One-Day Interbank Deposits Future, Jan. 2025	CM Capital Markets CCTVM	BRL	(3,209,588)	(306,968)
(66)	BM&F, One-Day Interbank Deposits Future, Jan. 2027	CM Capital Markets CCTVM	BRL	(828,755)	(41,406)
					(595,623)
Index Future					
(36)	Bovespa Index Future, Feb. 2019	CM Capital Markets CCTVM	BRL	(821,055)	(927)
					(823,105)

Franklin Diversified Balanced Fund

Number of contracts purchased/(sold)	Description	Counterparty	Trading currency	Commitment EUR	Unrealised profit/(loss) EUR
Bond Future					
61	U.S. Treasury Ultra 10 Yr. Note Future, Mar. 2019	JPMorgan	USD	6,925,088	222,761
Index Future					
(480)	Euro STOXX 50 Index Future, Mar. 2019	Citigroup	EUR	(14,275,200)	345,959
(265)	S&P 500 E-mini Index Future, Mar. 2019	Goldman Sachs	USD	(28,970,065)	751,267
					1,097,226
					1,319,987

Franklin Diversified Conservative Fund

Number of contracts purchased/(sold)	Description	Counterparty	Trading currency	Commitment EUR	Unrealised profit/(loss) EUR
Bond Future					
111	U.S. Treasury Ultra 10 Yr. Note Future, Mar. 2019	JPMorgan	USD	12,601,389	405,352
Index Future					
(411)	Euro STOXX 50 Index Future, Mar. 2019	Citigroup	EUR	(12,223,140)	296,227
(228)	S&P 500 E-mini Index Future, Mar. 2019	Goldman Sachs	USD	(24,925,187)	646,371
					942,598
					1,347,950

Notes to the Financial Statements At December 31, 2018 (continued)

Note 6 — Open positions on financial future contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin Diversified Dynamic Fund

Number of contracts purchased/(sold)	Description	Counterparty	Trading currency	Commitment EUR	Unrealised profit/(loss) EUR
Bond Future					
19	U.S. Treasury Ultra 10 Yr. Note Future, Mar. 2019	JPMorgan	USD	2,156,995	69,385
Index Future					
(367)	Euro STOXX 50 Index Future, Mar. 2019	Citigroup	EUR	(10,914,580)	264,514
(202)	S&P 500 E-mini Index Future, Mar. 2019	Goldman Sachs	USD	(22,082,842)	572,662
					837,176
					906,561

Franklin Euro Government Bond Fund

Number of contracts purchased/(sold)	Description	Counterparty	Trading currency	Commitment EUR	Unrealised profit/(loss) EUR
Bond Future					
(47)	Euro-Bund Future, Mar. 2019	JPMorgan	EUR	(7,686,380)	(39,128)
(50)	Euro-OAT Future, Mar. 2019	JPMorgan	EUR	(7,540,000)	7,375
					(31,753)

Franklin Euro Short Duration Bond Fund

Number of contracts purchased/(sold)	Description	Counterparty	Trading currency	Commitment EUR	Unrealised profit/(loss) EUR
Bond Future					
(368)	Euro-BOBL Future, Mar. 2019	JPMorgan	EUR	(48,767,360)	(89,240)

Franklin European Corporate Bond Fund

Number of contracts purchased/(sold)	Description	Counterparty	Trading currency	Commitment EUR	Unrealised profit/(loss) EUR
Bond Future					
(26)	Euro-OAT Future, Mar. 2019	JPMorgan	EUR	(3,920,800)	3,675

Franklin European Total Return Fund

Number of contracts purchased/(sold)	Description	Counterparty	Trading currency	Commitment EUR	Unrealised profit/(loss) EUR
Bond Future					
(430)	Euro-Bund Future, Mar. 2019	JPMorgan	EUR	(70,322,200)	(357,975)
(440)	Euro-OAT Future, Mar. 2019	JPMorgan	EUR	(66,352,000)	64,900
					(293,075)

Franklin Flexible Alpha Bond Fund

Number of contracts purchased/(sold)	Description	Counterparty	Trading currency	Commitment USD	Unrealised profit/(loss) USD
Bond Future					
146	Australia 10 Yr. Bond Future, Mar. 2019	JPMorgan	AUD	13,647,516	126,525
35	Canada 10 Yr. Bond Future, Mar. 2019	JPMorgan	CAD	3,507,052	110,662
(120)	Euro-BOBL Future, Mar. 2019	JPMorgan	EUR	(18,220,969)	(48,052)
(7)	Euro BTP Future, Mar. 2019	JPMorgan	EUR	(1,025,193)	(7,193)
(59)	Euro-Bund Future, Mar. 2019	JPMorgan	EUR	(11,055,663)	3,205
17	Euro-OAT Future, Mar. 2019	JPMorgan	EUR	2,937,373	(7,840)
(4)	Long Gilt Future, Mar. 2019	JPMorgan	GBP	(628,290)	(6,028)
(118)	U.S. Treasury 2 Yr. Note Future, Mar. 2019	JPMorgan	USD	(25,052,875)	(177,295)
(331)	U.S. Treasury 5 Yr. Note Future, Mar. 2019	JPMorgan	USD	(37,961,563)	(584,212)
(226)	U.S. Treasury 10 Yr. Note Future, Mar. 2019	JPMorgan	USD	(27,575,531)	(341,926)
8	U.S. Treasury Ultra 10 Yr. Note Future, Mar. 2019	JPMorgan	USD	1,040,625	33,265
					(898,889)

Notes to the Financial Statements At December 31, 2018 (continued)

Note 6 — Open positions on financial future contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin Global Multi-Asset Income Fund

Number of contracts purchased/(sold)	Description	Counterparty	Trading currency	Commitment EUR	Unrealised profit/(loss) EUR
Bond Future					
70	U.S. Treasury Ultra 10 Yr. Note Future, Mar. 2019	JPMorgan	USD	7,946,822	255,627
Index Future					
(543)	Euro STOXX 50 Index Future, Mar. 2019	Citigroup	EUR	(16,148,820)	391,366
(301)	S&P 500 E-mini Index Future, Mar. 2019	Goldman Sachs	USD	(32,905,620)	853,323
					1,244,689
					1,500,316

Franklin K2 Alternative Strategies Fund

Number of contracts purchased/(sold)	Description	Counterparty	Trading currency	Commitment USD	Unrealised profit/(loss) USD
Bond Future					
19	CME Ultra Long Term U.S. Treasury Bond Future, Mar. 2019	JPMorgan	USD	3,052,469	78,501
175	Euro BTP Future, Mar. 2019	JPMorgan	EUR	25,628,720	1,105,463
(15)	Euro-Bund Future, Mar. 2019	JPMorgan	EUR	(2,810,639)	(26,493)
1	Euro-BUXL 30 Yr. Bond Future, Mar. 2019	JPMorgan	EUR	206,944	(1,468)
(549)	Euro-Schatz Future, Mar. 2019	JPMorgan	EUR	(70,412,147)	(30,289)
(3)	Japan 10 Yr. Bond Future, Mar. 2019	JPMorgan	JPY	(4,173,531)	(12,599)
(7)	Long Gilt Future, Mar. 2019	JPMorgan	GBP	(1,098,945)	(9,023)
(10)	U.S. Long Bond Treasury Future, Mar. 2019	JPMorgan	USD	(1,460,000)	(67,619)
25	U.S. Treasury 10 Yr. Note Future, Mar. 2019	JPMorgan	USD	3,050,390	(41,420)
(274)	U.S. Treasury 5 Yr. Note Future, Mar. 2019	JPMorgan	USD	(31,424,378)	(506,954)
231	3-month EURIBOR Future, Jun. 2020	Morgan Stanley	EUR	66,279,545	54,099
(458)	90 day Eurodollar Future, Jun. 2020	Morgan Stanley	USD	(111,643,231)	(481,701)
(345)	90 day Sterling Future, Jun. 2020	Morgan Stanley	GBP	(54,324,008)	(21,549)
37	Australia 10 Yr. Bond Future, Mar. 2019	Morgan Stanley	AUD	3,457,636	39,617
74	Canada 10 Yr. Bond Future, Mar. 2019	Morgan Stanley	CAD	7,413,544	59,577
117	Euro-BOBL Future, Mar. 2019	Morgan Stanley	EUR	17,764,671	42,022
91	Euro-Bund Future, Mar. 2019	Morgan Stanley	EUR	17,051,217	29,419
133	Euro-Schatz Future, Mar. 2019	Morgan Stanley	EUR	17,057,948	6,822
1	Japan 10 Yr. Bond Future, Mar. 2019	Morgan Stanley	JPY	1,391,174	(11,364)
106	Long Gilt Future, Mar. 2019	Morgan Stanley	GBP	16,641,166	(41,204)
15	mini-10 Yr. JGB Future, Mar. 2019	Morgan Stanley	JPY	2,088,822	6,039
43	U.S. Long Bond Treasury Future, Mar. 2019	Morgan Stanley	USD	6,278,000	22,745
(109)	U.S. Treasury 10 Yr. Note Future, Mar. 2019	Morgan Stanley	USD	(13,299,709)	(303,464)
(105)	U.S. Treasury 2 Yr. Note Future, Mar. 2019	Morgan Stanley	USD	(22,292,824)	(89,593)
(195)	U.S. Treasury 5 Yr. Note Future, Mar. 2019	Morgan Stanley	USD	(22,364,072)	(351,029)
52	Australia 10 Yr. Bond Future, Mar. 2019	UBS	AUD	4,859,379	61,050
(16)	Long Gilt Future, Mar. 2019	UBS	GBP	(2,511,880)	(19,186)
(44)	U.S. Treasury 10 Yr. Note Future, Mar. 2019	UBS	USD	(5,368,688)	(71,442)
					(581,043)
Currency Future					
(77)	GBP/USD Future, Mar. 2019	JPMorgan	USD	(6,155,188)	(103,101)
(114)	EUR/USD Future, Mar. 2019	Morgan Stanley	USD	(16,419,563)	(137,520)
(49)	NZD/USD Future, Mar. 2019	Morgan Stanley	USD	(3,292,800)	76,275
(151)	AUD/USD Future, Mar. 2019	UBS	USD	(10,648,520)	249,537
42	CAD/USD Future, Mar. 2019	UBS	USD	3,087,420	(60,350)
(99)	CHF/USD Future, Mar. 2019	UBS	USD	(12,676,950)	(93,665)
56	JPY/USD Future, Mar. 2019	UBS	USD	6,419,700	197,967
					129,143
Index Future					
71	CAC 40 Index Future, Jan. 2019	JPMorgan	EUR	3,846,553	(30,952)
5	DAX Index Future, Mar. 2019	JPMorgan	EUR	1,512,605	(26,578)
124	Euro STOXX 50 Index Future, Mar. 2019	JPMorgan	EUR	4,225,251	(49,469)
1,786	Euro STOXX Banks Equity Index Future, Mar. 2019	JPMorgan	EUR	8,829,826	(475,002)
46	JPX-Nikkei 400 Index Future, Mar. 2019	JPMorgan	JPY	556,088	(43,701)
(6)	Nikkei 225 Index Future, Mar. 2019	JPMorgan	JPY	(550,020)	91,707
(149)	Russell 2000 mini Index Future, Mar. 2019	JPMorgan	USD	(10,050,050)	107,572
(72)	S&P 500 E-mini Index Future, Mar. 2019	JPMorgan	USD	(9,018,720)	139,729
74	STOXX Europe 600 Index Future, Mar. 2019	JPMorgan	EUR	1,855,954	(63,933)
22	Topix Index Future, Mar. 2019	JPMorgan	JPY	2,997,765	(229,863)
(43)	CAC 40 Index Future, Jan. 2019	Morgan Stanley	EUR	(2,329,599)	20,145
(24)	DAX Index Future, Mar. 2019	Morgan Stanley	EUR	(7,260,504)	112,420
23	DJIA mini E-cbot Index Future, Mar. 2019	Morgan Stanley	USD	2,675,820	(124,615)
(801)	Euro STOXX 50 Index Future, Mar. 2019	Morgan Stanley	EUR	(27,293,758)	531,515
(218)	FTSE 100 Index Future, Mar. 2019	Morgan Stanley	GBP	(18,502,884)	31,410
(3)	FTSE MIB Index Future, Mar. 2019	Morgan Stanley	EUR	(312,893)	6,765
(20)	Hang Seng Index Future, Jan. 2019	Morgan Stanley	HKD	(3,301,700)	(28,174)

Notes to the Financial Statements At December 31, 2018 (continued)

Note 6 — Open positions on financial future contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin K2 Alternative Strategies Fund (continued)

Number of contracts purchased/(sold)	Description	Counterparty	Trading currency	Commitment USD	Unrealised profit/(loss) USD
268	MSCI EAFE Index Future	Morgan Stanley	USD	12,955,120	(117,843)
8	Nasdaq 100 E-mini Index Future, Mar. 2019	Morgan Stanley	USD	1,013,320	(70,603)
9	Nikkei 225 Index Future, Mar. 2019	Morgan Stanley	JPY	1,642,259	(90,712)
4	Russell 2000 mini Index Future, Mar. 2019	Morgan Stanley	USD	269,800	(16,812)
(154)	S&P 500 E-mini Index Future, Mar. 2019	Morgan Stanley	USD	(19,290,040)	764,721
(249)	STOXX Europe 600 Index Future, Mar. 2019	Morgan Stanley	EUR	(1,861,529)	58,137
(26)	Topix Index Future, Mar. 2019	Morgan Stanley	JPY	(3,542,812)	136,259
1	DAX Index Future, Mar. 2019	UBS	EUR	302,521	(5,129)
173	FTSE 100 Index Future, Mar. 2019	UBS	GBP	14,683,479	(31,608)
(50)	FTSE/JSE Africa Top 40 Index Future, Mar. 2019	UBS	ZAR	(1,635,378)	(51,811)
51	Hang Seng Index Future, Jan. 2019	UBS	HKD	8,419,347	65,556
61	MSCI Singapore Index Future, Jan. 2019	UBS	SGD	1,529,308	12,715
(15)	MSCI Taiwan Index Future, Jan. 2019	UBS	USD	(539,100)	(7,842)
26	SPI 200 Index Future, Mar. 2019	UBS	AUD	2,545,979	(20,189)
					593,815
					141,915

Franklin K2 Global Macro Opportunities Fund

Number of contracts purchased/(sold)	Description	Counterparty	Trading currency	Commitment USD	Unrealised profit/(loss) USD
Bond Future					
2	3-month EURIBOR Future, Jun. 2021	JPMorgan	EUR	572,360	771
1	3-month EURIBOR Future, Mar. 2021	JPMorgan	EUR	286,395	614
3	90 day Bank Bill Future, Dec. 2019	JPMorgan	AUD	2,103,351	220
5	90 day Bank Bill Future, Jun. 2020	JPMorgan	AUD	3,505,585	1,198
2	90 day Bank Bill Future, Mar. 2020	JPMorgan	AUD	1,402,234	221
1	90 day Bank Bill Future, Sep. 2019	JPMorgan	AUD	701,100	50
2	90 day Bank Bill Future, Sep. 2020	JPMorgan	AUD	1,402,166	582
(2)	90 day Eurodollar Future, Dec. 2019	JPMorgan	USD	(486,750)	(1,379)
(1)	90 day Eurodollar Future, Jun. 2020	JPMorgan	USD	(243,763)	(852)
(2)	90 day Eurodollar Future, Mar. 2020	JPMorgan	USD	(487,226)	(3,078)
(1)	90 day Eurodollar Future, Sep. 2019	JPMorgan	USD	(243,350)	(889)
(2)	90 day Sterling Future Dec. 2020	JPMorgan	GBP	(314,714)	(289)
(4)	90 day Sterling Future, Dec. 2019	JPMorgan	GBP	(630,224)	244
(1)	90 day Sterling Future, Dec. 2020	JPMorgan	GBP	(157,461)	(65)
(2)	90 day Sterling Future, Mar. 2020	JPMorgan	GBP	(315,034)	(114)
(3)	90 day Sterling Future, Mar. 2021	JPMorgan	GBP	(471,930)	53
(3)	90 day Sterling Future, Sep. 2019	JPMorgan	GBP	(472,932)	(91)
(3)	90 day Sterling Future, Sep. 2020	JPMorgan	GBP	(472,215)	(480)
5	Australia 10 Yr. Bond Future, Mar. 2019	JPMorgan	AUD	467,249	5,689
17	Australia 3 Yr. Bond Future, Mar. 2019	JPMorgan	AUD	1,343,627	5,070
8	Canada 10 Yr. Bond Future, Mar. 2019	JPMorgan	CAD	801,464	18,383
1	CME Ultra Long Term U.S. Treasury Bond Future, Mar. 2019	JPMorgan	USD	160,656	3,560
1	Euro BTP Future, Mar. 2019	JPMorgan	EUR	146,450	5,085
5	Euro-BOBL Future, Mar. 2019	JPMorgan	EUR	759,175	1,790
4	Euro-Bund Future, Mar. 2019	JPMorgan	EUR	749,504	5,722
1	Euro-BUXL 30 Yr. Bond Future, Mar. 2019	JPMorgan	EUR	206,945	(277)
4	Euro-OAT Future, Mar. 2019	JPMorgan	EUR	691,116	(774)
12	mini-10 Yr. JGB Future, Mar. 2019	JPMorgan	JPY	1,671,055	8,296
3	U.S. Long Bond Treasury Future, Mar. 2019	JPMorgan	USD	438,000	5,682
5	U.S. Treasury 10 Yr. Note Future, Mar. 2019	JPMorgan	USD	610,080	6,271
(2)	U.S. Treasury 2 Yr. Note Future, Mar. 2019	JPMorgan	USD	(424,626)	(2,098)
1	U.S. Treasury 5 Yr. Note Future, Mar. 2019	JPMorgan	USD	114,688	412
7	90 day Eurodollar Future, Jun. 2020	Morgan Stanley	USD	1,706,338	5,611
1	90 day Sterling Future, Dec. 2020	Morgan Stanley	GBP	157,461	55
16	Canada 10 Yr. Bond Future, Mar. 2019	Morgan Stanley	CAD	1,602,929	39,339
(2)	Euro BTP Future, Mar. 2019	Morgan Stanley	EUR	(292,900)	(11,170)
1	Euro-BOBL Future, Mar. 2019	Morgan Stanley	EUR	151,835	205
9	Euro-Bund Future, Mar. 2019	Morgan Stanley	EUR	1,686,384	8,928
11	Long Gilt Future, Mar. 2019	Morgan Stanley	GBP	1,726,915	11,716
9	U.S. Long Bond Treasury Future, Mar. 2019	Morgan Stanley	USD	1,314,000	48,486
9	U.S. Treasury 10 Yr. Note Future, Mar. 2019	Morgan Stanley	USD	1,098,141	26,558
2	U.S. Treasury 2 Yr. Note Future, Mar. 2019	Morgan Stanley	USD	424,625	1,810
12	U.S. Treasury 5 Yr. Note Future, Mar. 2019	Morgan Stanley	USD	1,376,251	22,061
					213,126
Currency Future					
(4)	AUD/USD Future, Mar. 2019	JPMorgan	USD	(282,080)	4,167
(22)	CAD/USD Future, Mar. 2019	JPMorgan	USD	(1,617,220)	25,696
(8)	CHF/USD Future, Mar. 2019	JPMorgan	USD	(1,024,400)	(7,516)
(4)	EUR/USD Future, Mar. 2019	JPMorgan	USD	(576,125)	(4,553)

Notes to the Financial Statements At December 31, 2018 (continued)

Note 6 — Open positions on financial future contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin K2 Global Macro Opportunities Fund (continued)

Number of contracts purchased/(sold)	Description	Counterparty	Trading currency	Commitment USD	Unrealised profit/(loss) USD
(5)	GBP/USD Future, Mar. 2019	JPMorgan	USD	(399,689)	(4,342)
(7)	JPY/USD Future, Mar. 2019	JPMorgan	USD	(802,464)	(24,340)
6	MXN/USD Future, Mar. 2019	JPMorgan	USD	150,780	3,823
(4)	NZD/USD Future, Mar. 2019	JPMorgan	USD	(268,800)	2,992
(20)	AUD/USD Future, Mar. 2019	Morgan Stanley	USD	(1,410,400)	28,851
(3)	CAD/USD Future, Mar. 2019	Morgan Stanley	USD	(220,530)	3,653
(53)	EUR/USD Future, Mar. 2019	Morgan Stanley	USD	(7,633,656)	(57,816)
(2)	GBP/USD Future, Mar. 2019	Morgan Stanley	USD	(159,875)	(1,768)
(1)	JPY/USD Future, Mar. 2019	Morgan Stanley	USD	(114,638)	(3,259)
(1)	MXN/USD Future, Mar. 2019	Morgan Stanley	USD	(25,130)	(820)
(1)	NZD/USD Future, Mar. 2019	Morgan Stanley	USD	(67,200)	917
1	USD/NOK Future, Mar. 2019	Morgan Stanley	NOK	99,736	1,429
(3)	ZAR/USD Future, Mar. 2019	Morgan Stanley	USD	(103,313)	29
					(32,857)
Index Future					
(1)	FTSE 100 Index Future, Mar. 2019	JPMorgan	GBP	(84,876)	(77)
(1)	FTSE MIB Index Future, Mar. 2019	JPMorgan	EUR	(104,298)	3,602
(1)	FTSE/JSE Africa Top 40 Index Future, Mar. 2019	JPMorgan	ZAR	(32,708)	(1,312)
(1)	Hang Seng China Enterprises Index Future, Jan. 2019	JPMorgan	HKD	(64,504)	(495)
(1)	MSCI EAFE Index Future, Mar. 2019	JPMorgan	USD	(85,800)	333
(3)	OMXS 30 Index Future, Jan. 2019	JPMorgan	SEK	(47,667)	873
(1)	S&P 500 E-mini Index Future, Mar. 2019	JPMorgan	USD	(125,260)	2,492
1	DJIA mini E-cbot Index Future, Mar. 2019	Morgan Stanley	USD	116,340	(6,597)
(4)	Euro STOXX 50 Index Future, Mar. 2019	Morgan Stanley	EUR	(136,299)	2,550
5	FTSE 100 Index Future, Mar. 2019	Morgan Stanley	GBP	424,379	1,320
2	Hang Seng Index Future, Jan. 2019	Morgan Stanley	HKD	330,170	3,486
4	Nasdaq 100 E-mini Index Future, Mar. 2019	Morgan Stanley	USD	506,660	(9,915)
3	Nikkei 225 Index Future, Mar. 2019	Morgan Stanley	JPY	547,420	(29,753)
2	Russell 2000 mini Index Future, Mar. 2019	Morgan Stanley	USD	134,900	(11,063)
					(44,556)
					135,713

Franklin K2 Long Short Credit Fund

Number of contracts purchased/(sold)	Description	Counterparty	Trading currency	Commitment USD	Unrealised profit/(loss) USD
Bond Future					
(1)	Euro BTP Future, Mar. 2019	JPMorgan	EUR	(146,450)	(4,994)
1	U.S. Long Bond Treasury Future, Mar. 2019	JPMorgan	USD	146,000	6,700
					1,706
Index Future					
(2)	S&P 500 E-mini Index Future, Mar. 2019	JPMorgan	USD	(250,520)	4,985
					6,691

Franklin Strategic Income Fund

Number of contracts purchased/(sold)	Description	Counterparty	Trading currency	Commitment USD	Unrealised profit/(loss) USD
Bond Future					
(77)	Euro-Bund Future, Mar. 2019	JPMorgan	EUR	(14,428,578)	(34,583)
51	U.S. Long Bond Treasury Future, Future, Mar. 2019	JPMorgan	USD	7,446,000	352,469
(132)	U.S. Treasury 5 Yr. Note Future, Mar. 2019	JPMorgan	USD	(15,138,750)	(233,777)
78	U.S. Treasury Ultra 10 Yr. Note Future, Mar. 2019	JPMorgan	USD	10,146,094	244,004
					328,113

Franklin U.S. Low Duration Fund

Number of contracts purchased/(sold)	Description	Counterparty	Trading currency	Commitment USD	Unrealised profit/(loss) USD
Bond Future					
32	Canada 10 Yr. Bond Future, Mar. 2019	JPMorgan	CAD	3,206,447	98,390
(50)	Euro-BOBL Future, Mar. 2019	JPMorgan	EUR	(7,592,070)	(4,697)
(34)	Euro-Bund Future, Mar. 2019	JPMorgan	EUR	(6,371,060)	(15,270)
1,121	U.S. Treasury 2 Yr. Note Future, Mar. 2019	JPMorgan	USD	238,002,312	1,504,276
(160)	U.S. Treasury 5 Yr. Note Future, Mar. 2019	JPMorgan	USD	(18,350,000)	(235,774)
(63)	U.S. Treasury 10 Yr. Note Future, Mar. 2019	JPMorgan	USD	(7,686,984)	(174,894)
					1,172,031

Notes to the Financial Statements At December 31, 2018 (continued)

Note 7 — Open positions on interest rate swap contracts

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin Flexible Alpha Bond Fund

Notional amount	Description	Counterparty	Maturity date	Trading currency	Unrealised profit/(loss) USD
6,040,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 2.7125%	Citigroup	29-Mar-23	USD	(34,259)
18,500,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 2.806%	Citigroup	17-Apr-23	USD	(178,220)
					(212,479)

Franklin Global Fundamental Strategies Fund

Notional amount	Description	Counterparty	Maturity date	Trading currency	Unrealised profit/(loss) USD
1,010,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 4.34675%	Citigroup	25-Feb-41	USD	(257,389)
9,042,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 2.97981%	Citigroup	20-Feb-48	USD	(279,005)
9,042,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 3.002%	Citigroup	22-Feb-48	USD	(291,819)
9,042,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 3.019%	Citigroup	23-Feb-48	USD	(323,548)
600,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 3.523%	Deutsche Bank	28-Mar-21	USD	(11,395)
430,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 2.775%	Deutsche Bank	04-Oct-23	USD	(3,831)
430,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 2.795%	Deutsche Bank	04-Oct-23	USD	(4,216)
210,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 3.668%	Deutsche Bank	04-Oct-43	USD	(31,761)
210,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 3.68655%	Deutsche Bank	04-Oct-43	USD	(32,476)
430,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 2.765%	HSBC	07-Oct-23	USD	(3,662)
210,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 3.675%	HSBC	07-Oct-43	USD	(32,044)
330,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 3.5575%	JPMorgan	04-Mar-21	USD	(6,320)
5,610,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 2.7305%	JPMorgan	07-Jul-24	USD	(42,067)
9,452,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 1.91422%	JPMorgan	22-Jan-25	USD	361,333
29,540,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 1.96953%	JPMorgan	23-Jan-25	USD	1,037,731
17,440,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 1.973%	JPMorgan	27-Jan-25	USD	610,187
4,360,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 1.9367%	JPMorgan	29-Jan-25	USD	161,152
3,690,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 1.94152%	JPMorgan	30-Jan-25	USD	135,660
5,820,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 1.81667%	JPMorgan	03-Feb-25	USD	255,475
830,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 4.215%	JPMorgan	11-Jan-41	USD	(192,246)
1,010,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 4.3494%	JPMorgan	25-Feb-41	USD	(260,239)
760,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 4.3201%	JPMorgan	28-Feb-41	USD	(190,286)
250,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 4.299%	JPMorgan	01-Mar-41	USD	(61,737)
30,700,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 2.3782%	JPMorgan	18-Nov-46	USD	2,832,796
10,100,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 2.7935%	JPMorgan	13-Mar-47	USD	96,549
3,300,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 2.537%	JPMorgan	13-Apr-47	USD	201,514
1,000,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 2.5873%	JPMorgan	27-Jul-47	USD	50,875
3,640,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 3.2455%	JPMorgan	21-Nov-48	USD	(310,678)
					3,408,553

Notes to the Financial Statements At December 31, 2018 (continued)

Note 7 — Open positions on interest rate swap contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin K2 Alternative Strategies Fund

Notional amount	Description	Counterparty	Maturity date	Trading currency	Unrealised profit/(loss) USD
4,836,131	Receiving floating rate 3-month MYR KLIBOR Paying fixed rate 4.142%	Bank of America	21-May-23	MYR	(19,993)
11,474,347	Receiving floating rate 3-month MYR KLIBOR Paying fixed rate 4.0245%	Bank of America	08-Jun-23	MYR	(33,756)
90,360,000	Receiving fixed rate 2.11% Paying floating rate 3-month USD BBA LIBOR	JPMorgan	05-Jan-20	USD	(169,859)
37,000,000	Receiving fixed rate 2.6005% Paying floating rate 3-month USD BBA LIBOR	JPMorgan	10-Apr-20	USD	(47,389)
85,450,000	Receiving fixed rate 2.826% Paying floating rate 3-month USD BBA LIBOR	JPMorgan	16-Jul-20	USD	833,167
25,200,000	Receiving fixed rate 2.82851% Paying floating rate 3-month USD BBA LIBOR	JPMorgan	24-Jul-20	USD	245,340
7,987,200	Receiving fixed rate 3.0945% Paying floating rate 3-month USD BBA LIBOR	JPMorgan	22-Oct-20	USD	68,755
6,702,800	Receiving fixed rate 3.0972% Paying floating rate 3-month USD BBA LIBOR	JPMorgan	22-Oct-20	USD	58,051
4,000,000	Receiving fixed rate 2.095% Paying floating rate 3-month CAD BA	JPMorgan	14-Sep-21	CAD	(10,388)
9,500,000	Receiving fixed rate 2.11% Paying floating rate 3-month CAD BA	JPMorgan	15-Sep-21	CAD	(21,546)
9,500,000	Receiving fixed rate 2.115% Paying floating rate 3-month CAD BA	JPMorgan	15-Sep-21	CAD	(20,531)
9,500,000	Receiving fixed rate 2.12% Paying floating rate 3-month CAD BA	JPMorgan	18-Sep-21	CAD	(19,585)
7,280,000	Receiving fixed rate 2.07% Paying floating rate 3-month CAD BA	JPMorgan	19-Sep-21	CAD	(22,801)
5,100,000	Receiving fixed rate 2.177% Paying floating rate 3-month CAD BA	JPMorgan	27-Dec-21	CAD	(6,981)
1,955,640,612	Receiving fixed rate 1.45% Paying floating rate 6-month HUF BUBOR	JPMorgan	20-Mar-22	HUF	30,610
30,000,000	Receiving fixed rate 2.3475% Paying floating rate 3-month CAD BA	JPMorgan	06-Apr-22	CAD	85,032
40,354,610	Receiving floating rate 6-month CZK PRIBOR Paying fixed rate 1.6725%	JPMorgan	21-Mar-23	CZK	(2,525)
17,055,459	Receiving floating rate 6-month CZK PRIBOR Paying fixed rate 1.7425%	JPMorgan	21-Mar-23	CZK	(3,708)
80,628,578	Receiving floating rate 6-month CZK PRIBOR Paying fixed rate 1.86%	JPMorgan	21-Mar-23	CZK	(38,486)
21,457,873	Receiving fixed rate 7.865% Paying floating rate 4-week Mexico Interbank TIIE	JPMorgan	13-Sep-23	MXN	(31,225)
25,966,609	Receiving fixed rate 7.91% Paying floating rate 4-week Mexico Interbank TIIE	JPMorgan	13-Sep-23	MXN	(35,426)
40,430,900	Receiving fixed rate 7.945% Paying floating rate 4-week Mexico Interbank TIIE	JPMorgan	13-Sep-23	MXN	(52,300)
45,281,501	Receiving floating rate 6-month CZK PRIBOR Paying fixed rate 1.875%	JPMorgan	19-Sep-23	CZK	(7,111)
30,055,422	Receiving fixed rate 7.88% Paying floating rate 4-week Mexico Interbank TIIE	JPMorgan	13-Dec-23	MXN	(44,456)
44,282,738	Receiving fixed rate 8.067% Paying floating rate 4-week Mexico Interbank TIIE	JPMorgan	13-Dec-23	MXN	(48,130)
116,892,296	Receiving fixed rate 8.8125% Paying floating rate 4-week Mexico Interbank TIIE	JPMorgan	13-Dec-23	MXN	55,744
1,600,000	Receiving floating rate 3-month CAD BA Paying fixed rate 2.351%	JPMorgan	14-Sep-27	CAD	5,631
3,900,000	Receiving floating rate 3-month CAD BA Paying fixed rate 2.36%	JPMorgan	15-Sep-27	CAD	11,642
3,900,000	Receiving floating rate 3-month CAD BA Paying fixed rate 2.365%	JPMorgan	15-Sep-27	CAD	10,464
3,900,000	Receiving floating rate 3-month CAD BA Paying fixed rate 2.386%	JPMorgan	18-Sep-27	CAD	5,638
2,870,000	Receiving floating rate 3-month CAD BA Paying fixed rate 2.3625%	JPMorgan	19-Sep-27	CAD	8,241
17,900,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 2.432%	JPMorgan	05-Jan-28	USD	246,584
11,000,000	Receiving floating rate 3-month CAD BA Paying fixed rate 2.5315%	JPMorgan	06-Apr-28	CAD	(67,949)
5,500,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 2.803%	JPMorgan	10-Apr-28	USD	(55,485)
18,900,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 2.93%	JPMorgan	16-Jul-28	USD	(525,325)

Notes to the Financial Statements At December 31, 2018 (continued)

Note 7 — Open positions on interest rate swap contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin K2 Alternative Strategies Fund (continued)

Notional amount	Description	Counterparty	Maturity date	Trading currency	Unrealised profit/(loss) USD
624,177,015	Receiving floating rate 6-month HUF BUBOR Paying fixed rate 2.765%	JPMorgan	20-Mar-29	HUF	(93,739)
629,687,189	Receiving floating rate 6-month HUF BUBOR Paying fixed rate 2.77%	JPMorgan	20-Mar-29	HUF	(95,598)
1,258,000	Receiving floating rate 6-month GBP LIBOR Paying fixed rate 1.41%	JPMorgan	04-Aug-67	GBP	42,495
2,354,974	Receiving floating rate 6-month GBP LIBOR Paying fixed rate 1.5188%	JPMorgan	20-Mar-69	GBP	(31,417)
4,768,646	Receiving floating rate 3-month MYR KLIBOR Paying fixed rate 4.1425%	Morgan Stanley	18-May-23	MYR	(19,727)
					181,958

Franklin K2 Global Macro Opportunities Fund

Notional amount	Description	Counterparty	Maturity date	Trading currency	Unrealised profit/(loss) USD
235,796	Receiving floating rate 3-month MYR KLIBOR Paying fixed rate 4.142%	Bank of America	21-May-23	MYR	(975)
514,374	Receiving floating rate 3-month MYR KLIBOR Paying fixed rate 4.0245%	Bank of America	08-Jun-23	MYR	(1,513)
90,529,436	Receiving fixed rate 1.45% Paying floating rate 6-month HUF BUBOR	JPMorgan	20-Mar-22	HUF	1,417
1,318,884	Receiving floating rate 6-month CZK PRIBOR Paying fixed rate 1.6725%	JPMorgan	21-Mar-23	CZK	(83)
1,025,015	Receiving floating rate 6-month CZK PRIBOR Paying fixed rate 1.7425%	JPMorgan	21-Mar-23	CZK	(223)
3,767,658	Receiving floating rate 6-month CZK PRIBOR Paying fixed rate 1.86%	JPMorgan	21-Mar-23	CZK	(1,798)
1,988,086	Receiving fixed rate 7.865% Paying floating rate 4-week Mexico Interbank TIIE	JPMorgan	13-Sep-23	MXN	(2,893)
876,759	Receiving fixed rate 7.89% Paying floating rate 4-week Mexico Interbank TIIE	JPMorgan	13-Sep-23	MXN	(1,232)
1,641,318	Receiving fixed rate 7.91% Paying floating rate 4-week Mexico Interbank TIIE	JPMorgan	13-Sep-23	MXN	(2,239)
2,498,395	Receiving fixed rate 7.945% Paying floating rate 4-week Mexico Interbank TIIE	JPMorgan	13-Sep-23	MXN	(3,232)
4,742,194	Receiving floating rate 6-month CZK PRIBOR Paying fixed rate 1.875%	JPMorgan	19-Sep-23	CZK	(745)
12,991	Receiving fixed rate 8.067% Paying floating rate 4-week Mexico Interbank TIIE	JPMorgan	13-Dec-23	MXN	(14)
5,153,118	Receiving fixed rate 8.8125% Paying floating rate 4-week Mexico Interbank TIIE	JPMorgan	13-Dec-23	MXN	2,457
28,894,058	Receiving floating rate 6-month HUF BUBOR Paying fixed rate 2.765%	JPMorgan	20-Mar-29	HUF	(4,339)
29,149,132	Receiving floating rate 6-month HUF BUBOR Paying fixed rate 2.77%	JPMorgan	20-Mar-29	HUF	(4,425)
59,000	Receiving floating rate 6-month GBP LIBOR Paying fixed rate 1.41%	JPMorgan	04-Aug-67	GBP	1,993
108,290	Receiving floating rate 6-month GBP LIBOR Paying fixed rate 1.5188%	JPMorgan	20-Mar-69	GBP	(1,445)
232,634	Receiving floating rate 3-month MYR KLIBOR Paying fixed rate 4.1425%	Morgan Stanley	18-May-23	MYR	(962)
					(20,251)

Franklin K2 Long Short Credit Fund

Notional amount	Description	Counterparty	Maturity date	Trading currency	Unrealised profit/(loss) USD
507,406	Receiving floating rate 3-month MYR KLIBOR Paying fixed rate 4.142%	Bank of America	21-May-23	MYR	(2,098)
1,108,927	Receiving floating rate 3-month MYR KLIBOR Paying fixed rate 4.0245%	Bank of America	08-Jun-23	MYR	(3,262)
2,024,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 1.75%	JPMorgan	21-Mar-20	USD	2,082
1,000,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 2.25%	JPMorgan	19-Sep-20	USD	(10,027)
173,983,189	Receiving fixed rate 1.45% Paying floating rate 6-month HUF BUBOR	JPMorgan	20-Mar-22	HUF	2,723

Notes to the Financial Statements At December 31, 2018 (continued)

Note 7 — Open positions on interest rate swap contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin K2 Long Short Credit Fund (continued)

Notional amount	Description	Counterparty	Maturity date	Trading currency	Unrealised profit/(loss) USD
1,012,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 2%	JPMorgan	21-Mar-23	USD	7,410
3,123,604	Receiving floating rate 6-month CZK PRIBOR Paying fixed rate 1.6725%	JPMorgan	21-Mar-23	CZK	(195)
1,875,257	Receiving floating rate 6-month CZK PRIBOR Paying fixed rate 1.7425%	JPMorgan	21-Mar-23	CZK	(408)
7,060,080	Receiving floating rate 6-month CZK PRIBOR Paying fixed rate 1.86%	JPMorgan	21-Mar-23	CZK	(3,370)
4,437,413	Receiving fixed rate 7.865% Paying floating rate 4-week Mexico Interbank TIIE	JPMorgan	13-Sep-23	MXN	(6,457)
870,418	Receiving fixed rate 7.89% Paying floating rate 4-week Mexico Interbank TIIE	JPMorgan	13-Sep-23	MXN	(1,223)
3,670,575	Receiving fixed rate 7.91% Paying floating rate 4-week Mexico Interbank TIIE	JPMorgan	13-Sep-23	MXN	(5,008)
5,589,355	Receiving fixed rate 7.945% Paying floating rate 4-week Mexico Interbank TIIE	JPMorgan	13-Sep-23	MXN	(7,230)
10,587,120	Receiving floating rate 6-month CZK PRIBOR Paying fixed rate 1.875%	JPMorgan	19-Sep-23	CZK	(1,663)
31,921	Receiving fixed rate 8.067% Paying floating rate 4-week Mexico Interbank TIIE	JPMorgan	13-Dec-23	MXN	(35)
10,246,175	Receiving fixed rate 8.8125% Paying floating rate 4-week Mexico Interbank TIIE	JPMorgan	13-Dec-23	MXN	4,886
1,023,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 2.25%	JPMorgan	21-Mar-28	USD	19,936
55,529,787	Receiving floating rate 6-month HUF BUBOR Paying fixed rate 2.765%	JPMorgan	20-Mar-29	HUF	(8,339)
56,019,999	Receiving floating rate 6-month HUF BUBOR Paying fixed rate 2.77%	JPMorgan	20-Mar-29	HUF	(8,505)
227,000	Receiving floating rate 6-month GBP LIBOR Paying fixed rate 1.41%	JPMorgan	04-Aug-67	GBP	7,668
99,474	Receiving floating rate 6-month GBP LIBOR Paying fixed rate 1.5188%	JPMorgan	20-Mar-69	GBP	(1,327)
500,319	Receiving floating rate 3-month MYR KLIBOR Paying fixed rate 4.1425%	Morgan Stanley	18-May-23	MYR	(2,070)
					(16,512)

Templeton Asian Bond Fund

Notional amount	Description	Counterparty	Maturity date	Trading currency	Unrealised profit/(loss) USD
7,640,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 2.97981%	Citigroup	20-Feb-48	USD	(235,768)
7,640,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 3.002%	Citigroup	22-Feb-48	USD	(246,594)
7,640,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 3.019%	Citigroup	23-Feb-48	USD	(273,404)
23,500,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 2.765%	HSBC	07-Oct-23	USD	(200,146)
11,430,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 3.675%	HSBC	07-Oct-43	USD	(1,744,095)
25,800,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 2.61313%	JPMorgan	26-Jan-47	USD	1,176,101
44,400,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 2.6782%	JPMorgan	27-Jan-47	USD	1,445,891
4,000,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 2.5873%	JPMorgan	27-Jul-47	USD	204,398
					126,383

Notes to the Financial Statements At December 31, 2018 (continued)

Note 7 — Open positions on interest rate swap contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Templeton Emerging Markets Balanced Fund

Notional amount	Description	Counterparty	Maturity date	Trading currency	Unrealised profit/(loss) USD
230,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 2.97981%	Citigroup	20-Feb-48	USD	(7,243)
230,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 3.002%	Citigroup	22-Feb-48	USD	(7,569)
230,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 3.019%	Citigroup	23-Feb-48	USD	(8,376)
340,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 3.018%	JPMorgan	22-Aug-23	USD	(6,648)
960,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 1.91422%	JPMorgan	22-Jan-25	USD	36,699
1,200,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 1.96953%	JPMorgan	23-Jan-25	USD	42,155
700,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 1.973%	JPMorgan	27-Jan-25	USD	24,491
180,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 1.9367%	JPMorgan	29-Jan-25	USD	6,653
150,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 1.94152%	JPMorgan	30-Jan-25	USD	5,515
230,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 1.81667%	JPMorgan	03-Feb-25	USD	10,096
200,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 3.848%	JPMorgan	22-Aug-43	USD	(36,290)
					59,483

Templeton Emerging Markets Bond Fund

Notional amount	Description	Counterparty	Maturity date	Trading currency	Unrealised profit/(loss) USD
62,460,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 3.44%	Citigroup	21-Apr-21	USD	(1,121,372)
73,706,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 2.97981%	Citigroup	20-Feb-48	USD	(2,273,595)
73,706,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 3.002%	Citigroup	22-Feb-48	USD	(2,378,042)
73,706,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 3.019%	Citigroup	23-Feb-48	USD	(2,636,682)
10,460,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 2.775%	Deutsche Bank	04-Oct-23	USD	(93,194)
10,460,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 2.795%	Deutsche Bank	04-Oct-23	USD	(102,565)
5,090,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 3.668%	Deutsche Bank	04-Oct-43	USD	(769,835)
5,090,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 3.68655%	Deutsche Bank	04-Oct-43	USD	(787,157)
10,460,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 2.765%	HSBC	07-Oct-23	USD	(89,086)
5,090,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 3.675%	HSBC	07-Oct-43	USD	(776,679)
217,280,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 1.91422%	JPMorgan	22-Jan-25	USD	8,306,232
271,610,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 1.96953%	JPMorgan	23-Jan-25	USD	9,541,570
160,300,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 1.973%	JPMorgan	27-Jan-25	USD	5,608,544
40,070,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 1.9367%	JPMorgan	29-Jan-25	USD	1,481,050
33,930,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 1.94152%	JPMorgan	30-Jan-25	USD	1,247,414
111,000,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 2.43%	JPMorgan	25-Nov-46	USD	9,106,355
114,600,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 2.7935%	JPMorgan	13-Mar-47	USD	1,098,601
					25,361,559

Notes to the Financial Statements At December 31, 2018 (continued)

Note 7 — Open positions on interest rate swap contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Templeton Global Bond Fund

Notional amount	Description	Counterparty	Maturity date	Trading currency	Unrealised profit/(loss) USD
34,400,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 4.3675%	Citigroup	20-Dec-40	USD	(8,833,769)
186,490,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 4.34675%	Citigroup	25-Feb-41	USD	(47,525,168)
187,632,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 2.97981%	Citigroup	20-Feb-48	USD	(5,787,076)
187,632,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 3.002%	Citigroup	22-Feb-48	USD	(6,052,964)
187,632,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 3.019%	Citigroup	23-Feb-48	USD	(6,711,380)
94,430,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 3.5575%	JPMorgan	04-Mar-21	USD	(1,808,593)
290,840,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 1.91422%	JPMorgan	22-Jan-25	USD	11,118,301
536,430,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 1.973%	JPMorgan	27-Jan-25	USD	18,768,506
134,110,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 1.9367%	JPMorgan	29-Jan-25	USD	4,956,917
113,540,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 1.94152%	JPMorgan	30-Jan-25	USD	4,174,222
178,930,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 1.81667%	JPMorgan	03-Feb-25	USD	7,854,333
263,000,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 3.9625%	JPMorgan	23-Nov-40	USD	(49,539,800)
31,200,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 4.153%	JPMorgan	10-Dec-40	USD	(6,881,015)
194,540,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 4.215%	JPMorgan	11-Jan-41	USD	(45,059,619)
186,490,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 4.3494%	JPMorgan	25-Feb-41	USD	(48,051,461)
139,860,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 4.3201%	JPMorgan	28-Feb-41	USD	(35,017,694)
46,620,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 4.299%	JPMorgan	01-Mar-41	USD	(11,512,648)
227,900,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 2.61313%	JPMorgan	26-Jan-47	USD	10,391,240
392,400,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 2.6782%	JPMorgan	27-Jan-47	USD	12,780,902
46,600,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 2.537%	JPMorgan	13-Apr-47	USD	2,849,550
					(199,887,216)

Templeton Global Bond (Euro) Fund

Notional amount	Description	Counterparty	Maturity date	Trading currency	Unrealised profit/(loss) EUR
3,504,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 2.97981%	Citigroup	20-Feb-48	USD	(94,433)
3,504,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 3.002%	Citigroup	22-Feb-48	USD	(98,766)
3,504,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 3.019%	Citigroup	23-Feb-48	USD	(109,499)
25,539,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 1.9965%	HSBC	28-Apr-25	USD	785,739
13,890,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 2.3865%	HSBC	28-Apr-45	USD	1,058,786
10,700,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 2.3782%	JPMorgan	18-Nov-46	USD	861,503
7,300,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 2.7935%	JPMorgan	13-Mar-47	USD	60,808
14,300,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 2.5873%	JPMorgan	27-Jul-47	USD	638,418
					3,102,556

Notes to the Financial Statements At December 31, 2018 (continued)

Note 7 — Open positions on interest rate swap contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Templeton Global High Yield Fund

Notional amount	Description	Counterparty	Maturity date	Trading currency	Unrealised profit/(loss) USD
1,330,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 3.44%	Citigroup	21-Apr-21	USD	(23,878)
1,860,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 1.9367%	JPMorgan	29-Jan-25	USD	68,748
1,580,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 1.94152%	JPMorgan	30-Jan-25	USD	58,088
2,490,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 1.81667%	JPMorgan	03-Feb-25	USD	109,301
4,670,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 2.9975%	JPMorgan	25-Apr-28	USD	(119,999)
476,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 2.97981%	JPMorgan	20-Feb-48	USD	(14,980)
476,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 3.002%	JPMorgan	22-Feb-48	USD	(15,654)
476,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 3.019%	JPMorgan	23-Feb-48	USD	(17,325)
2,060,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 3.024%	JPMorgan	25-Apr-48	USD	(79,083)
					(34,782)

Templeton Global Income Fund

Notional amount	Description	Counterparty	Maturity date	Trading currency	Unrealised profit/(loss) USD
1,924,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 2.97981%	Citigroup	20-Feb-48	USD	(59,486)
1,924,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 3.002%	Citigroup	22-Feb-48	USD	(62,213)
1,924,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 3.019%	Citigroup	23-Feb-48	USD	(68,964)
1,430,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 3.018%	JPMorgan	22-Aug-23	USD	(27,960)
22,820,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 2.7305%	JPMorgan	07-Jul-24	USD	(171,117)
20,030,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 1.91422%	JPMorgan	22-Jan-25	USD	765,712
25,040,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 1.96953%	JPMorgan	23-Jan-25	USD	879,647
14,780,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 1.973%	JPMorgan	27-Jan-25	USD	517,120
3,700,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 1.9367%	JPMorgan	29-Jan-25	USD	136,758
3,130,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 1.94152%	JPMorgan	30-Jan-25	USD	115,072
4,930,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 1.81667%	JPMorgan	03-Feb-25	USD	216,408
820,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 3.848%	JPMorgan	22-Aug-43	USD	(148,790)
11,100,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 2.537%	JPMorgan	13-Apr-47	USD	678,527
3,400,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 2.5873%	JPMorgan	27-Jul-47	USD	173,693
					2,944,407

Notes to the Financial Statements At December 31, 2018 (continued)

Note 7 — Open positions on interest rate swap contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Templeton Global Total Return Fund

Notional amount	Description	Counterparty	Maturity date	Trading currency	Unrealised profit/(loss) USD
45,640,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 4.34675%	Citigroup	25-Feb-41	USD	(11,630,911)
217,542,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 2.97981%	Citigroup	20-Feb-48	USD	(6,709,502)
217,542,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 3.002%	Citigroup	22-Feb-48	USD	(7,017,774)
217,542,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 3.019%	Citigroup	23-Feb-48	USD	(7,781,146)
88,240,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 3.523%	Deutsche Bank	28-Mar-21	USD	(1,675,835)
234,540,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 3.668%	Deutsche Bank	04-Oct-43	USD	(35,472,885)
234,540,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 3.68655%	Deutsche Bank	04-Oct-43	USD	(36,271,100)
234,540,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 3.675%	HSBC	07-Oct-43	USD	(35,788,273)
83,070,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 3.0755%	JPMorgan	14-Jun-21	USD	(883,813)
202,130,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 1.91422%	JPMorgan	22-Jan-25	USD	7,727,074
252,660,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 1.96953%	JPMorgan	23-Jan-25	USD	8,875,862
149,110,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 1.973%	JPMorgan	27-Jan-25	USD	5,217,031
37,280,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 1.9367%	JPMorgan	29-Jan-25	USD	1,377,928
31,560,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 1.94152%	JPMorgan	30-Jan-25	USD	1,160,282
49,740,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 1.81667%	JPMorgan	03-Feb-25	USD	2,183,393
161,368,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 2.0362%	JPMorgan	23-Mar-25	USD	5,255,709
541,800,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 1.9777%	JPMorgan	27-Mar-25	USD	19,503,987
541,800,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 1.985%	JPMorgan	27-Mar-25	USD	19,275,526
45,640,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 4.3494%	JPMorgan	25-Feb-41	USD	(11,759,712)
34,230,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 4.3201%	JPMorgan	28-Feb-41	USD	(8,570,396)
11,410,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 4.299%	JPMorgan	01-Mar-41	USD	(2,817,660)
330,000,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 2.61313%	JPMorgan	26-Jan-47	USD	15,046,687
568,200,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 2.6782%	JPMorgan	27-Jan-47	USD	18,507,037
51,300,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 2.5873%	JPMorgan	27-Jul-47	USD	2,624,947
					(59,623,544)

Note 8 — Open positions on inflation swap contracts

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin Brazil Opportunities Fund

Notional amount	Description	Counterparty	Maturity date	Trading currency	Unrealised profit/(loss) USD
7,000,000	Receiving floating rate CDI Paying floating rate IPCA	CM Capital Markets CCTVM	17-Aug-20	BRL	193,784
7,000,000	Receiving floating rate IPCA Paying floating rate CDI	CM Capital Markets CCTVM	17-Aug-20	BRL	(281,274)
5,000,000	Receiving floating rate CDI Paying floating rate IPCA	CM Capital Markets CCTVM	15-Dec-27	BRL	451,721
5,000,000	Receiving floating rate IPCA Paying floating rate CDI	CM Capital Markets CCTVM	15-Dec-27	BRL	(244,157)
6,040,000	Receiving floating rate CDI Paying floating rate IPCA	Itau Corretora de Valores	15-Aug-22	BRL	177,604

Notes to the Financial Statements At December 31, 2018 (continued)

Note 8 — Open positions on inflation swap contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin Brazil Opportunities Fund (continued)

Notional amount	Description	Counterparty	Maturity date	Trading currency	Unrealised profit/(loss) USD
6,040,000	Receiving floating rate IPCA Paying floating rate CDI	Itau Corretora de Valores	15-Aug-22	BRL	(185,295)
					112,383

Franklin Flexible Alpha Bond Fund

Notional amount	Description	Counterparty	Maturity date	Trading currency	Unrealised profit/(loss) USD
7,000,000	Receiving floating rate US CPI Urban Consumers NSA Paying fixed rate 2.103%	Citigroup	11-Dec-25	USD	(100,901)
3,000,000	Receiving floating rate US CPI Urban Consumers NSA Paying fixed rate 2.356%	Citigroup	12-Oct-26	USD	(109,106)
4,000,000	Receiving floating rate US CPI Urban Consumers NSA Paying fixed rate 1.782%	JPMorgan	27-May-24	USD	63,506
					(146,501)

Franklin K2 Alternative Strategies Fund

Notional amount	Description	Counterparty	Maturity date	Trading currency	Unrealised profit/(loss) USD
130,624,452	Receiving floating rate INR MIBOR Paying fixed rate 6.6715%	Bank of America	20-Jun-23	INR	(4,722)
30,254,028	Receiving fixed rate 8.345% Paying floating rate CDI	JPMorgan	04-Jan-21	BRL	171,766
					167,044

Franklin K2 Global Macro Opportunities Fund

Notional amount	Description	Counterparty	Maturity date	Trading currency	Unrealised profit/(loss) USD
7,051,916	Receiving floating rate INR MIBOR Paying fixed rate 6.6715%	Bank of America	20-Jun-23	INR	(255)
1,318,617	Receiving fixed rate 8.345% Paying floating rate CDI	JPMorgan	04-Jan-21	BRL	7,486
					7,231

Franklin K2 Long Short Credit Fund

Notional amount	Description	Counterparty	Maturity date	Trading currency	Unrealised profit/(loss) USD
13,316,339	Receiving floating rate INR MIBOR Paying fixed rate 6.6715%	Bank of America	20-Jun-23	INR	(481)
2,691,524	Receiving fixed rate 8.345% Paying floating rate CDI	JPMorgan	04-Jan-21	BRL	15,281
					14,800

Franklin U.S. Low Duration Fund

Notional amount	Description	Counterparty	Maturity date	Trading currency	Unrealised profit/(loss) USD
8,700,000	Receiving floating rate US CPI Urban Consumers NSA Paying fixed rate 1.96%	JPMorgan	31-Aug-24	USD	(3,516)

Notes to the Financial Statements At December 31, 2018 (continued)

Note 9 — Open positions on cross currency swap contracts

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin Flexible Alpha Bond Fund

Description	Notional amount	Counterparty	Maturity date	Trading currency	Unrealised profit/(loss) USD
Receiving floating rate 3-month USD BBA LIBOR +0.36%	2,530,000			USD	
Paying floating rate 3-month EURIBOR	2,300,000	Citigroup	18-Oct-19	EUR	(101,948)
Receiving floating rate 3-month USD BBA LIBOR +1.6%	2,625,000			USD	
Paying fixed rate 1.25%	2,100,000	Citigroup	28-Jan-21	EUR	245,142
Receiving floating rate 3-month USD BBA LIBOR +1.85%	864,500			USD	
Paying fixed rate 1.5%	700,000	Citigroup	04-May-21	EUR	69,851
Receiving floating rate 3-month USD BBA LIBOR +1.894%	2,214,000			USD	
Paying fixed rate 1.5%	1,800,000	Citigroup	04-May-21	EUR	171,160
Receiving floating rate 3-month USD BBA LIBOR +2.87%	813,400			USD	
Paying fixed rate 2.5%	700,000	Citigroup	04-May-21	EUR	11,473
Receiving fixed rate 3.045%	1,008,000			USD	
Paying fixed rate 1.125%	900,000	Citigroup	15-Dec-21	EUR	(53,649)
Receiving floating rate 3-month USD BBA LIBOR +1.53%	532,500			USD	
Paying fixed rate 1.00%	500,000	Citigroup	03-Mar-22	EUR	(38,436)
Receiving floating rate 3-month USD BBA LIBOR +1.12%	2,230,000			USD	
Paying fixed rate 0.75%	2,000,000	HSBC	01-Jun-22	EUR	(56,131)
Receiving floating rate 3-month USD BBA LIBOR +0.7863%	1,176,000			USD	
Paying fixed rate 0.1%	1,000,000	JPMorgan	15-Jan-19	EUR	29,362
Receiving floating rate 3-month USD BBA LIBOR +0.5975%	4,130,000			USD	
Paying fixed rate 0.1%	3,500,000	JPMorgan	27-Jan-21	EUR	130,498
					407,322

Franklin Strategic Income Fund

Description	Notional amount	Counterparty	Maturity date	Trading currency	Unrealised profit/(loss) USD
Receiving floating rate 3-month USD BBA LIBOR +2.87%	697,200			USD	
Paying fixed rate 2.5%	600,000	Citigroup	04-May-21	EUR	9,834

Franklin U.S. Low Duration Fund

Description	Notional amount	Counterparty	Maturity date	Trading currency	Unrealised profit/(loss) USD
Receiving floating rate 3-month USD BBA LIBOR +2.87%	581,000			USD	
Paying fixed rate 2.5%	500,000	Citigroup	04-May-21	EUR	8,195

Note 10 — Open positions on total return swap contracts

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin Diversified Balanced Fund

Trading currency	Notional amount	Fund receives	Fund pays	Counterparty	Maturity date	Unrealised profit/(loss) EUR
USD	14,872,421	Performance of Bank of America Merrill Lynch Vortex Alpha Index	0.15% per annum of the Notional Amount	Bank of America	11-Nov-19	(1,324,861)
JPY	2,059,339,152	Positive performance of Barclays Japan Quality Equity Market Hedged Index	Negative performance of Barclays Japan Quality Equity Market Hedged Index	Barclays	15-Nov-19	243,701
JPY	2,493,367,094	Positive performance of Barclays Japan Value Equity Market Hedged Index	Negative performance of Barclays Japan Value Equity Market Hedged Index	Barclays	15-Nov-19	(417,979)
USD	7,413,000	Positive performance of JPMorgan U.S. Volatility Momentum QES Long Only Flat 20% Exposure Index (Series 1) (USD)	Negative performance of JPMorgan U.S. Volatility Momentum QES Long Only Flat 20% Exposure Index (Series 1) (USD)	JPMorgan	08-May-19	(178,625)
USD	6,269,800	Performance of SGI VI Smart Beta Index	USD-Federal Funds-H.15-OIS-COMPOUND +0.50%	Societe Generale	27-Feb-19	1,014,621
EUR	10,632,260	Performance of SGI PH Quality Europe Index	3-month EURIBOR	Societe Generale	20-Nov-19	(295,626)
EUR	15,974,500	Performance of SGI PH VL Europe Index	3-month EURIBOR	Societe Generale	20-Nov-19	(799,438)
EUR	9,855,227	Performance of SGI Price Momentum Europe Index	3-month EURIBOR	Societe Generale	20-Nov-19	(122,906)
						(1,881,113)

Notes to the Financial Statements At December 31, 2018 (continued)

Note 10 — Open positions on total return swap contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin Diversified Conservative Fund

Trading currency	Notional amount	Fund receives	Fund pays	Counterparty	Maturity date	Unrealised profit/(loss) EUR
USD	14,766,783	Performance of Bank of America Merrill Lynch Vortex Alpha Index	0.15% per annum of the Notional Amount	Bank of America	11-Nov-19	(1,315,451)
JPY	2,777,722,739	Positive performance of Barclays Japan Quality Equity Market Hedged Index	Negative performance of Barclays Japan Quality Equity Market Hedged Index	Barclays	15-Nov-19	328,715
JPY	3,363,157,632	Positive performance of Barclays Japan Value Equity Market Hedged Index	Negative performance of Barclays Japan Value Equity Market Hedged Index	Barclays	15-Nov-19	(563,787)
JPY	730,000,000	Performance of JPMorgan Bespoke Japan Call Overwriting Strategy Index	0.09% per annum of the Notional Amount	JPMorgan	26-Apr-19	45,741
USD	9,201,000	Positive performance of JPMorgan U.S. Volatility Momentum QES Long Only Flat 20% Exposure Index (Series 1) (USD)	Negative performance of JPMorgan U.S. Volatility Momentum QES Long Only Flat 20% Exposure Index (Series 1) (USD)	JPMorgan	08-May-19	(221,708)
USD	8,043,396	Performance of SGI VI Smart Beta Index	USD-Federal Funds-H.15-OIS-COMPOUND +0.50%	Societe Generale	27-Feb-19	1,330,209
EUR	14,341,198	Performance of SGI PH Quality Europe Index	3-month EURIBOR	Societe Generale	20-Nov-19	(398,752)
EUR	21,547,137	Performance of SGI PH VL Europe Index	3-month EURIBOR	Societe Generale	20-Nov-19	(1,078,319)
EUR	13,293,106	Performance of SGI Price Momentum Europe Index	3-month EURIBOR	Societe Generale	20-Nov-19	(165,781)
						(2,039,133)

Franklin Diversified Dynamic Fund

Trading currency	Notional amount	Fund receives	Fund pays	Counterparty	Maturity date	Unrealised profit/(loss) EUR
USD	8,751,406	Performance of Bank of America Merrill Lynch Vortex Alpha Index	0.15% per annum of the Notional Amount	Bank of America	11-Nov-19	(779,591)
JPY	784,809,752	Positive performance of Barclays Japan Quality Equity Market Hedged Index	Negative performance of Barclays Japan Quality Equity Market Hedged Index	Barclays	15-Nov-19	92,874
JPY	950,217,028	Positive performance of Barclays Japan Value Equity Market Hedged Index	Negative performance of Barclays Japan Value Equity Market Hedged Index	Barclays	15-Nov-19	(159,291)
USD	3,635,000	Positive performance of JPMorgan U.S. Volatility Momentum QES Long Only Flat 20% Exposure Index (Series 1) (USD)	Negative performance of JPMorgan U.S. Volatility Momentum QES Long Only Flat 20% Exposure Index (Series 1) (USD)	JPMorgan	08-May-19	(87,589)
USD	3,247,894	Performance of SGI VI Smart Beta Index	USD-Federal Funds-H.15-OIS-COMPOUND +0.50%	Societe Generale	27-Feb-19	513,607
EUR	4,051,935	Performance of SGI PH Quality Europe Index	3-month EURIBOR	Societe Generale	20-Nov-19	(112,663)
EUR	6,087,844	Performance of SGI PH VL Europe Index	3-month EURIBOR	Societe Generale	20-Nov-19	(304,664)
EUR	3,755,818	Performance of SGI Price Momentum Europe Index	3-month EURIBOR	Societe Generale	20-Nov-19	(46,839)
						(884,156)

Franklin Flexible Alpha Bond Fund

Trading currency	Notional amount	Fund receives	Fund pays	Counterparty	Maturity date	Unrealised profit/(loss) USD
USD	7,050,000	Performance of Markit iBoxx USD Liquid Leveraged Loans Index Series 1 Version 1	3-month USD BBA LIBOR	Citigroup	20-Mar-19	(77,475)
USD	11,700,000	Performance of Markit iBoxx USD Liquid Leveraged Loans Index Series 1 Version 1	3-month USD BBA LIBOR	Citigroup	20-Sep-19	(520,151)

Notes to the Financial Statements At December 31, 2018 (continued)

Note 10 — Open positions on total return swap contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin Flexible Alpha Bond Fund (continued)

Trading currency	Notional amount	Fund receives	Fund pays	Counterparty	Maturity date	Unrealised profit/(loss) USD
USD	3,250,000	Performance of Markit iBoxx USD Liquid Leveraged Loans Index Series 1 Version 1	3-month USD BBA LIBOR	Credit Suisse	20-Mar-19	(63,953)
USD	11,900,000	Performance of Markit iBoxx USD Liquid Leveraged Loans Index Series 1 Version 1	3-month USD BBA LIBOR	Credit Suisse	20-Jun-19	(416,497)
USD	7,000,000	Performance of Markit iBoxx USD Liquid Leveraged Loans Index Series 1 Version 1	3-month USD BBA LIBOR	Credit Suisse	20-Sep-19	(333,471)
USD	3,000,000	Performance of Markit iBoxx USD Liquid Leveraged Loans Index Series 1 Version 1	3-month USD BBA LIBOR	Goldman Sachs	20-Jun-19	(104,999)
USD	3,700,000	Performance of Markit iBoxx USD Liquid Leveraged Loans Index Series 1 Version 1	3-month USD BBA LIBOR	JPMorgan	20-Mar-19	(72,808)
USD	11,750,000	Performance of Markit iBoxx USD Liquid Leveraged Loans Index Series 1 Version 1	3-month USD BBA LIBOR	JPMorgan	20-Sep-19	(274,664)
USD	9,000,000	Performance of Markit iBoxx USD Liquid Leveraged Loans Index Series 1 Version 1	3-month USD BBA LIBOR	Morgan Stanley	20-Jun-19	(307,351)
						(2,171,369)

Franklin Global Multi-Asset Income Fund

Trading currency	Notional amount	Fund receives	Fund pays	Counterparty	Maturity date	Unrealised profit/(loss) EUR
JPY	2,717,236,717	Positive performance of Barclays Japan Quality Equity Market Hedged Index	Negative performance of Barclays Japan Quality Equity Market Hedged Index	Barclays	15-Nov-19	321,557
JPY	3,265,836,848	Positive performance of Barclays Japan Value Equity Market Hedged Index	Negative performance of Barclays Japan Value Equity Market Hedged Index	Barclays	15-Nov-19	(547,473)
JPY	360,400,000	Performance of JPMorgan Bespoke Japan Call Overwriting Strategy Index	0.09% per annum of the Notional Amount	JPMorgan	26-Apr-19	22,582
USD	7,797,000	Positive performance of JPMorgan U.S. Volatility Momentum QES Long Only Flat 20% Exposure Index (Series 1) (USD)	Negative performance of JPMorgan U.S. Volatility Momentum QES Long Only Flat 20% Exposure Index (Series 1) (USD)	JPMorgan	08-May-19	(187,877)
USD	7,337,858	Performance of SGI VI Smart Beta Index	USD-Federal Funds-H.15-OIS-COMPOUND +0.50%	Societe Generale	27-Feb-19	1,213,510
EUR	14,017,323	Performance of SGI PH Quality Europe Index	3-month EURIBOR	Societe Generale	20-Nov-19	(389,746)
EUR	21,077,851	Performance of SGI PH VL Europe Index	3-month EURIBOR	Societe Generale	20-Nov-19	(1,054,833)
EUR	12,328,942	Performance of SGI Price Momentum Europe Index	3-month EURIBOR	Societe Generale	20-Nov-19	(153,756)
						(776,036)

Franklin K2 Alternative Strategies Fund

Trading currency	Notional amount	Fund receives	Fund pays	Counterparty	Maturity date	Unrealised profit/(loss) USD
CAD	183,112	US Overnight Bank Funding Rate -0.25%	Performance of Endeavour Mining Corp.	Deutsche Bank	01-Feb-19	(8,836)
JPY	794,207,505	1-month JPY LIBOR -4.25%	Performance of Takeda Pharmaceutical Co. Ltd.	Deutsche Bank	17-Jun-19	465,471
CAD	1,130,444	1-month CAD LIBOR -4.50%	Performance of Canopy Growth Corp.	Deutsche Bank	04-Jul-19	400,954
USD	3,320,665	Performance of Twenty-First Century Fox Inc., A	US Overnight Bank Funding Rate +0.40%	Deutsche Bank	17-Oct-19	(57,277)
USD	2,277,820	US Overnight Bank Funding Rate -0.35%	Performance of Sprint Corp.	Deutsche Bank	17-Oct-19	-
USD	2,482,257	US Overnight Bank Funding Rate -0.35%	Performance of The Walt Disney Co.	Deutsche Bank	17-Oct-19	2,037

Notes to the Financial Statements At December 31, 2018 (continued)

Note 10 — Open positions on total return swap contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin K2 Alternative Strategies Fund (continued)

Trading currency	Notional amount	Fund receives	Fund pays	Counterparty	Maturity date	Unrealised profit/(loss) USD
USD	1,042,188	1-month USD LIBOR +0.40%	Performance of U.S. Treasury Note, 3.125%, 11/15/28	Deutsche Bank	01-Nov-19	(37,093)
USD	1,484,027	Performance of Advanced Micro Devices Inc., cvt., senior note, 2.125%, 09/01/26	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(164,486)
USD	591,739	Performance of Alder Biopharmaceuticals Inc., cvt., senior note, 2.50%, 02/01/25	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(44,886)
USD	462,971	Performance of Allscripts Healthcare Solutions Inc., cvt., senior note, 1.25%, 07/01/20	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(37,739)
USD	1,575,844	Performance of Alteryx Inc., cvt., senior note, 144A, 0.50%, 06/01/23	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	246,206
USD	1,295,159	Performance of Amicus Therapeutics Inc., cvt., senior note, 144A, 3.00%, 12/15/23	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(265,717)
USD	1,217,723	Performance of Atlas Air Worldwide Holdings Inc., cvt., senior note, 1.875%, 06/01/24	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(346,006)
USD	1,659,757	Performance of Atlassian Inc., cvt., senior note, 144A, 0.625%, 05/01/2023	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	225,739
USD	586,141	Performance of CalAmp Corp., cvt., senior note, 1.625%, 05/15/20	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(63,955)
USD	608,154	Performance of CalAmp Corp., cvt., senior note, 144A, 2.00%, 08/01/25	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(166,179)
USD	1,105,226	Performance of Carbonite Inc, cvt, senior note,	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(137,559)
USD	1,985,262	Performance of Cemex SAB de CV, cvt., 3.72%, 03/15/20	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(91,540)
USD	1,617,587	Performance of Chegg Inc., cvt., senior note, 144A, 0.25%, 05/15/23	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	8,832
USD	375,036	Performance of Cleveland-Cliffs Inc., cvt., senior note, 1.50%, 01/15/25	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(38,325)
USD	492,282	Performance of Colony NorthStar Inc., cvt., senior note, 3.875%, 01/15/21	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(48,657)
USD	271,538	Performance of DexCom Inc., cvt., senior note, 144A, 0.75%, 12/01/23	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(5,431)
USD	205,104	Performance of Electronics For Imaging Inc., cvt., senior note, 144A, 2.25%, 11/15/23	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(9,084)
USD	1,350,623	Performance of Encore Capital Group Inc., cvt., senior note, 2.875%, 03/15/21	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(235,401)
USD	722,155	Performance of Encore Capital Group Inc., cvt., senior note, 3.25%, 03/15/22	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(192,135)
USD	1,035,128	Performance of Evolent Health Inc., cvt., senior note, 2.00%, 12/01/21	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(64,101)
USD	95,745	Performance of EZCORP Inc., cvt., senior note, 144A, 2.375%, 05/01/25	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(18,390)
USD	1,203,710	Performance of EZCORP Inc., cvt., senior note, 2.12%, 06/15/19	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(76,113)
USD	185,650	Performance of First Majestic Silver Corp., cvt., senior note, 144A, 1.875%, 03/01/23	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(23,356)
USD	168,239	Performance of GDS Holdings Ltd., cvt., 144A, 2.00%, 06/01/25	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(20,033)

Notes to the Financial Statements At December 31, 2018 (continued)

Note 10 — Open positions on total return swap contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin K2 Alternative Strategies Fund (continued)

Trading currency	Notional amount	Fund receives	Fund pays	Counterparty	Maturity date	Unrealised profit/(loss) USD
USD	830,268	Performance of Golar LNG Ltd., cvt., senior note, 2.75%, 02/15/22	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(141,049)
USD	865,190	Performance of Green Plains Inc., cvt., senior note, 4.125%, 09/01/22	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(141,358)
USD	448,481	Performance of Herbalife Nutrition Ltd., cvt., senior note, 144A, 2.625%, 03/15/24	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	18,557
USD	453,094	Performance of Hope Bancorp Inc., cvt., senior bond, 144A, 2.00%, 05/15/38	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(27,652)
USD	1,219,694	Performance of Huazhu Group Ltd., cvt., senior note, 0.375%, 11/01/22	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(123,434)
USD	250,000	Performance of Infinera Corp., cvt., senior note, 2.125%, 09/01/24	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(91,780)
USD	813,135	Performance of Innoviva Inc., cvt., sub. note, 2.125%, 01/15/23	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	74,458
USD	1,542,874	Performance of Inphi Corp., cvt., senior note, 0.75%, 09/01/21	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(74,235)
USD	551,263	Performance of Insulet Corp., cvt., senior note, 144A, 1.375%, 11/15/24	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(60,802)
USD	339,812	Performance of iQIYI Inc., cvt., senior note, 3.75%, 12/01/23	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(20,023)
USD	420,589	Performance of Karyopharm Therapeutics Inc., cvt., senior note, 3.00%, 10/15/25	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(53,434)
USD	262,711	Performance of Knowles Corp., cvt., senior note, 3.25%, 11/01/21	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(26,273)
USD	452,032	Performance of Liberty Interactive LLC, cvt., senior bond, 4.00%, 11/15/29	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	36,410
USD	188,461	Performance of Ligand Pharmaceuticals Inc., cvt., senior note, 144A, 0.75%, 05/15/23	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(18,544)
USD	707,634	Performance of MercadoLibre Inc., cvt., senior note, 144A, 2.00%, 08/15/28	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(60,608)
USD	1,132,979	Performance of Microchip Technology Inc., cvt., 1.625%, 02/15/27	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(44,218)
USD	434,923	Performance of MINDBODY Inc., cvt., senior bond, 144A 0.375%, 06/01/23	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(11,360)
USD	411,977	Performance of Momo Inc., cvt., senior note, 144A, 1.25%, 07/01/25	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(40,205)
USD	394,462	Performance of MongoDB Inc., cvt., senior note, 144A, 0.75%, 06/15/24	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	46,411
USD	1,901,784	Performance of Neurocrine Biosciences Inc., cvt., senior note, 2.25%, 05/15/24	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(387,380)
USD	997,321	Performance of NII Holdings Inc., cvt., senior note, 144A, 4.25%, 08/15/23	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(74,517)
USD	1,636,569	Performance of NRG Energy Inc., cvt., senior bond, 144A, 2.75%, 06/01/48	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	8,457

Notes to the Financial Statements At December 31, 2018 (continued)

Note 10 — Open positions on total return swap contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin K2 Alternative Strategies Fund (continued)

Trading currency	Notional amount	Fund receives	Fund pays	Counterparty	Maturity date	Unrealised profit/(loss) USD
USD	549,875	Performance of Nutanix Inc., cvt., senior note, 144A, zero cpn., 01/15/23	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(85,745)
USD	2,029,057	Performance of Okta Inc., cvt., senior note, 144A, 0.25%, 02/15/23	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	126,766
USD	278,577	Performance of ON Semiconductor Corp., cvt., senior note, 1.625%, 10/15/23	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	6,720
USD	651,526	Performance of OSI Systems Inc., senior note, cvt., 1.25%, 09/01/22	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(27,579)
USD	43,013	Performance of Pacira Pharmaceuticals Inc., cvt., senior note, 2.375%, 04/01/22	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	1,772
USD	2,013,972	Performance of Palo Alto Networks Inc., cvt., senior note, 144A, 0.75%, 07/01/23	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	69,789
USD	780,759	Performance of Patrick Industries Inc., cvt., senior note, 144A, 1.00%, 02/01/23	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(209,638)
USD	827,199	Performance of PDL BioPharma Inc., cvt., senior note, 4.00%, 12/01/21	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(11,782)
USD	292,338	Performance of PRA Group Inc., cvt., senior note, 3.00%, 08/01/20	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(12,239)
USD	377,007	Performance of PRA Group Inc., cvt., senior note, 3.50%, 06/01/23	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(100,650)
USD	1,322,405	Performance of PROS Holdings Inc., cvt., senior note, 2.00%, 06/01/47	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(72,824)
USD	201,563	Performance of Radius Health Inc., cvt., senior note, 3.00%, 09/01/24	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(11,634)
USD	461,142	Performance of Rapid7 Inc., cvt., senior note, 144A, 1.25%, 08/01/23	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(23,327)
USD	129,258	Performance of Redwood Trust Inc., cvt., senior note, 4.75%, 08/15/23	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(9,626)
USD	386,056	Performance of Retrophin Inc., cvt., senior note, 2.50%, 09/15/25	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(7,868)
USD	225,123	Performance of RWT Holdings Inc., cvt., senior note, 5.625%, 11/15/19	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	7,696
USD	372,910	Performance of Sea Ltd., cvt., senior note, 144A 2.25%, 07/01/23	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(63,961)
USD	999,216	Performance of SEACOR Holdings Inc., cvt., senior bond, 3.00%, 11/15/28	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(37,415)
USD	532,748	Performance of ServiceNow Inc., cvt., senior note, zero cpn., 06/01/22	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(7,723)
USD	212,414	Performance of Splunk Inc., cvt., senior note, 144A, 0.50%, 09/15/23	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	13,850
USD	341,424	Performance of Square Inc., cvt., senior note, 144A, 0.50%, 05/15/23	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(32,352)
USD	521,901	Performance of SSR Mining Inc., cvt., senior bond, 2.875%, 02/01/33	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	6,305
USD	440,761	Performance of Synaptics Inc., cvt., senior note, 0.50%, 06/15/22	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(56,078)

Notes to the Financial Statements At December 31, 2018 (continued)

Note 10 — Open positions on total return swap contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin K2 Alternative Strategies Fund (continued)

Trading currency	Notional amount	Fund receives	Fund pays	Counterparty	Maturity date	Unrealised profit/(loss) USD
USD	994,392	Performance of Team Inc., cvt., senior note, 5.00%, 08/01/23	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(146,028)
USD	131,421	Performance of Teekay Corp., cvt., senior note, 144A, 5.00%, 01/15/23	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(43,106)
USD	-	Performance of TerraVia Holdings Inc.	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(462,149)
USD	334,047	Performance of The Medicines Co., cvt., senior note, 2.50%, 01/15/22	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(80,487)
USD	460,537	Performance of Twilio Inc., cvt., senior note, 144A, 0.25%, 06/01/23	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	55,988
USD	224,829	Performance of Wayfair Inc., cvt., senior note, 144A, 1.125%, 11/01/24	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(19,419)
USD	682,027	Performance of Wright Medical Group Inc., cvt., senior note, 144A, 1.625%, 06/15/23	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(19,018)
USD	620,302	Performance of Zillow Group Inc., cvt., senior note, 2.00%, 12/01/21	1-month USD LIBOR +1.00%	Deutsche Bank	01-Nov-19	(59,938)
USD	2,183,633	US Overnight Bank Funding Rate -0.35%	Performance of Advanced Micro Devices Inc.	Deutsche Bank	01-Nov-19	526,375
USD	185,256	US Overnight Bank Funding Rate -0.35%	Performance of Akamai Technologies Inc.	Deutsche Bank	01-Nov-19	25,735
USD	438,905	US Overnight Bank Funding Rate -0.35%	Performance of Alder Biopharmaceuticals Inc.	Deutsche Bank	01-Nov-19	136,551
USD	87,531	US Overnight Bank Funding Rate -0.35%	Performance of Allscripts Healthcare Solutions Inc.	Deutsche Bank	01-Nov-19	1,128
USD	1,084,138	US Overnight Bank Funding Rate -0.35%	Performance of Alteryx Inc.	Deutsche Bank	01-Nov-19	(79,468)
USD	1,666,613	US Overnight Bank Funding Rate -0.35%	Performance of Amicus Therapeutics Inc.	Deutsche Bank	01-Nov-19	400,583
USD	241,496	US Overnight Bank Funding Rate -0.35%	Performance of Atlas Air Worldwide Holdings Inc.	Deutsche Bank	01-Nov-19	85,424
USD	1,136,097	US Overnight Bank Funding Rate -0.35%	Performance of Atlassian Corp. PLC	Deutsche Bank	01-Nov-19	(108,296)
USD	229,291	US Overnight Bank Funding Rate -0.35%	Performance of Avaya Holdings Corp.	Deutsche Bank	01-Nov-19	31,588
USD	360,685	US Overnight Bank Funding Rate -0.35%	Performance of Benefitfocus Inc.	Deutsche Bank	01-Nov-19	(23,878)
USD	268,151	US Overnight Bank Funding Rate -0.35%	Performance of Boingo Wireless Inc.	Deutsche Bank	01-Nov-19	115,397
USD	143,305	US Overnight Bank Funding Rate -0.35%	Performance of CalAmp Corp.	Deutsche Bank	01-Nov-19	98,255
USD	628,974	US Overnight Bank Funding Rate -0.35%	Performance of Carbonite Inc.	Deutsche Bank	01-Nov-19	215,901
USD	82,547	US Overnight Bank Funding Rate -0.35%	Performance of Cemex SAB de CV, CPO, ADR	Deutsche Bank	01-Nov-19	2,884
USD	1,072,457	US Overnight Bank Funding Rate -0.35%	Performance of Chegg Inc.	Deutsche Bank	01-Nov-19	(20,753)
USD	947,916	US Overnight Bank Funding Rate -0.35%	Performance of Cleveland-Cliffs Inc.	Deutsche Bank	01-Nov-19	79,428
USD	313,969	US Overnight Bank Funding Rate -0.35%	Performance of Cree Inc.	Deutsche Bank	01-Nov-19	11,859
USD	306,330	US Overnight Bank Funding Rate -0.35%	Performance of Electronics for Imaging Inc.	Deutsche Bank	01-Nov-19	33,268
USD	582,612	US Overnight Bank Funding Rate -0.35%	Performance of Encore Capital Group Inc.	Deutsche Bank	01-Nov-19	255,351
USD	549,443	US Overnight Bank Funding Rate -0.35%	Performance of Evolent Health Inc., A	Deutsche Bank	01-Nov-19	105,054
USD	339,053	US Overnight Bank Funding Rate -0.35%	Performance of EZCORP Inc., A	Deutsche Bank	01-Nov-19	177,929
USD	752,684	US Overnight Bank Funding Rate -0.35%	Performance of Five9 Inc.	Deutsche Bank	01-Nov-19	(72,379)
USD	339,100	US Overnight Bank Funding Rate -0.35%	Performance of GDS Holdings Ltd., ADR	Deutsche Bank	01-Nov-19	150,734
USD	178,584	US Overnight Bank Funding Rate -0.35%	Performance of Golar LNG Ltd.	Deutsche Bank	01-Nov-19	24,801

Notes to the Financial Statements At December 31, 2018 (continued)

Note 10 — Open positions on total return swap contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin K2 Alternative Strategies Fund (continued)

Trading currency	Notional amount	Fund receives	Fund pays	Counterparty	Maturity date	Unrealised profit/(loss) USD
USD	733,518	US Overnight Bank Funding Rate -0.35%	Performance of Green Plains Inc.	Deutsche Bank	01-Nov-19	221,716
USD	59,487	US Overnight Bank Funding Rate -0.35%	Performance of HC2 Holdings Inc.	Deutsche Bank	01-Nov-19	15,801
USD	420,962	US Overnight Bank Funding Rate -0.35%	Performance of Herbalife Nutrition Ltd.	Deutsche Bank	01-Nov-19	(17,410)
USD	81,087	US Overnight Bank Funding Rate -0.35%	Performance of Hope Bancorp Inc.	Deutsche Bank	01-Nov-19	18,050
USD	239,831	US Overnight Bank Funding Rate -0.35%	Performance of Infinera Corp.	Deutsche Bank	01-Nov-19	109,697
USD	877,526	US Overnight Bank Funding Rate -0.35%	Performance of Innoviva Inc.	Deutsche Bank	01-Nov-19	(57,494)
USD	288,487	US Overnight Bank Funding Rate -0.35%	Performance of Insulet Corp.	Deutsche Bank	01-Nov-19	18,427
USD	3,067,722	US Overnight Bank Funding Rate -0.35%	Performance of Invitation Homes Inc.	Deutsche Bank	01-Nov-19	148,110
USD	391,448	US Overnight Bank Funding Rate -0.35%	Performance of Ionis Pharmaceuticals Inc.	Deutsche Bank	01-Nov-19	5,063
USD	371,089	US Overnight Bank Funding Rate -0.35%	Performance of Karyopharm Therapeutics Inc.	Deutsche Bank	01-Nov-19	101,358
USD	340,639	US Overnight Bank Funding Rate -0.35%	Performance of KBR Inc.	Deutsche Bank	01-Nov-19	91,629
USD	420,516	US Overnight Bank Funding Rate -0.35%	Performance of Knowles Corp.	Deutsche Bank	01-Nov-19	50,156
USD	31,075	US Overnight Bank Funding Rate -0.35%	Performance of Ligand Pharmaceuticals Inc., B	Deutsche Bank	01-Nov-19	39
USD	140,757	US Overnight Bank Funding Rate -0.35%	Performance of Live Nation Entertainment Inc.	Deutsche Bank	01-Nov-19	6,393
USD	621,135	US Overnight Bank Funding Rate -0.35%	Performance of MercadoLibre Inc.	Deutsche Bank	01-Nov-19	93,469
USD	1,371,371	US Overnight Bank Funding Rate -0.35%	Performance of Microchip Technology Inc.	Deutsche Bank	01-Nov-19	39,544
USD	245,227	US Overnight Bank Funding Rate -0.35%	Performance of MINDBODY Inc., A	Deutsche Bank	01-Nov-19	(32,327)
USD	106,804	US Overnight Bank Funding Rate -0.35%	Performance of Momo Inc., ADR	Deutsche Bank	01-Nov-19	29,221
USD	989,639	US Overnight Bank Funding Rate -0.35%	Performance of MongoDB Inc.	Deutsche Bank	01-Nov-19	(71,026)
USD	1,007,881	US Overnight Bank Funding Rate -0.35%	Performance of Neurocrine Biosciences Inc.	Deutsche Bank	01-Nov-19	228,985
USD	785,985	US Overnight Bank Funding Rate -0.35%	Performance of NII Holdings Inc.	Deutsche Bank	01-Nov-19	163,078
USD	445,738	US Overnight Bank Funding Rate -0.35%	Performance of NRG Energy Inc.	Deutsche Bank	01-Nov-19	(9,005)
USD	299,989	US Overnight Bank Funding Rate -0.35%	Performance of Nutanix Inc., A	Deutsche Bank	01-Nov-19	40,209
USD	1,479,522	US Overnight Bank Funding Rate -0.35%	Performance of Okta Inc., A	Deutsche Bank	01-Nov-19	(73,904)
USD	398,221	US Overnight Bank Funding Rate -0.35%	Performance of ON Semiconductor Corp.	Deutsche Bank	01-Nov-19	8,596
USD	227,597	US Overnight Bank Funding Rate -0.35%	Performance of OSI Systems Inc.	Deutsche Bank	01-Nov-19	5,508
USD	365,154	US Overnight Bank Funding Rate -0.35%	Performance of Pacira Pharmaceuticals Inc.	Deutsche Bank	01-Nov-19	2,264
USD	577,481	US Overnight Bank Funding Rate -0.35%	Performance of Palo Alto Networks Inc.	Deutsche Bank	01-Nov-19	(34,030)
USD	108,728	US Overnight Bank Funding Rate -0.35%	Performance of Patrick Industries Inc.	Deutsche Bank	01-Nov-19	77,339
USD	304,316	US Overnight Bank Funding Rate -0.35%	Performance of Perficient Inc.	Deutsche Bank	01-Nov-19	54,290
USD	402,227	US Overnight Bank Funding Rate -0.35%	Performance of PRA Group Inc.	Deutsche Bank	01-Nov-19	188,109
USD	238,106	US Overnight Bank Funding Rate -0.35%	Performance of PROS Holdings Inc.	Deutsche Bank	01-Nov-19	7,357
USD	555,178	US Overnight Bank Funding Rate -0.35%	Performance of Rapid7 Inc.	Deutsche Bank	01-Nov-19	24,265
USD	135,811	US Overnight Bank Funding Rate -0.35%	Performance of Redwood Trust Inc.	Deutsche Bank	01-Nov-19	12,929
USD	312,950	US Overnight Bank Funding Rate -0.35%	Performance of Retrophin Inc.	Deutsche Bank	01-Nov-19	21,882

Notes to the Financial Statements At December 31, 2018 (continued)

Note 10 — Open positions on total return swap contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin K2 Alternative Strategies Fund (continued)

Trading currency	Notional amount	Fund receives	Fund pays	Counterparty	Maturity date	Unrealised profit/(loss) USD
USD	395,974	US Overnight Bank Funding Rate -0.35%	Performance of Sea Ltd., ADR	Deutsche Bank	01-Nov-19	96,954
USD	23,014	US Overnight Bank Funding Rate -0.35%	Performance of SEACOR Holdings Inc.	Deutsche Bank	01-Nov-19	10,282
USD	659,319	US Overnight Bank Funding Rate -0.35%	Performance of ServiceNow Inc.	Deutsche Bank	01-Nov-19	8,316
USD	311,824	US Overnight Bank Funding Rate -0.35%	Performance of Splunk Inc.	Deutsche Bank	01-Nov-19	(4,843)
USD	653,168	US Overnight Bank Funding Rate -0.35%	Performance of Square Inc., A	Deutsche Bank	01-Nov-19	131,213
USD	106,383	US Overnight Bank Funding Rate -0.35%	Performance of Synaptics Inc.	Deutsche Bank	01-Nov-19	11,278
USD	1,123,126	US Overnight Bank Funding Rate -0.35%	Performance of Twilio Inc., A	Deutsche Bank	01-Nov-19	(68,405)
USD	2,084,375	US Overnight Bank Funding Rate -0.35%	Performance of U.S. Treasury Note, 3.125%, 11/15/28	Deutsche Bank	01-Nov-19	(74,187)
USD	160,919	US Overnight Bank Funding Rate -0.35%	Performance of Vishay Intertechnology Inc.	Deutsche Bank	01-Nov-19	20,163
USD	548,317	US Overnight Bank Funding Rate -0.35%	Performance of Wayfair Inc., A	Deutsche Bank	01-Nov-19	80,901
USD	304,401	US Overnight Bank Funding Rate -0.35%	Performance of Wright Medical Group NV	Deutsche Bank	01-Nov-19	14,195
USD	170,879	US Overnight Bank Funding Rate -0.35%	Performance of Zillow Group Inc., C	Deutsche Bank	01-Nov-19	5,566
USD	425,172	US Overnight Bank Funding Rate -1.00%	Performance of Cowen Inc.	Deutsche Bank	01-Nov-19	34,810
USD	604,493	US Overnight Bank Funding Rate -1.00%	Performance of PDL BioPharma Inc.	Deutsche Bank	01-Nov-19	146
USD	699,816	US Overnight Bank Funding Rate -1.00%	Performance of The Medicines Co.	Deutsche Bank	01-Nov-19	23,817
USD	465,180	US Overnight Bank Funding Rate -1.50%	Performance of Huazhu Group Ltd., ADR	Deutsche Bank	01-Nov-19	37,385
USD	727,785	US Overnight Bank Funding Rate -2.00%	Performance of DexCom Inc.	Deutsche Bank	01-Nov-19	32,685
USD	136,155	US Overnight Bank Funding Rate -2.00%	Performance of Inphi Corp.	Deutsche Bank	01-Nov-19	12,097
USD	415,371	US Overnight Bank Funding Rate -2.00%	Performance of Team Inc.	Deutsche Bank	01-Nov-19	185,190
USD	459,453	US Overnight Bank Funding Rate -2.25%	Performance of iQIYI Inc., ADR	Deutsche Bank	01-Nov-19	139,879
USD	377,832	US Overnight Bank Funding Rate -3.50%	Performance of First Majestic Silver Corp.	Deutsche Bank	01-Nov-19	59,346
USD	254,886	US Overnight Bank Funding Rate -3.50%	Performance of Radius Health Inc.	Deutsche Bank	01-Nov-19	25,568
USD	114,445	US Overnight Bank Funding Rate -5.50%	Performance of Teekay Corp.	Deutsche Bank	01-Nov-19	129,614
JPY	20,944,000	1-month JPY LIBOR -0.40%	Performance of Kyushu Electric Power Co. Inc.	Deutsche Bank	06-Nov-19	5,177
JPY	7,992,960	1-month JPY LIBOR -0.40%	Performance of Mitsubishi Chemical Holdings Corp.	Deutsche Bank	06-Nov-19	7,912
JPY	22,730,500	1-month JPY LIBOR -0.40%	Performance of Nipro Corp.	Deutsche Bank	06-Nov-19	17,533
JPY	21,991,200	1-month JPY LIBOR -0.40%	Performance of The Chugoku Electric Power Co. Inc.	Deutsche Bank	06-Nov-19	(2,751)
JPY	39,494,000	1-month JPY LIBOR -1.75%	Performance of MIRAIT Holdings Corp.	Deutsche Bank	06-Nov-19	20,677
EUR	866,761	Performance of SCOR SE	1-month EUR LIBOR +0.45%	Deutsche Bank	25-Nov-19	15,627
EUR	319,264	1-month EUR LIBOR -0.50%	Performance of Fugro NV, IDR	Deutsche Bank	03-Dec-19	196,858
CAD	2,611,987	1-month CAD LIBOR -0.35%	Performance of Husky Energy Inc.	Deutsche Bank	06-Dec-19	86,782
USD	604,856	Performance of Accenture PLC, A	1-month USD LIBOR +0.30%	Deutsche Bank	10-May-20	(64,869)
USD	374,434	Performance of Adobe Inc.	1-month USD LIBOR +0.30%	Deutsche Bank	10-May-20	(27,941)
USD	729,755	Performance of Advanced Micro Devices Inc.	1-month USD LIBOR +0.30%	Deutsche Bank	10-May-20	(56,998)
USD	464,509	Performance of Ak Steel Holding Corp., 7.25%, cvt. pfd.	1-month USD LIBOR +0.30%	Deutsche Bank	10-May-20	(728)
USD	378,726	Performance of Alibaba Group Holding Ltd., ADR	1-month USD LIBOR +0.30%	Deutsche Bank	10-May-20	(36,508)
USD	1,047,030	Performance of Alliance Data Systems Corp.	1-month USD LIBOR +0.30%	Deutsche Bank	10-May-20	(170,742)

Notes to the Financial Statements At December 31, 2018 (continued)

Note 10 — Open positions on total return swap contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin K2 Alternative Strategies Fund (continued)

Trading currency	Notional amount	Fund receives	Fund pays	Counterparty	Maturity date	Unrealised profit/(loss) USD
USD	523,430	Performance of Alphabet Inc., A	1-month USD LIBOR +0.30%	Deutsche Bank	10-May-20	(4,895)
USD	629,967	Performance of Alphabet Inc., C	1-month USD LIBOR +0.30%	Deutsche Bank	10-May-20	(3,312)
USD	1,649,235	Performance of Amazon.com Inc.	1-month USD LIBOR +0.30%	Deutsche Bank	10-May-20	(142,064)
USD	10,333	Performance of Atento SA	1-month USD LIBOR +0.40%	Deutsche Bank	10-May-20	(144)
USD	645,460	Performance of Atlassian Corp. PLC	1-month USD LIBOR +0.30%	Deutsche Bank	10-May-20	45,007
USD	683,000	Performance of Automatic Data Processing Inc.	1-month USD LIBOR +0.30%	Deutsche Bank	10-May-20	(39,176)
USD	229,570	Performance of Blackbaud Inc.	1-month USD LIBOR +0.30%	Deutsche Bank	10-May-20	(17,026)
USD	317,725	Performance of Booking Holdings Inc.	1-month USD LIBOR +0.30%	Deutsche Bank	10-May-20	(18,513)
USD	58,543	Performance of China Unicom (Hong Kong) Ltd., ADR	1-month USD LIBOR +0.30%	Deutsche Bank	10-May-20	(2,158)
USD	701,814	Performance of CoStar Group Inc.	1-month USD LIBOR +0.30%	Deutsche Bank	10-May-20	(50,755)
USD	419,929	Performance of EPAM Systems Inc.	1-month USD LIBOR +0.30%	Deutsche Bank	10-May-20	(22,079)
USD	1,201,561	Performance of Equifax Inc.	1-month USD LIBOR +0.30%	Deutsche Bank	10-May-20	(66,585)
USD	1,433,400	Performance of ExlService Holdings Inc.	1-month USD LIBOR +0.30%	Deutsche Bank	10-May-20	(85,765)
USD	507,903	Performance of Expedia Group Inc.	1-month USD LIBOR +0.30%	Deutsche Bank	10-May-20	(26,995)
USD	443,439	Performance of Fabrinet	1-month USD LIBOR +0.30%	Deutsche Bank	10-May-20	41,105
USD	659,603	Performance of Facebook Inc., A	1-month USD LIBOR +0.30%	Deutsche Bank	10-May-20	(51,034)
USD	1,500,157	Performance of FleetCor Technologies Inc.	1-month USD LIBOR +0.30%	Deutsche Bank	10-May-20	(3,407)
USD	429,514	Performance of Flex Ltd.	1-month USD LIBOR +0.30%	Deutsche Bank	10-May-20	(32,054)
USD	638,225	Performance of FormFactor Inc.	1-month USD LIBOR +0.30%	Deutsche Bank	10-May-20	(50,319)
USD	2,303,963	Performance of Genpact Ltd.	1-month USD LIBOR +0.30%	Deutsche Bank	10-May-20	(104,447)
USD	1,753,636	Performance of Global Payments Inc.	1-month USD LIBOR +0.30%	Deutsche Bank	10-May-20	(13,684)
USD	944,653	Performance of GoDaddy Inc., A	1-month USD LIBOR +0.30%	Deutsche Bank	10-May-20	11,769
USD	1,342,163	Performance of Guidewire Software Inc.	1-month USD LIBOR +0.30%	Deutsche Bank	10-May-20	(81,168)
USD	966,371	Performance of Hubspot Inc.	1-month USD LIBOR +0.30%	Deutsche Bank	10-May-20	(45,427)
USD	660,672	Performance of Huron Consulting Group Inc.	1-month USD LIBOR +0.30%	Deutsche Bank	10-May-20	(8,063)
USD	533,518	Performance of Intuit Inc.	1-month USD LIBOR +0.30%	Deutsche Bank	10-May-20	(26,333)
USD	1,260,927	Performance of Itron Inc.	1-month USD LIBOR +0.30%	Deutsche Bank	10-May-20	(117,661)
USD	140,266	Performance of KLA-Tencor Corp.	1-month USD LIBOR +0.30%	Deutsche Bank	10-May-20	(4,461)
USD	933,853	Performance of Mastercard Inc., A	1-month USD LIBOR +0.30%	Deutsche Bank	10-May-20	(45,768)
USD	488,674	Performance of Microsoft Corp.	1-month USD LIBOR +0.30%	Deutsche Bank	10-May-20	(27,966)
USD	1,152,840	Performance of PayPal Holdings Inc.	1-month USD LIBOR +0.30%	Deutsche Bank	10-May-20	(13,192)
USD	56,320	Performance of Quantenna Communications Inc.	1-month USD LIBOR +0.30%	Deutsche Bank	10-May-20	(2,016)
USD	512,017	Performance of Salesforce.com Inc.	1-month USD LIBOR +0.30%	Deutsche Bank	10-May-20	(1,922)
USD	910,633	Performance of ServiceNow Inc.	1-month USD LIBOR +0.30%	Deutsche Bank	10-May-20	(35,036)
USD	24,390	Performance of Teradyne Inc.	1-month USD LIBOR +0.30%	Deutsche Bank	10-May-20	(1,144)
USD	838,090	Performance of Total System Services Inc.	1-month USD LIBOR +0.30%	Deutsche Bank	10-May-20	(40,125)
USD	959,226	Performance of TransUnion	1-month USD LIBOR +0.30%	Deutsche Bank	10-May-20	(78,572)
USD	1,654,586	Performance of TriNet Group Inc.	1-month USD LIBOR +0.30%	Deutsche Bank	10-May-20	(16,915)
USD	903,617	Performance of Trupanion Inc.	1-month USD LIBOR +0.30%	Deutsche Bank	10-May-20	(30,532)
USD	1,445,342	Performance of VeriSign Inc.	1-month USD LIBOR +0.30%	Deutsche Bank	10-May-20	(82,230)
USD	2,211,043	Performance of Visa Inc., A	1-month USD LIBOR +0.30%	Deutsche Bank	10-May-20	(98,294)
USD	1,117,604	Performance of WEX Inc.	1-month USD LIBOR +0.30%	Deutsche Bank	10-May-20	(94,348)
USD	304,247	Performance of Yandex NV, A	1-month USD LIBOR +0.30%	Deutsche Bank	10-May-20	(6,571)
USD	291,422	Performance of Zebra Technologies Corp., A	1-month USD LIBOR +0.30%	Deutsche Bank	10-May-20	(15,449)
USD	629,911	1-month USD LIBOR +0.10%	Performance of DB Hybrid Basket 01 Index	Deutsche Bank	12-May-20	(2,586)

Notes to the Financial Statements At December 31, 2018 (continued)

Note 10 — Open positions on total return swap contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin K2 Alternative Strategies Fund (continued)

Trading currency	Notional amount	Fund receives	Fund pays	Counterparty	Maturity date	Unrealised profit/(loss) USD
USD	497,362	1-month USD LIBOR +0.10%	Performance of S&P SmallCap 600 Total Return Index	Deutsche Bank	12-May-20	29,789
USD	1,332,804	1-month USD LIBOR +0.15%	Performance of NASDAQ 100 Total Return Index	Deutsche Bank	12-May-20	71,547
USD	234,831	1-month USD LIBOR -0.10%	Performance of Dow Jones Transportation Average Total Return Index	Deutsche Bank	12-May-20	16,968
USD	2,525,648	1-month USD LIBOR -0.10%	Performance of Dow Jones US Technology Total Return Index	Deutsche Bank	12-May-20	120,622
USD	113,045	1-month USD LIBOR -0.25%	Performance of Russell Midcap Growth Total Return Index	Deutsche Bank	12-May-20	5,230
USD	1,049,579	1-month USD LIBOR -0.30%	Performance of S&P Smallcap 600 Growth Index	Deutsche Bank	12-May-20	64,757
USD	287,891	1-month USD LIBOR -0.35%	Performance of Consumer Discretionary Select Sector Total Return Index	Deutsche Bank	12-May-20	11,684
USD	233,792	1-month USD LIBOR -0.35%	Performance of S&P MidCap 400 Total Return Index	Deutsche Bank	12-May-20	14,042
USD	309,837	1-month USD LIBOR -0.35%	Performance of S&P North American Technology Software Index	Deutsche Bank	12-May-20	12,007
USD	184,564	1-month USD LIBOR -0.35%	Performance of S&P Transportation Select Industry Total Return Index	Deutsche Bank	12-May-20	13,717
USD	162,079	1-month USD LIBOR -0.40%	Performance of S&P North USA Technology Total Return Index	Deutsche Bank	12-May-20	8,391
USD	712,927	1-month USD LIBOR -1.00%	Performance of Russell 2000 Total Return Growth Index	Deutsche Bank	12-May-20	44,578
USD	709,205	1-month USD LIBOR +0.10%	Performance of DB Hybrid Basket 01 Index	Deutsche Bank	13-May-20	(2,945)
USD	984,165	1-month USD LIBOR +0.10%	Performance of S&P SmallCap 600 Total Return Index	Deutsche Bank	13-May-20	59,003
USD	130,968	1-month USD LIBOR +0.10%	Performance of Standard & Poors United States Index	Deutsche Bank	13-May-20	6,552
USD	2,435,813	1-month USD LIBOR +0.15%	Performance of NASDAQ 100 Total Return Index	Deutsche Bank	13-May-20	130,879
USD	438,350	1-month USD LIBOR -0.10%	Performance of Dow Jones Transportation Average Total Return Index	Deutsche Bank	13-May-20	31,697
USD	920,966	1-month USD LIBOR -0.10%	Performance of Dow Jones US Technology Total Return Index	Deutsche Bank	13-May-20	43,984
USD	344,788	1-month USD LIBOR -0.25%	Performance of Russell Midcap Growth Total Return Index	Deutsche Bank	13-May-20	15,983
USD	990,567	1-month USD LIBOR -0.30%	Performance of S&P Smallcap 600 Growth Index	Deutsche Bank	13-May-20	61,159
USD	575,782	1-month USD LIBOR -0.35%	Performance of Consumer Discretionary Select Sector Total Return Index	Deutsche Bank	13-May-20	23,400
USD	1,351,487	1-month USD LIBOR -0.35%	Performance of Philadelphia Stock Exchange Semiconductor Index	Deutsche Bank	13-May-20	23,489
USD	483,525	1-month USD LIBOR -0.35%	Performance of S&P MidCap 400 Total Return Index	Deutsche Bank	13-May-20	29,069
USD	1,304,615	1-month USD LIBOR -0.35%	Performance of S&P North American Technology Software Index	Deutsche Bank	13-May-20	50,607
USD	382,633	1-month USD LIBOR -0.35%	Performance of S&P Transportation Select Industry Total Return Index	Deutsche Bank	13-May-20	28,460
USD	637,284	1-month USD LIBOR -0.40%	Performance of S&P North USA Technology Total Return Index	Deutsche Bank	13-May-20	32,995
USD	1,091,866	1-month USD LIBOR -1.00%	Performance of Russell 2000 Total Return Growth Index	Deutsche Bank	13-May-20	68,302
USD	1,397,145	1-month USD LIBOR +0.10%	Performance of DB Hybrid Basket 01 Index	Deutsche Bank	14-May-20	(5,834)
USD	276,833	1-month USD LIBOR +0.10%	Performance of S&P SmallCap 600 Total Return Index	Deutsche Bank	14-May-20	16,583
USD	183,835	1-month USD LIBOR +0.15%	Performance of NASDAQ 100 Total Return Index	Deutsche Bank	14-May-20	9,878

Notes to the Financial Statements At December 31, 2018 (continued)

Note 10 — Open positions on total return swap contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin K2 Alternative Strategies Fund (continued)

Trading currency	Notional amount	Fund receives	Fund pays	Counterparty	Maturity date	Unrealised profit/(loss) USD
USD	1,189,807	1-month USD LIBOR -0.10%	Performance of Dow Jones Transportation Average Total Return Index	Deutsche Bank	14-May-20	85,985
USD	62,175	1-month USD LIBOR -0.25%	Performance of Russell Midcap Growth Total Return Index	Deutsche Bank	14-May-20	2,868
USD	1,118,428	1-month USD LIBOR -0.30%	Performance of S&P Smallcap 600 Growth Index	Deutsche Bank	14-May-20	69,034
USD	385,964	1-month USD LIBOR -0.35%	Performance of Consumer Discretionary Select Sector Total Return Index	Deutsche Bank	14-May-20	15,686
USD	196,598	1-month USD LIBOR -0.35%	Performance of S&P MidCap 400 Total Return Index	Deutsche Bank	14-May-20	11,819
USD	333,265	Performance of PayPal Holdings Inc.	1-month USD LIBOR +0.30%	Deutsche Bank	14-May-20	(3,732)
USD	66,915,635	1-month USD LIBOR -0.05%	Performance of Health Care Select Sector SPDR ETF	Goldman Sachs	17-Nov-27	1,302,403
USD	42,470,605	1-month USD LIBOR -0.65%	Performance of NASDAQ Biotechnology Total Return Index	Goldman Sachs	17-Nov-27	1,490,681
USD	22,548,000	Performance of iBoxx $ Liquid High Yield Index	3-month USD LIBOR	JPMorgan	20-Mar-19	149,830
USD	3,366,269	Performance of Hasbro Inc.	1-month USD LIBOR +0.35%	JPMorgan	27-Nov-19	(96,949)
USD	165,925,895	1-month USD LIBOR	Performance of S&P 500 Index	JPMorgan	22-Jan-20	2,172,147
USD	9,479,772	Performance of Bank of America Corp.	1-month USD LIBOR +0.35%	JPMorgan	23-Jan-20	62,544
USD	8,683,313	Performance of The Boeing Co.	1-month USD LIBOR +0.35%	JPMorgan	23-Jan-20	175,438
USD	5,435,445	Performance of Domino's Pizza Inc.	1-month USD LIBOR +0.35%	JPMorgan	28-Jan-20	130,739
USD	8,087,543	Performance of Cintas Corp.	1-month USD LIBOR +0.35%	JPMorgan	29-Jan-20	91,870
USD	8,383,278	Performance of Costco Wholesale Corp.	1-month USD LIBOR +0.35%	JPMorgan	29-Jan-20	81,351
USD	7,298,247	Performance of FedEx Corp.	1-month USD LIBOR +0.35%	JPMorgan	29-Jan-20	(683,980)
USD	16,197,368	Performance of Microsoft Corp.	1-month USD LIBOR +0.35%	JPMorgan	29-Jan-20	(170,004)
USD	4,824,040	Performance of Thor Industries Inc.	1-month USD LIBOR +0.35%	JPMorgan	30-Jan-20	(117,240)
USD	69,595	1-month USD LIBOR -0.17%	Performance of Standard & Poors United States Index	JPMorgan	05-May-20	4,888
USD	122,749	1-month USD LIBOR -0.25%	Performance of S&P SmallCap 600 Total Return Index	JPMorgan	05-May-20	10,250
USD	180,236	1-month USD LIBOR -0.35%	Performance of S&P North USA Technology Total Return Index	JPMorgan	05-May-20	12,873
USD	287,446	Performance of Accenture PLC, A	1-month USD LIBOR +0.20%	JPMorgan	05-May-20	(33,413)
USD	118,641	Performance of Accenture PLC, A	1-month USD LIBOR +0.40%	JPMorgan	05-May-20	(13,780)
USD	409,780	Performance of Adobe Inc.	1-month USD LIBOR +0.20%	JPMorgan	05-May-20	(40,548)
USD	247,144	Performance of Advanced Micro Devices Inc.	1-month USD LIBOR +0.20%	JPMorgan	05-May-20	(33,395)
USD	448,739	Performance of Ak Steel Holding Corp., 7.25%, cvt. pfd.	1-month USD LIBOR +0.20%	JPMorgan	05-May-20	(23,291)
USD	688,769	Performance of Alibaba Group Holding Ltd., ADR	1-month USD LIBOR +1.25%	JPMorgan	05-May-20	(84,558)
USD	111,723	Performance of Alliance Data Systems Corp.	1-month USD LIBOR +0.20%	JPMorgan	05-May-20	(22,310)
USD	492,683	Performance of Alphabet Inc., A	1-month USD LIBOR +0.20%	JPMorgan	05-May-20	(15,960)
USD	601,695	Performance of Alphabet Inc., C	1-month USD LIBOR +0.20%	JPMorgan	05-May-20	(19,652)
USD	1,157,148	Performance of Amazon.com Inc.	1-month USD LIBOR +0.20%	JPMorgan	05-May-20	(136,217)
USD	71,366	Performance of Amazon.com Inc.	1-month USD LIBOR +0.40%	JPMorgan	05-May-20	(8,395)
USD	49,172	Performance of Atento SA	1-month USD LIBOR +0.20%	JPMorgan	05-May-20	(4,028)
USD	708,025	Performance of Atlassian Corp. PLC	1-month USD LIBOR +0.20%	JPMorgan	05-May-20	30,781
USD	57,042	Performance of Blackbaud Inc.	1-month USD LIBOR +0.20%	JPMorgan	05-May-20	(4,804)
USD	376,448	Performance of Booking Holdings Inc.	1-month USD LIBOR +0.20%	JPMorgan	05-May-20	(32,596)
HKD	18,917,422	Performance of China Tower Corp. Ltd., H	1-month HKD HIBOR +0.30%	JPMorgan	05-May-20	586,530

Notes to the Financial Statements At December 31, 2018 (continued)

Note 10 — Open positions on total return swap contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin K2 Alternative Strategies Fund (continued)

Trading currency	Notional amount	Fund receives	Fund pays	Counterparty	Maturity date	Unrealised profit/(loss) USD
USD	441,944	Performance of China Unicom (Hong Kong) Ltd., ADR	1-month USD LIBOR +1.25%	JPMorgan	05-May-20	(29,790)
USD	1,157,386	Performance of Comcast Corp., A	1-month USD LIBOR +0.20%	JPMorgan	05-May-20	(113,290)
USD	1,211,805	Performance of CommScope Holding Co. Inc.	1-month USD LIBOR +0.20%	JPMorgan	05-May-20	(79,034)
USD	451,266	Performance of EPAM Systems Inc.	1-month USD LIBOR +0.20%	JPMorgan	05-May-20	(42,730)
USD	698,127	Performance of Equifax Inc.	1-month USD LIBOR +0.20%	JPMorgan	05-May-20	(51,226)
USD	90,188	Performance of Equifax Inc.	1-month USD LIBOR +0.40%	JPMorgan	05-May-20	(6,608)
USD	299,247	Performance of ExlService Holdings Inc.	1-month USD LIBOR +0.20%	JPMorgan	05-May-20	(17,768)
USD	60,475	Performance of ExlService Holdings Inc.	1-month USD LIBOR +0.40%	JPMorgan	05-May-20	(3,604)
USD	521,811	Performance of Expedia Group Inc.	1-month USD LIBOR +0.20%	JPMorgan	05-May-20	(35,480)
USD	127,165	Performance of Expedia Group Inc.	1-month USD LIBOR +0.40%	JPMorgan	05-May-20	(8,636)
USD	1,120,112	Performance of Facebook Inc., A	1-month USD LIBOR +0.20%	JPMorgan	05-May-20	(70,455)
USD	114,321	Performance of FleetCor Technologies Inc.	1-month USD LIBOR +0.20%	JPMorgan	05-May-20	(2,155)
USD	1,381,178	Performance of Flex Ltd.	1-month USD LIBOR +0.20%	JPMorgan	05-May-20	(142,665)
USD	558,240	Performance of FormFactor Inc.	1-month USD LIBOR +0.20%	JPMorgan	05-May-20	(50,139)
USD	112,938	Performance of Genpact Ltd.	1-month USD LIBOR +0.20%	JPMorgan	05-May-20	(6,441)
USD	105,174	Performance of Genpact Ltd.	1-month USD LIBOR +0.40%	JPMorgan	05-May-20	(5,987)
USD	433,573	Performance of Global Payments Inc.	1-month USD LIBOR +0.20%	JPMorgan	05-May-20	(13,697)
USD	85,099	Performance of Guidewire Software Inc.	1-month USD LIBOR +0.20%	JPMorgan	05-May-20	(4,695)
USD	180,557	Performance of Harris Corp.	1-month USD LIBOR +0.20%	JPMorgan	05-May-20	(6,913)
USD	88,649	Performance of Huron Consulting Group Inc.	1-month USD LIBOR +0.40%	JPMorgan	05-May-20	(694)
USD	28,978	Performance of Itron Inc.	1-month USD LIBOR +0.20%	JPMorgan	05-May-20	(3,253)
USD	304,232	Performance of Lattice Semiconductor Corp.	1-month USD LIBOR +0.20%	JPMorgan	05-May-20	(269)
USD	769,407	Performance of Marvell Technology Group Ltd.	1-month USD LIBOR +0.20%	JPMorgan	05-May-20	6,345
USD	78,835	Performance of Microsoft Corp.	1-month USD LIBOR +0.20%	JPMorgan	05-May-20	(5,632)
USD	8,954	Performance of Microsoft Corp.	1-month USD LIBOR +0.40%	JPMorgan	05-May-20	(639)
USD	1,590,642	Performance of Monolithic Power Systems	1-month USD LIBOR +0.20%	JPMorgan	05-May-20	(7,818)
USD	1,240,429	Performance of Netflix Inc.	1-month USD LIBOR +0.20%	JPMorgan	05-May-20	(68,962)
USD	91,999	Performance of PayPal Holdings Inc.	1-month USD LIBOR +0.20%	JPMorgan	05-May-20	(2,007)
USD	413,480	Performance of PayPal Holdings Inc.	1-month USD LIBOR +0.40%	JPMorgan	05-May-20	(9,133)
USD	2,618,095	Performance of QUALCOMM Inc.	1-month USD LIBOR +0.20%	JPMorgan	05-May-20	(41,872)
USD	571,313	Performance of RingCentral Inc., A	1-month USD LIBOR +0.20%	JPMorgan	05-May-20	14,895
USD	679,757	Performance of Salesforce.com Inc.	1-month USD LIBOR +0.20%	JPMorgan	05-May-20	(25,476)
USD	144,264	Performance of ServiceNow Inc.	1-month USD LIBOR +0.20%	JPMorgan	05-May-20	(7,585)
HKD	449,400	Performance of Tencent Holdings Ltd.	1-month HKD HIBOR +0.30%	JPMorgan	05-May-20	(1,347)
HKD	4,943,400	Performance of Tencent Holdings Ltd.	1-month HKD HIBOR +1.25%	JPMorgan	05-May-20	(15,247)
USD	105,352	Performance of Teradyne Inc.	1-month USD LIBOR +0.20%	JPMorgan	05-May-20	(7,747)
USD	477,062	Performance of Total System Services Inc.	1-month USD LIBOR +0.20%	JPMorgan	05-May-20	(28,550)
USD	71,477	Performance of TransUnion	1-month USD LIBOR +0.20%	JPMorgan	05-May-20	(7,071)
USD	1,006,090	Performance of TransUnion	1-month USD LIBOR +0.40%	JPMorgan	05-May-20	(99,464)
USD	453,419	Performance of TriNet Group Inc.	1-month USD LIBOR +0.20%	JPMorgan	05-May-20	(14,806)
USD	184,797	Performance of Trupanion Inc.	1-month USD LIBOR +0.20%	JPMorgan	05-May-20	(19,020)
USD	298,126	Performance of Yandex NV, A	1-month USD LIBOR	JPMorgan	05-May-20	(13,523)
USD	773,984	Performance of Zscaler Inc.	1-month USD LIBOR +0.20%	JPMorgan	05-May-20	(69,277)
USD	69,595	1-month USD LIBOR -0.17%	Performance of Standard & Poors United States Index	JPMorgan	07-May-20	4,900

Notes to the Financial Statements At December 31, 2018 (continued)

Note 10 — Open positions on total return swap contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin K2 Alternative Strategies Fund (continued)

Trading currency	Notional amount	Fund receives	Fund pays	Counterparty	Maturity date	Unrealised profit/(loss) USD
USD	868,872	1-month USD LIBOR -0.25%	Performance of S&P SmallCap 600 Total Return Index	JPMorgan	07-May-20	72,747
USD	929,520	1-month USD LIBOR -0.30%	Performance of S&P Transportation Select Industry Total Return Index	JPMorgan	07-May-20	107,943
USD	136,798	1-month USD LIBOR -0.33%	Performance of Consumer Discretionary Select Sector Total Return Index	JPMorgan	07-May-20	9,350
USD	838,309	1-month USD LIBOR -0.33%	Performance of Dow Jones Transportation Average Total Return Index	JPMorgan	07-May-20	96,478
USD	3,555,132	1-month USD LIBOR -0.33%	Performance of Dow Jones US Technology Total Return Index	JPMorgan	07-May-20	238,634
USD	545,057	1-month USD LIBOR -0.33%	Performance of NASDAQ 100 Total Return Index	JPMorgan	07-May-20	41,270
USD	562,081	1-month USD LIBOR -0.33%	Performance of S&P MidCap 400 Total Return Index	JPMorgan	07-May-20	47,823
USD	700,663	1-month USD LIBOR -0.33%	Performance of S&P North American Technology Software Index	JPMorgan	07-May-20	38,844
USD	319,746	1-month USD LIBOR -0.35%	Performance of S&P North USA Technology Total Return Index	JPMorgan	07-May-20	22,884
USD	81,427	1-month USD LIBOR -0.40%	Performance of Consumer Discretionary Select Sector Total Return Index	JPMorgan	07-May-20	5,568
USD	180,812	1-month USD LIBOR -0.40%	Performance of Dow Jones Transportation Average Total Return Index	JPMorgan	07-May-20	20,806
USD	1,300,351	1-month USD LIBOR -0.40%	Performance of NASDAQ 100 Total Return Index	JPMorgan	07-May-20	98,489
USD	4,098,327	1-month USD LIBOR -0.40%	Performance of Philadelphia Stock Exchange Semiconductor Index	JPMorgan	07-May-20	67,100
USD	208,764	1-month USD LIBOR -0.40%	Performance of Russell Midcap Growth Total Return Index	JPMorgan	07-May-20	14,748
USD	194,629	1-month USD LIBOR -0.40%	Performance of S&P North American Technology Software Index	JPMorgan	07-May-20	10,786
USD	1,918,475	1-month USD LIBOR -0.40%	Performance of S&P North USA Technology Total Return Index	JPMorgan	07-May-20	137,285
USD	579,430	1-month USD LIBOR -0.43%	Performance of DB Hybrid Basket 01 Index	JPMorgan	07-May-20	6,983
USD	1,560,487	1-month USD LIBOR -0.45%	Performance of S&P Smallcap 600 Growth Index	JPMorgan	07-May-20	130,970
USD	252,256	1-month USD LIBOR -0.80%	Performance of Russell Midcap Growth Total Return Index	JPMorgan	07-May-20	17,731
USD	145,614	1-month USD LIBOR -0.25%	Performance of S&P SmallCap 600 Total Return Index	JPMorgan	08-May-20	12,159
USD	840,945	1-month USD LIBOR -0.40%	Performance of NASDAQ 100 Total Return Index	JPMorgan	08-May-20	63,713
USD	185,541	1-month USD LIBOR -0.40%	Performance of S&P MidCap 400 Total Return Index	JPMorgan	08-May-20	15,739
USD	236,926	1-month USD LIBOR -0.80%	Performance of Russell 2000 Total Return Growth Index	JPMorgan	08-May-20	20,197
USD	110,181	1-month USD LIBOR -0.80%	Performance of Russell Midcap Growth Total Return Index	JPMorgan	08-May-20	7,731
GBP	263,552	GBP-SONIA -0.35%	Performance of Glencore Xstrata PLC	Morgan Stanley	18-Jan-19	29,301
GBP	332,923	GBP-SONIA -0.35%	Performance of International Consolidated Airlines Group SA	Morgan Stanley	18-Jan-19	(3,854)
GBP	1,266,559	Performance of Rio Tinto PLC	1-month GBP LIBOR +0.50%	Morgan Stanley	18-Jan-19	16,870
AUD	811,677	AUD-RBACR -0.50%	Performance of Qantas Airways Ltd.	Morgan Stanley	31-Jan-19	(29,070)
EUR	237,170	EUR-EONIA -0.40%	Performance of Accor SA	Morgan Stanley	13-Feb-19	48,790
EUR	1,938,954	EUR-EONIA -0.40%	Performance of Air France-KLM	Morgan Stanley	13-Feb-19	(120,556)
EUR	1,428,132	EUR-EONIA -1.53%	Performance of iShares STOXX Europe 600 UCITS ETF	Morgan Stanley	13-Feb-19	153,088
EUR	446,907	Performance of Plastic Omnium SA	1-month EUR LIBOR +0.50%	Morgan Stanley	13-Feb-19	(427,028)
SEK	8,757,365	1-week SEK STIBOR -1.75%	Performance of SAS AB	Morgan Stanley	27-Feb-19	(62,201)

Notes to the Financial Statements At December 31, 2018 (continued)

Note 10 — Open positions on total return swap contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin K2 Alternative Strategies Fund (continued)

Trading currency	Notional amount	Fund receives	Fund pays	Counterparty	Maturity date	Unrealised profit/(loss) USD
JPY	52,555,737	MUTSC -0.40%	Performance of Japan Airlines Co. Ltd.	Morgan Stanley	08-Apr-19	11,673
USD	1,477,643	USD-FED EFF -0.35%	Performance of The Walt Disney Co.	Morgan Stanley	25-Apr-19	31,220
HKD	11,502,933	Performance of Air China Ltd., H	HKD-HONIX +0.95%	Morgan Stanley	12-Jul-19	(115,003)
HKD	7,611,340	Performance of Shangri-La Asia Ltd.	HKD-HONIX +0.95%	Morgan Stanley	12-Jul-19	24,513
CHF	4,961,946	Performance of LafargeHolcim Ltd., B	1-month CHF LIBOR +0.40%	Morgan Stanley	25-Jul-19	(37,923)
CHF	4,602,899	Performance of Nestle SA	1-month CHF LIBOR +0.40%	Morgan Stanley	25-Jul-19	(199,293)
EUR	1,556,469	Performance of EDP Renovaveis SA	EUR-EONIA +0.65%	Morgan Stanley	04-Sep-19	34,047
USD	4,414,955	Performance of BHP Group PLC, ADR	USD-FED EFF +0.40%	Morgan Stanley	05-Sep-19	(14,186)
USD	3,743,149	Performance of Dell Technologies Inc.	USD-FED EFF +0.40%	Morgan Stanley	05-Sep-19	2,773,478
USD	4,123,730	Performance of L3 Technologies Inc.	USD-FED EFF +0.40%	Morgan Stanley	05-Sep-19	(419,635)
USD	1,120,317	Performance of Newfield Exploration Co.	USD-FED EFF +0.40%	Morgan Stanley	05-Sep-19	27,175
EUR	8,352,948	Performance of Innogy SE, Reg S	EUR-EONIA +0.65%	Morgan Stanley	27-Sep-19	718,675
EUR	6,513,234	Performance of McKesson Europe AG	EUR-EONIA +0.65%	Morgan Stanley	27-Sep-19	(125,805)
EUR	3,733,661	Performance of RWE AG	EUR-EONIA +0.65%	Morgan Stanley	27-Sep-19	(172,367)
EUR	347,800	Performance of Vivendi SA	EUR-EONIA +0.65%	Morgan Stanley	27-Sep-19	(16,156)
GBP	393,498	GBP-SONIA -0.35%	Performance of Jardine Lloyd Thompson Group PLC	Morgan Stanley	01-Oct-19	(2,589)
GBP	1,283,346	Performance of BTG PLC	GBP-SONIA +0.65%	Morgan Stanley	01-Oct-19	8,203
GBP	5,423,380	Performance of Vodafone Group PLC	GBP-SONIA +0.65%	Morgan Stanley	01-Oct-19	(986,590)
USD	3,533,810	USD-FED EFF +0.17%	Performance of S&P 500 Total Return Index	Morgan Stanley	08-Nov-19	278,173
USD	3,369,561	USD-FED EFF -0.35%	Performance of Cigna Corp.	Morgan Stanley	08-Nov-19	325,743
USD	5,472,050	USD-FED EFF -0.35%	Performance of Dominion Energy Inc.	Morgan Stanley	08-Nov-19	162,634
USD	1,180,201	USD-FED EFF -0.35%	Performance of EnCana Corp.	Morgan Stanley	08-Nov-19	(24,196)
USD	5,089,476	USD-FED EFF -3.45%	Performance of BHP Group Ltd., ADR	Morgan Stanley	08-Nov-19	(13,079)
USD	10,156,129	Performance of Altaba Inc.	USD-FED EFF +0.51%	Morgan Stanley	24-Dec-19	24,833
USD	3,369,181	Performance of Cigna Corp.	USD-FED EFF +0.40%	Morgan Stanley	24-Dec-19	(325,706)
USD	5,594,402	Performance of Dominion Energy Midstream Partners LP	USD-FED EFF +1.00%	Morgan Stanley	24-Dec-19	(167,218)
USD	8,409,245	USD-FED EFF -0.35%	Performance of Alibaba Group Holding Ltd., ADR	Morgan Stanley	24-Dec-19	2,020,862
USD	4,156,646	USD-FED EFF -0.35%	Performance of Harris Corp.	Morgan Stanley	24-Dec-19	476,837
USD	17,617	Performance of OneMarket Ltd.	1-month USD LIBOR	Morgan Stanley	20-Feb-20	17,617
USD	11,026,228	Performance of Shire PLC	USD-FED EFF +1.25%	Morgan Stanley	20-Feb-20	281,147
EUR	2,476,272	EUR-EONIA -0.35%	Performance of Unilever NV, IDR	Morgan Stanley	16-Apr-20	57,438
EUR	2,450,762	EUR-EONIA -0.40%	Performance of Colruyt SA	Morgan Stanley	16-Apr-20	(218,357)
GBP	153,420	GBP-SONIA -0.30%	Performance of JD Sports Fashion PLC	Morgan Stanley	16-Apr-20	2,484
EUR	285,582	Performance of Anima Holding SpA, Reg S	1-month EUR LIBOR +0.40%	Morgan Stanley	16-Apr-20	(12,112)
GBP	1,006,893	Performance of Barclays PLC	1-month GBP LIBOR +0.40%	Morgan Stanley	16-Apr-20	(24,215)
EUR	2,594,534	Performance of BNP Paribas SA	1-month EUR LIBOR +0.40%	Morgan Stanley	16-Apr-20	(69,657)
EUR	5,440,867	Performance of Danone SA	1-month EUR LIBOR +0.40%	Morgan Stanley	16-Apr-20	(147,967)
GBP	677,871	Performance of Hikma Pharmaceuticals PLC	1-month GBP LIBOR +0.40%	Morgan Stanley	16-Apr-20	1,259
EUR	5,166,141	Performance of Iliad SA	1-month EUR LIBOR +0.40%	Morgan Stanley	16-Apr-20	115,825
GBP	2,908,850	Performance of ITV PLC	1-month GBP LIBOR +0.40%	Morgan Stanley	16-Apr-20	(34,151)
GBP	1,651,907	Performance of RSA Insurance Group PLC	1-month GBP LIBOR +0.40%	Morgan Stanley	16-Apr-20	45,915
EUR	1,132,883	Performance of Ryanair Holdings PLC	1-month EUR LIBOR +0.40%	Morgan Stanley	16-Apr-20	16,229
GBP	1,516,577	Performance of Smiths Group PLC	1-month GBP LIBOR +0.40%	Morgan Stanley	16-Apr-20	34,013
EUR	2,446,157	Performance of Societe Generale SA	1-month EUR LIBOR +0.40%	Morgan Stanley	16-Apr-20	(171,767)

Notes to the Financial Statements At December 31, 2018 (continued)

Note 10 — Open positions on total return swap contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin K2 Alternative Strategies Fund (continued)

Trading currency	Notional amount	Fund receives	Fund pays	Counterparty	Maturity date	Unrealised profit/(loss) USD
GBP	306,964	Performance of Sports Direct International PLC	1-month GBP LIBOR +0.40%	Morgan Stanley	16-Apr-20	(50,511)
USD	317,749	Performance of Accenture PLC, A	1-month USD LIBOR +0.50%	Morgan Stanley	15-May-20	(22,606)
USD	380,331	Performance of Adobe Inc.	1-month USD LIBOR +0.50%	Morgan Stanley	15-May-20	8,009
USD	381,647	Performance of Advanced Micro Devices Inc.	1-month USD LIBOR +0.50%	Morgan Stanley	15-May-20	(7,938)
USD	297,986	Performance of Ak Steel Holding Corp., 7.25%, cvt. pfd.	1-month USD LIBOR +0.50%	Morgan Stanley	15-May-20	11,199
USD	584,991	Performance of Alibaba Group Holding Ltd., ADR	1-month USD LIBOR +0.75%	Morgan Stanley	15-May-20	(28,804)
USD	1,975,745	Performance of Alliance Data Systems Corp.	1-month USD LIBOR +0.50%	Morgan Stanley	15-May-20	(138,267)
USD	238,976	Performance of Alphabet Inc., A	1-month USD LIBOR +0.50%	Morgan Stanley	15-May-20	4,225
USD	392,381	Performance of Alphabet Inc., C	1-month USD LIBOR +0.50%	Morgan Stanley	15-May-20	6,914
USD	713,307	Performance of Amazon.com Inc.	1-month USD LIBOR +0.50%	Morgan Stanley	15-May-20	(9,703)
USD	385,850	Performance of Atento SA	1-month USD LIBOR +0.50%	Morgan Stanley	15-May-20	(23,922)
USD	528,447	Performance of Atlassian Corp. PLC	1-month USD LIBOR +0.50%	Morgan Stanley	15-May-20	59,815
USD	350,224	Performance of Blackbaud Inc.	1-month USD LIBOR +0.50%	Morgan Stanley	15-May-20	7,361
USD	1,094,158	Performance of Booking Holdings Inc.	1-month USD LIBOR +0.50%	Morgan Stanley	15-May-20	(12,015)
USD	442,015	Performance of Carbon Black Inc.	1-month USD LIBOR +0.25%	Morgan Stanley	15-May-20	(5,673)
USD	28,531	Performance of China Unicom (Hong Kong) Ltd., ADR	1-month USD LIBOR +0.75%	Morgan Stanley	15-May-20	(1,043)
USD	16,765	Performance of Comcast Corp., A	1-month USD LIBOR +0.50%	Morgan Stanley	15-May-20	(931)
USD	1,882,183	Performance of CommScope Holding Co. Inc.	1-month USD LIBOR +0.25%	Morgan Stanley	15-May-20	(37,404)
USD	28,836	Performance of CommScope Holding Co. Inc.	1-month USD LIBOR +0.50%	Morgan Stanley	15-May-20	(445)
USD	460,575	Performance of CoStar Group Inc.	1-month USD LIBOR +0.50%	Morgan Stanley	15-May-20	(10,656)
USD	687,425	Performance of Cray Inc.	1-month USD LIBOR +0.50%	Morgan Stanley	15-May-20	(27,685)
EUR	360,235	Performance of Delivery Hero SE	1-month EUR LIBOR +0.50%	Morgan Stanley	15-May-20	38,357
EUR	704,998	Performance of Edenred	1-month EUR LIBOR +0.50%	Morgan Stanley	15-May-20	6,298
USD	1,617,393	Performance of Equifax Inc.	1-month USD LIBOR +0.50%	Morgan Stanley	15-May-20	(70,204)
USD	315,895	Performance of ExlService Holdings Inc.	1-month USD LIBOR +0.25%	Morgan Stanley	15-May-20	(3,718)
USD	814,658	Performance of ExlService Holdings Inc.	1-month USD LIBOR +0.50%	Morgan Stanley	15-May-20	(9,646)
GBP	1,760,831	Performance of Experian PLC	1-month GBP LIBOR +0.50%	Morgan Stanley	15-May-20	35,521
USD	468,409	Performance of Fabrinet	1-month USD LIBOR +0.50%	Morgan Stanley	15-May-20	24,135
USD	352,017	Performance of Facebook Inc., A	1-month USD LIBOR +0.25%	Morgan Stanley	15-May-20	(23,220)
USD	566,368	Performance of Facebook Inc., A	1-month USD LIBOR +0.50%	Morgan Stanley	15-May-20	(37,372)
USD	1,866,417	Performance of First Solar Inc.	1-month USD LIBOR +0.25%	Morgan Stanley	15-May-20	(20,321)
USD	3,337,569	Performance of FleetCor Technologies Inc.	1-month USD LIBOR +0.50%	Morgan Stanley	15-May-20	136,019
USD	1,413,314	Performance of Flex Ltd.	1-month USD LIBOR +0.50%	Morgan Stanley	15-May-20	(5,309)
USD	522,554	Performance of FormFactor Inc.	1-month USD LIBOR +0.50%	Morgan Stanley	15-May-20	(1,667)
USD	436,361	Performance of Genpact Ltd.	1-month USD LIBOR +0.25%	Morgan Stanley	15-May-20	(4,243)
USD	2,582,902	Performance of Genpact Ltd.	1-month USD LIBOR +0.50%	Morgan Stanley	15-May-20	(25,602)
USD	3,032,737	Performance of Global Payments Inc.	1-month USD LIBOR +0.50%	Morgan Stanley	15-May-20	103,214
USD	841,575	Performance of GoDaddy Inc., A	1-month USD LIBOR +0.50%	Morgan Stanley	15-May-20	61,525
USD	419,331	Performance of Guidewire Software Inc.	1-month USD LIBOR +0.50%	Morgan Stanley	15-May-20	(657)
USD	1,620,184	Performance of Harris Corp.	1-month USD LIBOR +0.25%	Morgan Stanley	15-May-20	(126,735)
USD	332,821	Performance of Harris Corp.	1-month USD LIBOR +0.50%	Morgan Stanley	15-May-20	(25,997)
USD	313,850	Performance of Hubspot Inc.	1-month USD LIBOR +0.50%	Morgan Stanley	15-May-20	114
USD	496,305	Performance of Huron Consulting Group Inc.	1-month USD LIBOR +0.50%	Morgan Stanley	15-May-20	13,353
USD	336,720	Performance of Intuit Inc.	1-month USD LIBOR +0.50%	Morgan Stanley	15-May-20	(1,388)
USD	863,962	Performance of iRobot Corp.	1-month USD LIBOR +0.25%	Morgan Stanley	15-May-20	10,379

Notes to the Financial Statements At December 31, 2018 (continued)

Note 10 — Open positions on total return swap contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin K2 Alternative Strategies Fund (continued)

Trading currency	Notional amount	Fund receives	Fund pays	Counterparty	Maturity date	Unrealised profit/(loss) USD
USD	761,851	Performance of Itron Inc.	1-month USD LIBOR +0.25%	Morgan Stanley	15-May-20	(10,030)
GBP	481,015	Performance of Just Eat PLC	1-month GBP LIBOR +0.50%	Morgan Stanley	15-May-20	7,981
USD	1,581,318	Performance of Marvell Technology Group Ltd.	1-month USD LIBOR +0.25%	Morgan Stanley	15-May-20	102,029
USD	973,009	Performance of Mastercard Inc., A	1-month USD LIBOR +0.50%	Morgan Stanley	15-May-20	(10,315)
USD	76,907	Performance of Microchip Technology Inc.	1-month USD LIBOR +0.25%	Morgan Stanley	15-May-20	686
SEK	15,080,054	Performance of Millicom International Cellular SA, IDR	1-month SEK STIBOR +0.50%	Morgan Stanley	15-May-20	(9,101)
JPY	52,585,899	Performance of Nexon Co. Ltd.	1-month JPY LIBOR +0.50%	Morgan Stanley	15-May-20	13,917
USD	205,968	Performance of ORBCOMM Inc.	1-month USD LIBOR +0.50%	Morgan Stanley	15-May-20	4,368
USD	2,241,937	Performance of PayPal Holdings Inc.	1-month USD LIBOR +0.50%	Morgan Stanley	15-May-20	(2,765)
USD	213,508	Performance of Quantenna Communications Inc.	1-month USD LIBOR +0.50%	Morgan Stanley	15-May-20	(987)
USD	1,266,183	Performance of RingCentral Inc., A	1-month USD LIBOR +0.25%	Morgan Stanley	15-May-20	71,527
USD	267,678	Performance of Salesforce.com Inc.	1-month USD LIBOR +0.50%	Morgan Stanley	15-May-20	12,255
USD	255,833	Performance of ServiceNow Inc.	1-month USD LIBOR +0.50%	Morgan Stanley	15-May-20	9,523
USD	219,376	Performance of Spotify Technology SA	1-month USD LIBOR +0.50%	Morgan Stanley	15-May-20	(12,944)
HKD	1,760,160	Performance of Tencent Holdings Ltd.	1-month HKD HIBOR +0.30%	Morgan Stanley	15-May-20	3,560
USD	89,040	Performance of Teradyne Inc.	1-month USD LIBOR +0.50%	Morgan Stanley	15-May-20	(1,261)
USD	1,551,082	Performance of Tesla Inc.	1-month USD LIBOR +0.25%	Morgan Stanley	15-May-20	64,227
USD	1,063,643	Performance of Total System Services Inc.	1-month USD LIBOR +0.50%	Morgan Stanley	15-May-20	(10,046)
USD	228,259	Performance of TransUnion	1-month USD LIBOR +0.50%	Morgan Stanley	15-May-20	382
USD	325,832	Performance of TriNet Group Inc.	1-month USD LIBOR +0.50%	Morgan Stanley	15-May-20	6,122
USD	346,072	Performance of Trupanion Inc.	1-month USD LIBOR +0.50%	Morgan Stanley	15-May-20	28,786
USD	634,323	Performance of VeriSign Inc.	1-month USD LIBOR +0.50%	Morgan Stanley	15-May-20	(8,286)
USD	80,568	Performance of Verizon Communications Inc.	1-month USD LIBOR +0.50%	Morgan Stanley	15-May-20	296
USD	1,875,473	Performance of Visa Inc., A	1-month USD LIBOR +0.50%	Morgan Stanley	15-May-20	5,618
USD	4,286,784	Performance of WEX Inc.	1-month USD LIBOR +0.50%	Morgan Stanley	15-May-20	(55,360)
USD	202,528	Performance of Yandex NV, A	1-month USD LIBOR +0.50%	Morgan Stanley	15-May-20	(1,141)
USD	45,465	Performance of Zebra Technologies Corp., A	1-month USD LIBOR +0.50%	Morgan Stanley	15-May-20	22
USD	31	Performance of Zillow Group Inc., C	1-month USD LIBOR +0.50%	Morgan Stanley	15-May-20	1
USD	1,472,483	1-month USD LIBOR -0.15%	Performance of S&P North American Technology Software Index	Morgan Stanley	19-May-20	(11,527)
USD	3,117,662	1-month USD LIBOR -0.25%	Performance of Dow Jones US Technology Total Return Index	Morgan Stanley	19-May-20	73,950
USD	11,125,381	1-month USD LIBOR -0.25%	Performance of NASDAQ 100 Total Return Index	Morgan Stanley	19-May-20	208,936
USD	7,251,444	1-month USD LIBOR -0.25%	Performance of Philadelphia Stock Exchange Semiconductor Index	Morgan Stanley	19-May-20	51,693
USD	298,732	1-month USD LIBOR -0.25%	Performance of Russell Midcap Growth Total Return Index	Morgan Stanley	19-May-20	2,124
USD	2,373,010	1-month USD LIBOR -0.25%	Performance of S&P North American Technology Software Index	Morgan Stanley	19-May-20	(18,396)
USD	202,343	1-month USD LIBOR -0.25%	Performance of Standard & Poors United States Index	Morgan Stanley	19-May-20	3,148
USD	2,640,265	1-month USD LIBOR -0.30%	Performance of MSCI Daily Total Return Net Emerging Markets Taiwan USD Index	Morgan Stanley	19-May-20	(3,616)
USD	289,128	1-month USD LIBOR -0.30%	Performance of S&P North USA Technology Total Return Index	Morgan Stanley	19-May-20	4,580
USD	201,096	1-month USD LIBOR -0.35%	Performance of Consumer Discretionary Select Sector Total Return Index	Morgan Stanley	19-May-20	697
USD	907,057	1-month USD LIBOR -0.35%	Performance of Russell Midcap Growth Total Return Index	Morgan Stanley	19-May-20	6,448

Notes to the Financial Statements At December 31, 2018 (continued)

Note 10 — Open positions on total return swap contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin K2 Alternative Strategies Fund (continued)

Trading currency	Notional amount	Fund receives	Fund pays	Counterparty	Maturity date	Unrealised profit/(loss) USD
USD	1,535,010	1-month USD LIBOR -0.35%	Performance of S&P MidCap 400 Total Return Index	Morgan Stanley	19-May-20	28,647
USD	4,641,583	1-month USD LIBOR -0.40%	Performance of S&P North USA Technology Total Return Index	Morgan Stanley	19-May-20	72,792
USD	4,895,659	1-month USD LIBOR -0.40%	Performance of S&P Smallcap 600 Growth Index	Morgan Stanley	19-May-20	70,217
USD	2,420,010	1-month USD LIBOR -0.40%	Performance of S&P SmallCap 600 Total Return Index	Morgan Stanley	19-May-20	35,322
USD	2,531,494	1-month USD LIBOR -0.50%	Performance of DB Hybrid Basket 01 Index	Morgan Stanley	19-May-20	1,501
USD	1,013,904	1-month USD LIBOR -0.50%	Performance of Dow Jones Transportation Average Total Return Index	Morgan Stanley	19-May-20	25,652
USD	1,469,250	1-month USD LIBOR -0.55%	Performance of S&P Transportation Select Industry Total Return Index	Morgan Stanley	19-May-20	30,949
USD	2,202,195	1-month USD LIBOR -0.75%	Performance of S&P North USA Technology Total Return Index	Morgan Stanley	19-May-20	34,488
USD	3,925,973	1-month USD LIBOR -1.00%	Performance of Russell 2000 Total Return Growth Index	Morgan Stanley	19-May-20	59,328
USD	2,350,744	1-month USD LIBOR -0.25%	Performance of NASDAQ 100 Total Return Index	Morgan Stanley	20-May-20	43,985
USD	1,025,798	1-month USD LIBOR -0.25%	Performance of S&P North American Technology Software Index	Morgan Stanley	20-May-20	(8,122)
USD	15,176	1-month USD LIBOR -0.25%	Performance of Standard & Poors United States Index	Morgan Stanley	20-May-20	233
USD	1,665,244	1-month USD LIBOR -0.30%	Performance of S&P North USA Technology Total Return Index	Morgan Stanley	20-May-20	26,381
USD	850,025	1-month USD LIBOR -0.35%	Performance of Russell Midcap Growth Total Return Index	Morgan Stanley	20-May-20	5,956
USD	1,036,067	1-month USD LIBOR -0.35%	Performance of S&P MidCap 400 Total Return Index	Morgan Stanley	20-May-20	19,175
USD	2,534,474	1-month USD LIBOR -0.40%	Performance of S&P Smallcap 600 Growth Index	Morgan Stanley	20-May-20	36,154
USD	1,416,618	1-month USD LIBOR -0.40%	Performance of S&P SmallCap 600 Total Return Index	Morgan Stanley	20-May-20	20,543
USD	796,376	1-month USD LIBOR -0.55%	Performance of S&P Transportation Select Industry Total Return Index	Morgan Stanley	20-May-20	16,720
USD	2,391,053	1-month USD LIBOR -1.00%	Performance of Russell 2000 Total Return Growth Index	Morgan Stanley	20-May-20	35,944
USD	2,313,964	Performance of Takeda Pharmaceutical Co. Ltd.	USD-FED EFF +0.55%	Morgan Stanley	21-May-20	(417,707)
USD	3,590,238	USD-FED EFF -3.50%	Performance of Takeda Pharmaceutical Co. Ltd.	Morgan Stanley	21-May-20	648,095
USD	246,951	USD-FED EFF -0.75%	Performance of Turk Hava Yollari Anonim Ortakligi (THY)	Morgan Stanley	16-Sep-20	1,026
USD	2,722,121	Performance of Alphabet Inc., A	USD-FED EFF +0.50%	Morgan Stanley	22-Sep-20	23,743
USD	5,526,656	Performance of Caterpillar Inc.	USD-FED EFF +0.50%	Morgan Stanley	22-Sep-20	(766,492)
USD	7,543,383	Performance of Delta Air Lines Inc.	USD-FED EFF +0.50%	Morgan Stanley	22-Sep-20	(596,990)
USD	1,410,664	Performance of Knight-Swift transportation Holdings Inc.	USD-FED EFF +0.50%	Morgan Stanley	22-Sep-20	(832,072)
USD	7,403,576	Performance of NVR Inc.	USD-FED EFF +0.50%	Morgan Stanley	22-Sep-20	(778,302)
USD	4,823,372	Performance of Rio Tinto PLC, ADR	USD-FED EFF +0.50%	Morgan Stanley	22-Sep-20	(36,111)
USD	4,491,581	Performance of Take-Two Interactive Software Inc.	USD-FED EFF +0.50%	Morgan Stanley	22-Sep-20	(374,641)
USD	765,017	USD-FED EFF -0.35%	Performance of AGCO Corp.	Morgan Stanley	22-Sep-20	66,498
USD	938,553	USD-FED EFF -0.35%	Performance of Boston Beer Inc., A	Morgan Stanley	22-Sep-20	228,387
USD	1,482,535	USD-FED EFF -0.35%	Performance of CarGurus Inc.	Morgan Stanley	22-Sep-20	123,621
USD	536,273	USD-FED EFF -0.35%	Performance of Church & Dwight Co. Inc.	Morgan Stanley	22-Sep-20	17,583
USD	369,568	USD-FED EFF -0.35%	Performance of Domtar Corp.	Morgan Stanley	22-Sep-20	93,739
USD	400,705	USD-FED EFF -0.35%	Performance of Electronic Arts Inc.	Morgan Stanley	22-Sep-20	17,088
USD	260,561	USD-FED EFF -0.35%	Performance of Fastenal Co.	Morgan Stanley	22-Sep-20	16,551

Notes to the Financial Statements At December 31, 2018 (continued)

Note 10 — Open positions on total return swap contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin K2 Alternative Strategies Fund (continued)

Trading currency	Notional amount	Fund receives	Fund pays	Counterparty	Maturity date	Unrealised profit/(loss) USD
USD	595,565	USD-FED EFF -0.35%	Performance of Genesee & Wyoming Inc.	Morgan Stanley	22-Sep-20	97,254
USD	275,113	USD-FED EFF -0.35%	Performance of Hawaiian Holdings Inc.	Morgan Stanley	22-Sep-20	74,151
USD	272,067	USD-FED EFF -0.35%	Performance of Helen of Troy Ltd.	Morgan Stanley	22-Sep-20	4,332
USD	477,868	USD-FED EFF -0.35%	Performance of Huntington Ingalls Industries Inc.	Morgan Stanley	22-Sep-20	83,147
USD	217,110	USD-FED EFF -0.35%	Performance of International Business Machines Corp.	Morgan Stanley	22-Sep-20	57,493
USD	349,107	USD-FED EFF -0.35%	Performance of Kennametal Inc.	Morgan Stanley	22-Sep-20	61,881
USD	992,280	USD-FED EFF -0.35%	Performance of Kirby Corp.	Morgan Stanley	22-Sep-20	122,049
USD	423,919	USD-FED EFF -0.35%	Performance of Lockheed Martin Corp.	Morgan Stanley	22-Sep-20	135,950
USD	522,657	USD-FED EFF -0.35%	Performance of Martin Marietta Materials Inc.	Morgan Stanley	22-Sep-20	29,990
USD	981,677	USD-FED EFF -0.35%	Performance of Molson Coors Brewing Co., B	Morgan Stanley	22-Sep-20	139,464
USD	3,277,336	USD-FED EFF -0.35%	Performance of Mondelez International Inc., A	Morgan Stanley	22-Sep-20	159,379
USD	239,209	USD-FED EFF -0.35%	Performance of Monster Beverage Corp.	Morgan Stanley	22-Sep-20	40,936
USD	861,754	USD-FED EFF -0.35%	Performance of MSPSMLP	Morgan Stanley	22-Sep-20	25,690
USD	2,418,632	USD-FED EFF -0.35%	Performance of MSPSXLK	Morgan Stanley	22-Sep-20	239,181
USD	170,761	USD-FED EFF -0.35%	Performance of Patrick Industries Inc.	Morgan Stanley	22-Sep-20	23,570
USD	79,908	USD-FED EFF -0.35%	Performance of Schneider National Inc., B	Morgan Stanley	22-Sep-20	35,410
USD	553,904	USD-FED EFF -0.35%	Performance of Starbucks Corp.	Morgan Stanley	22-Sep-20	5,561
USD	2,271,176	USD-FED EFF -0.40%	Performance of MSPSDWD2	Morgan Stanley	22-Sep-20	(8,474)
USD	221,044	USD-FED EFF -0.55%	Performance of Under Armour Inc., C	Morgan Stanley	22-Sep-20	60,456
USD	1,357,536	USD-FED EFF +0.15%	Performance of NASDAQ 100 Total Return Index	Morgan Stanley	28-Oct-20	104,647
JPY	142,648,243	MUTSC -0.40%	Performance of Topix Index	Morgan Stanley	17-Dec-20	62,574
JPY	1,341,621	MUTSC -0.45%	Performance of MSPSPHMX	Morgan Stanley	22-Dec-20	142,095
						9,698,815

Franklin K2 Long Short Credit Fund

Trading currency	Notional amount	Fund receives	Fund pays	Counterparty	Maturity date	Unrealised profit/(loss) USD
USD	133,215	Performance of Buckeye Partners LP	1-month USD LIBOR +0.85%	Barclays	28-Mar-19	(52,242)
USD	336,511	Performance of Buckeye Partners LP	1-month USD LIBOR +0.85%	Barclays	15-Apr-19	(119,450)
USD	146,336	Performance of Buckeye Partners LP	1-month USD LIBOR +0.85%	Barclays	03-Jun-19	(23,764)
USD	28,252	Performance of Northstar Realty Europe Corp.	1-month USD LIBOR +0.65%	Goldman Sachs	12-Mar-19	8,924
USD	15,932	Performance of Buckeye Partners LP	1-month USD LIBOR +0.65%	JPMorgan	11-Jan-19	(6,391)
USD	105,853	Performance of Energy Transfer LP	1-month USD LIBOR +0.65%	JPMorgan	18-Jan-19	(19,309)
USD	35,494	Performance of Energy Transfer LP	1-month USD LIBOR +0.65%	JPMorgan	13-Mar-19	(8,130)
USD	1,660,000	Performance of iBoxx $ Liquid High Yield Index	3-month USD LIBOR	JPMorgan	20-Mar-19	11,034
USD	63,104	Performance of Buckeye Partners LP	1-month USD LIBOR +0.65%	JPMorgan	26-Mar-19	(25,468)
USD	49,046	Performance of Buckeye Partners LP	1-month USD LIBOR +0.65%	JPMorgan	08-Apr-19	(18,009)
USD	116,413	Performance of Energy Transfer LP	1-month USD LIBOR +0.80%	JPMorgan	02-May-19	(30,874)
USD	152,872	Performance of Buckeye Partners LP	1-month USD LIBOR +0.80%	JPMorgan	10-Jun-19	(38,694)
USD	251,190	Performance of Energy Transfer LP	1-month USD LIBOR +0.65%	JPMorgan	29-Nov-19	(4,673)

Notes to the Financial Statements At December 31, 2018 (continued)

Note 10 — Open positions on total return swap contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin K2 Long Short Credit Fund (continued)

Trading currency	Notional amount	Fund receives	Fund pays	Counterparty	Maturity date	Unrealised profit/(loss) USD
USD	117,710	Performance of Suncoke Energy Partners LP	1-month USD LIBOR +2.50%	Morgan Stanley	14-Oct-19	(31,506)
						(358,552)

Franklin Strategic Income Fund

Trading currency	Notional amount	Fund receives	Fund pays	Counterparty	Maturity date	Unrealised profit/(loss) USD
USD	44,100,000	Performance of Markit iBoxx USD Liquid Leveraged Loans Index Series 1 Version 1	3-month USD BBA LIBOR	Credit Suisse	20-Mar-19	(297,112)
USD	67,900,000	Performance of Markit iBoxx USD Liquid Leveraged Loans Index Series 1 Version 1	3-month USD BBA LIBOR	Goldman Sachs	20-Jun-19	(2,272,505)
USD	11,000,000	Performance of Markit iBoxx USD Liquid Leveraged Loans Index Series 1 Version 1	3-month USD BBA LIBOR	JPMorgan	20-Jun-19	(246,676)
USD	14,800,000	Performance of Markit iBoxx USD Liquid Leveraged Loans Index Series 1 Version 1	3-month USD BBA LIBOR	Morgan Stanley	20-Jun-19	(505,422)
						(3,321,715)

Franklin U.S. Low Duration Fund

Trading currency	Notional amount	Fund receives	Fund pays	Counterparty	Maturity date	Unrealised profit/(loss) USD
USD	3,700,000	Performance of Markit iBoxx USD Liquid High Yield Index Series 1 Version 1	3-month USD BBA LIBOR	Bank of America	20-Jun-19	(80,323)
USD	1,525,000	Performance of Markit iBoxx USD Liquid High Yield Index Series 1 Version 1	3-month USD BBA LIBOR	BNP Paribas	20-Mar-19	(38,418)
USD	3,800,000	Performance of Markit iBoxx USD Liquid High Yield Index Series 1 Version 1	3-month USD BBA LIBOR	Citigroup	20-Jun-19	(90,487)
USD	3,600,000	Performance of Markit iBoxx USD Liquid Leveraged Loans Index Series 1 Version 1	3-month USD BBA LIBOR	Citigroup	20-Jun-19	(149,781)
USD	1,400,000	Performance of Markit iBoxx USD Liquid Leveraged Loans Index Series 1 Version 1	3-month USD BBA LIBOR	Citigroup	20-Sep-19	(66,770)
USD	2,175,000	Performance of Markit iBoxx USD Liquid High Yield Index Series 1 Version 1	3-month USD BBA LIBOR	Credit Suisse	20-Mar-19	(55,147)
USD	500,000	Performance of Markit iBoxx USD Liquid Leveraged Loans Index Series 1 Version 1	3-month USD BBA LIBOR	Credit Suisse	20-Jun-19	(17,500)
USD	34,300,000	Performance of Markit iBoxx USD Liquid Leveraged Loans Index Series 1 Version 1	3-month USD BBA LIBOR	Goldman Sachs	20-Jun-19	(1,200,490)
USD	2,800,000	Performance of Markit iBoxx USD Liquid Leveraged Loans Index Series 1 Version 1	3-month USD BBA LIBOR	Goldman Sachs	20-Sep-19	(133,541)
USD	740,000	Performance of Markit iBoxx USD Liquid Leveraged Loans Index Series 1 Version 1	3-month USD BBA LIBOR	JPMorgan	20-Sep-19	(30,213)
USD	5,300,000	Performance of Markit iBoxx USD Liquid Leveraged Loans Index Series 1 Version 1	3-month USD BBA LIBOR	Morgan Stanley	20-Jun-19	(180,996)
USD	3,200,000	Performance of Markit iBoxx USD Liquid Leveraged Loans Index Series 1 Version 1	3-month USD BBA LIBOR	Morgan Stanley	20-Sep-19	(151,746)
						(2,195,412)

Notes to the Financial Statements At December 31, 2018 (continued)

Note 11 — Open positions on credit default swap contracts

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin Brazil Opportunities Fund

Nominal	Description	Interest paid/received %	Counterparty	Buy/Sell Protection	Trading currency	Market value USD	Unrealised profit/(loss) USD
5,000,000	Government of Brazil, senior bond, 4.25%, 01/07/25, Dec. 2023	1.00	Barclays	Sell	USD	(235,217)	52,226
7,000,000	Government of Brazil, senior bond, 6.00%, 04/07/26, Dec. 2023	1.00	Barclays	Sell	USD	(329,303)	11,619
						(564,520)	63,845

Franklin Diversified Balanced Fund

Nominal	Description	Interest paid/received %	Counterparty	Buy/Sell Protection	Trading currency	Market value EUR	Unrealised profit/(loss) EUR
3,890,000	CDX.NA.IG.27, Dec. 2021	1.00	Barclays	Buy	USD	(38,781)	(4,597)
2,400,000	ITRX.EUR.26, Dec. 2021	1.00	Barclays	Buy	EUR	(37,236)	(9,117)
						(76,017)	(13,714)

Franklin Diversified Conservative Fund

Nominal	Description	Interest paid/received %	Counterparty	Buy/Sell Protection	Trading currency	Market value EUR	Unrealised profit/(loss) EUR
7,650,000	CDX.NA.IG.27, Dec. 2021	1.00	Barclays	Buy	USD	(76,267)	(9,040)
4,520,000	ITRX.EUR.26, Dec. 2021	1.00	Barclays	Buy	EUR	(70,127)	(17,171)
						(146,394)	(26,211)

Franklin Diversified Dynamic Fund

Nominal	Description	Interest paid/received %	Counterparty	Buy/Sell Protection	Trading currency	Market value EUR	Unrealised profit/(loss) EUR
2,250,000	CDX.NA.IG.27, Dec. 2021	1.00	Barclays	Buy	USD	(22,431)	(2,659)
2,430,000	ITRX.EUR.26, Dec. 2021	1.00	Barclays	Buy	EUR	(37,701)	(9,231)
						(60,132)	(11,890)

Franklin Flexible Alpha Bond Fund

Nominal	Description	Interest paid/received %	Counterparty	Buy/Sell Protection	Trading currency	Market value USD	Unrealised profit/(loss) USD
1,300,000	American Airlines Group Inc., senior note, 144A, 5.50%, 10/01/19, Dec. 2019	5.00	Barclays	Buy	USD	(56,117)	56,549
2,850,000	Boyd Gaming Corp., senior sub. bond, 7.125%, 02/01/16, Jun. 2022	5.00	Barclays	Buy	USD	(318,516)	184,227
1,250,000	DISH DBS Corp., senior bond, 6.75%, 06/01/21, Dec. 2020	5.00	Barclays	Buy	USD	(55,587)	57,478
1,600,000	Government of Italy, senior bond, 6.875%, 09/27/23, Jun. 2023	1.00	Barclays	Buy	USD	12,544	(4,589)
900,000	Government of Turkey, senior bond, 11.875%, 01/15/30, Dec. 2019	1.00	Barclays	Buy	USD	13,676	(42,289)
4,100,000	Safeway Inc., senior bond, 7.25%, 02/01/31, Jun. 2019	5.00	Barclays	Buy	USD	(82,160)	128,980
2,500,000	Safeway Inc., senior bond, 7.25%, 02/01/31, Sep. 2019	5.00	Barclays	Buy	USD	(74,075)	193,826
2,400,000	Sanmina-SCI Corp., senior sub. note, 8.125%, 03/01/16, Jun. 2019	5.00	Barclays	Buy	USD	(53,456)	250,248
1,000,000	Universal Health Services Inc., senior secured note, first lien, 144A, 3.75%, 08/01/19, Sep. 2019	5.00	Barclays	Buy	USD	(35,127)	80,119
600,000	Ally Financial Inc., senior note, 7.50%, 09/15/20, Dec. 2022	5.00	Citigroup	Buy	USD	(72,787)	40,071
430,000	American Airlines Group Inc., senior note, 144A, 5.50%, 10/01/19, Dec. 2019	5.00	Citigroup	Buy	USD	(18,562)	18,234

Notes to the Financial Statements At December 31, 2018 (continued)

Note 11 — Open positions on credit default swap contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin Flexible Alpha Bond Fund (continued)

Nominal	Description	Interest paid/received %	Counterparty	Buy/Sell Protection	Trading currency	Market value USD	Unrealised profit/(loss) USD
1,150,000	Nabors Industries Inc., senior note, 5.50%, 01/15/23, Dec. 2021	1.00	Citigroup	Buy	USD	138,293	86,400
1,450,000	Navient Corp., senior note, 5.50%, 01/25/23, Mar. 2019	5.00	Citigroup	Buy	USD	(13,563)	51,643
2,500,000	Tenet Healthcare Corp., senior note, 6.875%, 11/15/31, Mar. 2020	5.00	Citigroup	Buy	USD	(109,161)	3,433
5,000,000	PHH Corp., senior note, 7.375%, 09/01/19, Sep. 2019	5.00	Goldman Sachs	Buy	USD	(170,697)	(200,319)
1,000,000	Sanmina-SCI Corp., senior sub. note, 8.125%, 03/01/16, Jun. 2019	5.00	Goldman Sachs	Buy	USD	(22,273)	102,543
925,000	Tenet Healthcare Corp., senior note, 6.875%, 11/15/31, Mar. 2019	5.00	Goldman Sachs	Buy	USD	(9,082)	38,030
900,000	Ally Financial Inc., senior note, 7.50%, 09/15/20, Dec. 2022	5.00	JPMorgan	Buy	USD	(109,180)	61,116
1,000,000	Boyd Gaming Corp., senior sub. bond, 7.125%, 02/01/16, Jun. 2022	5.00	JPMorgan	Buy	USD	(111,760)	60,613
600,000	DISH DBS Corp., senior bond, 6.75%, 06/01/21, Jun. 2021	5.00	JPMorgan	Buy	USD	(18,253)	10,240
950,000	KB Home, senior note, 7.00%, 12/15/21, Mar. 2020	5.00	JPMorgan	Buy	USD	(49,362)	51,861
2,250,000	Navient Corp., senior note, 5.50%, 01/25/23, Mar. 2020	5.00	JPMorgan	Buy	USD	(79,092)	91,964
2,000,000	Tenet Healthcare Corp., senior note, 6.875%, 11/15/31, Mar. 2019	5.00	JPMorgan	Buy	USD	(19,638)	113,658
1,050,000	The AES Corp., senior note, FRN, 4.31611%, 06/01/19, Jun. 2022	5.00	JPMorgan	Buy	USD	(145,181)	881
4,250,000	Energy Transfer LP, senior secured bond, first lien, 5.875%, 01/15/24, Dec. 2020	5.00	Morgan Stanley	Buy	USD	(378,174)	176,236
1,250,000	DISH DBS Corp., senior bond, 6.75%, 06/01/21, Dec. 2022	5.00	Barclays	Sell	USD	(42,004)	(107,961)
450,000	General Electric Co., senior note, 2.70%, 10/09/22, Dec. 2023	1.00	Barclays	Sell	USD	(20,467)	(18,603)
1,600,000	Government of Italy, senior bond, 6.875%, 09/27/23, Jun. 2023	1.00	Barclays	Sell	USD	(63,113)	12,019
1,150,000	Government of Malaysia, 0.01%, 12/31/99, Dec. 2023	1.00	Barclays	Sell	USD	(4,905)	(948)
1,150,000	Government of Vietnam, Reg S, 6.75%, 01/29/20, Dec. 2023	1.00	Barclays	Sell	USD	(34,209)	(4,285)
900,000	Morgan Stanley, senior note, 3.75%, 02/25/23, Dec. 2022	1.00	Barclays	Sell	USD	8,882	(10,721)
900,000	The Goldman Sachs Group Inc., 5.95%, 01/18/18, Dec. 2022	1.00	Barclays	Sell	USD	5,403	(12,158)
770,000	BNP Paribas Bespoke Bordeaux 7-10% Tranche Index, Jun. 2020	2.10	BNP Paribas	Sell	USD	(19,393)	(19,393)
600,000	BNP Paribas Bespoke Rodez 5-7% Tranche Index, Dec. 2020	2.00	BNP Paribas	Sell	USD	(35,731)	(35,731)
950,000	CDX.EM.30, Dec. 2023	1.00	Citigroup	Sell	USD	(44,525)	(1,949)
1,150,000	CDX.NA.HY.31, Dec. 2023	5.00	Citigroup	Sell	USD	23,218	(28,548)
260,000	Citbank Bespoke 58 IG/42 HY Equity Tranche 0-3% Index, Jun. 2019	1.00	Citigroup	Sell	USD	(30,890)	39,310
10,400,000	Citibank Bespoke Boulder Portfolio CDX Index, Dec. 2019	1.24	Citigroup	Sell	USD	(40,926)	(40,926)
2,700,000	Citibank Bespoke Cambridge 0-3% Equity Tranche Index, Dec. 2019	1.00	Citigroup	Sell	USD	(677,838)	(248,538)
1,500,000	Citibank Bespoke Lima 5-7% Tranche Index, Dec. 2019	2.13	Citigroup	Sell	USD	(28,276)	(28,276)
550,000	Citibank Bespoke Verona Index, Dec. 2019	1.00	Citigroup	Sell	USD	(123,382)	11,368
2,800,000	Citibank Bespoke Verona Index, Dec. 2019	0.40	Citigroup	Sell	USD	4,053	4,053

Notes to the Financial Statements At December 31, 2018 (continued)

Note 11 — Open positions on credit default swap contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin Flexible Alpha Bond Fund (continued)

Nominal	Description	Interest paid/received %	Counterparty	Buy/Sell Protection	Trading currency	Market value USD	Unrealised profit/(loss) USD
1,410,000	General Electric Co., senior note, 2.70%, 10/09/22, Dec. 2023	1.00	Citigroup	Sell	USD	(64,129)	(66,397)
725,000	Government of Argentina, senior note, 7.50%, 04/22/26, Dec. 2023	5.00	Citigroup	Sell	USD	(80,095)	(37,462)
5,000,000	Government of China, senior bond, 7.50%, 10/28/27, Dec. 2023	1.00	Citigroup	Sell	USD	74,671	(16,953)
3,440,000	Government of Indonesia, Reg S, 5.875%, 03/13/20, Dec. 2023	1.00	Citigroup	Sell	USD	(57,357)	20,853
7,500,000	Lisbon 3-7% Bespoke Mezzanine Tranche Index, Jun. 2019	0.79	Citigroup	Sell	USD	(30,872)	(30,872)
10,920,000	MCDX.NA.30, Jun. 2023	1.00	Citigroup	Sell	USD	254,875	(11,490)
1,150,000	Nabors Industries Inc., senior note, 5.50%, 01/15/23, Dec. 2023	1.00	Citigroup	Sell	USD	(299,048)	(123,443)
10,500,000	CMBX.NA.AA.11, Nov. 2054	1.50	Credit Suisse	Sell	USD	(209,489)	(317,279)
230,000	General Electric Co., senior note, 2.70%, 10/09/22, Dec. 2023	1.00	Goldman Sachs	Sell	USD	(10,461)	(2,756)
600,000	Capital One Financial Corp., senior note, 4.75%, 07/15/21, Dec. 2022	1.00	JPMorgan	Sell	USD	6,973	(3,756)
600,000	DISH DBS Corp., senior bond, 6.75%, 06/01/21, Jun. 2023	5.00	JPMorgan	Sell	USD	(36,992)	(28,669)
225,000	General Electric Co., senior note, 2.70%, 10/09/22, Dec. 2023	1.00	JPMorgan	Sell	USD	(10,233)	(5,653)
600,000	The Goldman Sachs Group Inc., 5.95%, 01/18/18, Dec. 2022	1.00	JPMorgan	Sell	USD	3,602	(7,931)
						(3,419,948)	488,058

Franklin Global Multi-Asset Income Fund

Nominal	Description	Interest paid/received %	Counterparty	Buy/Sell Protection	Trading currency	Market value EUR	Unrealised profit/(loss) EUR
10,825,000	CDX.NA.IG.27, Dec. 2021	1.00	Barclays	Buy	USD	(107,920)	(12,792)
6,160,000	ITRX.EUR.26, Dec. 2021	1.00	Barclays	Buy	EUR	(95,572)	(23,401)
						(203,492)	(36,193)

Franklin K2 Alternative Strategies Fund

Nominal	Description	Interest paid/received %	Counterparty	Buy/Sell Protection	Trading currency	Market value USD	Unrealised profit/(loss) USD
650,000	Enel SpA, senior bond, Reg S, 5.25%, 05/20/24, Jun. 2023	1.00	Bank of America	Buy	EUR	4,783	6,639
1,656,000	Government of Mexico, senior note, 4.15%, 03/28/27, Dec. 2023	1.00	JPMorgan	Buy	USD	40,667	40,667
3,355,000	Government of Mexico, senior note, 4.15%, 03/28/27, Jun. 2023	1.00	JPMorgan	Buy	USD	58,893	54,109
2,407,000	Government of South Africa, 5.50%, 03/09/20, Dec. 2021	1.00	JPMorgan	Buy	USD	50,785	50,785
1,557,000	Government of South Africa, 5.50%, 03/09/20, Dec. 2022	1.00	JPMorgan	Buy	USD	54,551	54,551
1,923,000	Government of South Africa, 5.50%, 03/09/20, Jun. 2022	1.00	JPMorgan	Buy	USD	54,139	54,139
1,592,000	Government of Turkey, senior bond, 11.875%, 01/15/30, Dec. 2020	1.00	JPMorgan	Buy	USD	54,164	54,164
391,000	Government of Turkey, senior bond, 11.875%, 01/15/30, Dec. 2021	1.00	JPMorgan	Buy	USD	22,367	(849)
1,074,000	Government of Turkey, senior bond, 11.875%, 01/15/30, Dec. 2022	1.00	JPMorgan	Buy	USD	87,688	87,688
900,000	Government of Turkey, senior bond, 11.875%, 01/15/30, Jun. 2022	1.00	JPMorgan	Buy	USD	62,673	62,673

Notes to the Financial Statements At December 31, 2018 (continued)

Note 11 — Open positions on credit default swap contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin K2 Alternative Strategies Fund (continued)

Nominal	Description	Interest paid/received %	Counterparty	Buy/Sell Protection	Trading currency	Market value USD	Unrealised profit/(loss) USD
1,562,000	Government of Turkey, senior bond, 11.875%, 01/15/30, Jun. 2023	1.00	JPMorgan	Buy	USD	150,011	(74,133)
1,774,000	Government of Turkey, senior bond, 11.875%, 01/15/30, Sep. 2020	1.00	JPMorgan	Buy	USD	52,019	(85,632)
1,773,907	Korea Treasury Bond, senior note, 7.125%, 04/16/19, Dec. 2021	1.00	JPMorgan	Buy	USD	(39,667)	12,929
1,876,024	Korea Treasury Bond, senior note, 7.125%, 04/16/19, Dec. 2022	1.00	JPMorgan	Buy	USD	(50,722)	(50,722)
705,000	Enel SpA, senior bond, Reg S, 5.25%, 05/20/24, Dec. 2023	1.00	Morgan Stanley	Buy	EUR	10,350	5,943
9,350,000	CDX.NA.HY.31, Version 6, Dec. 2023	5.00	JPMorgan	Sell	USD	204,162	(240,560)
394,000	Government of Russia, senior bond, Reg S, 7.50%, 03/31/30, Dec. 2021	1.00	JPMorgan	Sell	USD	(2,228)	11,976
476,000	Government of Russia, senior bond, Reg S, 7.50%, 03/31/30, Jun. 2021	1.00	JPMorgan	Sell	USD	(1,560)	32,515
426,000	Government of Russia, senior bond, Reg S, 7.50%, 03/31/30, Jun. 2022	1.00	JPMorgan	Sell	USD	(3,964)	7,911
2,397,460	Government of Russia, senior bond, Reg S, 7.50%, 03/31/30, Sep. 2020	1.00	JPMorgan	Sell	USD	(1,085)	(1,085)
						808,026	83,708

Franklin K2 Global Macro Opportunities Fund

Nominal	Description	Interest paid/received %	Counterparty	Buy/Sell Protection	Trading currency	Market value USD	Unrealised profit/(loss) USD
56,000	Government of Mexico, senior note, 4.15%, 03/28/27, Dec. 2023	1.00	JPMorgan	Buy	USD	1,375	1,375
181,000	Government of Mexico, senior note, 4.15%, 03/28/27, Jun. 2023	1.00	JPMorgan	Buy	USD	3,177	2,919
270,000	Government of South Africa, 5.50%, 03/09/20, Dec. 2021	1.00	JPMorgan	Buy	USD	5,697	5,697
160,000	Government of South Africa, 5.50%, 03/09/20, Jun. 2022	1.00	JPMorgan	Buy	USD	4,505	4,505
444,000	Government of Turkey, senior bond, 11.875%, 01/15/30, Dec. 2021	1.00	JPMorgan	Buy	USD	25,398	25,397
31,000	Government of Turkey, senior bond, 11.875%, 01/15/30, Jun. 2022	1.00	JPMorgan	Buy	USD	2,159	926
11,000	Government of Turkey, senior bond, 11.875%, 01/15/30, Jun. 2023	1.00	JPMorgan	Buy	USD	1,056	(522)
203,124	Korea Treasury Bond, senior note, 7.125%, 04/16/19, Dec. 2021	1.00	JPMorgan	Buy	USD	(4,542)	(4,542)
25,530	Korea Treasury Bond, senior note, 7.125%, 04/16/19, Dec. 2022	1.00	JPMorgan	Buy	USD	(690)	(690)
385,000	Government of Russia, senior bond, Reg S, 7.50%, 03/31/30, Dec. 2021	1.00	JPMorgan	Sell	USD	(2,177)	11,703
66,000	Government of South Africa, 5.50%, 03/09/20, Dec. 2022	1.00	JPMorgan	Sell	USD	(2,312)	(2,312)
103,000	Government of Turkey, senior bond, 11.875%, 01/15/30, Dec. 2022	1.00	JPMorgan	Sell	USD	(8,410)	(3,889)
						25,236	40,567

Notes to the Financial Statements At December 31, 2018 (continued)

Note 11 — Open positions on credit default swap contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin K2 Long Short Credit Fund

Nominal	Description	Interest paid/received %	Counterparty	Buy/Sell Protection	Trading currency	Market value USD	Unrealised profit/(loss) USD
198,000	Lloyds Bank PLC, 0.00%, 02/20/49, Dec. 2022	1.00	Bank of America	Buy	EUR	3,379	6,089
130,000	Beazer Homes USA Inc., senior note, 6.75%, 03/15/25, Dec. 2023	5.00	Barclays	Buy	USD	7,934	5,123
58,000	Hertz Corp., senior note, 5.875%, 10/15/20, Jun. 2020	5.00	Barclays	Buy	USD	(677)	(331)
86,000	Hertz Corp., senior note, 5.875%, 10/15/20, Jun. 2023	5.00	Barclays	Buy	USD	12,838	(849)
74,000	Hertz Corp., senior note, 7.50%, 10/15/18, Jun. 2022	5.00	Barclays	Buy	USD	6,892	(3,519)
204,000	K. Hovnanian Enterprises Inc., secured note, second lien, 144A, 10.50%, 07/15/24, Dec. 2022	5.00	Barclays	Buy	USD	90,449	8,311
18,000	Transocean Inc., senior bond, 4.30%, 10/15/22, Dec. 2023	5.00	Barclays	Buy	USD	1,542	(780)
37,000	Weatherford International Ltd., senior note, 4.50%, 04/15/22, Dec. 2019	1.00	Barclays	Buy	USD	9,297	2,695
392,000	Avis Budget Car Rental LLC/ Finance Inc., senior bond, Reg S, 5.25%, 03/15/25, Dec. 2022	5.00	Goldman Sachs	Buy	USD	(22,561)	14,917
39,000	Beazer Homes USA Inc., senior note, 6.75%, 03/15/25, Dec. 2023	5.00	Goldman Sachs	Buy	USD	2,380	934
136,000	Dean Foods Co., senior note, Res S, 6.50%, 03/15/23, Jun. 2023	5.00	Goldman Sachs	Buy	USD	17,886	24,096
237,000	Ford Motor Co., senior note, 4.346%, 12/08/26, Dec. 2022	5.00	Goldman Sachs	Buy	USD	(26,211)	22,071
255,000	Hertz Corp., senior note, 5.875%, 10/15/20, Dec. 2020	5.00	Goldman Sachs	Buy	USD	(496)	1,954
169,000	Hertz Corp., senior note, 5.875%, 10/15/20, Dec. 2022	5.00	Goldman Sachs	Buy	USD	21,029	7,345
56,000	Hertz Corp., senior note, 5.875%, 10/15/20, Jun. 2020	5.00	Goldman Sachs	Buy	USD	(654)	(592)
152,000	Hertz Corp., senior note, 5.875%, 10/15/20, Jun. 2022	5.00	Goldman Sachs	Buy	USD	14,157	3,454
55,000	Hertz Corp., senior note, 5.875%, 10/15/20, Jun. 2023	5.00	Goldman Sachs	Buy	USD	8,210	3,634
150,000	iStar Inc., senior note, 5.00%, 07/01/19, Dec. 2023	5.00	Goldman Sachs	Buy	USD	(4,240)	10,155
45,000	K. Hovnanian Enterprises Inc., secured note, second lien, 144A, 10.50%, 07/15/24, Dec. 2022	5.00	Goldman Sachs	Buy	USD	19,952	7,771
242,000	K. Hovnanian Enterprises Inc., secured note, second lien, 144A, 10.50%, 07/15/24, Jun. 2023	5.00	Goldman Sachs	Buy	USD	115,354	73,219
852,000	Kohl's Corp., senior bond, 4.00%, 11/01/21, Dec. 2023	1.00	Goldman Sachs	Buy	USD	32,255	19,526
91,000	Transocean Inc., senior bond, 3.80%, 10/15/22, Jun. 2023	5.00	Goldman Sachs	Buy	USD	5,980	10,577
57,000	Transocean Inc., senior bond, 4.30%, 10/15/22, Dec. 2023	5.00	Goldman Sachs	Buy	USD	4,884	10,227
57,000	Transocean Inc., senior bond, 4.30%, 10/15/22, Dec. 2023	5.00	Goldman Sachs	Buy	USD	4,884	10,623
63,000	Weatherford International Ltd., senior note, 4.50%, 04/15/22, Dec. 2019	1.00	Goldman Sachs	Buy	USD	15,831	7,256
6,000	Weatherford International Ltd., senior note, 4.50%, 04/15/22, Jun. 2021	1.00	Goldman Sachs	Buy	USD	2,353	1,350
166,000	Avis Budget Car Rental LLC/ Finance Inc., senior bond, Reg S, 5.25%, 03/15/25, Dec. 2022	5.00	JPMorgan	Buy	USD	(9,554)	4,324
98,000	Avis Budget Car Rental LLC/ Finance Inc., senior bond, Reg S, 5.25%, 03/15/25, Jun. 2023	5.00	JPMorgan	Buy	USD	(3,548)	4,902

Notes to the Financial Statements At December 31, 2018 (continued)

Note 11 — Open positions on credit default swap contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin K2 Long Short Credit Fund (continued)

Nominal	Description	Interest paid/received %	Counterparty	Buy/Sell Protection	Trading currency	Market value USD	Unrealised profit/(loss) USD
595,000	Caterpillar Financial Services Corp., senior note, 2.25%, 12/01/19, Dec. 2021	1.00	JPMorgan	Buy	USD	(11,297)	(2,577)
2,350,000	CDX.NA.HY.27, Version 3, Dec. 2021	5.00	JPMorgan	Buy	USD	(86,805)	(86,806)
1,500,000	CDX.NA.HY.28, Version 2, Jun. 2022	5.00	JPMorgan	Buy	USD	(58,236)	(58,236)
156,000	Centurylink Inc., senior note, 6.15%, 09/15/19, Dec. 2023	1.00	JPMorgan	Buy	USD	24,687	11,464
225,000	Dynegy Inc., senior note, 6.75%, 11/01/19, Dec. 2021	5.00	JPMorgan	Buy	USD	(24,987)	(30,041)
176,000	Government of Mexico, senior note, 4.15%, 03/28/27, Dec. 2023	1.00	JPMorgan	Buy	USD	4,322	4,322
342,000	Government of Mexico, senior note, 4.15%, 03/28/27, Jun. 2023	1.00	JPMorgan	Buy	USD	6,003	5,516
300,000	Government of South Africa, 5.50%, 03/09/20, Dec. 2021	1.00	JPMorgan	Buy	USD	6,330	(12,084)
427,000	Government of South Africa, 5.50%, 03/09/20, Jun. 2022	1.00	JPMorgan	Buy	USD	12,022	12,022
585,000	Government of Turkey, senior bond, 11.875%, 01/15/30, Dec. 2021	1.00	JPMorgan	Buy	USD	33,465	33,465
181,000	Government of Turkey, senior bond, 11.875%, 01/15/30, Jun. 2022	1.00	JPMorgan	Buy	USD	12,604	12,604
224,000	Government of Turkey, senior bond, 11.875%, 01/15/30, Jun. 2023	1.00	JPMorgan	Buy	USD	21,512	(10,631)
95,000	Hertz Corp., senior note, 5.875%, 10/15/20, Dec. 2020	5.00	JPMorgan	Buy	USD	(185)	3,114
13,000	Hertz Corp., senior note, 7.50%, 10/15/18, Jun. 2022	5.00	JPMorgan	Buy	USD	1,211	(1,014)
55,000	iStar Inc., senior note, 5.00%, 07/01/19, Dec. 2023	5.00	JPMorgan	Buy	USD	(1,554)	2,417
4,283,000	ITOCHU Corp., senior note, 1.91%, 09/13/19, Jun. 2022	1.00	JPMorgan	Buy	JPY	(795)	548
3,783,000	JFE Holdings Inc., senior note, 1.326%, 06/08/21, Jun. 2022	1.00	JPMorgan	Buy	JPY	(568)	635
125,000	John Deere Capital Corp., senior note, 2.80%, 03/04/21, Dec. 2021	1.00	JPMorgan	Buy	USD	(2,418)	(48)
65,000	K. Hovnanian Enterprises Inc., secured note, second lien, 144A, 10.50%, 07/15/24, Jun. 2023	5.00	JPMorgan	Buy	USD	30,984	20,820
275,006	Korea Treasury Bond, senior note, 7.125%, 04/16/19, Dec. 2021	1.00	JPMorgan	Buy	USD	(6,150)	1,327
132,857	Korea Treasury Bond, senior note, 7.125%, 04/16/19, Dec. 2022	1.00	JPMorgan	Buy	USD	(3,592)	(3,592)
198,000	Lloyds Bank PLC, 0.00%, 02/20/49, Dec. 2022	1.00	JPMorgan	Buy	EUR	3,379	6,303
6,257,000	Marubeni Corp., senior note, 1.50%, 06/14/21, Jun. 2022	1.00	JPMorgan	Buy	JPY	(914)	769
251,000	MBIA Inc., senior bond, 6.625%, 10/01/28, Jun. 2021	5.00	JPMorgan	Buy	USD	(18,291)	4,277
13,223,000	Mitsui OSK Lines Ltd., senior note, 1.139%, 07/12/22, Jun. 2022	1.00	JPMorgan	Buy	JPY	1,079	2,311
82,000	Sprint Communications Inc., senior note, 7.00%, 08/15/20, Dec. 2023	5.00	JPMorgan	Buy	USD	(6,080)	2,839
100,000	United Rentals North America Inc., senior bond, 6.125%, 06/15/23, Dec. 2021	5.00	JPMorgan	Buy	USD	(11,205)	4,075
133,000	Weatherford International Ltd., senior note, 4.50%, 04/15/22, Jun. 2021	1.00	JPMorgan	Buy	USD	52,149	29,331

Notes to the Financial Statements At December 31, 2018 (continued)

Note 11 — Open positions on credit default swap contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin K2 Long Short Credit Fund (continued)

Nominal	Description	Interest paid/received %	Counterparty	Buy/Sell Protection	Trading currency	Market value USD	Unrealised profit/(loss) USD
31,000	K. Hovnanian Enterprises Inc., secured note, second lien, 144A, 10.50%, 07/15/24, Dec. 2023	5.00	Morgan Stanley	Buy	USD	15,374	5,488
129,000	Kohl's Corp., senior bond, 4.00%, 11/01/21, Dec. 2023	1.00	Morgan Stanley	Buy	USD	4,884	2,594
230,000	Transocean Inc., senior bond, 7.375%, 04/15/18, Dec. 2021	1.00	Morgan Stanley	Buy	USD	24,861	(13,108)
86,000	Weatherford International Ltd., senior note, 4.50%, 04/15/22, Jun. 2021	1.00	Morgan Stanley	Buy	USD	33,720	18,195
29,000	Avis Budget Car Rental LLC/ Finance Inc., senior bond, Reg S, 5.25%, 03/15/25, Dec. 2022	5.00	Barclays	Sell	USD	1,669	(916)
94,000	Weatherford International Ltd., senior note, 4.50%, 04/15/22, Dec. 2020	1.00	Goldman Sachs	Sell	USD	(32,393)	(13,242)
500,000	Government of Russia, senior bond, Reg S, 7.50%, 03/31/30, Dec. 2021	1.00	JPMorgan	Sell	USD	(2,828)	22,578
119,000	Government of Russia, senior bond, Reg S, 7.50%, 03/31/30, Jun. 2022	1.00	JPMorgan	Sell	USD	(1,107)	2,210
54,000	Government of South Africa, 5.50%, 03/09/20, Dec. 2022	1.00	JPMorgan	Sell	USD	(1,892)	(1,892)
124,000	Government of Turkey, senior bond, 11.875%, 01/15/30, Dec. 2022	1.00	JPMorgan	Sell	USD	(10,124)	(10,124)
71,000	Government of Turkey, senior bond, 11.875%, 01/15/30, Jun. 2022	1.00	JPMorgan	Sell	USD	(4,944)	735
95,000	Hertz Corp., senior note, 5.875%, 10/15/20, 12/20/2023	5.00	JPMorgan	Sell	USD	(16,218)	(8,354)
201,000	Weatherford International Ltd., senior note, 4.50%, 04/15/22, Dec. 2020	1.00	JPMorgan	Sell	USD	(69,267)	(25,301)
						247,950	186,475

Franklin Strategic Income Fund

Nominal	Description	Interest paid/received %	Counterparty	Buy/Sell Protection	Trading currency	Market value USD	Unrealised profit/(loss) USD
2,400,000	Government of Italy, senior bond, 6.875%, 09/27/23, Jun. 2023	1.00	Barclays	Buy	USD	18,817	(6,883)
1,666,667	Government of Turkey, senior bond, 11.875%, 01/15/30, Dec. 2019	1.00	Barclays	Buy	USD	25,326	(78,314)
2,115,000	Government of Turkey, senior bond, 11.875%, 01/15/30, Dec. 2023	1.00	Barclays	Buy	USD	233,061	(41,562)
1,300,000	Ally Financial Inc., senior note, 7.50%, 09/15/20, Dec. 2022	5.00	Citigroup	Buy	USD	(157,704)	86,821
500,000	CSC Holdings LLC, senior bond, 7.625%, 07/15/18, Mar. 2019	5.00	Goldman Sachs	Buy	USD	(5,101)	22,393
400,000	Springleaf Finance Corp., senior note, J, 6.90%, 12/15/17, Jun. 2020	5.00	Goldman Sachs	Buy	USD	(18,614)	2,898
2,300,000	Ally Financial Inc., senior note, 7.50%, 09/15/20, Dec. 2022	5.00	JPMorgan	Buy	USD	(279,015)	156,198
2,800,000	Government of Indonesia, Reg S, 5.875%, 03/13/20, Dec. 2023	1.00	Bank of America	Sell	USD	(46,686)	(2,178)
2,400,000	Government of Italy, senior bond, 6.875%, 09/27/23, Jun. 2023	1.00	Barclays	Sell	USD	(94,670)	18,028
2,000,000	Government of Malaysia, 0.01%, 12/31/99, Dec. 2023	1.00	Barclays	Sell	USD	(8,531)	(1,648)
2,000,000	Government of Vietnam, Reg S, 6.75%, 01/29/20, Dec. 2023	1.00	Barclays	Sell	USD	(59,493)	(7,453)
1,150,000	BNP Paribas Bespoke Bordeaux 7-10% Tranche Index, Jun. 2020	2.10	BNP Paribas	Sell	USD	(28,964)	(28,964)
14,100,000	CDX.EM.30, Dec. 2023	1.00	Citigroup	Sell	USD	(660,849)	(26,851)

Notes to the Financial Statements At December 31, 2018 (continued)

Note 11 — Open positions on credit default swap contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin Strategic Income Fund (continued)

Nominal	Description	Interest paid/received %	Counterparty	Buy/Sell Protection	Trading currency	Market value USD	Unrealised profit/(loss) USD
830,000	Citbank Bespoke 58 IG/42 HY Equity Tranche 0-3% Index, Jun. 2019	1.00	Citigroup	Sell	USD	(98,611)	125,489
900,000	Citibank Bespoke 0-3% Tranche CDX Index, Jun. 2020	0.00	Citigroup	Sell	USD	(324,256)	(95,656)
1,200,000	Citibank Bespoke Bogota 7-10% Tranche Index, Jun. 2020	1.35	Citigroup	Sell	USD	(13,724)	(13,724)
5,200,000	Citibank Bespoke Broker Index 3-7% Tranche, Jun. 2019	1.30	Citigroup	Sell	USD	1,894	1,894
5,000,000	Citibank Bespoke Cambridge 0-3% Equity Tranche Index, Dec. 2019	1.00	Citigroup	Sell	USD	(1,255,255)	(460,255)
1,870,000	Citibank Bespoke Verona Index, Dec. 2019	1.00	Citigroup	Sell	USD	(419,498)	38,652
5,500,000	Citibank Bespoke Verona Index, Dec. 2019	0.40	Citigroup	Sell	USD	7,962	7,962
3,800,000	Government of Brazil, senior bond, 4.25%, 01/07/25, Dec. 2023	1.00	Citigroup	Sell	USD	(178,765)	161,069
3,000,000	Government of Indonesia, Reg S, 5.875%, 03/13/20, Dec. 2023	1.00	Citigroup	Sell	USD	(50,021)	18,186
5,700,000	Government of Mexico, senior note, 4.15%, 03/28/27, Dec. 2023	1.00	Citigroup	Sell	USD	(141,877)	(94,615)
3,350,000	MCDX.NA.30, Jun. 2023	1.00	Citigroup	Sell	USD	78,190	(3,525)
1,850,000	General Electric Co., senior note, 2.70%, 10/09/22, Dec. 2023	1.00	Goldman Sachs	Sell	USD	(84,141)	(22,170)
750,000	CDX.NA.IG.24, Jun. 2025	1.00	JPMorgan	Sell	USD	(9,428)	(7,627)
1,700,000	General Electric Co., senior note, 2.70%, 10/09/22, Dec. 2023	1.00	JPMorgan	Sell	USD	(77,318)	(38,725)
3,250,000	Government of Colombia, senior bond, 10.375%, 01/28/33, Dec. 2023	1.00	JPMorgan	Sell	USD	(83,695)	(60,260)
8,050,000	Government of Argentina, senior note, 7.50%, 04/22/26, Jun. 2023	5.00	Morgan Stanley	Sell	USD	(823,943)	(1,671,046)
						(4,554,909)	(2,021,866)

Franklin U.S. Low Duration Fund

Nominal	Description	Interest paid/received %	Counterparty	Buy/Sell Protection	Trading currency	Market value USD	Unrealised profit/(loss) USD
1,100,000	Government of Italy, senior bond, 6.875%, 09/27/23, Jun. 2023	1.00	Barclays	Buy	USD	8,624	(3,155)
300,000	Government of Turkey, senior bond, 11.875%, 01/15/30, Dec. 2019	1.00	Barclays	Buy	USD	4,559	(14,097)
645,000	Government of Turkey, senior bond, 11.875%, 01/15/30, Dec. 2023	1.00	Barclays	Buy	USD	71,075	(12,675)
700,000	Ally Financial Inc., senior note, 7.50%, 09/15/20, Dec. 2022	5.00	Citigroup	Buy	USD	(84,918)	46,750
525,000	Nabors Industries Inc., senior note, 5.50%, 01/15/23, Dec. 2021	1.00	Citigroup	Buy	USD	63,134	42,596
3,050,000	Tenet Healthcare Corp., senior note, 6.875%, 11/15/31, Mar. 2019	5.00	Citigroup	Buy	USD	(29,948)	127,791
5,000,000	CSC Holdings LLC, senior bond, 7.625%, 07/15/18, Mar. 2019	5.00	Goldman Sachs	Buy	USD	(51,007)	173,370
1,300,000	Ally Financial Inc., senior note, 7.50%, 09/15/20, Dec. 2022	5.00	JPMorgan	Buy	USD	(157,704)	88,326
2,475,000	The AES Corp., senior note, FRN, 4.31611%, 06/01/19, Jun. 2022	5.00	JPMorgan	Buy	USD	(342,213)	6,127
725,000	General Electric Co., senior note, 2.70%, 10/09/22, Dec. 2023	1.00	Barclays	Sell	USD	(32,974)	(29,972)
1,100,000	Government of Italy, senior bond, 6.875%, 09/27/23, Jun. 2023	1.00	Barclays	Sell	USD	(43,390)	8,263
1,850,000	Government of Malaysia, 0.01%, 12/31/99, Dec. 2023	1.00	Barclays	Sell	USD	(7,891)	(1,525)

Notes to the Financial Statements At December 31, 2018 (continued)

Note 11 — Open positions on credit default swap contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin U.S. Low Duration Fund (continued)

Nominal	Description	Interest paid/received %	Counterparty	Buy/Sell Protection	Trading currency	Market value USD	Unrealised profit/(loss) USD
4,300,000	CDX.EM.30, Dec. 2023	1.00	Citigroup	Sell	USD	(201,535)	(8,293)
1,300,000	CDX.NA.HY.30, Jun. 2023	5.00	Citigroup	Sell	USD	39,831	(34,692)
2,950,000	CDX.NA.HY.31, Dec. 2023	5.00	Citigroup	Sell	USD	59,560	(71,612)
580,000	Citbank Bespoke 58 IG/42 HY Equity Tranche 0-3% Index, Jun. 2019	1.00	Citigroup	Sell	USD	(68,909)	87,691
900,000	Citibank Bespoke Cambridge 0-3% Equity Tranche Index, Dec. 2019	1.00	Citigroup	Sell	USD	(225,946)	(82,846)
1,000,000	Citibank Bespoke Verona Index, Dec. 2019	1.00	Citigroup	Sell	USD	(224,330)	20,669
1,800,000	Citibank Bespoke Verona Index, Dec. 2019	0.40	Citigroup	Sell	USD	2,606	2,606
2,235,000	General Electric Co., senior note, 2.70%, 10/09/22, Dec. 2023	1.00	Citigroup	Sell	USD	(101,652)	(105,304)
500,000	Government of Argentina, senior note, 7.50%, 04/22/26, Jun. 2023	5.00	Citigroup	Sell	USD	(51,177)	(38,681)
500,000	Government of Argentina, senior note, 7.50%, 04/22/26, Dec. 2023	5.00	Citigroup	Sell	USD	(55,238)	(25,836)
2,100,000	Government of Indonesia, Reg S, 5.875%, 03/13/20, Dec. 2023	1.00	Citigroup	Sell	USD	(35,015)	12,730
1,800,000	Government of Mexico, senior note, 4.15%, 03/28/27, Dec. 2023	1.00	Citigroup	Sell	USD	(44,803)	(29,878)
1,800,000	Lisbon 3-7% Bespoke Mezzanine Tranche Index, Jun. 2019	0.79	Citigroup	Sell	USD	(7,409)	(7,409)
525,000	Nabors Industries Inc., senior note, 5.50%, 01/15/23, Dec. 2023	1.00	Citigroup	Sell	USD	(136,522)	(61,235)
3,100,000	American Tower Corp., senior note, 4.50%, 01/15/18, Mar. 2021	1.00	Goldman Sachs	Sell	USD	(4,957)	48,553
375,000	General Electric Co., senior note, 2.70%, 10/09/22, Dec. 2023	1.00	Goldman Sachs	Sell	USD	(17,056)	(4,494)
375,000	General Electric Co., senior note, 2.70%, 10/09/22, Dec. 2023	1.00	JPMorgan	Sell	USD	(17,056)	(9,422)
1,400,000	Government of Colombia, senior bond, 10.375%, 01/28/33, Dec. 2023	1.00	JPMorgan	Sell	USD	(36,053)	(25,958)
						(1,728,314)	98,388

Note 12 — Open positions on option contracts

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin Diversified Balanced Fund

Purchase/Sale position	Description	Counterparty	Trading currency	Number of contracts purchased/(sold)	Commitment EUR	Market value EUR	Unrealised profit/(loss) EUR
Index Option							
Purchase	S&P 500 Index, Put Option, Strike Price 2000, Dec. 2020	Citigroup	USD	19	4,156,934	155,376	(9,254)
Purchase	S&P 500 Index, Put Option, Strike Price 2075, Dec. 2020	Citigroup	USD	19	4,156,934	177,430	30,038
Purchase	S&P 500 Index, Put Option, Strike Price 2025, Dec. 2020	Merrill Lynch	USD	19	4,156,934	159,771	21,067
Purchase	S&P 500 Index, Put Option, Strike Price 2050, Dec. 2020	Merrill Lynch	USD	39	8,532,654	345,649	41,992
Purchase	S&P 500 Index, Put Option, Strike Price 2075, Dec. 2020	Merrill Lynch	USD	19	4,156,934	177,431	39,430
Sale	MSCI Emerging Markets Index, Call Option, Strike Price 984.4637, Jan. 2019	Goldman Sachs	USD	(7,683)	7,419,216	(50,903)	6,979
Sale	S&P 500 Index, Call Option, Strike Price 2544.574, Jan. 2019	JPMorgan	USD	(8,913)	19,500,397	(186,082)	2,907
						778,672	133,159

Notes to the Financial Statements At December 31, 2018 (continued)

Note 12 — Open positions on option contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin Diversified Conservative Fund

Purchase/Sale position	Description	Counterparty	Trading currency	Number of contracts purchased/(sold)	Commitment EUR	Market value EUR	Unrealised profit/(loss) EUR
Index Option							
Purchase	S&P 500 Index, Put Option, Strike Price 2000, Dec. 2020	Citigroup	USD	11	2,406,646	89,955	(5,358)
Purchase	S&P 500 Index, Put Option, Strike Price 2075, Dec. 2020	Citigroup	USD	11	2,406,646	102,723	17,390
Purchase	S&P 500 Index, Put Option, Strike Price 2025, Dec. 2020	Merrill Lynch	USD	11	2,406,646	92,499	12,197
Purchase	S&P 500 Index, Put Option, Strike Price 2050, Dec. 2020	Merrill Lynch	USD	23	5,032,078	203,844	24,824
Purchase	S&P 500 Index, Put Option, Strike Price 2075, Dec. 2020	Merrill Lynch	USD	11	2,406,646	102,723	22,828
Sale	MSCI Emerging Markets Index, Call Option, Strike Price 984.4637, Jan. 2019	Goldman Sachs	USD	(2,874)	2,775,326	(19,042)	2,611
Sale	S&P 500 Index, Call Option, Strike Price 2544.574, Jan. 2019	JPMorgan	USD	(3,280)	7,176,181	(68,479)	1,070
						504,223	75,562

Franklin Diversified Dynamic Fund

Purchase/Sale position	Description	Counterparty	Trading currency	Number of contracts purchased/(sold)	Commitment EUR	Market value EUR	Unrealised profit/(loss) EUR
Index Option							
Purchase	S&P 500 Index, Put Option, Strike Price 2000, Dec. 2020	Citigroup	USD	13	2,844,218	106,310	(6,332)
Purchase	S&P 500 Index, Put Option, Strike Price 2075, Dec. 2020	Citigroup	USD	13	2,844,218	121,400	20,552
Purchase	S&P 500 Index, Put Option, Strike Price 2025, Dec. 2020	Merrill Lynch	USD	13	2,844,218	109,317	14,414
Purchase	S&P 500 Index, Put Option, Strike Price 2050, Dec. 2020	Merrill Lynch	USD	27	5,907,222	239,296	29,116
Purchase	S&P 500 Index, Put Option, Strike Price 2075, Dec. 2020	Merrill Lynch	USD	13	2,844,218	121,400	26,979
Sale	MSCI Emerging Markets Index, Call Option, Strike Price 984.4637, Jan. 2019	Goldman Sachs	USD	(6,134)	5,923,398	(40,640)	5,572
Sale	S&P 500 Index, Call Option, Strike Price 2544.574, Jan. 2019	JPMorgan	USD	(7,079)	15,487,862	(147,793)	2,309
						509,290	92,610

Franklin Flexible Alpha Bond Fund

Purchase/Sale position	Description	Counterparty	Trading currency	Number of contracts purchased/(sold)	Commitment USD	Market value USD	Unrealised profit/(loss) USD
Swaption							
Purchase	CDX.NA.IG.31, Strike Price 87.50, Feb. 2019	Barclays	USD	11,000,000	11,000,000	44,517	5,247
Purchase	CDX.NA.HY.31, Strike Price 104.50, Mar. 2019	Citigroup	USD	4,400,000	4,400,000	8,483	(7,137)
Purchase	Interest rate swap Receiving floating 3-month USD LIBOR / Paying fixed rate 3.07%, Apr. 2019	Citigroup	USD	20,000,000	20,000,000	52,620	(96,380)
Purchase	Interest rate swap Receiving floating 3-month USD LIBOR / Paying fixed rate 3.26%, Jan. 2019	Citigroup	USD	17,000,000	17,000,000	153	(138,509)
Purchase	Interest rate swap Receiving floating 3-month USD LIBOR / Paying fixed rate 3.42%, Feb. 2019	Citigroup	USD	8,000,000	8,000,000	176	(70,024)
Purchase	CDX.NA.HY.31, Strike Price 104.50, Feb. 2019	JPMorgan	USD	4,400,000	4,400,000	5,434	(7,757)
Sale	CDX.NA.IG.31, Strike Price 105, Feb. 2019	Barclays	USD	(11,000,000)	11,000,000	(18,777)	473
						92,606	(314,087)

Notes to the Financial Statements At December 31, 2018 (continued)

Note 12 — Open positions on option contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin Global Multi-Asset Income Fund

Purchase/Sale position	Description	Counterparty	Trading currency	Number of contracts purchased/(sold)	Commitment EUR	Market value EUR	Unrealised profit/(loss) EUR
Equity Option							
Sale	Ferrovial SA, Call Option, Strike Price 18.94, Jan. 2019	JPMorgan	EUR	(15,648)	276,891	(175)	1,180
Sale	Guangdong Investment Ltd., Call Option, Strike Price 15.86, Jan. 2019	JPMorgan	HKD	(201,400)	339,850	(1,690)	364
Sale	Veolia Environnement SA, Call Option, Strike Price 19.65, Jan. 2019	JPMorgan	EUR	(14,247)	255,805	(78)	1,042
						(1,943)	2,586
Index Option							
Purchase	S&P 500 Index, Put Option, Strike Price 2000, Dec. 2020	Citigroup	USD	20	4,375,720	163,554	(9,741)
Purchase	S&P 500 Index, Put Option, Strike Price 2075, Dec. 2020	Citigroup	USD	21	4,594,506	196,108	33,200
Purchase	S&P 500 Index, Put Option, Strike Price 2025, Dec. 2020	Merrill Lynch	USD	20	4,375,720	168,179	22,175
Purchase	S&P 500 Index, Put Option, Strike Price 2050, Dec. 2020	Merrill Lynch	USD	42	9,189,012	372,238	45,355
Purchase	S&P 500 Index, Put Option, Strike Price 2075, Dec. 2020	Merrill Lynch	USD	20	4,375,720	186,769	41,505
Sale	MSCI Emerging Markets Index, Call Option, Strike Price 984.4637, Jan. 2019	Goldman Sachs	USD	(8,071)	7,793,894	(53,474)	7,331
Sale	S&P 500 Index, Call Option, Strike Price 2544.574, Jan. 2019	JPMorgan	USD	(9,364)	20,487,122	(195,498)	3,054
						837,876	142,879
						835,933	145,465

Franklin Income Fund

Purchase/Sale position	Description	Counterparty	Trading currency	Number of contracts purchased/(sold)	Commitment USD	Market value USD	Unrealised profit/(loss) USD
Equity Option							
Sale	Rio Tinto PLC, ADR, Call Option, Strike Price 57.50, Jan. 2019	Citigroup	USD	(1,000)	4,848,000	-	45,965
Sale	Merck & Co. Inc., Call Option, Strike Price 80, Feb. 2019	Credit Suisse	USD	(1,000)	7,641,000	(90,000)	6,035
Sale	Sempra Energy, Call Option, Strike Price 120, Jan. 2019	Credit Suisse	USD	(2,090)	22,611,710	(20,900)	93,387
Sale	Analog Devices Inc., Call Option, Strike Price 97.50, Jan. 2019	Susquehanna Financial	USD	(1,000)	8,583,000	-	90,964
Sale	The Procter & Gamble Co., Call Option, Strike Price 95, Jan. 2019	Susquehanna Financial	USD	(1,500)	13,787,999	(82,500)	31,447
Sale	Verizon Communications Inc., Call Option, Strike Price 60, Jan. 2019	UBS	USD	(3,880)	21,813,360	(23,280)	281,861
						(216,680)	549,659

Franklin K2 Alternative Strategies Fund

Purchase/Sale position	Description	Counterparty	Trading currency	Number of contracts purchased/(sold)	Commitment USD	Market value USD	Unrealised profit/(loss) USD
Currency Option							
Purchase	GBP/USD, Call Option, Strike Price 1.4, Mar. 2019	Barclays	GBP	6,000,000	6,586,944	10,672	(25,989)
Purchase	USD/HKD, Call Option, Strike Price 7.95, Sep. 2019	Citigroup	USD	6,000,000	6,091,565	1,661	(6,409)
Purchase	EUR/USD, Call Option, Strike Price 1.2, Jan. 2019	Credit Agricole	EUR	1,000,000	1,047,303	5	(7,993)
Purchase	USD/TRY, Put Option, Strike Price 6, Oct. 2019	Credit Suisse	USD	2,000,000	2,265,861	130,109	114,159
Purchase	EUR/GBP, Put Option, Strike Price 0.8995, Jan. 2019	Deutsche Bank	EUR	1,316,000	1,317,479	10,109	(35,808)
Purchase	USD/TWD, Call Option, Strike Price 31.5, Apr. 2019	Deutsche Bank	USD	3,000,000	3,088,538	5,835	(4,785)
Purchase	EUR/USD, Call Option, Strike Price 1.18, Mar. 2019	JPMorgan	EUR	1,000,000	1,029,848	4,561	(1,323)

Notes to the Financial Statements At December 31, 2018 (continued)

Note 12 — Open positions on option contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin K2 Alternative Strategies Fund (continued)

Purchase/Sale position	Description	Counterparty	Trading currency	Number of contracts purchased/(sold)	Commitment USD	Market value USD	Unrealised profit/(loss) USD
Purchase	EUR/USD, Call Option, Strike Price 1.275, Apr. 2019	JPMorgan	EUR	2,500,000	2,705,533	2,608	(809)
Purchase	GBP/USD, Call Option, Strike Price 1.35, May 2019	JPMorgan	GBP	1,000,000	1,054,695	16,582	(3,431)
Purchase	AUD/USD, Call Option, Strike Price 0.76, May 2019	Morgan Stanley	AUD	3,000,000	3,236,108	5,188	(2,691)
Purchase	USD/HKD, Call Option, Strike Price 7.95, Apr. 2019	Morgan Stanley	USD	6,000,000	6,091,565	430	(1,970)
Purchase	USD/HKD, Call Option, Strike Price 7.95, Sep. 2019	Morgan Stanley	USD	3,000,000	3,045,783	841	(2,435)
Purchase	USD/TRY, Call Option, Strike Price 10, Oct. 2019	Morgan Stanley	USD	300,000	566,465	2,137	(1,928)
Purchase	EUR/USD, Call Option, Strike Price 1.275, Apr. 2019	Societe Generale	EUR	7,500,000	8,345,698	2,190	(8,951)
Purchase	GBP/USD, Call Option, Strike Price 1.35, May 2019	Societe Generale	GBP	1,000,000	1,058,616	15,287	(2,075)
Purchase	USD/CHF, Put Option, Strike Price 0.935, Mar. 2019	Societe Generale	USD	6,000,000	5,711,668	13,463	3,323
Purchase	USD/HKD, Call Option, Strike Price 7.95, Apr. 2019	Standard Chartered	USD	6,000,000	6,091,565	430	(476)
Purchase	USD/HKD, Call Option, Strike Price 7.95, Sep. 2019	UBS	USD	6,000,000	6,091,565	1,682	(3,178)
Sale	GBP/USD, Call Option, Strike Price 1.35, Mar. 2019	Barclays	GBP	(2,000,000)	2,117,232	(12,419)	19,265
Sale	USD/HKD, Call Option, Strike Price 7.85, Sep. 2019	Citigroup	USD	(3,000,000)	3,007,471	(2,735)	3,760
Sale	EUR/USD, Put Option, Strike Price 1.135, Jan. 2019	Credit Agricole	EUR	(1,000,000)	990,574	(1,260)	7,085
Sale	USD/TRY, Call Option, Strike Price 10, Oct. 2019	Credit Suisse	USD	(300,000)	566,465	(2,137)	13,219
Sale	USD/TWD, Put Option, Strike Price 29.5, Jul. 2019	Deutsche Bank	USD	(1,000,000)	964,147	(7,106)	2,364
Sale	EUR/USD, Put Option, Strike Price 1.12, Mar. 2019	JPMorgan	EUR	(1,000,000)	977,483	(3,847)	2,323
Sale	GBP/USD, Put Option, Strike Price 1.218, May 2019	JPMorgan	GBP	(1,000,000)	952,754	(17,223)	2,157
Sale	USD/HKD, Call Option, Strike Price 7.85, Apr. 2019	Morgan Stanley	USD	(3,000,000)	3,007,471	(1,428)	972
Sale	USD/HKD, Call Option, Strike Price 7.85, Sep. 2019	Morgan Stanley	USD	(1,500,000)	1,503,735	(1,376)	1,489
Sale	USD/TRY, Put Option, Strike Price 6, Oct. 2019	Morgan Stanley	USD	(2,000,000)	2,265,861	(130,109)	(44,595)
Sale	EUR/USD, Call Option, Strike Price 1.24, Apr. 2019	Societe Generale	EUR	(2,500,000)	2,705,533	(2,608)	7,526
Sale	GBP/USD, Put Option, Strike Price 1.218, May 2019	Societe Generale	GBP	(1,000,000)	955,107	(17,903)	123
Sale	USD/CHF, Put Option, Strike Price 0.95, Mar. 2019	Societe Generale	USD	(3,000,000)	2,901,649	(13,073)	(3,023)
Sale	USD/HKD, Call Option, Strike Price 7.85, Apr. 2019	Standard Chartered	USD	(3,000,000)	3,007,471	(1,428)	312
Sale	AUD/USD, Call Option, Strike Price 0.76, May 2019	UBS	AUD	(3,000,000)	3,236,108	(5,188)	7,616
Sale	USD/HKD, Call Option, Strike Price 7.85, Sep. 2019	UBS	USD	(3,000,000)	3,007,471	(2,751)	1,629
Equity Option							
Purchase	Shire PLC, ADR, Call Option, Strike Price 180, Apr. 2019	Deutsche Bank	USD	250	4,351,000	107,500	(196)
Purchase	Shire PLC, ADR, Call Option, Strike Price 200, Apr. 2019	Deutsche Bank	USD	561	9,763,644	19,635	(174,576)
Purchase	Shire PLC, ADR, Put Option, Strike Price 170, Apr. 2019	JPMorgan	USD	27	469,908	16,335	(5,252)
Purchase	The Walt Disney Co., Put Option, Strike Price 95, Apr. 2019	JPMorgan	USD	402	4,407,930	56,482	3,431
Purchase	The Walt Disney Co., Put Option, Strike Price 95, Mar. 2019	JPMorgan	USD	68	745,620	6,800	288
Purchase	Twenty-First Century Fox Inc., A, Call Option, Strike Price 41, Jan. 2019	JPMorgan	USD	174	837,288	123,540	64,142
Purchase	Twenty-First Century Fox Inc., A, Call Option, Strike Price 46, Jan. 2019	JPMorgan	USD	979	4,710,948	225,170	(7,866)
Purchase	Vodafone Group PLC, ADR, Call Option, Strike Price 23, Jan. 2020	JPMorgan	USD	819	1,579,032	47,912	(27,686)

Notes to the Financial Statements At December 31, 2018 (continued)

Note 12 — Open positions on option contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin K2 Alternative Strategies Fund (continued)

Purchase/Sale position	Description	Counterparty	Trading currency	Number of contracts purchased/(sold)	Commitment USD	Market value USD	Unrealised profit/(loss) USD
Purchase	Alder Biopharmaceuticals Inc., Call Option, Strike Price 15, Apr. 2019	Morgan Stanley	USD	9	9,225	203	(122)
Purchase	Alder Biopharmaceuticals Inc., Call Option, Strike Price 15, Jul. 2019	Morgan Stanley	USD	96	98,400	5,760	(1,544)
Purchase	Allegheny Technologies Inc., Call Option, Strike Price 27.5, Apr. 2019	Morgan Stanley	USD	128	278,656	5,760	(1,222)
Purchase	Amicus Therapeutics Inc., Call Option, Strike Price 13, Apr. 2019	Morgan Stanley	USD	64	61,312	3,040	1,103
Purchase	Atlas Air Worldwide Holdings Inc., Call Option, Strike Price 55, May 2019	Morgan Stanley	USD	64	270,016	8,320	(490)
Purchase	Cemex SAB de CV, CPO, ADR, Call Option, Strike Price 6, Jan. 2019	Morgan Stanley	USD	383	184,606	383	(2,491)
Purchase	Cleveland-Cliffs Inc., Call Option, Strike Price 10, Apr. 2019	Morgan Stanley	USD	191	146,879	6,208	(3,171)
Purchase	Ctrip.com International Ltd., ADR, Call Option, Strike Price 35, Jun. 2019	Morgan Stanley	USD	64	173,184	5,600	(2,282)
Purchase	Evolent Health Inc., A, Call Option, Strike Price 25, Jan. 2019	Morgan Stanley	USD	31	61,845	930	(1,264)
Purchase	First Majestic Silver Corp., Call Option, Strike Price 7, Apr. 2019	Morgan Stanley	USD	127	74,803	5,080	184
Purchase	Hubspot Inc., Call Option, Strike Price 140, Jan. 2019	Morgan Stanley	USD	7	88,011	1,033	(2,527)
Purchase	NII Holdings Inc., Call Option, Strike Price 7.5, Mar. 2019	Morgan Stanley	USD	27	11,907	1,215	(2,267)
Purchase	NRG Energy Inc., Call Option, Strike Price 45, Jan. 2019	Morgan Stanley	USD	66	261,360	330	(3,901)
Purchase	Rapid7 Inc., Call Option, Strike Price 35, Jan. 2019	Morgan Stanley	USD	14	43,624	455	(819)
Purchase	Sea Ltd., ADR, Call Option, Strike Price 15, Jan. 2019	Morgan Stanley	USD	133	150,556	7,980	1,643
Purchase	Square Inc., A, Call Option, Strike Price 70, Jan. 2019	Morgan Stanley	USD	14	78,526	245	(4,012)
Purchase	Telecom Italia SpA, Call Option, Strike Price 0.52, Mar. 2019	Morgan Stanley	EUR	8,958	4,945,735	219,642	(112,100)
Purchase	Telecom Italia SpA, Call Option, Strike Price 0.54, Jun. 2019	Morgan Stanley	EUR	1,419	783,434	46,661	(8,002)
Purchase	Telecom Italia SpA, Call Option, Strike Price 0.64, Jun. 2019	Morgan Stanley	EUR	2,864	1,581,222	35,768	(35,371)
Purchase	Thyssenkrupp AG, Call Option, Strike Price 18, Jun. 2019	Morgan Stanley	EUR	1,404	2,411,890	73,998	(75,443)
Purchase	Thyssenkrupp AG, Call Option, Strike Price 22, Jun. 2019	Morgan Stanley	EUR	2,053	3,526,789	23,522	(185,152)
Purchase	Vivendi SA, Call Option, Strike Price 24, Mar. 2019	Morgan Stanley	EUR	2,215	5,400,751	98,976	146
Sale	AbbVie Inc., Call Option, Strike Price 92.5, Feb. 2019	Morgan Stanley	USD	(4)	36,876	(1,520)	(608)
Sale	AbbVie Inc., Call Option, Strike Price 95, Jan. 2019	Morgan Stanley	USD	(4)	36,876	(478)	(83)
Sale	AbbVie Inc., Call Option, Strike Price 97.5, Feb. 2019	Morgan Stanley	USD	(5)	46,095	(938)	(324)
Sale	Accenture PLC, A, Call Option, Strike Price 165, Feb. 2019	Morgan Stanley	USD	(2)	28,202	(25)	33
Sale	Accenture PLC, A, Call Option, Strike Price 170, Jan. 2019	Morgan Stanley	USD	(2)	28,202	(4)	531
Sale	Accenture PLC, A, Call Option, Strike Price 175, Feb. 2019	Morgan Stanley	USD	(3)	42,303	(24)	659
Sale	Aflac Inc., Call Option, Strike Price 47.5, Feb. 2019	Morgan Stanley	USD	(8)	36,448	(616)	(152)
Sale	Aflac Inc., Call Option, Strike Price 47.5, Jan. 2019	Morgan Stanley	USD	(8)	36,448	(212)	(30)
Sale	Allergan PLC, Call Option, Strike Price 150, Feb. 2019	Morgan Stanley	USD	(2)	26,732	(291)	197
Sale	Allergan PLC, Call Option, Strike Price 175, Jan. 2019	Morgan Stanley	USD	(2)	26,732	(12)	297
Sale	Altria Group Inc., Call Option, Strike Price 52.5, Jan. 2019	Morgan Stanley	USD	(7)	34,573	(214)	60
Sale	Altria Group Inc., Call Option, Strike Price 65, Jan. 2019	Morgan Stanley	USD	(6)	29,634	(6)	286
Sale	Altria Group Inc., Call Option, Strike Price 65, Mar. 2019	Morgan Stanley	USD	(7)	34,573	(112)	593

Notes to the Financial Statements At December 31, 2018 (continued)

Note 12 — Open positions on option contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin K2 Alternative Strategies Fund (continued)

Purchase/Sale position	Description	Counterparty	Trading currency	Number of contracts purchased/(sold)	Commitment USD	Market value USD	Unrealised profit/(loss) USD
Sale	American Eagle Outfitters Inc., Call Option, Strike Price 20, Jan. 2019	Morgan Stanley	USD	(19)	36,727	(1,045)	(836)
Sale	American Eagle Outfitters Inc., Call Option, Strike Price 25, Jan. 2019	Morgan Stanley	USD	(19)	36,727	(57)	603
Sale	American Eagle Outfitters Inc., Call Option, Strike Price 26, Feb. 2019	Morgan Stanley	USD	(19)	36,727	(95)	565
Sale	Amgen Inc., Call Option, Strike Price 200, Jan. 2019	Morgan Stanley	USD	(1)	19,467	(299)	13
Sale	Amgen Inc., Call Option, Strike Price 210, Mar. 2019	Morgan Stanley	USD	(1)	19,467	(355)	(139)
Sale	Amgen Inc., Call Option, Strike Price 220, Feb. 2019	Morgan Stanley	USD	(1)	19,467	(89)	(37)
Sale	Apple Inc., Call Option, Strike Price 180, Feb. 2019	Morgan Stanley	USD	(1)	15,774	(162)	10
Sale	Apple Inc., Call Option, Strike Price 185, Mar. 2019	Morgan Stanley	USD	(1)	15,774	(182)	11
Sale	Automatic Data Processing Inc., Call Option, Strike Price 140, Jan. 2019	Morgan Stanley	USD	(2)	26,224	(175)	2
Sale	Automatic Data Processing Inc., Call Option, Strike Price 145, Feb. 2019	Morgan Stanley	USD	(2)	26,224	(315)	(29)
Sale	Automatic Data Processing Inc., Call Option, Strike Price 155, Jan. 2019	Morgan Stanley	USD	(2)	26,224	(10)	184
Sale	Best Buy Co. Inc., Call Option, Strike Price 57.5, Feb. 2019	Morgan Stanley	USD	(5)	26,480	(700)	(270)
Sale	Best Buy Co. Inc., Call Option, Strike Price 57.5, Jan. 2019	Morgan Stanley	USD	(5)	26,480	(293)	(128)
Sale	Bristol-Myers Squibb Co., Call Option, Strike Price 55, Mar. 2019	Morgan Stanley	USD	(7)	36,386	(910)	(154)
Sale	Bristol-Myers Squibb Co., Call Option, Strike Price 57.5, Jan. 2019	Morgan Stanley	USD	(7)	36,386	(84)	334
Sale	Broadcom Inc., Call Option, Strike Price 270, Jan. 2019	Morgan Stanley	USD	(1)	25,428	(278)	(10)
Sale	Broadcom Inc., Call Option, Strike Price 280, Apr. 2019	Morgan Stanley	USD	(1)	25,428	(975)	(121)
Sale	Broadridge Financial Solutions Inc., Call Option, Strike Price 105, Jan. 2019	Morgan Stanley	USD	(3)	28,875	(90)	87
Sale	Capital One Financial Corp., Call Option, Strike Price 82.5, Jan. 2019	Morgan Stanley	USD	(4)	30,236	(114)	30
Sale	Capital One Financial Corp., Call Option, Strike Price 97.5, Jan. 2019	Morgan Stanley	USD	(4)	30,236	(16)	259
Sale	Capital One Financial Corp., Call Option, Strike Price 97.5, Mar. 2019	Morgan Stanley	USD	(4)	30,236	(36)	655
Sale	CF Industries Holdings Inc., Call Option, Strike Price 45, Jan. 2019	Morgan Stanley	USD	(8)	34,808	(824)	(224)
Sale	CF Industries Holdings Inc., Call Option, Strike Price 47.5, Feb. 2019	Morgan Stanley	USD	(7)	30,457	(833)	(210)
Sale	Cigna Corp., Call Option, Strike Price 230, Jan. 2019	Morgan Stanley	USD	(1)	18,992	(24)	247
Sale	Cisco Systems Inc., Call Option, Strike Price 46, Jan. 2019	Morgan Stanley	USD	(12)	51,996	(276)	144
Sale	Citigroup Inc., Call Option, Strike Price 60, Feb. 2019	Morgan Stanley	USD	(6)	31,236	(201)	87
Sale	Citigroup Inc., Call Option, Strike Price 70, Jan. 2019	Morgan Stanley	USD	(6)	31,236	(12)	520
Sale	Citigroup Inc., Call Option, Strike Price 70, Mar. 2019	Morgan Stanley	USD	(6)	31,236	(18)	910
Sale	Comcast Corp., A, Call Option, Strike Price 37.5, Jan. 2019	Morgan Stanley	USD	(10)	34,050	(55)	125
Sale	Comcast Corp., A, Call Option, Strike Price 42.5, Feb. 2019	Morgan Stanley	USD	(11)	37,455	(33)	569
Sale	Cummins Inc., Call Option, Strike Price 155, Jan. 2019	Morgan Stanley	USD	(3)	40,092	(24)	926
Sale	Cummins Inc., Call Option, Strike Price 155, Mar. 2019	Morgan Stanley	USD	(3)	40,092	(278)	1,273
Sale	Cummins Inc., Call Option, Strike Price 160, Mar. 2019	Morgan Stanley	USD	(2)	26,728	(110)	623
Sale	CVS Health Corp., Call Option, Strike Price 75, Jan. 2019	Morgan Stanley	USD	(5)	32,760	(30)	40
Sale	CVS Health Corp., Call Option, Strike Price 77.5, Feb. 2019	Morgan Stanley	USD	(5)	32,760	(93)	38

Notes to the Financial Statements At December 31, 2018 (continued)

Note 12 — Open positions on option contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin K2 Alternative Strategies Fund (continued)

Purchase/Sale position	Description	Counterparty	Trading currency	Number of contracts purchased/(sold)	Commitment USD	Market value USD	Unrealised profit/(loss) USD
Sale	Delta Air Lines Inc., Call Option, Strike Price 55, Jan. 2019	Morgan Stanley	USD	(6)	29,940	(180)	162
Sale	Delta Air Lines Inc., Call Option, Strike Price 60, Jan. 2019	Morgan Stanley	USD	(6)	29,940	(33)	547
Sale	Delta Air Lines Inc., Call Option, Strike Price 62.5, Mar. 2019	Morgan Stanley	USD	(7)	34,930	(105)	712
Sale	Dick's Sporting Goods Inc., Call Option, Strike Price 35, Jan. 2019	Morgan Stanley	USD	(11)	34,320	(220)	44
Sale	Dick's Sporting Goods Inc., Call Option, Strike Price 36, Jan. 2019	Morgan Stanley	USD	(11)	34,320	(110)	33
Sale	Dominion Energy Inc., Call Option, Strike Price 80, Apr. 2019	Morgan Stanley	USD	(4)	28,584	(250)	322
Sale	Dominion Energy Inc., Call Option, Strike Price 80, Jan. 2019	Morgan Stanley	USD	(5)	35,730	(38)	123
Sale	Eaton Corp. PLC, Call Option, Strike Price 72.5, Jan. 2019	Morgan Stanley	USD	(4)	27,464	(180)	(7)
Sale	Eaton Corp. PLC, Call Option, Strike Price 77.5, Apr. 2019	Morgan Stanley	USD	(4)	27,464	(310)	26
Sale	Eaton Corp. PLC, Call Option, Strike Price 77.5, Jan. 2019	Morgan Stanley	USD	(5)	34,330	(10)	579
Sale	Evolent Health Inc., A, Put Option, Strike Price 22.5, Jan. 2019	Morgan Stanley	USD	(14)	27,930	(3,885)	(1,795)
Sale	FirstEnergy Corp., Call Option, Strike Price 41, Apr. 2019	Morgan Stanley	USD	(9)	33,795	(428)	59
Sale	FirstEnergy Corp., Call Option, Strike Price 41, Jan. 2019	Morgan Stanley	USD	(9)	33,795	(9)	206
Sale	Gilead Sciences Inc., Call Option, Strike Price 70, Feb. 2019	Morgan Stanley	USD	(5)	31,275	(393)	423
Sale	Gilead Sciences Inc., Call Option, Strike Price 77.5, Feb. 2019	Morgan Stanley	USD	(6)	37,530	(93)	679
Sale	Gilead Sciences Inc., Call Option, Strike Price 77.5, Jan. 2019	Morgan Stanley	USD	(5)	31,275	(5)	359
Sale	Hewlett Packard Enterprise Co., Call Option, Strike Price 14, Jan. 2019	Morgan Stanley	USD	(25)	33,025	(363)	(13)
Sale	Hewlett Packard Enterprise Co., Call Option, Strike Price 15, Feb. 2019	Morgan Stanley	USD	(26)	34,346	(273)	(65)
Sale	Hubspot Inc., Put Option, Strike Price 125, Jan. 2019	Morgan Stanley	USD	(7)	88,011	(3,885)	(651)
Sale	Illinois Tool Works Inc., Call Option, Strike Price 135, Mar. 2019	Morgan Stanley	USD	(2)	25,338	(590)	(88)
Sale	Intel Corp., Call Option, Strike Price 49, Jan. 2019	Morgan Stanley	USD	(7)	32,851	(385)	14
Sale	Intel Corp., Call Option, Strike Price 52.5, Feb. 2019	Morgan Stanley	USD	(7)	32,851	(361)	(11)
Sale	Intel Corp., Call Option, Strike Price 52.5, Jan. 2019	Morgan Stanley	USD	(7)	32,851	(35)	369
Sale	International Paper Co., Call Option, Strike Price 45, Jan. 2019	Morgan Stanley	USD	(8)	32,288	(72)	64
Sale	Intuit Inc., Call Option, Strike Price 210, Jan. 2019	Morgan Stanley	USD	(1)	19,685	(130)	(4)
Sale	Intuit Inc., Call Option, Strike Price 220, Apr. 2019	Morgan Stanley	USD	(1)	19,685	(480)	(46)
Sale	Johnson & Johnson, Call Option, Strike Price 135, Jan. 2019	Morgan Stanley	USD	(2)	25,810	(129)	147
Sale	Johnson & Johnson, Call Option, Strike Price 140, Feb. 2019	Morgan Stanley	USD	(2)	25,810	(187)	115
Sale	JPMorgan Chase & Co., Call Option, Strike Price 105, Feb. 2019	Morgan Stanley	USD	(3)	29,286	(341)	41
Sale	JPMorgan Chase & Co., Call Option, Strike Price 105, Jan. 2019	Morgan Stanley	USD	(3)	29,286	(108)	60
Sale	Kohl's Corp., Call Option, Strike Price 67.5, Jan. 2019	Morgan Stanley	USD	(5)	33,170	(1,200)	(829)
Sale	Kohl's Corp., Call Option, Strike Price 70, Mar. 2019	Morgan Stanley	USD	(5)	33,170	(1,825)	(995)
Sale	Kohl's Corp., Call Option, Strike Price 95, Apr. 2019	Morgan Stanley	USD	(5)	33,170	(125)	655
Sale	Marathon Petroleum Corp., Call Option, Strike Price 65, Jan. 2019	Morgan Stanley	USD	(6)	35,406	(189)	57
Sale	Marathon Petroleum Corp., Call Option, Strike Price 72.5, Jan. 2019	Morgan Stanley	USD	(6)	35,406	(18)	808

Notes to the Financial Statements At December 31, 2018 (continued)

Note 12 — Open positions on option contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin K2 Alternative Strategies Fund (continued)

Purchase/Sale position	Description	Counterparty	Trading currency	Number of contracts purchased/(sold)	Commitment USD	Market value USD	Unrealised profit/(loss) USD
Sale	Mastercard Inc., A, Call Option, Strike Price 200, Jan. 2019	Morgan Stanley	USD	(1)	18,865	(180)	(68)
Sale	Mastercard Inc., A, Call Option, Strike Price 220, Jan. 2019	Morgan Stanley	USD	(1)	18,865	(11)	176
Sale	McKesson Corp., Call Option, Strike Price 120, Jan. 2019	Morgan Stanley	USD	(3)	33,141	(150)	111
Sale	McKesson Corp., Call Option, Strike Price 125, Feb. 2019	Morgan Stanley	USD	(3)	33,141	(323)	90
Sale	Medtronic PLC, Call Option, Strike Price 100, Jan. 2019	Morgan Stanley	USD	(2)	18,192	(20)	67
Sale	Medtronic PLC, Call Option, Strike Price 97.5, Feb. 2019	Morgan Stanley	USD	(1)	9,096	(80)	(19)
Sale	Merck & Co. Inc., Call Option, Strike Price 80, Jan. 2019	Morgan Stanley	USD	(4)	30,564	(94)	13
Sale	Merck & Co. Inc., Call Option, Strike Price 82.5, Feb. 2019	Morgan Stanley	USD	(4)	30,564	(166)	230
Sale	MetLife Inc., Call Option, Strike Price 45, Feb. 2019	Morgan Stanley	USD	(8)	32,848	(308)	(68)
Sale	MetLife Inc., Call Option, Strike Price 50, Jan. 2019	Morgan Stanley	USD	(8)	32,848	(40)	230
Sale	Microsoft Corp., Call Option, Strike Price 115, Feb. 2019	Morgan Stanley	USD	(3)	30,471	(300)	33
Sale	Microsoft Corp., Call Option, Strike Price 115, Jan. 2019	Morgan Stanley	USD	(3)	30,471	(23)	407
Sale	Microsoft Corp., Call Option, Strike Price 115, Mar. 2019	Morgan Stanley	USD	(3)	30,471	(455)	44
Sale	Molson Coors Brewing Co., Call Option, Strike Price 62.5, Jan. 2019	Morgan Stanley	USD	(6)	33,696	(60)	66
Sale	Molson Coors Brewing Co., Call Option, Strike Price 65, Apr. 2019	Morgan Stanley	USD	(6)	33,696	(495)	129
Sale	Molson Coors Brewing Co., Call Option, Strike Price 70, Jan. 2019	Morgan Stanley	USD	(6)	33,696	(6)	376
Sale	Morgan Stanley, Call Option, Strike Price 42, Jan. 2019	Morgan Stanley	USD	(1)	3,965	(59)	(7)
Sale	Morgan Stanley, Call Option, Strike Price 49, Jan. 2019	Morgan Stanley	USD	(2)	7,930	(6)	93
Sale	Murphy Oil Corp., Call Option, Strike Price 27.5, Jan. 2019	Morgan Stanley	USD	(9)	21,051	(90)	108
Sale	Murphy Oil Corp., Call Option, Strike Price 35, Jan. 2019	Morgan Stanley	USD	(9)	21,051	(27)	780
Sale	NII Holdings Inc., Put Option, Strike Price 5, Mar. 2019	Morgan Stanley	USD	(27)	11,907	(4,388)	(1,395)
Sale	NRG Energy Inc., Put Option, Strike Price 40, Jan. 2019	Morgan Stanley	USD	(66)	261,360	(8,580)	(5,250)
Sale	Occidental Petroleum Corp., Call Option, Strike Price 67.5, Jan. 2019	Morgan Stanley	USD	(5)	30,690	(98)	108
Sale	Occidental Petroleum Corp., Call Option, Strike Price 77.5, Jan. 2019	Morgan Stanley	USD	(5)	30,690	(5)	514
Sale	Omnicom Group Inc., Call Option, Strike Price 77.5, Jan. 2019	Morgan Stanley	USD	(4)	29,296	(110)	(6)
Sale	Omnicom Group Inc., Call Option, Strike Price 82.5, Apr. 2019	Morgan Stanley	USD	(4)	29,296	(410)	(82)
Sale	Omnicom Group Inc., Call Option, Strike Price 82.5, Jan. 2019	Morgan Stanley	USD	(4)	29,296	(40)	235
Sale	PACCAR Inc., Call Option, Strike Price 61.2, Jan. 2019	Morgan Stanley	USD	(6)	34,284	(240)	556
Sale	PACCAR Inc., Call Option, Strike Price 62.5, Feb. 2019	Morgan Stanley	USD	(6)	34,284	(855)	(261)
Sale	Paychex Inc., Call Option, Strike Price 70, Jan. 2019	Morgan Stanley	USD	(5)	32,575	(75)	35
Sale	Paychex Inc., Call Option, Strike Price 70, Mar. 2019	Morgan Stanley	USD	(5)	32,575	(413)	73
Sale	Plains GP Holdings LP, A, Call Option, Strike Price 23, Feb. 2019	Morgan Stanley	USD	(16)	32,160	(360)	313
Sale	PPL Corp., Call Option, Strike Price 30, Jan. 2019	Morgan Stanley	USD	(12)	33,996	(120)	228
Sale	Prudential Financial Inc., Call Option, Strike Price 105, Mar. 2019	Morgan Stanley	USD	(4)	32,620	(36)	467
Sale	Prudential Financial Inc., Call Option, Strike Price 87.5, Jan. 2019	Morgan Stanley	USD	(4)	32,620	(206)	38

Notes to the Financial Statements At December 31, 2018 (continued)

Note 12 — Open positions on option contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin K2 Alternative Strategies Fund (continued)

Purchase/Sale position	Description	Counterparty	Trading currency	Number of contracts purchased/(sold)	Commitment USD	Market value USD	Unrealised profit/(loss) USD
Sale	Rapid7 Inc., Put Option, Strike Price 25, Feb. 2019	Morgan Stanley	USD	(14)	43,624	(1,050)	227
Sale	Robert Half International Inc., Call Option, Strike Price 60, Jan. 2019	Morgan Stanley	USD	(6)	34,320	(450)	(126)
Sale	Rockwell Automation Inc., Call Option, Strike Price 160, Jan. 2019	Morgan Stanley	USD	(2)	30,096	(260)	38
Sale	Rockwell Automation Inc., Call Option, Strike Price 165, Apr. 2019	Morgan Stanley	USD	(2)	30,096	(880)	(18)
Sale	Sabre Corp., Call Option, Strike Price 25, Apr. 2019	Morgan Stanley	USD	(23)	49,772	(1,208)	12
Sale	Sea Ltd., ADR, Put Option, Strike Price 12.5, Feb. 2019	Morgan Stanley	USD	(67)	75,844	(11,390)	(4,106)
Sale	Sinclair Broadcast Group Inc., A, Call Option, Strike Price 34, Jan. 2019	Morgan Stanley	USD	(12)	31,608	(120)	489
Sale	Square Inc., A, Put Option, Strike Price 60, Jan. 2019	Morgan Stanley	USD	(14)	78,526	(7,770)	(4,025)
Sale	Starbucks Corp., Call Option, Strike Price 67.5, Jan. 2019	Morgan Stanley	USD	(5)	32,200	(158)	(53)
Sale	Starbucks Corp., Call Option, Strike Price 70, Feb. 2019	Morgan Stanley	USD	(5)	32,200	(285)	(95)
Sale	SunTrust Banks Inc., Call Option, Strike Price 55, Jan. 2019	Morgan Stanley	USD	(4)	20,176	(84)	24
Sale	Target Corp., Call Option, Strike Price 77.5, Jan. 2019	Morgan Stanley	USD	(6)	39,654	-	378
Sale	Texas Instruments Inc., Call Option, Strike Price 105, Apr. 2019	Morgan Stanley	USD	(1)	9,450	(246)	(23)
Sale	Texas Instruments Inc., Call Option, Strike Price 105, Jan. 2019	Morgan Stanley	USD	(2)	18,900	(45)	214
Sale	Texas Instruments Inc., Call Option, Strike Price 97.5, Jan. 2019	Morgan Stanley	USD	(1)	9,450	(175)	(28)
Sale	The Home Depot Inc., Call Option, Strike Price 180, Jan. 2019	Morgan Stanley	USD	(2)	34,364	(281)	(133)
Sale	The Home Depot Inc., Call Option, Strike Price 185, Feb. 2019	Morgan Stanley	USD	(2)	34,364	(376)	(156)
Sale	The Home Depot Inc., Call Option, Strike Price 195, Jan. 2019	Morgan Stanley	USD	(2)	34,364	(12)	225
Sale	Thermo Fisher Scientific Inc., Call Option, Strike Price 250, Jan. 2019	Morgan Stanley	USD	(1)	22,379	(15)	197
Sale	Thermo Fisher Scientific Inc., Call Option, Strike Price 250, Mar. 2019	Morgan Stanley	USD	(1)	22,379	(228)	(28)
Sale	Thyssenkrupp AG, Put Option, Strike Price 13, Jun. 2019	Morgan Stanley	EUR	(1,404)	2,411,890	(109,387)	(38,254)
Sale	Tilray Inc., Call Option, Strike Price 75, Jan. 2021	Morgan Stanley	USD	(57)	402,078	(86,355)	141,196
Sale	UnitedHealth Group Inc., Call Option, Strike Price 260, Jan. 2019	Morgan Stanley	USD	(1)	24,912	(295)	(73)
Sale	UnitedHealth Group Inc., Call Option, Strike Price 290, Jan. 2019	Morgan Stanley	USD	(2)	49,824	(18)	237
Sale	Uniti Group Inc, Call Option, Strike Price 17.5, Feb. 2019	Morgan Stanley	USD	(22)	34,254	(1,100)	(110)
Sale	Visa Inc., A, Call Option, Strike Price 140, Jan. 2019	Morgan Stanley	USD	(2)	26,388	(181)	(57)
Sale	Visa Inc., A, Call Option, Strike Price 145, Mar. 2019	Morgan Stanley	USD	(2)	26,388	(415)	(123)
Sale	Walgreens Boots Alliance Inc., Call Option, Strike Price 77.5, Jan. 2019	Morgan Stanley	USD	(7)	47,831	(42)	35
Sale	Walgreens Boots Alliance Inc., Call Option, Strike Price 90, Apr. 2019	Morgan Stanley	USD	(7)	47,831	(98)	1,384
Sale	Waste Management Inc., Call Option, Strike Price 92.5, Jan. 2019	Morgan Stanley	USD	(2)	17,798	(60)	26
Sale	Yum! Brands Inc., Call Option, Strike Price 95, Jan. 2019	Morgan Stanley	USD	(4)	36,768	(282)	66
Sale	Yum! Brands Inc., Call Option, Strike Price 97.5, Apr. 2019	Morgan Stanley	USD	(4)	36,768	(972)	(344)
Sale	Zillow Group Inc., C, Put Option, Strike Price 35, Jan. 2019	Morgan Stanley	USD	(11)	34,738	(4,290)	(2,546)
						876,638	(484,349)

Notes to the Financial Statements At December 31, 2018 (continued)

Note 12 — Open positions on option contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin K2 Alternative Strategies Fund (continued)

Purchase/Sale position	Description	Counterparty	Trading currency	Number of contracts purchased/(sold)	Commitment USD	Market value USD	Unrealised profit/(loss) USD
Future Option							
Purchase	3-month EURIBOR 2 Yr. Mid-Curve, Put Option, Strike Price 99.75, Mar. 2019	JPMorgan	EUR	130	37,348,352	3,724	(2,794)
Purchase	Canada 10 Yr. Bond Future, Put Option, Strike Price 99.5, Mar. 2019	JPMorgan	USD	130	325,655	-	(931)
Purchase	S&P 500 E-mini, Put Option, Strike Price 2200, Jan. 2019	JPMorgan	USD	840	105,218,400	90,300	(120,045)
Sale	3-month EURIBOR 2 Yr. Mid-Curve, Put Option, Strike Price 99.625, Mar. 2019	JPMorgan	EUR	(260)	74,696,704	(1,862)	1,863
Index Option							
Purchase	Euro STOXX 50 Index, Call Option, Strike Price 3600, Mar. 2019	JPMorgan	EUR	75	2,579,270	687	(20,288)
Purchase	Euro STOXX 50 Index, Call Option, Strike Price 3700, Dec. 2019	JPMorgan	EUR	700	24,073,188	55,340	(66,516)
Purchase	Euro STOXX Banks Index, Call Option, Strike Price 105, Dec. 2019	JPMorgan	EUR	400	1,994,609	45,830	5,331
Purchase	Euro STOXX Banks Index, Call Option, Strike Price 120, Dec. 2019	JPMorgan	EUR	1,688	2,863,510	58,021	(13,304)
Purchase	S&P 500 Index, Put Option, Strike Price 2350, Jan. 2019	JPMorgan	USD	153	38,354,805	201,195	(657,113)
Purchase	DAX Index, Put Option, Strike Price 10400, Jan. 2019	Morgan Stanley	EUR	66	3,992,490	60,722	5,691
Purchase	DAX Index, Put Option, Strike Price 10500, Jan. 2019	Morgan Stanley	EUR	70	4,234,460	78,759	33,411
Purchase	Euro STOXX 50 Index, Put Option, Strike Price 2925, Jan. 2019	Morgan Stanley	EUR	189	6,499,761	85,753	5,000
Purchase	Euro STOXX 50 Index, Put Option, Strike Price 2975, Jan. 2019	Morgan Stanley	EUR	193	6,637,322	126,044	66,308
Purchase	FTSE MIB Index, Put Option, Strike Price 18000, Jan. 2019	Morgan Stanley	EUR	45	2,362,013	38,153	12,216
Purchase	Nasdaq-100 Reduced-Value Index, Put Option, Strike Price 1210, Jan. 2019	Morgan Stanley	USD	369	46,715,031	581,185	(675,858)
Purchase	S&P 500 Index, Call Option, Strike Price 2700, Jan. 2019	Morgan Stanley	USD	497	124,590,445	29,820	(108,339)
Purchase	S&P 500 Index, Put Option, Strike Price 2200, Jan. 2019	Morgan Stanley	USD	394	98,769,890	305,350	(277,364)
Sale	Euro STOXX 50 Index, Call Option, Strike Price 3750, Dec. 2019	JPMorgan	EUR	(700)	24,073,188	(43,309)	47,505
Sale	Euro STOXX 50 Index, Put Option, Strike Price 2500, Dec. 2019	JPMorgan	EUR	(30)	1,031,708	(33,307)	(15,844)
Sale	Euro STOXX Banks Index, Call Option, Strike Price 115, Dec. 2019	JPMorgan	EUR	(400)	1,994,609	(20,624)	(4,325)
Sale	Euro STOXX Banks Index, Call Option, Strike Price 125, Dec. 2019	JPMorgan	EUR	(1,688)	8,417,249	(38,681)	(140)
Sale	Euro STOXX Banks Index, Put Option, Strike Price 70, Dec. 2019	JPMorgan	EUR	(80)	398,922	(22,686)	(569)
Sale	Euro STOXX Banks Index, Put Option, Strike Price 85, Jun. 2019	JPMorgan	EUR	(104)	518,598	(49,153)	(8,230)
Sale	Euro STOXX Banks Index, Put Option, Strike Price 92.5, Jan. 2019	JPMorgan	EUR	(156)	777,897	(58,536)	(39,358)
Sale	S&P 500 Index, Put Option, Strike Price 2150, Jan. 2019	JPMorgan	USD	(108)	27,073,980	(27,270)	144,755
Sale	DAX Index, Put Option, Strike Price 9700, Jan. 2019	Morgan Stanley	EUR	(66)	3,992,490	(14,103)	3,242
Sale	DAX Index, Put Option, Strike Price 9900, Jan. 2019	Morgan Stanley	EUR	(70)	4,234,460	(22,778)	(7,752)
Sale	Euro STOXX 50 Index, Put Option, Strike Price 2750, Jan. 2019	Morgan Stanley	EUR	(189)	6,499,761	(23,171)	9,225
Sale	Euro STOXX 50 Index, Put Option, Strike Price 2825, Jan. 2019	Morgan Stanley	EUR	(193)	6,637,322	(41,130)	(18,190)
Sale	FTSE MIB Index, Put Option, Strike Price 17000, Jan. 2019	Morgan Stanley	EUR	(45)	2,362,013	(10,441)	(1,733)
						1,261,670	(1,582,239)
						2,231,669	(2,159,042)

Notes to the Financial Statements At December 31, 2018 (continued)

Note 12 — Open positions on option contracts (continued)

As at December 31, 2018, the Company had entered into the following outstanding contracts:

Franklin K2 Long Short Credit Fund

Purchase/Sale position	Description	Counterparty	Trading currency	Number of contracts purchased/(sold)	Commitment USD	Market value USD	Unrealised profit/(loss) USD
Equity Option							
Purchase	Beazer Homes USA Inc., Call Option, Strike Price 11, May 2019	JPMorgan	USD	168	159,263	15,541	(3,860)
Purchase	Buckeye Partners LP, Call Option, Strike Price 30, May 2019	JPMorgan	USD	10	28,990	1,674	705
Purchase	Carvana Co., Put Option, Strike Price 27, May 2019	JPMorgan	USD	27	88,317	13,108	3,922
Purchase	CenturyLink Inc., Put Option, Strike Price 15, Apr. 2019	JPMorgan	USD	54	81,810	8,072	2,851
Purchase	Energy Transfer LP, Call Option, Strike Price 14, Apr. 2019	JPMorgan	USD	10	13,210	744	44
Purchase	Energy Transfer LP, Call Option, Strike Price 15, Apr. 2019	JPMorgan	USD	28	36,988	1,285	(761)
Purchase	Kohl's Corp., Put Option, Strike Price 60, Apr. 2019	JPMorgan	USD	17	112,778	5,949	322
Purchase	Lennar Corp., Call Option, Strike Price 45, May 2019	JPMorgan	USD	41	160,515	7,421	(6,015)
Purchase	Macy's Inc., Put Option, Strike Price 30, Feb. 2019	JPMorgan	USD	30	89,340	6,315	3,404
Purchase	Seven Generations Energy Ltd., Call Option, Strike Price 16, Jan. 2019	JPMorgan	CAD	116	94,672	508	(9,529)
Purchase	Simon Property Group Inc., Put Option, Strike Price 165, Apr. 2019	JPMorgan	USD	15	251,985	13,350	5,771
Purchase	Sprint Corp., Put Option, Strike Price 5, Jan. 2020	JPMorgan	USD	108	62,856	5,398	(1,165)
Purchase	Sprint Corp., Put Option, Strike Price 5, May 2019	JPMorgan	USD	54	31,428	1,700	(961)
Purchase	Sprint Corp., Put Option, Strike Price 6, May 2019	JPMorgan	USD	109	63,438	7,902	(367)
Purchase	XPO Logistics Inc., Call Option, Strike Price 60, Feb. 2019	JPMorgan	USD	12	68,448	4,738	1,746
						93,705	(3,893)
Index Option							
Purchase	S&P 500 Index, Call Option, Strike Price 2700, Jan. 2019	JPMorgan	USD	36	9,024,660	2,160	(7,909)
Purchase	S&P 500 Index, Put Option, Strike Price 2200, Jan. 2019	JPMorgan	USD	29	7,269,865	22,475	(20,549)
						24,635	(28,458)
						118,340	(32,351)

Templeton Growth (Euro) Fund

Purchase/Sale position	Description	Counterparty	Trading currency	Number of contracts purchased/(sold)	Commitment EUR	Market value EUR	Unrealised profit/(loss) EUR
Equity Option							
Sale	Navistar International Corp., Call Option, Strike Price 43.01, Jan. 2019	Susquehanna Financial	USD	(1,070)	2,423,329	-	366,973

Note 13 — Mortgage dollar rolls

As at December 31, 2018, the Company had entered into the following outstanding mortgage dollar rolls:

Franklin Strategic Income Fund

Nominal	Description	Country code	Trading currency	Market value USD	Unrealised profit/(loss) USD
Long position					
19,690,000	FNMA, 3.50%, 12/01/48	USA	USD	19,694,274	207,053
24,260,000	FHLMC, 3.50%, 12/01/48	USA	USD	24,254,258	244,103
				43,948,532	451,156

Notes to the Financial Statements At December 31, 2018 (continued)

Note 14 — Securities lending

During the period, the Company participated in securities lending programmes through Goldman Sachs and JPMorgan as lending agents.

As at December 31, 2018, the market value of the securities on loan and the corresponding collateral received were as follows:

	Fund currency	Lending Agent	Counterparty	Market value of securities on loan in Fund currency	Market value of sovereign bonds received as collateral in Fund currency
Franklin Biotechnology Discovery Fund	USD	Goldman Sachs	Barclays	1,514,840	1,688,038
			Citigroup	711,766	781,816
			Credit Suisse	1,502,390	1,624,599
			Deutsche Bank	178,733,146	187,856,063
			Goldman Sachs	10,143,000	10,447,697
			Merrill Lynch	422,070	517,654
			Morgan Stanley	6,656,070	7,550,185
			UBS	1,580,824	1,791,461
				201,264,106	212,257,513
Franklin Select U.S. Equity Fund	USD	Goldman Sachs	Deutsche Bank	7,018,704	7,329,044
Franklin Technology Fund	USD	Goldman Sachs	Deutsche Bank	75,085,834	78,255,347
			Merrill Lynch	1,044,380	1,167,437
				76,130,214	79,422,784
Franklin U.S. Opportunities Fund	USD	Goldman Sachs	Deutsche Bank	11,573,900	11,691,426
Templeton Euroland Fund	EUR	JPMorgan	Morgan Stanley	4,345,315	4,490,816
Templeton Global Climate Change Fund	EUR	JPMorgan	Morgan Stanley	7,706,439	8,152,600
Templeton Growth (Euro) Fund	EUR	JPMorgan	Morgan Stanley	39,829,296	42,087,444

During the period, the securities lending programmes generated the following revenues and expenses:

	Fund currency	Lending Agent	Gross earnings in Fund currency	Direct and indirect operational costs and fees in Fund currency	Net earnings in Fund currency
Franklin Biotechnology Discovery Fund	USD	Goldman Sachs	1,519,581	121,567	1,398,014
Franklin European Growth Fund	EUR	JPMorgan	495,506	39,641	455,865
Franklin European Small-Mid Cap Growth Fund	EUR	JPMorgan	17,858	1,429	16,429
Franklin Global Fundamental Strategies Fund	USD	JPMorgan	61,307	4,905	56,402
Franklin Income Fund	USD	JPMorgan	19,215	1,537	17,678
Franklin Natural Resources Fund	USD	Goldman Sachs	57,427	4,594	52,833
Franklin Select U.S. Equity Fund	USD	Goldman Sachs	27,041	2,163	24,878
Franklin Technology Fund	USD	Goldman Sachs	365,546	29,244	336,302
Franklin U.S. Opportunities Fund	USD	Goldman Sachs	84,534	6,762	77,772
Franklin World Perspectives Fund	USD	JPMorgan	80,684	6,455	74,229
Franklin Mutual European Fund	EUR	JPMorgan	127,392	10,191	117,201
Franklin Mutual Global Discovery Fund	USD	JPMorgan	43,158	3,453	39,705
Templeton Asian Growth Fund	USD	JPMorgan	68,004	5,440	62,564
Templeton Asian Smaller Companies Fund	USD	JPMorgan	334,654	29,177	305,477
Templeton Emerging Markets Smaller Companies Fund	USD	JPMorgan	136,973	12,478	124,495
Templeton Euroland Fund	EUR	JPMorgan	106,751	8,540	98,211
Templeton Global Fund	USD	JPMorgan	52,634	4,211	48,423
Templeton Global Climate Change Fund	EUR	JPMorgan	119,085	9,527	109,558
Templeton Global Income Fund	USD	JPMorgan	66,245	5,300	60,945
Templeton Global Smaller Companies Fund	USD	JPMorgan	71,640	5,731	65,909
Templeton Growth (Euro) Fund	EUR	JPMorgan	453,900	36,312	417,588

Note 15 — Investment management fees

The Management Company receives from the Company a monthly investment management fee equivalent to a certain percentage per annum (as detailed below) of each Fund's average daily net assets during the accounting period. When Funds invest in other Franklin Templeton funds, a management fee is not applied to the amounts invested. The following percentages apply in respect of the different Funds as at December 31, 2018.

The Investment Managers, as noted on pages 4 to 6, will be remunerated by the Management Company out of the investment management fee received from the Company.

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

	Class A PF	Class I	Class I PF	Class S	Class W	Other Classes except Class X and Class Y
Franklin Asia Credit Fund		0.55%				0.75%
Franklin Biotechnology Discovery Fund		0.70%			0.70%	1.00%
Franklin Brazil Opportunities Fund		0.70%				1.00%
Franklin Diversified Balanced Fund		0.55%			0.55%	0.85%
Franklin Diversified Conservative Fund		0.50%			0.50%	0.80%
Franklin Diversified Dynamic Fund		0.60%			0.60%	0.90%
Franklin Euro Government Bond Fund		0.30%				0.35%
Franklin Euro High Yield Fund		0.60%			0.60%	0.80%
Franklin Euro Short Duration Bond Fund		0.25%			0.25%	0.30%
Franklin Euro Short-Term Money Market Fund		0.20%				0.25%

Notes to the Financial Statements At December 31, 2018 (continued)

Note 15 — Investment management fees (continued)

	Class A PF	Class I	Class I PF	Class S	Class W	Other Classes except Class X and Class Y
Franklin European Corporate Bond Fund		0.40%			0.40%	0.45%
Franklin European Dividend Fund		0.70%				1.00%
Franklin European Growth Fund		0.70%			0.70%	1.00%
Franklin European Income Fund		0.60%			0.60%	0.85%
Franklin European Small-Mid Cap Growth Fund		0.70%			0.70%	1.00%
Franklin European Total Return Fund		0.35%			0.35%	0.40%
Franklin Flexible Alpha Bond Fund		0.55%			0.55%	0.75%
Franklin GCC Bond Fund		0.55%			0.55%	0.75%
Franklin Global Aggregate Bond Fund		0.40%			0.40%	0.65%
Franklin Global Aggregate Investment Grade Bond Fund		0.40%				0.65%
Franklin Global Convertible Securities Fund		0.60%			0.60%	0.75%
Franklin Global Fundamental Strategies Fund		0.70%			0.70%	1.00%
Franklin Global Listed Infrastructure Fund		0.70%			0.70%	1.00%
Franklin Global Multi-Asset Income Fund		0.60%			0.60%	0.85%
Franklin Global Real Estate Fund		0.70%			0.70%	1.00%
Franklin Global Small-Mid Cap Growth Fund		0.70%			0.70%	1.00%
Franklin Gold and Precious Metals Fund		0.70%				1.00%
Franklin High Yield Fund		0.60%			0.60%	0.80%
Franklin Income Fund		0.60%			0.60%	0.85%
Franklin India Fund		0.70%		up to 0.70%	0.70%	1.00%
Franklin Japan Fund		0.70%			0.70%	1.00%
Franklin K2 Alternative Strategies Fund	1.30%	1.75%	1.20%	up to 1.70%	1.75%	2.05%
Franklin K2 Global Macro Opportunities Fund		1.75%			1.75%	2.05%
Franklin K2 Long Short Credit Fund		1.75%			1.75%	2.05%
Franklin MENA Fund		1.05%			1.05%	1.50%
Franklin Natural Resources Fund		0.70%				1.00%
Franklin NextStep Balanced Growth Fund						0.85%
Franklin NextStep Conservative Fund					0.60%	0.80%
Franklin NextStep Dynamic Growth Fund						0.85%
Franklin NextStep Growth Fund					0.70%	1.00%
Franklin NextStep Moderate Fund					0.65%	0.95%
Franklin NextStep Stable Growth Fund						0.80%
Franklin Select U.S. Equity Fund		0.70%			0.70%	1.00%
Franklin Strategic Income Fund		0.55%			0.55%	0.75%
Franklin Technology Fund		0.70%			0.70%	1.00%
Franklin U.S. Dollar Liquid Reserve Fund					0.20%	0.30%
Franklin U.S. Government Fund		0.40%			0.40%	0.65%
Franklin U.S. Low Duration Fund		0.40%			0.40%	0.65%
Franklin U.S. Opportunities Fund		0.70%		up to 0.60%	0.70%	1.00%
Franklin World Perspectives Fund		0.70%			0.70%	1.00%
Franklin Mutual European Fund		0.70%			0.70%	1.00%
Franklin Mutual Global Discovery Fund		0.70%			0.70%	1.00%
Franklin Mutual U.S. Value Fund		0.70%			0.70%	1.00%
Templeton Africa Fund		1.10%			1.10%	1.60%
Templeton Asian Bond Fund		0.55%			0.55%	0.75%
Templeton Asian Growth Fund		0.90%			0.90%	1.35%
Templeton Asian Smaller Companies Fund		0.90%			0.90%	1.35%
Templeton BRIC Fund		1.10%				1.60%
Templeton China Fund		1.10%			1.10%	1.60%
Templeton Eastern Europe Fund		1.10%			1.10%	1.60%
Templeton Emerging Markets Fund		1.00%			1.00%	1.15%
Templeton Emerging Markets Balanced Fund		0.90%				1.30%
Templeton Emerging Markets Bond Fund		0.70%		up to 0.70%	0.70%	1.00%
Templeton Emerging Markets Local Currency Bond Fund		0.70%			0.70%	1.00%
Templeton Emerging Markets Smaller Companies Fund		1.10%			1.10%	1.60%
Templeton Euroland Fund		0.70%			0.70%	1.00%
Templeton European Fund		0.70%			0.70%	1.00%
Templeton Frontier Markets Fund		1.10%			1.10%	1.60%
Templeton Global Fund		0.70%			0.70%	1.00%
Templeton Global Balanced Fund		0.60%			0.60%	0.80%
Templeton Global Bond Fund		0.55%		up to 0.55%	0.55%	0.75%
Templeton Global Bond (Euro) Fund		0.55%			0.55%	0.75%
Templeton Global Climate Change Fund		0.70%			0.70%	1.00%
Templeton Global Currency Fund		0.55%			0.55%	0.75%
Templeton Global Equity Income Fund						1.00%
Templeton Global High Yield Fund		0.60%				0.85%
Templeton Global Income Fund		0.60%		up to 0.60%	0.60%	0.85%
Templeton Global Smaller Companies Fund		0.70%				1.00%
Templeton Global Total Return Fund		0.55%		up to 0.55%	0.55%	0.75%
Templeton Growth (Euro) Fund		0.70%			0.70%	1.00%
Templeton Latin America Fund		1.00%			1.00%	1.40%
Templeton Thailand Fund					1.10%	1.60%

Note 16 — Performance fees

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

Notes to the Financial Statements At December 31, 2018 (continued)

Note 16 — Performance fees (continued)

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

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

The following performance fees apply in respect of the PF shares as at December 31, 2018.

	Performance fees	Target benchmark
Franklin K2 Alternative Strategies Fund		
A PF (acc) EUR-H1	15%	3-month EUR LIBOR
A PF (Ydis) EUR-H1	15%	3-month EUR LIBOR
I PF (acc) EUR-H1	15%	3-month EUR LIBOR
I PF (Ydis) EUR-H1	15%	3-month EUR LIBOR

Note 17 — Soft commission

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

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

Such related services do not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries or direct money payment.

Note 18 — Connected party transactions

Certain Directors of the Company are or may also be Officers and/or Directors of one or more of the various Investment Managers of the Funds, among others, Franklin Templeton Investimentos (Brasil) Ltda., Franklin Templeton Investments (Asia) Limited, Templeton Investment Counsel, LLC and Franklin Templeton Institutional, LLC. All transactions with connected parties were entered into in the ordinary course of business and under normal commercial terms.

The investment management fees that are accrued by the Company in respect of the Management Company are detailed in note 15 to the financial statements.

There are no connected brokers in Franklin Templeton, and no transactions were entered into with connected brokers during the period ended December 31, 2018.

During the period ended December 31, 2018, the Company accrued administration and transfer agency fees and shares' maintenance and service charges in respect of Franklin Templeton International Services S.à r.l. as Management Company and Principal Distributor of the Funds.

Note 19 — Taxation

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

The Company is liable in the Grand Duchy of Luxembourg to a tax of 0.05% per annum, such tax being paid quarterly, and calculated on the net asset value of each Fund at the end of each relevant quarter (except the Franklin Euro Short-Term Money Market Fund and the Franklin U.S. Dollar Liquid Reserve Fund for which the rate is 0.01%). This tax is not applicable for the portion of the assets of a Fund invested in other undertakings for collective investment that have already been subject to such tax. Class I shares, Class X shares and Class Y shares may benefit from a reduced rate of 0.01% per annum if all shareholders of these share classes are institutional investors.

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

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

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

Note 20 — Share classes

Class A shares: are offered at the applicable net asset value, plus an entry charge of up to 5.75% of the total amount invested varying per asset class. In addition, a maintenance charge of up to 0.50% per annum of the applicable average net asset value is deducted and paid to the Principal Distributor. This charge is accrued daily and is deducted and paid monthly to the Principal Distributor. A contingent deferred sales charge of up to 1%, retained by the Principal Distributor, applies to certain redemptions on qualified investments of USD 1 million or more within 18 months after repurchase.

Class AS shares: are offered in Singapore to CPF Investors as more fully described in the current prospectus of the Company. Class AS shares are offered at the applicable net asset value, plus an entry charge of up to 3% of the total amount invested. In addition, a maintenance charge of up to 0.40% per annum of the applicable average net asset value is deducted and paid to the Principal Distributor. This charge is accrued daily and is deducted and paid monthly to the Principal Distributor.

Class AX shares: are offered at the applicable net asset value, plus an entry charge of up to 5.75% of the total amount invested varying per asset class. In addition, a maintenance charge of up to 0.50% per annum of the applicable average net asset value is deducted and paid to the Principal Distributor. This charge is accrued daily and is deducted and paid monthly to the Principal Distributor. A contingent deferred sales charge of up to 1% applies to certain redemptions on qualified investments of USD 1 million or more within 18 months after repurchase.

Class B shares: As from April 1, 2016, no additional Class B Shares are issued. Class B Shares purchased by an Investor prior to April 1, 2016 are subject to a contingent deferred sales charge up to 4% if such investor sells shares within 4 years of purchase. In addition, a maintenance charge of up to 0.75% per annum of the applicable average net asset value and a servicing charge of 1.06% per annum of the applicable average net asset

Notes to the Financial Statements At December 31, 2018 (continued)

Note 20 — Share classes (continued)

value are applied. These charges are accrued daily and are deducted and paid monthly to the Principal Distributor and/or other parties. Starting from 2011, shares will be automatically converted into Class A shares of the same Fund 7 years after their purchase as more fully disclosed in the prospectus.

Class C shares: are not subject to an entry charge but are subject to a contingent deferred sales charge of 1.00% if an investor redeems shares within one year of purchase. In addition, a maintenance charge of 1.08% per annum of the applicable average net asset value is deducted. These charges are accrued daily and are deducted and paid monthly to the Principal Distributor and/or other party.

Class F shares: are not subject to an entry charge but are subject to a contingent deferred sales charge of up to 3% if an investor redeems shares within three years of purchase. In addition, a maintenance charge of up to 0.50% per annum of the applicable average net asset value and a servicing charge of 1.00% per annum of the applicable average net asset value are applied. These charges are accrued daily and are deducted and paid monthly to the Principal Distributor and/or other parties. Class F shares will be automatically converted into Class A shares of the same Fund free of charge on the monthly scheduled conversion date fixed by the Management Company upon or following the expiry of 36 months after the date of their purchase.

Class G shares: are not subject to an entry charge but are subject to a contingent deferred sales charge of up to 3% if an investor redeems shares within three years of purchase. In addition, a maintenance charge of 0.10% per annum of the applicable average net asset value and a servicing charge of 1.00% per annum of the applicable average net asset value are applied. These charges are accrued daily and are deducted and paid monthly to the Principal Distributor and/or other parties. Class G shares will be automatically converted into Class A shares of the same Fund free of charge on the monthly scheduled conversion date fixed by the Management Company upon or following the expiry of 36 months after the date of their purchase.

Class I shares: are offered to institutional investors as more fully described in the current prospectus of the Company. Purchases of Class I shares are not subject to an entry sales charge, nor a contingent deferred sales charge or any maintenance or servicing charges.

Class N shares: are subject to an entry charge of up to 3% of the total amount invested. In addition, a maintenance charge of up to 1.25% per annum of the applicable average net asset value is accrued daily and is deducted and paid monthly to the Principal Distributor. Class N shares may be offered in certain limited circumstances as more fully described in the current prospectus of the Company.

Class S shares: are not subject to an entry charge, contingent deferred sales charge nor any maintenance or servicing charge. Class S shares may be offered in certain limited circumstances as more fully described in the current prospectus of the Company.

Class W shares: are not subject to an entry charge, contingent deferred sales charge nor any maintenance or servicing charge. Class W shares may be offered in certain limited circumstances as more fully described in the current prospectus of the Company.

Class X shares: are not subject to an entry charge and no management fees will be payable by an investor on the acquisition of Class X shares (instead a fee is paid to the Investment Manager or affiliates under an agreement between the Investment Manager and the investor). Class X shares are offered to institutional investors in certain limited circumstances as more fully described in the current prospectus of the Company.

Class Y shares: are not subject to an entry charge and no management, registrar, transfer, corporate, domiciliary or administration fees will be payable by an investor on the acquisition of Class Y shares (instead a fee is paid to the Investment Manager or affiliates under an agreement between the Investment Manager and the investor). Class Y shares are offered to institutional investors in certain limited circumstances as more fully described in the current prospectus of the Company.

Class Z shares: are not subject to an entry charge, contingent deferred sales charge nor any maintenance or servicing charge. Class Z shares may be offered in certain limited circumstances as more fully described in the current prospectus of the Company.

Distributing shares: may have different frequencies. (Mdis) share classes distribute monthly, (Qdis) share classes distribute quarterly and (Ydis) share classes distribute annually.

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

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

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

- H1: in order to reduce exchange rate fluctuations and return fluctuations, the base currency exposure of the hedged share class is hedged into a specified alternative currency.
- H2: a hedging strategy is applied in order to reduce the risk of currency movements between the currency of the hedged share class and other material currencies of the securities held by the Fund.
- H4: where currency controls imposed by a country's monetary authority prevent free movement of currency ("Restricted Currency"), another hedging methodology is used. The share class is denominated in the base currency of the Fund but hedges the Fund's base currency into a specified Restricted Currency for investors in that Restricted Currency.

Note 21 — Expenses reimbursement

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

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

Note 22 — Statement of changes in the investment portfolio

A list, specifying for each Fund total purchases and sales transacted during the period under review, may be obtained, upon request, at the registered office of the Company.

Note 23 — Transaction costs

Transaction costs are costs incurred to acquire and dispose of financial assets or liabilities. They include fees and commissions paid to agents, brokers and dealers. During the period ended December 31, 2018 the Company incurred the following transaction costs:

Fund	Currency	Amount	Fund	Currency	Amount
Franklin Asia Credit Fund	USD	–*	Franklin Diversified Balanced Fund	EUR	69,299
Franklin Biotechnology Discovery Fund	USD	694,455	Franklin Diversified Conservative Fund	EUR	56,732
Franklin Brazil Opportunities Fund	USD	5,623	Franklin Diversified Dynamic Fund	EUR	48,681

Notes to the Financial Statements At December 31, 2018 (continued)

Note 23 — Transaction costs (continued)

Fund	Currency	Amount
Franklin Euro Government Bond Fund	EUR	1,300
Franklin Euro High Yield Fund	EUR	998
Franklin Euro Short Duration Bond Fund	EUR	5,530
Franklin Euro Short-Term Money Market Fund	EUR	–*
Franklin European Corporate Bond Fund	EUR	520
Franklin European Dividend Fund	EUR	15,965
Franklin European Growth Fund	EUR	51,826
Franklin European Income Fund	EUR	1,561
Franklin European Small-Mid Cap Growth Fund	EUR	108,807
Franklin European Total Return Fund	EUR	15,370
Franklin Flexible Alpha Bond Fund	USD	21,185
Franklin GCC Bond Fund	USD	–*
Franklin Global Aggregate Bond Fund	USD	–*
Franklin Global Aggregate Investment Grade Bond Fund	USD	–*
Franklin Global Convertible Securities Fund	USD	2,862
Franklin Global Fundamental Strategies Fund	USD	202,337
Franklin Global Listed Infrastructure Fund	USD	61,038
Franklin Global Multi-Asset Income Fund	EUR	78,062
Franklin Global Real Estate Fund	USD	34,280
Franklin Global Small-Mid Cap Growth Fund	USD	28,731
Franklin Gold and Precious Metals Fund	USD	194,296
Franklin High Yield Fund	USD	–*
Franklin Income Fund	USD	237,038
Franklin India Fund	USD	2,678,132
Franklin Japan Fund	JPY	65,221,897
Franklin K2 Alternative Strategies Fund	USD	1,297,441
Franklin K2 Global Macro Opportunities Fund	USD	6,525
Franklin K2 Long Short Credit Fund	USD	22,625
Franklin MENA Fund	USD	226,008
Franklin Natural Resources Fund	USD	201,474
Franklin NextStep Balanced Growth Fund	USD	33,517
Franklin NextStep Conservative Fund	USD	9,157
Franklin NextStep Dynamic Growth Fund	USD	10,144
Franklin NextStep Growth Fund	USD	4,462
Franklin NextStep Moderate Fund	USD	12,599
Franklin NextStep Stable Growth Fund	USD	5,471
Franklin Select U.S. Equity Fund	USD	5,820
Franklin Strategic Income Fund	USD	12,950
Franklin Technology Fund	USD	706,423
Franklin U.S. Dollar Liquid Reserve Fund	USD	–*
Franklin U.S. Government Fund	USD	–*
Franklin U.S. Low Duration Fund	USD	12,323
Franklin U.S. Opportunities Fund	USD	428,969
Franklin World Perspectives Fund	USD	77,606
Franklin Mutual European Fund	EUR	450,124
Franklin Mutual Global Discovery Fund	USD	88,785
Franklin Mutual U.S. Value Fund	USD	52,051
Templeton Africa Fund	USD	264,096
Templeton Asian Bond Fund	USD	–*
Templeton Asian Growth Fund	USD	2,255,937
Templeton Asian Smaller Companies Fund	USD	367,056
Templeton BRIC Fund	USD	82,888
Templeton China Fund	USD	43,847
Templeton Eastern Europe Fund	EUR	124,793
Templeton Emerging Markets Fund	USD	107,898
Templeton Emerging Markets Balanced Fund	USD	5,676
Templeton Emerging Markets Bond Fund	USD	–*
Templeton Emerging Markets Local Currency Bond Fund	USD	–*
Templeton Emerging Markets Smaller Companies Fund	USD	150,547
Templeton Euroland Fund	EUR	102,139
Templeton European Fund	EUR	23,062
Templeton Frontier Markets Fund	USD	650,640
Templeton Global Fund	USD	383,560
Templeton Global Balanced Fund	USD	93,888
Templeton Global Bond Fund	USD	–*
Templeton Global Bond (Euro) Fund	EUR	–*
Templeton Global Climate Change Fund	EUR	74,547
Templeton Global Currency Fund	USD	–*
Templeton Global Equity Income Fund	USD	11,754
Templeton Global High Yield Fund	USD	23
Templeton Global Income Fund	USD	196,454
Templeton Global Smaller Companies Fund	USD	20,109
Templeton Global Total Return Fund	USD	–*
Templeton Growth (Euro) Fund	EUR	1,361,784
Templeton Latin America Fund	USD	320,198
Templeton Thailand Fund	USD	242,598

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

Note 24 — Equalisation

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

Notes to the Financial Statements At December 31, 2018 (continued)

Note 25 — Dividends distributed

For the period ended December 31, 2018, the following amounts per share were paid out to distributing share class shareholders.

Accumulated dividends have not been paid out and are reflected as an increase in the "Issue of shares" account in the "Statement of Operations and Changes in Net Assets".

	Annual Distribution Jul-2018	Jul-2018	Aug-2018	Sep-2018	Oct-2018	Nov-2018	Dec-2018
Franklin Asia Credit Fund							
A (Mdis) AUD-H1		0.037	0.037	0.039	0.037	0.038	0.037
A (Mdis) SGD-H1		0.036	0.035	0.037	0.036	0.035	0.037
A (Mdis) USD		0.035	0.035	0.037	0.036	0.035	0.038
Y (Mdis) USD		0.037	0.038	0.039	0.038	0.037	0.040
Franklin Brazil Opportunities Fund							
A (Qdis) HKD		0.151			0.148		
A (Qdis) USD		0.148			0.146		
N (Qdis) USD		0.146			0.144		
Franklin Diversified Balanced Fund							
A (Qdis) EUR		0.174			0.068		
A (Ydis) EUR	0.402						
I (Qdis) EUR		0.177			0.070		
I (Ydis) EUR	0.457						
N (Ydis) EUR	0.282						
W (Ydis) EUR	0.303						
Franklin Diversified Conservative Fund							
A (Qdis) EUR		0.200			0.037		
A (Qdis) USD-H1		0.207			0.041		
A (Ydis) EUR	0.217						
I (Qdis) EUR		0.204			0.038		
I (Ydis) EUR	0.229						
N (Ydis) EUR	0.154						
W (Ydis) EUR	0.166						
Franklin Diversified Dynamic Fund							
A (Ydis) EUR	0.594						
I (Ydis) EUR	-						
W (Ydis) EUR	0.430						
Franklin Euro Government Bond Fund							
A (Ydis) EUR	0.090						
I (Qdis) EUR		0.033			0.028		
Franklin Euro High Yield Fund							
A (Mdis) EUR		0.020	0.020	0.019	0.020	0.019	0.020
A (Mdis) USD		0.029	0.030	0.028	0.028	0.028	0.029
A (Mdis) USD-H1		0.032	0.034	0.032	0.033	0.031	0.033
A (Ydis) EUR	0.250						
B (Mdis) EUR		0.035	0.036	0.034	0.035	0.034	0.035
B (Mdis) USD		0.030	0.030	0.028	0.028	0.028	0.029
I (Ydis) EUR	0.382						
Franklin Euro Short Duration Bond Fund							
A (Ydis) EUR	0.040						
Y (Mdis) EUR		0.004	0.008	0.003	0.001	0.003	0.006
Y (Mdis) USD-H1		0.004	0.008	0.004	-	0.004	0.005
Franklin European Corporate Bond Fund							
A (Ydis) EUR	0.188						
I (Ydis) EUR	0.190						
N (Ydis) EUR	0.184						
Y (Mdis) EUR		0.014	0.015	0.014	0.015	0.015	0.014
Franklin European Dividend Fund							
A (Mdis) SGD-H1		0.040	0.041	0.041	0.041	0.038	0.038
A (Mdis) USD		0.034	0.035	0.034	0.034	0.031	0.031
A (Mdis) USD-H1		0.038	0.039	0.039	0.039	0.036	0.036
A (Ydis) EUR	0.535						
Y (Mdis) EUR		0.035	0.036	0.036	0.036	0.033	0.033
Franklin European Growth Fund							
A (Ydis) GBP	0.072						
Franklin European Income Fund							
A (Mdis) EUR		0.024	0.024	0.024	0.024	0.024	0.024
A (Mdis) SGD-H1		0.025	0.025	0.025	0.025	0.025	0.025
A (Mdis) USD		0.023	0.023	0.022	0.022	0.022	0.022
I (Mdis) EUR		0.025	0.025	0.025	0.025	0.025	0.025
N (Mdis) EUR		0.024	0.024	0.024	0.024	0.023	0.024
N (Mdis) USD-H1		0.022	0.022	0.022	0.022	0.022	0.022
W (Mdis) EUR		0.025	0.025	0.025	0.025	0.025	0.025
Z (Mdis) EUR		0.024	0.024	0.024	0.024	0.025	0.025

Notes to the Financial Statements At December 31, 2018 (continued)

Note 25 — Dividends distributed (continued)

	Annual Distribution Jul-2018	Jul-2018	Aug-2018	Sep-2018	Oct-2018	Nov-2018	Dec-2018
Franklin European Small-Mid Cap Growth Fund							
Y (Mdis) EUR		0.002	0.003	0.032	0.030	0.003	0.014
Franklin European Total Return Fund							
A (Mdis) EUR		0.013	0.013	0.014	0.013	0.013	0.013
A (Mdis) USD		0.016	0.015	0.016	0.016	0.014	0.015
N (Mdis) EUR		0.015	0.014	0.015	0.015	0.014	0.014
Franklin Flexible Alpha Bond Fund							
A (Qdis) EUR-H1		0.045			0.046		
I (Ydis) GBP-H1	0.198						
I (Ydis) USD	0.197						
N (Qdis) EUR-H1		-			0.014		
N (Qdis) USD		-			-		
Y (Mdis) USD		0.025	0.030	0.026	0.026	0.030	0.028
Franklin GCC Bond Fund							
A (Mdis) USD		0.048	0.048	0.050	0.049	0.059	0.051
B (Mdis) USD		0.044	0.045	0.049	0.046	0.057	0.052
W (Mdis) USD		0.044	0.045	0.046	0.047	0.054	0.049
Franklin Global Aggregate Bond Fund							
A (Mdis) EUR		0.015	0.018	0.020	0.016	0.020	0.020
A (Mdis) USD		0.013	0.015	0.016	0.014	0.016	0.017
Y (Mdis) USD		0.023	0.026	0.026	0.024	0.027	0.026
Z (Mdis) USD		0.015	0.017	0.017	0.015	0.018	0.019
Franklin Global Convertible Securities Fund							
A (Ydis) EUR	-						
A (Ydis) EUR-H1	-						
Franklin Global Fundamental Strategies Fund							
A (Ydis) EUR	0.188						
N (Ydis) EUR	0.125						
W (Ydis) EUR	0.234						
Franklin Global Listed Infrastructure Fund							
A (Qdis) USD		0.129			0.080		
A (Ydis) EUR	0.394						
W (Qdis) GBP		0.156			0.099		
Y (Mdis) USD		0.037	0.020	0.029	0.032	0.011	0.032
Franklin Global Multi-Asset Income Fund							
A (Mdis) EUR		0.038	0.038	0.037	0.037	0.035	0.034
A (Mdis) SGD-H1		0.037	0.037	0.037	0.036	0.035	0.034
A (Mdis) USD-H1		0.037	0.038	0.037	0.037	0.035	0.035
A (Qdis) EUR		0.120			0.117		
A (Ydis) EUR	0.492						
G (Qdis) EUR		0.117			0.114		
I (Mdis) USD-H1		0.038	0.039	0.038	0.038	0.036	0.036
I (Qdis) EUR		0.125			0.122		
N (Mdis) USD-H1		0.037	0.037	0.037	0.036	0.035	0.034
N (Qdis) EUR		0.106			0.103		
N (Ydis) EUR	0.434						
W (Mdis) USD-H1		0.041	0.041	0.041	0.040	0.039	0.038
W (Ydis) EUR	0.482						
Y (Mdis) AUD-H1		0.042	0.042	0.042	0.041	0.040	0.039
Z (Mdis) USD-H1		0.038	0.038	0.038	0.037	0.036	0.035
Franklin Global Real Estate Fund							
A (Qdis) USD		0.093			0.050		
A (Ydis) EUR-H1	0.383						
B (Qdis) USD		0.086			0.047		
C (Qdis) USD		0.090			0.049		
W (Qdis) USD		0.102			0.056		
Y (Mdis) USD		0.054	0.003	0.015	0.035	0.004	0.026
Franklin Gold and Precious Metals Fund							
A (Ydis) EUR	-						
Franklin High Yield Fund							
A (Mdis) AUD-H1		0.046	0.043	0.043	0.042	0.045	0.041
A (Mdis) SGD-H1		0.038	0.036	0.035	0.035	0.037	0.035
A (Mdis) USD		0.030	0.028	0.028	0.028	0.029	0.028
B (Mdis) USD		0.029	0.027	0.027	0.027	0.028	0.027
F (Mdis) USD		0.048	0.045	0.045	0.044	0.047	0.044
I (Mdis) USD		0.048	0.045	0.045	0.044	0.047	0.045
N (Mdis) USD		0.041	0.039	0.038	0.038	0.040	0.039
W (Mdis) USD		0.049	0.046	0.045	0.046	0.047	0.046
Y (Mdis) USD		0.047	0.045	0.043	0.044	0.046	0.044
Z (Mdis) USD		0.045	0.042	0.042	0.041	0.044	0.042

Notes to the Financial Statements At December 31, 2018 (continued)

Note 25 — Dividends distributed (continued)

	Annual Distribution Jul-2018	Jul-2018	Aug-2018	Sep-2018	Oct-2018	Nov-2018	Dec-2018
Franklin Income Fund							
A (Mdis) AUD-H1		0.037	0.037	0.037	0.037	0.037	0.037
A (Mdis) EUR-H1		0.034	0.034	0.034	0.034	0.034	0.034
A (Mdis) SGD-H1		0.032	0.032	0.032	0.032	0.032	0.032
A (Mdis) USD		0.045	0.045	0.045	0.045	0.045	0.045
A (Mdis) ZAR-H1		0.405	0.406	0.409	0.411	0.413	0.414
B (Mdis) USD		0.041	0.041	0.041	0.041	0.041	0.041
C (Mdis) USD		0.057	0.057	0.057	0.057	0.057	0.057
F (Mdis) USD		0.038	0.038	0.038	0.038	0.038	0.038
I (Ydis) EUR-H1	0.491						
N (Mdis) EUR		0.037	0.037	0.037	0.037	0.038	0.038
N (Mdis) EUR-H1		0.034	0.034	0.033	0.033	0.033	0.033
N (Mdis) USD		0.035	0.035	0.035	0.035	0.035	0.035
W (Mdis) USD		0.040	0.040	0.040	0.040	0.040	0.040
Z (Mdis) USD		0.041	0.041	0.041	0.041	0.041	0.041
Franklin India Fund							
A (Ydis) EUR	-						
A (Ydis) GBP	-						
I (Ydis) EUR	-						
Y (Mdis) USD		0.044	0.015	0.021	0.005	0.012	0.008
Franklin K2 Alternative Strategies Fund							
A (Ydis) EUR	-						
A (Ydis) EUR-H1	-						
A (Ydis) USD	-						
A PF (Ydis) EUR-H1*							
I PF (Ydis) EUR-H1*							
N (Ydis) EUR-H1	-						
W (Ydis) EUR-H1	0.015						
Y (Mdis) USD		0.019	0.019	0.021	0.014	0.021	0.020
Franklin K2 Global Macro Opportunities Fund							
A (Mdis) USD		-	-	-	-	-	-
A (Ydis) EUR	-						
A (Ydis) USD	-						
Franklin K2 Long Short Credit Fund							
A (Mdis) USD		0.004	0.012	0.023	0.004	0.019	0.020
A (Ydis) EUR	0.126						
A (Ydis) USD	0.138						
Franklin MENA Fund							
A (Ydis) USD	0.053						
W (Qdis) USD		0.118			0.037		
Franklin Natural Resources Fund							
A (Ydis) EUR-H1	-						
A (Ydis) USD	-						
Franklin NextStep Balanced Growth Fund							
A (Mdis) HKD		0.012	0.019	0.013	0.018	0.011	0.010
A (Mdis) SGD-H1		0.013	0.017	0.014	0.017	0.012	0.009
A (Mdis) USD		0.012	0.017	0.014	0.018	0.011	0.010
Franklin NextStep Conservative Fund							
A (Mdis) USD		0.014	0.016	0.013	0.028	0.013	0.012
W (Mdis) EUR-H1		0.014	0.014	0.012	0.025	0.013	0.010
W (Mdis) GBP-H1		0.014	0.016	0.013	0.027	0.014	0.011
W (Mdis) USD		0.014	0.015	0.013	0.027	0.013	0.011
Franklin NextStep Dynamic Growth Fund							
A (Mdis) HKD		0.011	0.016	0.013	0.012	0.009	0.007
A (Mdis) SGD-H1		0.012	0.015	0.012	0.013	0.008	0.007
A (Mdis) USD		0.012	0.016	0.012	0.013	0.008	0.007
Franklin NextStep Growth Fund							
A (Mdis) USD		0.014	0.020	0.008	0.013	0.007	0.004
W (Mdis) EUR-H1		0.013	0.017	0.007	0.012	0.006	0.005
W (Mdis) GBP-H1		0.015	0.019	0.008	0.013	0.007	0.004
W (Mdis) USD		0.014	0.018	0.008	0.012	0.007	0.004
Franklin NextStep Moderate Fund							
A (Mdis) USD		0.015	0.018	0.010	0.018	0.009	0.007
W (Mdis) EUR-H1		0.014	0.017	0.009	0.016	0.008	0.007
W (Mdis) GBP-H1		0.015	0.018	0.010	0.018	0.009	0.007
W (Mdis) USD		0.014	0.018	0.009	0.018	0.008	0.007
Franklin NextStep Stable Growth Fund							
A (Mdis) HKD		0.016	0.018	0.018	0.028	0.016	0.016
A (Mdis) SGD-H1		0.016	0.018	0.018	0.027	0.017	0.014
A (Mdis) USD		0.016	0.018	0.018	0.027	0.017	0.015

Notes to the Financial Statements At December 31, 2018 (continued)

Note 25 — Dividends distributed (continued)

	Annual Distribution Jul-2018	Jul-2018	Aug-2018	Sep-2018	Oct-2018	Nov-2018	Dec-2018
Franklin Select U.S. Equity Fund							
Y (Mdis) USD		0.012	0.003	0.016	0.006	0.001	0.024
Franklin Strategic Income Fund							
A (Mdis) AUD-H1		0.038	0.040	0.041	0.041	0.045	0.045
A (Mdis) EUR		0.033	0.037	0.035	0.036	0.041	0.043
A (Mdis) EUR-H1		0.033	0.035	0.035	0.034	0.040	0.041
A (Mdis) SGD-H1		0.036	0.038	0.037	0.038	0.041	0.044
A (Mdis) USD		0.039	0.043	0.041	0.042	0.045	0.050
B (Mdis) USD		0.038	0.040	0.039	0.040	0.043	0.047
C (Mdis) USD		0.039	0.042	0.041	0.040	0.045	0.048
I (Ydis) USD	0.406						
N (Mdis) EUR-H1		0.032	0.035	0.034	0.034	0.039	0.040
W (Mdis) USD		0.039	0.042	0.041	0.041	0.045	0.049
Y (Mdis) USD		0.039	0.042	0.041	0.041	0.045	0.049
Franklin Technology Fund							
I (Ydis) EUR*							
Franklin U.S. Dollar Liquid Reserve Fund							
A (Mdis) USD		0.013	0.010	0.011	0.013	0.016	0.016
B (Mdis) USD		-	-	-	-	-	-
F (Mdis) USD		0.007	0.002	0.003	0.005	0.008	0.008
Franklin U.S. Government Fund							
A (Mdis) HKD		0.017	0.027	0.027	0.027	0.028	0.027
A (Mdis) USD		0.016	0.025	0.025	0.025	0.026	0.025
B (Mdis) USD		0.007	0.025	0.025	0.025	0.026	0.025
I (Mdis) JPY-H1		1.991	2.439	2.433	2.430	2.523	2.421
I (Mdis) USD		0.021	0.026	0.026	0.026	0.027	0.026
N (Mdis) USD		0.011	0.025	0.025	0.025	0.026	0.025
W (Mdis) USD		0.021	0.026	0.026	0.026	0.027	0.026
Z (Mdis) USD		0.019	0.026	0.026	0.026	0.027	0.026
Franklin U.S. Low Duration Fund							
A (Mdis) USD		0.016	0.019	0.016	0.014	0.016	0.016
B (Mdis) USD		-	-	-	-	-	-
C (Mdis) USD		-	-	-	-	-	-
N (Mdis) USD		-	-	0.004	0.009	0.010	0.011
W (Qdis) USD		0.061			0.062		
Y (Mdis) USD		0.025	0.029	0.025	0.024	0.025	0.025
Franklin U.S. Opportunities Fund							
A (Ydis) EUR	-						
A (Ydis) GBP	-						
X (Ydis) USD	0.067						
Y (Mdis) USD		0.006	0.002	0.010	0.003	0.001	0.010
Franklin Mutual European Fund							
A (Ydis) EUR	0.272						
A (Ydis) GBP	0.244						
B (Ydis) EUR	-						
I (Ydis) EUR	0.394						
W (Ydis) EUR	0.240						
Y (Mdis) EUR		0.050	0.022	0.028	0.008	0.005	0.022
Franklin Mutual Global Discovery Fund							
A (Ydis) EUR	0.280						
A (Ydis) GBP	0.251						
Franklin Mutual U.S. Value Fund							
A (Ydis) USD	0.249						
Templeton Africa Fund							
A (Ydis) EUR	0.078						
A (Ydis) EUR-H1	0.069						
Templeton Asian Bond Fund							
A (Mdis) AUD-H1		0.041	0.038	0.037	0.038	0.038	0.034
A (Mdis) EUR		0.047	0.044	0.042	0.044	0.044	0.041
A (Mdis) SGD		0.042	0.039	0.037	0.039	0.039	0.036
A (Mdis) SGD-H1		0.040	0.037	0.034	0.036	0.036	0.033
A (Mdis) USD		0.055	0.051	0.049	0.050	0.050	0.047
B (Mdis) USD		0.051	0.050	0.045	0.049	0.046	0.045
C (Mdis) USD		0.053	0.050	0.047	0.049	0.048	0.046
I (Mdis) EUR		0.049	0.047	0.044	0.046	0.047	0.044
I (Ydis) EUR-H1	0.456						
N (Mdis) USD		0.054	0.050	0.047	0.050	0.048	0.046
W (Mdis) USD		0.041	0.039	0.037	0.038	0.038	0.035
Y (Mdis) USD		0.047	0.045	0.042	0.044	0.043	0.042

Notes to the Financial Statements At December 31, 2018 (continued)

Note 25 — Dividends distributed (continued)

	Annual Distribution Jul-2018	Jul-2018	Aug-2018	Sep-2018	Oct-2018	Nov-2018	Dec-2018
Templeton Asian Growth Fund							
A (Ydis) EUR	0.086						
A (Ydis) GBP	0.079						
A (Ydis) USD	0.099						
I (Ydis) EUR-H2	0.092						
W (Ydis) EUR	0.162						
Y (Mdis) USD		0.046	0.014	0.014	0.020	0.013	0.001
Z (Ydis) EUR-H1	0.100						
Z (Ydis) USD	0.086						
Templeton Asian Smaller Companies Fund							
A (Ydis) USD	-						
I (Ydis) USD	0.043						
W (Ydis) EUR-H1	0.003						
W (Ydis) USD	0.012						
X (Ydis) USD	0.177						
Y (Mdis) USD		0.022	0.066	0.036	0.032	0.001	0.005
Templeton China Fund							
A (Ydis) EUR	0.007						
A (Ydis) GBP	-						
I (Ydis) GBP	-						
W (Ydis) EUR	0.181						
Templeton Eastern Europe Fund							
A (Ydis) EUR	-						
B (Ydis) EUR	-						
Templeton Emerging Markets Fund							
A (Ydis) USD	-						
W (Ydis) EUR-H1	0.046						
Templeton Emerging Markets Balanced Fund							
A (Mdis) HKD		0.060	0.043	0.041	0.040	0.039	0.039
A (Mdis) SGD-H1		0.062	0.044	0.042	0.042	0.040	0.040
A (Mdis) USD		0.060	0.043	0.041	0.041	0.039	0.039
A (Qdis) USD		0.137			0.108		
A (Ydis) EUR	0.503						
A (Ydis) EUR-H1	0.382						
Templeton Emerging Markets Bond Fund							
A (Mdis) AUD-H1		0.065	0.060	0.068	0.064	0.061	0.065
A (Mdis) HKD		0.067	0.063	0.069	0.065	0.061	0.071
A (Mdis) SGD-H1		0.061	0.055	0.063	0.057	0.056	0.062
A (Mdis) USD		0.073	0.067	0.076	0.070	0.067	0.077
A (Mdis) ZAR-H1		0.907	0.745	0.917	0.818	0.817	0.801
A (Qdis) EUR		0.310			0.318		
A (Qdis) GBP		0.235			0.243		
A (Qdis) USD		0.359			0.369		
A (Ydis) EUR-H1	0.746						
B (Mdis) USD		0.070	0.065	0.072	0.068	0.064	0.073
B (Qdis) USD		0.314			0.320		
F (Mdis) USD		0.077	0.072	0.080	0.075	0.071	0.081
I (Qdis) GBP-H1		0.196			0.193		
I (Qdis) USD		0.289			0.296		
I (Ydis) EUR-H1	0.762						
N (Mdis) USD		0.066	0.061	0.068	0.064	0.061	0.069
N (Qdis) PLN-H1		0.226			0.212		
W (Qdis) EUR		0.222			0.228		
W (Qdis) GBP		0.215			0.223		
W (Qdis) GBP-H1		0.204			0.200		
W (Qdis) USD		0.178			0.183		
W (Ydis) EUR-H1	0.421						
Y (Mdis) USD		0.081	0.075	0.083	0.078	0.075	0.085
Z (Mdis) USD		0.065	0.059	0.067	0.062	0.060	0.067
Templeton Emerging Markets Local Currency Bond Fund							
A (Mdis) EUR-H1		0.055	0.078	0.080	0.070	0.071	0.086
A (Ydis) EUR	0.384						
I (Qdis) USD		0.242			0.236		
I (Ydis) EUR	0.384						
I (Ydis) EUR-H1	0.378						
N (Qdis) EUR-H1		0.250			0.227		
W (Qdis) EUR-H1		0.250			0.229		
W (Qdis) GBP-H1		0.253			0.230		
W (Qdis) USD		0.242			0.235		

Notes to the Financial Statements At December 31, 2018 (continued)

Note 25 — Dividends distributed (continued)

	Annual Distribution Jul-2018	Jul-2018	Aug-2018	Sep-2018	Oct-2018	Nov-2018	Dec-2018
Templeton Emerging Markets Smaller Companies Fund							
A (Ydis) GBP	-						
A (Ydis) USD	-						
W (Ydis) EUR-H1	0.021						
Y (Mdis) USD		0.030	0.054	0.017	0.012	0.005	-
Y (Ydis) JPY	14.818						
Templeton Euroland Fund							
A (Ydis) EUR	0.145						
A (Ydis) USD*							
B (Ydis) EUR	-						
Templeton European FundΩ							
A (Ydis) USD	0.217						
Templeton Frontier Markets Fund							
A (Ydis) GBP	0.161						
A (Ydis) USD	0.138						
I (Ydis) GBP	0.456						
Z (Ydis) EUR-H1	0.117						
Templeton Global Fund							
A (Ydis) USD	0.120						
W (Ydis) USD	0.133						
X (Ydis) USD	0.201						
Templeton Global Balanced Fund							
A (Qdis) USD		0.270			0.190		
C (Qdis) USD		0.156			0.110		
I (Ydis) USD	0.418						
X (Ydis) USD	0.323						
Templeton Global Bond Fund							
A (Mdis) AUD-H1		0.058	0.059	0.062	0.056	0.058	0.051
A (Mdis) CAD-H1		0.052	0.052	0.054	0.050	0.050	0.049
A (Mdis) EUR		0.083	0.085	0.090	0.082	0.084	0.081
A (Mdis) EUR-H1		0.061	0.062	0.064	0.059	0.059	0.057
A (Mdis) GBP		0.073	0.076	0.081	0.073	0.074	0.071
A (Mdis) GBP-H1		0.050	0.050	0.053	0.047	0.049	0.046
A (Mdis) HKD		0.054	0.054	0.057	0.052	0.052	0.051
A (Mdis) RMB-H1		0.587	0.603	0.610	0.553	0.560	0.539
A (Mdis) SGD		0.058	0.058	0.062	0.056	0.057	0.055
A (Mdis) SGD-H1		0.061	0.061	0.065	0.058	0.059	0.056
A (Mdis) USD		0.098	0.099	0.104	0.095	0.094	0.093
A (Ydis) CHF-H1	0.629						
A (Ydis) EUR	1.059						
A (Ydis) EUR-H1	0.622						
B (Mdis) USD		0.097	0.099	0.104	0.093	0.094	0.091
C (Mdis) USD		0.073	0.075	0.078	0.070	0.071	0.069
F (Mdis) USD		0.050	0.052	0.054	0.048	0.049	0.048
I (Mdis) EUR		0.070	0.072	0.077	0.070	0.071	0.070
I (Mdis) GBP		0.070	0.072	0.077	0.069	0.070	0.068
I (Mdis) GBP-H1		0.056	0.056	0.059	0.053	0.054	0.052
I (Mdis) JPY		6.694	6.814	7.067	6.575	6.561	6.519
I (Mdis) JPY-H1		4.991	5.033	5.192	4.810	4.723	4.655
I (Ydis) EUR	0.940						
I (Ydis) EUR-H1	0.634						
N (Mdis) EUR-H1		0.070	0.070	0.073	0.066	0.068	0.065
N (Mdis) USD		0.052	0.052	0.054	0.050	0.049	0.049
N (Ydis) EUR-H1	0.614						
S (Mdis) EUR		0.048	0.049	0.053	0.047	0.049	0.047
W (Mdis) EUR		0.055	0.056	0.059	0.054	0.056	0.053
W (Mdis) GBP		0.061	0.062	0.068	0.061	0.061	0.059
W (Mdis) GBP-H1		0.053	0.053	0.057	0.050	0.051	0.050
W (Mdis) USD		0.046	0.047	0.050	0.045	0.045	0.044
W (Ydis) CHF-H1	0.206						
W (Ydis) EUR	0.693						
W (Ydis) EUR-H1	0.575						
Y (Mdis) USD		0.057	0.058	0.061	0.055	0.055	0.055
Z (Mdis) GBP-H1		0.053	0.053	0.056	0.050	0.052	0.049
Z (Mdis) USD		0.050	0.050	0.054	0.048	0.048	0.048
Z (Ydis) EUR-H1	0.628						
Templeton Global Bond (Euro) Fund							
A (Ydis) EUR	0.414						
N (Ydis) EUR	0.338						
Templeton Global Climate Change Fund							
A (Ydis) EUR	0.141						

Notes to the Financial Statements At December 31, 2018 (continued)

Note 25 — Dividends distributed (continued)

	Annual Distribution Jul-2018	Jul-2018	Aug-2018	Sep-2018	Oct-2018	Nov-2018	Dec-2018
Templeton Global Equity Income Fund							
A (Mdis) RMB-H1		0.454	0.358	0.380	0.390	0.380	0.370
A (Mdis) SGD		0.028	0.022	0.023	0.024	0.023	0.022
A (Mdis) USD		0.042	0.033	0.035	0.036	0.035	0.034
AS (Mdis) SGD		0.043	0.034	0.036	0.037	0.037	0.035
B (Qdis) USD		0.118			0.100		
N (Mdis) USD		0.039	0.030	0.032	0.033	0.032	0.031
Y (Mdis) USD		0.051	0.040	0.043	0.044	0.043	0.042
Z (Qdis) USD		0.140			0.120		
Templeton Global High Yield Fund							
A (Mdis) EUR		0.046	0.043	0.045	0.045	0.045	0.046
A (Mdis) USD		0.054	0.051	0.051	0.053	0.051	0.052
Templeton Global Income Fund							
A (Mdis) SGD-H1		0.038	0.030	0.046	0.030	0.024	0.036
A (Qdis) EUR-H1		0.151			0.102		
A (Qdis) HKD		0.187			0.132		
A (Qdis) USD		0.214			0.151		
B (Qdis) USD		0.204			0.145		
C (Qdis) USD		0.210			0.148		
N (Qdis) EUR-H1		0.148			0.100		
Templeton Global Smaller Companies Fund							
A (Ydis) USD	-						
Templeton Global Total Return Fund							
A (Mdis) AUD-H1		0.069	0.071	0.076	0.077	0.075	0.068
A (Mdis) EUR		0.085	0.088	0.094	0.095	0.093	0.090
A (Mdis) EUR-H1		0.061	0.063	0.066	0.067	0.066	0.063
A (Mdis) GBP		0.075	0.079	0.084	0.085	0.081	0.079
A (Mdis) GBP-H1		0.048	0.050	0.053	0.053	0.052	0.049
A (Mdis) HKD		0.066	0.069	0.071	0.072	0.069	0.068
A (Mdis) RMB-H1		0.699	0.737	0.739	0.755	0.722	0.696
A (Mdis) SGD		0.068	0.072	0.075	0.077	0.074	0.070
A (Mdis) SGD-H1		0.066	0.068	0.070	0.072	0.069	0.066
A (Mdis) USD		0.099	0.104	0.107	0.110	0.104	0.103
A (Ydis) CHF-H1	0.704						
A (Ydis) EUR	1.014						
A (Ydis) EUR-H1	0.715						
B (Mdis) USD		0.094	0.099	0.102	0.104	0.098	0.097
C (Mdis) USD		0.086	0.090	0.094	0.095	0.090	0.089
I (Mdis) EUR		0.085	0.088	0.093	0.095	0.093	0.089
I (Mdis) GBP		0.089	0.093	0.100	0.100	0.097	0.093
I (Mdis) GBP-H1		0.070	0.073	0.077	0.076	0.074	0.072
I (Mdis) JPY		8.048	8.406	8.650	9.084	8.551	8.504
I (Mdis) JPY-H1		5.720	5.919	6.058	6.330	5.867	5.786
I (Qdis) USD		0.193			0.210		
I (Ydis) EUR	1.029						
I (Ydis) EUR-H1	0.728						
N (Mdis) EUR-H1		0.071	0.074	0.077	0.078	0.076	0.072
N (Mdis) USD		0.051	0.053	0.056	0.056	0.054	0.052
N (Ydis) EUR-H1	0.704						
S (Ydis) USD	0.652						
W (Mdis) EUR		0.065	0.067	0.072	0.073	0.071	0.068
W (Mdis) GBP		0.072	0.077	0.082	0.083	0.079	0.076
W (Mdis) GBP-H1		0.054	0.056	0.058	0.059	0.057	0.055
W (Mdis) USD		0.054	0.057	0.059	0.060	0.057	0.056
W (Ydis) CHF-H1	0.254						
W (Ydis) EUR	0.760						
W (Ydis) EUR-H1	0.353						
X (Ydis) USD	0.730						
Y (Mdis) USD		0.068	0.072	0.073	0.076	0.072	0.070
Z (Mdis) GBP-H1		0.062	0.064	0.068	0.067	0.066	0.063
Z (Mdis) USD		0.060	0.063	0.065	0.066	0.063	0.062
Z (Ydis) EUR-H1	0.717						
Templeton Growth (Euro) Fund							
A (Ydis) EUR	0.108						
A (Ydis) USD	0.125						
B (Ydis) EUR	-						
I (Ydis) EUR	0.246						
I (Ydis) USD	0.285						
W (Ydis) EUR	0.134						

Notes to the Financial Statements At December 31, 2018 (continued)

Note 25 — Dividends distributed (continued)

	Annual Distribution Jul-2018	Jul-2018	Aug-2018	Sep-2018	Oct-2018	Nov-2018	Dec-2018
Templeton Latin America Fund							
A (Ydis) EUR	0.448						
A (Ydis) GBP	0.397						
A (Ydis) USD	0.514						
I (Ydis) EUR-H2	0.158						
W (Ydis) USD	0.154						

* These fund/ or share classes were launched during the period under review
Ω These fund/ or share classes were closed during the period under review

Note 26 — Portfolio Turnover Ratio

The portfolio turnover ratio, expressed as a percentage, is equal to the total of purchases and sales of securities netted against the total value of subscriptions and redemptions, over average net assets of the Fund for the period. It is effectively a measure of how frequently a Fund buys or sells securities.

The portfolio turnover ratio calculation is not applicable to Liquid Reserve and Money Market Funds, as such a ratio is not relevant to such Funds due to the short-term nature of the investments.

Note 27 — Total Expense Ratio

The Total Expense Ratio ("TER"), expressed as a percentage, represents how the total expenses of the Funds relate to the average net assets of the Funds for the period ended December 31, 2018. The total expenses comprise the investment management fees, the administration and transfer agency fees, the custodian fees and other expenses as summarised in the "Statement of Operations and Changes in Net Assets".

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

Note 28 — Audited annual reports and unaudited semi-annual reports

The audited annual reports and unaudited semi-annual reports are available on the following Franklin Templeton website, www.franklintempleton.lu, or may be obtained, free of charge, on request at the registered office of the Company. They are only distributed to registered Shareholders in those countries where local regulation so requires.

Note 29 — Global Credit Facility

Effective February 9, 2018, the Company, together with other European and U.S. registered investment funds managed by Franklin Templeton (individually, "Borrower"; collectively "Borrowers"), entered into a joint syndicated senior unsecured credit facility totaling USD 2,000 million (Global Credit Facility) to provide a source of funds to the Borrowers for temporary and emergency purposes, including the ability to meet future unanticipated or unusually large redemption requests.

Under the terms of the Global Credit Facility, the Company will, in addition to interest charged on any borrowings made by the Company and other costs incurred by the Company, pay its share of fees and expenses incurred in connection with the implementation and maintenance of the Global Credit Facility, based upon its relative share of the aggregate net assets of all of the Borrowers, including an annual commitment fee based upon the unused portion of the Global Credit Facility.

During the financial period ended December 31, 2018, the Company did not use the Global Credit Facility.

Notes to the Financial Statements At December 31, 2018 (continued)

Note 30 — Abbreviations

Countries

AGO Angola
ARE United Arab Emirates
ARG Argentina
AUS Australia
AUT Austria
BEL Belgium
BGD Bangladesh
BHR Bahrain
BIH Bosnia and Herzegovina
BMU Bermuda
BRA Brazil
CAN Canada
CHE Switzerland
CHL Chile
CHN China
CIV Ivory Coast
COL Colombia
CYM Cayman Islands
CZE Czech Republic
DEU Germany
DNK Denmark
ECU Ecuador
EGY Egypt
ESP Spain
EST Estonia
ETH Ethiopia
FIN Finland
FRA France
GBR United Kingdom
GEO Georgia
GHA Ghana
GRC Greece
HKG Hong Kong
HUN Hungary
IDN Indonesia
IND India
IRL Ireland
ISR Israel
ITA Italy
JEY Jersey
JPN Japan
KAZ Kazakhstan
KEN Kenya
KHM Cambodia
KOR South Korea
KWT Kuwait
LKA Sri Lanka
LTU Lithuania
LUX Luxembourg
LVA Latvia
MAC Macao
MAR Morocco
MDA Moldova
MEX Mexico
MUS Mauritius
MYS Malaysia
NGA Nigeria
NLD Netherlands
NOR Norway
NZL New Zealand
OMN Oman
PAK Pakistan
PER Peru
PHL Philippines
POL Poland
PRT Portugal
PRY Paraguay
QAT Qatar
ROU Romania
RUS Russia
SAU Saudi Arabia
SEN Senegal
SGP Singapore
SLV El Salvador
SP Supranational
SRB Serbia
SVK Slovakia
SVN Slovenia
SWE Sweden
TGO Togo
THA Thailand
TUR Turkey
TWN Taiwan
TZA Tanzania
UKR Ukraine
URY Uruguay
USA United States
VEN Venezuela
VNM Vietnam
ZAF South Africa
ZMB Zambia
ZWE Zimbabwe

Currencies

AED United Arab Emirates Dirham
ARS Argentine Peso
AUD Australian Dollar
BDT Bangladeshi Taka
BRL Brazilian Real
CAD Canadian Dollar
CHF Swiss Franc
CLP Chilean Peso
CNY Chinese Yuan Renminbi
COP Colombian Peso
CZK Czech Koruna
DEM Deutsche Mark
DKK Danish Krone
EGP Egyptian Pound
EUR Euro
GBP British Pound Sterling
GHS Ghanaian Cedi
HKD Hong Kong Dollar
HUF Hungarian Forint
IDR Indonesian Rupiah
ILS Israeli Shekel
INR Indian Rupee
JPY Japanese Yen
KES Kenyan Shilling
KRW South Korean Won
KWD Kuwaiti Dinar
LKR Sri Lanka Rupee
MUR Mauritius Rupee
MXN Mexican Peso
MYR Malaysian Ringgit
NGN Nigerian Naira
NOK Norwegian Krone
NZD New Zealand Dollar
PEN Peruvian Nuevo Sol
PHP Philippine Peso
PKR Pakistan Rupee
PLN Polish Zloty
QAR Qatari Rial
RON New Romanian Leu
RUB Russian Ruble
SAR Saudi Arabian Riyal
SEK Swedish Krona
SGD Singapore Dollar
THB Thai Baht
TRY Turkish Lira
TWD New Taiwan Dollar
USD US Dollar
VND Vietnamese Dong
XOF CFA Franc BCEAO
ZAR South African Rand

Note 31 — Subsequent events

On January 18, 2019, Franklin Emerging Markets Debt Opportunities Hard Currency Fund will launch.

On January 23, 2019, Franklin Global Corporate Investment Grade Bond Fund will launch.

The Franklin U.S. Dollar Liquid Reserve Fund will be renamed Franklin U.S. Dollar Short-Term Money Market Fund on January 28, 2019.

On February 15, 2019, Templeton Africa Fund will merge into Templeton Frontier Markets Fund.

— Franklin Asia Credit Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	BONDS				
	Corporate Bonds				
250,000	Pertamina Persero PT, senior bond, 144A, 6.00%, 05/03/42	IDN	USD	249,791	3.01
200,000	NTPC Ltd., senior note, Reg S, 5.625%, 07/14/21	IND	USD	208,436	2.51
200,000	Shimao Property Holdings Ltd., senior note, Reg S, 8.375%, 02/10/22	CHN	USD	207,500	2.50
200,000	Golden Legacy Pte Ltd., senior note, Reg S, 8.25%, 06/07/21	IDN	USD	204,262	2.46
200,000	Agile Group Holdings Ltd., secured note, Reg S, 8.50%, 07/18/21	CHN	USD	203,688	2.45
200,000	GC Treasury Center Co. Ltd., senior note, Reg S, 4.25%, 09/19/22	THA	USD	202,524	2.44
200,000	Bangkok Bank PCL, senior note, Reg S, 4.05%, 03/19/24	THA	USD	201,578	2.43
200,000	China Mengniu Dairy Co. Ltd., senior note, Reg S, 4.25%, 08/07/23	CHN	USD	199,964	2.41
200,000	China Construction Bank Corp., sub. note, Reg S, 3.875% to 05/13/20, FRN thereafter, 05/13/25	CHN	USD	199,134	2.40
200,000	Philippine National Bank, senior note, Reg S, 4.25%, 04/27/23	PHL	USD	198,747	2.39
200,000	United Overseas Bank Ltd., sub. bond, Reg S, 3.50% to 09/16/21, FRN thereafter, 09/16/26	SGP	USD	198,387	2.39
200,000	Axis Bank Ltd./Dubai, senior note, 144A, 3.25%, 05/21/20	IND	USD	198,146	2.39
200,000	Korea East-West Power Co. Ltd., senior note, 144A, 2.50%, 06/02/20	KOR	USD	197,821	2.38
200,000	CGNPC International Ltd., senior note, Reg S, 4.00%, 05/19/25	CHN	USD	197,787	2.38
200,000	Shinhan Bank Co. Ltd., subordinated, Reg S, 4.50%, 03/26/28	KOR	USD	197,250	2.37
200,000	Bank of East Asia Ltd., sub. note, Reg S, 4.00% to 11/03/21, FRN thereafter, 11/03/26	HKG	USD	197,077	2.37
200,000	ICTSI Treasury BV, senior note, Reg S, 4.625%, 01/16/23	PHL	USD	196,667	2.37
200,000	AIA Group Ltd., senior note, Reg S, 3.125%, 03/13/23	HKG	USD	196,418	2.36
200,000	Times Property Holdings Ltd., senior secured note, first lien, Reg S, 7.85%, 06/04/21	CHN	USD	196,312	2.36
200,000	Abja Investment Co. Pte Ltd., senior note, Reg S, 5.95%, 07/31/24	IND	USD	196,202	2.36
200,000	Medco Straits Services Pte Ltd., senior note, Reg S, 8.50%, 08/17/22	IDN	USD	195,985	2.36
200,000	CNOOC Finance 2015 USA LLC, senior note, 3.50%, 05/05/25	CHN	USD	194,763	2.34
200,000	Alibaba Group Holding Ltd., senior bond, 4.50%, 11/28/34	CHN	USD	193,783	2.33
200,000	BOC Aviation Ltd., senior note, 144A, 3.875%, 04/27/26	SGP	USD	193,190	2.33
200,000	HSBC Holdings PLC, junior sub. bond, 6.25% to 03/23/23, FRN thereafter, Perpetual	GBR	USD	187,910	2.26
200,000	TNB Global Ventures Capital Bhd., senior note, Reg S, 3.244%, 10/19/26	MYS	USD	186,734	2.25
200,000	Syngenta Finance NV, senior note, Reg S, 5.182%, 04/24/28	CHE	USD	185,909	2.24
200,000	Country Garden Holdings Co. Ltd., first lien, Reg S, 4.75%, 09/28/23	CHN	USD	174,313	2.10
200,000	Yes Bank Ifsc Banking Unit Branch, senior note, Reg S, 3.75%, 02/06/23	IND	USD	173,992	2.09
200,000	CIFI Holdings Group Co. Ltd., Reg S, 5.50%, 01/23/23	CHN	USD	173,706	2.09
200,000	Adani Transmissions Ltd., secured note, Reg S, 4.00%, 08/03/26	IND	USD	171,441	2.06
150,000	AerCap Ireland Capital Ltd./AerCap Global Aviation Trust, senior note, 5.00%, 10/01/21	IRL	USD	152,254	1.83
150,000	Flextronics International Ltd., senior note, 4.625%, 02/15/20	SGP	USD	150,781	1.82
150,000	Eagle Intermediate Global Holding BV/Ruyi US Finance LLC, first lien, 144A, 7.50%, 05/01/25	CHN	USD	141,187	1.70
200,000	Theta Capital Pte Ltd., senior note, Reg S, 6.75%, 10/31/26	IDN	USD	137,550	1.66
10,000,000	HDFC Bank Ltd., senior note, Reg S, 8.10%, 03/22/25	IND	INR	137,015	1.65
100,000	CLP Power Hong Kong Financing Ltd., senior note, Reg S, 4.75%, 03/19/20	HKG	USD	101,792	1.23
50,000	California Resources Corp., senior secured note, second lien, 144A, 8.00%, 12/15/22	USA	USD	34,000	0.41
11,000	WPX Energy Inc., senior bond, 6.00%, 01/15/22	USA	USD	10,753	0.13
				6,944,749	83.61
	Government and Municipal Bonds				
200,000	Korea South-East Power Co. Ltd., senior note, Reg S, 2.375%, 04/12/20	KOR	USD	197,701	2.38
200,000	Government of Indonesia, senior bond, 144A, 4.625%, 04/15/43	IDN	USD	185,554	2.23
200,000	Indian Railway Finance Corp. Ltd., senior note, Reg S, 3.835%, 12/13/27	IND	USD	184,422	2.22
100,000	The Export-Import Bank of Korea, senior bond, 4.00%, 01/29/21	KOR	USD	101,720	1.23
				669,397	8.06
	Securities Maturing Within One Year				
200,000	China Overseas Finance Cayman VI Ltd., senior note, Reg S, 4.25%, 05/08/19	CHN	USD	200,586	2.41
100,000	Hutchison Whampoa International 09 Ltd., senior note, Reg S, 7.625%, 04/09/19	HKG	USD	101,246	1.22
				301,832	3.63
	TOTAL BONDS			7,915,978	95.30
	TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET			7,915,978	95.30
	TOTAL INVESTMENTS			7,915,978	95.30

The accompanying notes form an integral part of these financial statements

— Franklin Biotechnology Discovery Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	SHARES				
	Biotechnology				
1,247,900	Alexion Pharmaceuticals Inc.	USA	USD	121,495,544	7.19
393,140	Biogen Inc.	USA	USD	118,303,689	7.01
1,746,200	Celgene Corp.	USA	USD	111,913,958	6.63
634,162	Vertex Pharmaceuticals Inc.	USA	USD	105,086,985	6.22
200,600	Regeneron Pharmaceuticals Inc.	USA	USD	74,924,100	4.44
331,700	Amgen Inc.	USA	USD	64,572,039	3.82
4,419,900	Array BioPharma Inc.	USA	USD	62,983,575	3.73
1,001,000	Gilead Sciences Inc.	USA	USD	62,612,550	3.71
2,293,120	Heron Therapeutics Inc.	USA	USD	59,483,533	3.52
590,109	BioMarin Pharmaceutical Inc.	USA	USD	50,247,781	2.98
621,705	Neurocrine Biosciences Inc.	USA	USD	44,395,954	2.63
3,486,479	Iovance Biotherapeutics Inc.	USA	USD	30,855,339	1.83
1,983,995	Fate Therapeutics Inc.	USA	USD	25,454,656	1.51
217,500	Sarepta Therapeutics Inc.	USA	USD	23,735,775	1.41
690,500	PTC Therapeutics Inc.	USA	USD	23,697,960	1.40
244,078	Argenx SE, ADR	NLD	USD	23,448,574	1.39
213,830	Sage Therapeutics Inc.	USA	USD	20,482,776	1.21
289,067	Ascendis Pharma AS, ADR	DNK	USD	18,110,048	1.07
174,500	Intercept Pharmaceuticals Inc.	USA	USD	17,587,855	1.04
114,700	Loxo Oncology Inc.	USA	USD	16,066,029	0.95
358,100	REGENXBIO Inc.	USA	USD	15,022,295	0.89
334,077	Acceleron Pharma Inc.	USA	USD	14,549,053	0.86
321,300	Global Blood Therapeutics Inc.	USA	USD	13,189,365	0.78
655,400	Portola Pharmaceuticals Inc.	USA	USD	12,793,408	0.76
639,541	G1 Therapeutics Inc.	USA	USD	12,247,210	0.73
1,270,000	Amicus Therapeutics Inc.	USA	USD	12,166,600	0.72
1,190,979	GlycoMimetics Inc.	USA	USD	11,278,571	0.67
1,170,560	Dynavax Technologies Corp.	USA	USD	10,710,624	0.63
291,700	Xencor Inc.	USA	USD	10,547,872	0.62
163,600	AnaptysBio Inc.	USA	USD	10,436,044	0.62
854,389	ChemoCentryx Inc.	USA	USD	9,321,384	0.55
90,900	Bluebird Bio Inc.	USA	USD	9,017,280	0.53
446,600	Exelixis Inc.	USA	USD	8,784,622	0.52
283,019	CRISPR Therapeutics AG	CHE	USD	8,085,853	0.48
283,900	Allogene Therapeutics Inc.	USA	USD	7,645,427	0.45
1,088,900	Aurinia Pharmaceuticals Inc.	CAN	USD	7,426,298	0.44
509,500	Immunomedics Inc.	USA	USD	7,270,565	0.43
699,295	Karyopharm Therapeutics Inc.	USA	USD	6,552,394	0.39
239,600	Aimmune Therapeutics Inc.	USA	USD	5,731,232	0.34
384,295	Zymeworks Inc.	CAN	USD	5,641,451	0.33
2,962,045	Novavax Inc.	USA	USD	5,450,163	0.32
225,100	Homology Medicines Inc.	USA	USD	5,033,236	0.30
202,600	Kezar Life Sciences Inc.	USA	USD	4,781,360	0.28
708,300	Minerva Neurosciences Inc.	USA	USD	4,773,942	0.28
1,430,985	Pfenex Inc.	USA	USD	4,564,842	0.27
349,200	Concert Pharmaceuticals Inc.	USA	USD	4,382,460	0.26
419,300	LogicBio Therapeutics Inc.	USA	USD	4,360,720	0.26
260,800	Rubius Therapeutics Inc.	USA	USD	4,193,664	0.25
290,900	Cara Therapeutics Inc.	USA	USD	3,781,700	0.22
126,200	uniQure NV	NLD	USD	3,637,084	0.22
132,400	Principia Biopharma Inc.	USA	USD	3,626,436	0.22
279,000	MacroGenics Inc.	USA	USD	3,543,300	0.21
143,403	Rocket Pharmaceuticals Inc.	USA	USD	2,125,232	0.13
44,600	Avrobio Inc.	USA	USD	742,590	0.04
18,800	Acadia Pharmaceuticals Inc.	USA	USD	303,996	0.02
18,723	Replimune Group Inc.	USA	USD	187,230	0.01
				1,329,364,223	78.72
	Health Care Providers & Services				
32,400	Guardant Health Inc.	USA	USD	1,217,916	0.07
	Life Sciences Tools & Services				
295,400	Illumina Inc.	USA	USD	88,599,322	5.25
394,100	MorphoSys AG, ADR	DEU	USD	9,947,084	0.59
				98,546,406	5.84
	Pharmaceuticals				
277,131	Jazz Pharmaceuticals PLC	USA	USD	34,353,159	2.03
373,500	Reata Pharmaceuticals Inc.	USA	USD	20,953,350	1.24
954,354	Revance Therapeutics Inc.	USA	USD	19,211,146	1.14
4,559,748	TherapeuticsMD Inc.	USA	USD	17,372,640	1.03
440,210	Zogenix Inc.	USA	USD	16,050,057	0.95
1,587,488	Aclaris Therapeutics Inc.	USA	USD	11,731,536	0.69
642,536	Collegium Pharmaceutical Inc.	USA	USD	11,032,343	0.65
1,756,100	Aratana Therapeutics Inc.	USA	USD	10,764,893	0.64
756,812	Odonate Therapeutics Inc.	USA	USD	10,655,913	0.63
1,445,100	Dermira Inc.	USA	USD	10,390,269	0.62
1,055,800	Cymabay Therapeutics Inc.	USA	USD	8,309,146	0.49
1,221,300	Foamix Pharmaceuticals Ltd.	ISR	USD	4,384,467	0.26

The accompanying notes form an integral part of these financial statements

— Franklin Biotechnology Discovery Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Pharmaceuticals (continued)				
378,700	Intra-Cellular Therapies Inc.	USA	USD	4,313,393	0.26
1,375,465	Marinus Pharmaceuticals Inc.	USA	USD	3,947,584	0.23
121,400	Assembly Biosciences Inc.	USA	USD	2,746,068	0.16
376,600	Optinose Inc.	USA	USD	2,334,920	0.14
829,100	Neos Therapeutics Inc.	USA	USD	1,368,015	0.08
212,778	Iterum Therapeutics PLC	USA	USD	1,066,018	0.06
2,500,000	BioPharmX Corp., 144A	USA	USD	269,750	0.02
197,064	Novan Inc.	USA	USD	163,563	0.01
				191,418,230	11.33
	TOTAL SHARES			1,620,546,775	95.96
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			1,620,546,775	95.96
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	SHARES				
	Pharmaceuticals				
138,878	BioPharmX Corp., 144A	USA	USD	14,985	0.00
	TOTAL SHARES			14,985	0.00
	TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET			14,985	0.00
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET				
	SHARES				
	Biotechnology				
1,245,815	Precision BioSciences Inc., Series B **	USA	USD	6,241,533	0.37
2,207,049	Metacrine Inc. **	USA	USD	3,134,009	0.18
166,795	Intarcia Therapeutics Inc., DD **	USA	USD	2,687,166	0.16
				12,062,708	0.71
	TOTAL SHARES			12,062,708	0.71
	WARRANTS				
	Biotechnology				
2,068,536	ARCA biopharma Inc., wts., 06/16/22 **	USA	USD	10,324	0.00
516,115	DelMar Pharmaceuticals Inc., wts., 04/12/22 **	CAN	USD	1,331	0.00
60,045	Molecular Templates Inc., wts., 02/28/20	USA	USD	0	0.00
223,880	Northwest Biotherapeutics Inc., wts., 02/20/19 **	USA	USD	0	0.00
				11,655	0.00
	Pharmaceuticals				
2,695,100	BioPharmX Corp., wts., 11/22/23 **	USA	USD	100,040	0.01
162,000	BioPharmX Corp., wts., 03/29/21 **	USA	USD	1,365	0.00
				101,405	0.01
	TOTAL WARRANTS			113,060	0.01
	BONDS				
	Corporate Bonds				
1,239,800	True North Therapeutics Inc., Escrow Account **	USA	USD	1,612,509	0.10
	TOTAL BONDS			1,612,509	0.10
	TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET			13,788,277	0.82
	TOTAL INVESTMENTS			1,634,350,037	96.78

** These securities are submitted to a Fair Valuation

The accompanying notes form an integral part of these financial statements

— Franklin Brazil Opportunities Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	SHARES				
	Communication Services				
35,800	Tim Participacoes SA	BRA	BRL	109,302	0.41
1,400	Telefonica Brasil SA	BRA	BRL	14,894	0.06
				124,196	0.47
	Consumer Discretionary				
29,600	Lojas Americanas SA, pfd.	BRA	BRL	150,240	0.57
18,500	Petrobras Distribuidora SA	BRA	BRL	122,499	0.47
8,500	B2W Cia Digital	BRA	BRL	92,025	0.35
1,000	Arezzo Industria e Comercio SA	BRA	BRL	14,186	0.05
				378,950	1.44
	Consumer Staples				
4,700	Companhia Brasileira de Distribuicao, pfd., A	BRA	BRL	98,063	0.37
	Energy				
48,100	Petroleo Brasileiro SA, pfd.	BRA	BRL	281,071	1.07
	Financials				
33,861	Banco Bradesco SA, pfd.	BRA	BRL	337,192	1.28
29,659	Itau Unibanco Holding SA, pfd.	BRA	BRL	271,277	1.03
29,400	B3 SA - Brasil Bolsa Balcao	BRA	BRL	203,083	0.77
16,400	Banco ABC Brasil SA, pfd.	BRA	BRL	71,326	0.27
				882,878	3.35
	Health Care				
22,000	Hypera SA	BRA	BRL	171,182	0.65
	Industrials				
41,000	Rumo SA	BRA	BRL	179,581	0.68
15,500	Azul SA	BRA	BRL	143,768	0.55
20,000	CCR SA	BRA	BRL	57,714	0.22
				381,063	1.45
	Information Technology				
16,500	Cielo SA	BRA	BRL	37,793	0.14
	Materials				
13,100	Vale SA	BRA	BRL	172,135	0.65
23,200	Gerdau SA, pfd.	BRA	BRL	88,586	0.34
				260,721	0.99
	Real Estate				
11,300	Iguatemi Empresa de Shopping Centers SA	BRA	BRL	121,116	0.46
12,300	LPS Brasil Consultoria de Imoveis SA	BRA	BRL	20,028	0.08
				141,144	0.54
	Utilities				
54,400	Companhia Energetica de Minas Gerais, pfd.	BRA	BRL	194,263	0.74
19,245	Energisa SA	BRA	BRL	183,959	0.70
44,800	Companhia Energetica de Minas Gerais	BRA	BRL	173,486	0.66
				551,708	2.10
	TOTAL SHARES			3,308,769	12.57
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			3,308,769	12.57
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	BONDS				
	Corporate Bonds				
1,300,000	Petrobras Global Finance BV, senior note, 6.125%, 01/17/22	BRA	USD	1,336,419	5.08
1,200,000	Caixa Economica Federal, sub. bond, Reg S, 7.25% to 07/23/19, FRN thereafter, 07/23/24	BRA	USD	1,214,568	4.61
1,200,000	Centrais Eletricas Brasileiras SA, senior note, Reg S, 5.75%, 10/27/21	BRA	USD	1,209,870	4.59
1,100,000	Gerdau Trade Inc., senior bond, Reg S, 5.75%, 01/30/21	BRA	USD	1,144,115	4.35
1,000,000	Banco Do Brasil SA, junior sub. bond, Reg S, 9.00% to 06/18/24, FRN thereafter, Perpetual	BRA	USD	1,020,875	3.88
1,000,000	Vale Overseas Ltd., senior note, 4.375%, 01/11/22	BRA	USD	1,019,850	3.87
500,000	Suzano Trading Ltd., senior bond, Reg S, 5.875%, 01/23/21	BRA	USD	518,798	1.97
				7,464,495	28.35
	Government and Municipal Bonds				
15,000	Nota Do Tesouro Nacional, 10.00%, 01/01/25	BRA	BRL	4,040,504	15.35
2,799	Brazil Notas do Tesouro Nacional, Index Linked, 6.00%, 08/15/50	BRA	BRL	2,637,179	10.02
2,000,000	Government of Brazil, senior bond, 4.625%, 01/13/28	BRA	USD	1,928,500	7.32
5,000	Nota Do Tesouro Nacional, 10.00%, 01/01/23	BRA	BRL	1,350,671	5.13
5,000	Nota Do Tesouro Nacional, 10.00%, 01/01/21	BRA	BRL	1,347,712	5.12
1,000	Brazil Notas do Tesouro Nacional, Index Linked, 6.00%, 05/15/55	BRA	BRL	955,511	3.63
100,000	Government of Brazil, 10.125%, 05/15/27	BRA	USD	134,750	0.51
100,000	Government of Brazil, senior bond, 8.875%, 04/15/24	BRA	USD	122,310	0.46
				12,517,137	47.54

The accompanying notes form an integral part of these financial statements

— Franklin Brazil Opportunities Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Securities Maturing Within One Year				
1,200,000	Banco Nacional de Desenvolvimento Economico e Social, senior note, Reg S, 6.50%, 06/10/19	BRA	USD	1,215,678	4.62
	TOTAL BONDS			21,197,310	80.51
	TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET			21,197,310	80.51
	TOTAL INVESTMENTS			24,506,079	93.08

The accompanying notes form an integral part of these financial statements

— Franklin Diversified Balanced Fund —

Schedule of Investments as of December 31, 2018

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	INVESTMENTS FUNDS				
	Diversified Financial Services				
35,508	iShares III PLC - iShares Euro Covered Bond UCITS ETF	IRL	EUR	5,474,801	2.29
191,902	Invesco S&P 500 UCITS ETF	USA	EUR	3,912,690	1.64
63,025	Vanguard S&P 500 UCITS ETF	USA	USD	2,617,562	1.10
				12,005,053	5.03
	TOTAL INVESTMENTS FUNDS			12,005,053	5.03
	SHARES				
	Aerospace & Defense				
102,000	Bombardier Inc., B	CAN	CAD	132,395	0.06
	Air Freight & Logistics				
1,858	Royal Mail PLC	GBR	GBP	5,627	0.00
	Airlines				
9,700	Delta Air Lines Inc.	USA	USD	422,439	0.18
3,800	United Continental Holdings Inc.	USA	USD	277,687	0.12
13,596	Deutsche Lufthansa AG	DEU	EUR	267,987	0.11
35,968	International Consolidated Airlines Group SA	GBR	EUR	248,899	0.10
6,600	Japan Airlines Co. Ltd.	JPN	JPY	204,496	0.09
				1,421,508	0.60
	Auto Components				
10,506	Magna International Inc.	CAN	CAD	416,288	0.17
3,800	Lear Corp.	USA	USD	407,460	0.17
				823,748	0.34
	Automobiles				
32,777	Peugeot SA	FRA	EUR	611,127	0.26
45,470	Fiat Chrysler Automobiles NV	GBR	EUR	572,204	0.24
10,800	Suzuki Motor Corp.	JPN	JPY	478,769	0.20
8,100	General Motors Co.	USA	USD	236,468	0.10
				1,898,568	0.80
	Banks				
582,600	Mizuho Financial Group Inc.	JPN	JPY	790,070	0.33
1,009,000	China Construction Bank Corp., H	CHN	HKD	726,483	0.30
61,453	UniCredit SpA	ITA	EUR	607,525	0.26
82,430	Standard Chartered PLC	GBR	GBP	558,989	0.23
167,100	Itausa-Investimentos Itau SA, pfd.	BRA	BRL	453,903	0.19
74,727	Bank Leumi Le-Israel BM	ISR	ILS	394,194	0.17
22,546	Danske Bank AS	DNK	DKK	390,649	0.16
12,700	Sumitomo Mitsui Financial Group Inc.	JPN	JPY	368,623	0.16
60,798	Bank Hapoalim BM	ISR	ILS	335,617	0.14
10,152	Societe Generale SA	FRA	EUR	282,429	0.12
498,000	China CITIC Bank Corp. Ltd., H	CHN	HKD	264,203	0.11
57,200	Resona Holdings Inc.	JPN	JPY	240,816	0.10
346,000	Bank of Communications Co. Ltd., H	CHN	HKD	235,624	0.10
355,800	China Minsheng Banking Corp. Ltd., H	CHN	HKD	214,142	0.09
				5,863,267	2.46
	Biotechnology				
11,500	AbbVie Inc.	USA	USD	925,279	0.39
5,447	CSL Ltd.	AUS	AUD	620,166	0.26
2,300	Biogen Inc.	USA	USD	604,046	0.25
9,300	Gilead Sciences Inc.	USA	USD	507,693	0.21
8,900	Celgene Corp.	USA	USD	497,819	0.21
2,300	United Therapeutics Corp.	USA	USD	218,599	0.09
				3,373,602	1.41
	Building Products				
2,000	Lennox International Inc.	USA	USD	382,021	0.16
	Capital Markets				
4,500	S&P Global Inc.	USA	USD	667,420	0.28
3,000	MSCI Inc.	USA	USD	386,010	0.16
13,339	Hargreaves Lansdown PLC	GBR	GBP	274,503	0.12
523,000	Yuanta Financial Holding Co. Ltd.	TWN	TWD	230,485	0.10
26,170	3i Group PLC	GBR	GBP	225,265	0.09
				1,783,683	0.75
	Chemicals				
18,200	LyondellBasell Industries NV, A	USA	USD	1,320,922	0.55
10,378	Covestro AG	DEU	EUR	448,584	0.19
129,200	Petronas Chemicals Group Bhd.	MYS	MYR	253,487	0.11
15,000	Tosoh Corp.	JPN	JPY	171,047	0.07
				2,194,040	0.92
	Communications Equipment				
3,300	F5 Networks Inc.	USA	USD	466,660	0.20
	Construction Materials				
67,000	Anhui Conch Cement Co. Ltd., H	CHN	HKD	283,766	0.12

The accompanying notes form an integral part of these financial statements

— Franklin Diversified Balanced Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Consumer Finance				
9,400	Capital One Financial Corp.	USA	USD	620,131	0.26
21,500	Ally Financial Inc.	USA	USD	425,197	0.18
9,900	Synchrony Financial	USA	USD	202,700	0.08
				1,248,028	0.52
	Containers & Packaging				
8,000	International Paper Co.	USA	USD	281,794	0.12
	Diversified Consumer Services				
11,380	H&R Block Inc.	USA	USD	251,973	0.11
	Diversified Financial Services				
4,625	EXOR NV	NLD	EUR	219,139	0.09
16,700	ORIX Corp.	JPN	JPY	213,505	0.09
				432,644	0.18
	Diversified Telecommunication Services				
18,800	Verizon Communications Inc.	USA	USD	922,444	0.39
23,600	Nippon Telegraph & Telephone Corp.	JPN	JPY	842,295	0.35
129,046	BT Group PLC	GBR	GBP	341,972	0.14
107,974	Spark New Zealand Ltd.	NZL	NZD	262,528	0.11
				2,369,239	0.99
	Electric Utilities				
24,400	Exelon Corp.	USA	USD	960,412	0.40
10,800	PG&E Corp.	USA	USD	223,861	0.10
				1,184,273	0.50
	Entertainment				
19,400	Viacom Inc., B	USA	USD	435,137	0.18
930	NCsoft Corp.	KOR	KRW	339,980	0.14
4,403	UbiSoft Entertainment SA	FRA	EUR	310,324	0.13
				1,085,441	0.45
	Equity Real Estate Investment Trusts (REITs)				
12,300	Simon Property Group Inc.	USA	USD	1,803,349	0.76
21,700	Host Hotels & Resorts Inc.	USA	USD	315,708	0.13
				2,119,057	0.89
	Food & Staples Retailing				
34,174	Koninklijke Ahold Delhaize NV	NLD	EUR	754,391	0.31
32,674	Woolworths Group Ltd.	AUS	AUD	591,082	0.25
254,100	Wal-Mart de Mexico SAB de CV, V	MEX	MXN	564,051	0.24
4,600	Walmart Inc.	USA	USD	373,966	0.16
34,000	President Chain Store Corp.	TWN	TWD	301,614	0.13
10,900	The Kroger Co.	USA	USD	261,608	0.11
2,500	Walgreens Boots Alliance Inc.	USA	USD	149,088	0.06
				2,995,800	1.26
	Food Products				
220,000	Uni-President Enterprises Corp.	TWN	TWD	438,017	0.18
4,100	Tyson Foods Inc.	USA	USD	191,080	0.08
3,000	Nestle (Malaysia) Bhd.	MYS	MYR	93,389	0.04
				722,486	0.30
	Health Care Equipment & Supplies				
10,000	Hoya Corp.	JPN	JPY	526,757	0.22
6,315	Coloplast AS, B	DNK	DKK	512,665	0.21
3,275	Cochlear Ltd.	AUS	AUD	349,534	0.15
33,166	Fisher & Paykel Healthcare Corp. Ltd.	NZL	NZD	252,606	0.11
				1,641,562	0.69
	Health Care Providers & Services				
6,800	HCA Holdings Inc.	USA	USD	738,575	0.31
6,500	CVS Health Corp.	USA	USD	371,688	0.15
949	Cigna Corp.	USA	USD	157,343	0.07
				1,267,606	0.53
	Hotels, Restaurants & Leisure				
140,000	Sands China Ltd.	MAC	HKD	535,210	0.23
1,900	Domino's Pizza Inc.	USA	USD	411,224	0.17
2,100	Yum! Brands Inc.	USA	USD	168,469	0.07
				1,114,903	0.47
	Household Durables				
17,355	Persimmon PLC	GBR	GBP	372,794	0.15
14,200	PulteGroup Inc.	USA	USD	322,096	0.13
59,590	Barratt Developments PLC	GBR	GBP	306,940	0.13
188,269	Taylor Wimpey PLC	GBR	GBP	285,497	0.12
7,248	The Berkeley Group Holdings PLC	GBR	GBP	280,646	0.12
5,862	Pandora AS	DNK	DKK	208,870	0.09
				1,776,843	0.74

The accompanying notes form an integral part of these financial statements

— Franklin Diversified Balanced Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Household Products				
35,644	Hindustan Unilever Ltd.	IND	INR	813,661	0.34
7,300	Kimberly-Clark Corp.	USA	USD	725,923	0.31
13,000	Colgate-Palmolive Co.	USA	USD	675,301	0.28
85,200	Unilever Indonesia Tbk PT	IDN	IDR	234,762	0.10
				2,449,647	1.03
	Industrial Conglomerates				
22,500	Toshiba Corp.	JPN	JPY	555,424	0.23
	Insurance				
9,900	Prudential Financial Inc.	USA	USD	704,613	0.30
12,200	Lincoln National Corp.	USA	USD	546,328	0.23
36,567	Manulife Financial Corp.	CAN	CAD	452,891	0.19
12,300	MetLife Inc.	USA	USD	440,773	0.18
2,200	Everest Re Group Ltd.	USA	USD	418,111	0.17
87,850	Aegon NV	NLD	EUR	358,340	0.15
9,700	American International Group Inc.	USA	USD	333,633	0.14
8,100	Athene Holding Ltd., A	USA	USD	281,570	0.12
10,683	Admiral Group PLC	GBR	GBP	243,387	0.10
38,800	BB Seguridade Participacoes SA	BRA	BRL	240,715	0.10
5,855	Industrial Alliance Insurance and Financial Services Inc.	CAN	CAD	163,113	0.07
5,900	Brighthouse Financial Inc.	USA	USD	156,949	0.07
				4,340,423	1.82
	Interactive Media & Services				
50,196	Auto Trader Group PLC	GBR	GBP	254,083	0.11
3,600	Autohome Inc., ADR	CHN	USD	245,792	0.10
8,200	Momo Inc., ADR	CHN	USD	169,968	0.07
				669,843	0.28
	IT Services				
11,100	Accenture PLC, A	USA	USD	1,366,042	0.57
48,235	Tata Consultancy Services Ltd.	IND	INR	1,145,496	0.48
8,900	International Business Machines Corp.	USA	USD	882,932	0.37
5,900	VeriSign Inc.	USA	USD	763,581	0.32
82,787	Infosys Ltd.	IND	INR	684,359	0.29
12,500	DXC Technology Co.	USA	USD	580,053	0.24
26,800	Western Union Co.	USA	USD	399,029	0.17
				5,821,492	2.44
	Leisure products				
7,400	Bandai Namco Holdings Inc.	JPN	JPY	290,214	0.12
	Machinery				
2,600	Snap-on Inc.	USA	USD	329,686	0.14
	Media				
13,035	ProSiebenSat.1 Media SE	DEU	EUR	202,434	0.08
	Metals & Mining				
28,791	ArcelorMittal	FRA	EUR	522,268	0.22
26,800	Teck Resources Ltd., B	CAN	CAD	503,627	0.21
15,839	Boliden AB	SWE	SEK	299,652	0.13
19,400	Freeport-McMoRan Inc.	USA	USD	174,563	0.07
4,800	Steel Dynamics Inc.	USA	USD	125,844	0.05
				1,625,954	0.68
	Mortgage Real Estate Investment Trusts (REIT's)				
69,500	Annaly Capital Management Inc.	USA	USD	595,645	0.25
	Multiline Retail				
3,871	Next PLC	GBR	GBP	171,946	0.07
59,221	Marks & Spencer Group PLC	GBR	GBP	162,933	0.07
				334,879	0.14
	Multi-Utilities				
23,186	AGL Energy Ltd.	AUS	AUD	293,695	0.12
7,700	Centrica PLC	GBR	GBP	11,561	0.01
				305,256	0.13
	Oil, Gas & Consumable Fuels				
64,898	Equinor ASA	NOR	NOK	1,201,286	0.50
16,500	ConocoPhillips	USA	USD	897,866	0.38
23,946	Royal Dutch Shell PLC, A	GBR	GBP	614,980	0.26
7,000	Occidental Petroleum Corp.	USA	USD	374,987	0.16
7,600	HollyFrontier Corp.	USA	USD	339,075	0.14
12,400	Suncor Energy Inc.	CAN	CAD	302,317	0.13
6,496	Total SA	FRA	EUR	299,985	0.13
18,160	Eni SpA	ITA	EUR	250,384	0.10
52,200	JXTG Holdings Inc.	JPN	JPY	239,718	0.10
4,600	Marathon Petroleum Corp.	USA	USD	236,905	0.10
10,388	Lundin Petroleum AB	SWE	SEK	226,502	0.09
9,400	Canadian Natural Resources Ltd.	CAN	CAD	197,982	0.08
19,100	Husky Energy Inc.	CAN	CAD	172,320	0.07

The accompanying notes form an integral part of these financial statements

— Franklin Diversified Balanced Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Oil, Gas & Consumable Fuels (continued)				
11,300	Newfield Exploration Co.	USA	USD	144,579	0.06
				5,498,886	2.30
	Personal Products				
528	LG Household & Health Care Ltd.	KOR	KRW	455,555	0.19
	Pharmaceuticals				
9,272	Roche Holding AG	CHE	CHF	2,010,176	0.84
31,001	Novo Nordisk AS, B	DNK	DKK	1,242,650	0.52
75,900	Astellas Pharma Inc.	JPN	JPY	847,063	0.36
9,700	Shionogi & Co. Ltd.	JPN	JPY	484,383	0.20
13,100	Mylan NV	USA	USD	313,266	0.13
154,000	CSPC Pharmaceutical Group Ltd.	CHN	HKD	193,955	0.08
165	GlaxoSmithKline PLC	GBR	GBP	2,739	0.00
				5,094,232	2.13
	Professional Services				
6,600	Robert Half International Inc.	USA	USD	329,481	0.14
9,900	Recruit Holdings Co. Ltd.	JPN	JPY	209,897	0.09
3,700	ManpowerGroup Inc.	USA	USD	209,251	0.08
				748,629	0.31
	Real Estate Management & Development				
129,000	CK Asset Holdings Ltd.	HKG	HKD	823,846	0.35
17,300	CBRE Group Inc.	USA	USD	604,549	0.25
3,600	Daito Trust Construction Co. Ltd.	JPN	JPY	430,436	0.18
13,600	Daiwa House Industry Co. Ltd.	JPN	JPY	378,825	0.16
				2,237,656	0.94
	Semiconductors & Semiconductor Equipment				
25,010	Intel Corp.	USA	USD	1,024,367	0.43
32,800	Micron Technology Inc.	USA	USD	908,312	0.38
141,000	Taiwan Semiconductor Manufacturing Co. Ltd.	TWN	TWD	906,939	0.38
18,000	SK Hynix Inc.	KOR	KRW	853,389	0.36
10,300	Texas Instruments Inc.	USA	USD	849,494	0.36
2,700	Lam Research Corp.	USA	USD	320,875	0.13
5,100	Skyworks Solutions Inc.	USA	USD	298,308	0.13
1,300	Broadcom Inc.	USA	USD	288,501	0.12
2,490	KLA-Tencor Corp.	USA	USD	194,475	0.08
				5,644,660	2.37
	Software				
10,900	Intuit Inc.	USA	USD	1,872,635	0.78
15,000	Cadence Design Systems Inc.	USA	USD	569,209	0.24
6,100	Citrix Systems Inc.	USA	USD	545,476	0.23
				2,987,320	1.25
	Specialty Retail				
31,500	The TJX Cos. Inc.	USA	USD	1,229,979	0.51
5,100	The Home Depot Inc.	USA	USD	764,777	0.32
8,500	Ross Stores Inc.	USA	USD	617,211	0.26
8,270	Best Buy Co. Inc.	USA	USD	382,248	0.16
500	AutoZone Inc.	USA	USD	365,832	0.15
12,700	The Gap Inc.	USA	USD	285,523	0.12
15,281	Mr. Price Group Ltd.	ZAF	ZAR	228,474	0.10
900	Ulta Beauty Inc.	USA	USD	192,316	0.08
14,987	Hennes & Mauritz AB, B	SWE	SEK	186,079	0.08
				4,252,439	1.78
	Technology Hardware, Storage & Peripherals				
10,700	Apple Inc.	USA	USD	1,473,048	0.62
34,743	Samsung Electronics Co. Ltd., pfd.	KOR	KRW	864,431	0.36
38,400	HP Inc.	USA	USD	685,690	0.29
15,200	Seagate Technology PLC	USA	USD	511,929	0.21
11,700	Western Digital Corp.	USA	USD	377,508	0.16
25,200	Hewlett Packard Enterprise Co.	USA	USD	290,532	0.12
				4,203,138	1.76
	Textiles, Apparel & Luxury Goods				
8,300	NIKE Inc., B	USA	USD	537,059	0.23
1,064	Hermes International	FRA	EUR	515,827	0.22
22,608	Burberry Group PLC	GBR	GBP	436,690	0.18
2,800	Lululemon Athletica Inc.	USA	USD	297,179	0.12
8,500	Capri Holdings Ltd.	USA	USD	281,306	0.12
				2,068,061	0.87
	Tobacco				
10,900	Philip Morris International Inc.	USA	USD	635,088	0.27
9,733	Swedish Match AB	SWE	SEK	334,529	0.14
				969,617	0.41

The accompanying notes form an integral part of these financial statements

— Franklin Diversified Balanced Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Trading Companies & Distributors				
9,574	Ferguson PLC	CHE	GBP	534,594	0.22
4,600	United Rentals Inc.	USA	USD	411,623	0.17
1,400	W.W. Grainger Inc.	USA	USD	345,003	0.15
7,200	Fastenal Co.	USA	USD	328,581	0.14
				1,619,801	0.68
	Wireless Telecommunication Services				
70,800	NTT DoCoMo Inc.	JPN	JPY	1,393,960	0.59
51,700	KDDI Corp.	JPN	JPY	1,080,277	0.45
29,000	China Mobile Ltd.	CHN	HKD	243,547	0.10
				2,717,784	1.14
	TOTAL SHARES			93,139,209	39.04
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			105,144,262	44.07
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	INVESTMENTS FUNDS				
	Diversified Financial Services				
1,522	FTIF Templeton Emerging Markets Bond Fund, Class Y (Mdis) USD	LUX	USD	11,250	0.01
1,200	FTIF Templeton Emerging Markets Smaller Companies Fund, Class Y (Mdis) USD	LUX	USD	10,808	0.01
1,106	FTSIIF Franklin Emerging Market Corporate Debt Fund, Class Y (Mdis) EUR	LUX	EUR	10,475	0.00
658	FTIF Franklin Euro Short Duration Bond Fund, Class Y (Mdis) EUR	LUX	EUR	6,570	0.00
				39,103	0.02
	TOTAL INVESTMENTS FUNDS			39,103	0.02
	BONDS				
	Corporate Bonds				
1,231,000	Mizuho Financial Group Inc., senior note, Reg S, FRN, 0.182%, 04/10/23 †	JPN	EUR	1,217,022	0.51
1,231,000	BNP Paribas SA, senior note, Reg S, FRN, 0.434%, 06/07/24 †	FRA	EUR	1,189,281	0.50
1,231,000	BNP Paribas SA, senior note, Reg S, FRN, 0.012%, 01/19/23 †	FRA	EUR	1,188,783	0.50
1,000,000	Sumitomo Mitsui Financial Group Inc., senior note, Reg S, FRN, 0.138%, 06/14/22 †	JPN	EUR	992,410	0.42
1,000,000	BNP Paribas SA, senior note, Reg S, FRN, 0.54%, 09/22/22 †	FRA	EUR	991,165	0.41
1,000,000	Daimler AG, senior note, Reg S, FRN, 0.133%, 07/03/24 †	DEU	EUR	971,370	0.41
780,000	BNP Paribas SA, sub. bond, Reg S, 2.875% to 03/20/21, FRN thereafter, 03/20/26	FRA	EUR	805,440	0.34
700,000	Telefonica Emisiones SA, senior note, Reg S, 0.75%, 04/13/22	ESP	EUR	704,693	0.29
682,000	AT&T Inc., senior note, 1.30%, 09/05/23	USA	EUR	689,274	0.29
660,000	Bank of America Corp., senior note, Reg S, 0.75%, 07/26/23	USA	EUR	655,238	0.27
590,000	The Goldman Sachs Group Inc., senior note, Reg S, 3.25%, 02/01/23	USA	EUR	639,112	0.27
631,000	Anheuser-Busch InBev SA, senior note, Reg S, 0.875%, 03/17/22	BEL	EUR	637,310	0.27
590,000	Wells Fargo & Co., senior note, Reg S, 2.00%, 07/28/25	USA	GBP	636,681	0.27
600,000	BPCE SA, sub. bond, Reg S, 2.75% to 07/08/21, FRN thereafter, 07/08/26	FRA	EUR	619,647	0.26
600,000	Credit Agricole SA, senior note, Reg S, 0.875%, 01/19/22	FRA	EUR	609,633	0.26
684,000	Verizon Communications Inc., senior note, 3.00%, 11/01/21	USA	USD	594,341	0.25
570,000	Morgan Stanley, senior note, 1.875%, 03/30/23	USA	EUR	591,979	0.25
570,000	Citigroup Inc., senior note, Reg S, 1.375%, 10/27/21	USA	EUR	585,589	0.25
610,000	Lloyds Banking Group PLC, senior note, Reg S, 0.625% to 01/15/23, FRN thereafter, 01/15/24	GBR	EUR	581,476	0.24
559,000	BP Capital Markets PLC, senior note, Reg S, 1.526%, 09/26/22	GBR	EUR	580,155	0.24
520,000	HSBC Holdings PLC, senior note, 2.172% to 06/27/22, FRN thereafter, 06/27/23	GBR	GBP	572,102	0.24
560,000	Petroleos Mexicanos, senior note, Reg S, 2.50%, 08/21/21	MEX	EUR	552,493	0.23
619,000	Walmart Inc., senior note, 3.125%, 06/23/21	USA	USD	544,244	0.23
530,000	Intesa Sanpaolo SpA, senior note, Reg S, 2.00%, 06/18/21	ITA	EUR	538,353	0.23
517,000	Shell International Finance BV, senior note, Reg S, 1.25%, 03/15/22	NLD	EUR	534,201	0.22
540,000	BAT Capital Corp., senior note, Reg S, FRN, 0.184%, 08/16/21 †	GBR	EUR	529,972	0.22
480,000	Barclays PLC, senior note, Reg S, FRN, 2.375%, 10/06/23 †	GBR	GBP	518,766	0.22
547,000	NE Property Cooperatief UA, senior note, Reg S, 3.75%, 02/26/21	ROU	EUR	516,048	0.22
541,000	General Electric Co., senior note, 0.375%, 05/17/22	USA	EUR	510,801	0.21
500,000	Bayer Capital Corp. BV, senior note, Reg S, 0.625%, 12/15/22	DEU	EUR	498,638	0.21
480,000	Berkshire Hathaway Inc., senior note, 1.30%, 03/15/24	USA	EUR	492,067	0.21
468,000	Amgen Inc., senior note, 1.25%, 02/25/22	USA	EUR	478,579	0.20
470,000	United Technologies Corp., senior note, 1.125%, 12/15/21	USA	EUR	478,382	0.20
430,000	Commerzbank AG, secured note, Reg S, 0.625%, 05/28/25	DEU	EUR	435,728	0.18
440,000	Enel Finance International NV, senior note, Reg S, 1.00%, 09/16/24	ITA	EUR	435,206	0.18
431,000	Westpac Banking Corp., senior note, Reg S, 0.75%, 10/17/23	AUS	EUR	431,177	0.18
493,000	Kraft Heinz Foods Co., senior note, 4.00%, 06/15/23	USA	USD	429,547	0.18
371,000	Oracle Corp., senior bond, 3.125%, 07/10/25	USA	EUR	427,559	0.18
415,000	Hutchison Whampoa Finance 14 Ltd., senior note, Reg S, 1.375%, 10/31/21	HKG	EUR	425,917	0.18
350,000	AXA SA, junior sub. bond, Reg S, 3.875% to 10/07/25, FRN thereafter, Perpetual	FRA	EUR	356,631	0.15
375,045	Reynolds Group Issuer Inc./Reynolds Group Issuer LLC/Reynolds Group Issuer Luxembourg SA, senior secured note, first lien, 5.75%, 10/15/20	USA	USD	326,912	0.14
330,000	Netflix Inc., senior bond, 3.625%, 05/15/27	USA	EUR	321,017	0.13
325,000	Grifols SA, senior note, Reg S, 3.20%, 05/01/25	ESP	EUR	319,915	0.13
290,000	Fiat Chrysler Finance Europe, senior note, Reg S, 4.75%, 07/15/22	ITA	EUR	316,376	0.13
379,000	Freeport-McMoRan Inc., senior bond, 3.55%, 03/01/22	USA	USD	313,821	0.13
382,000	Calpine Corp., senior note, 5.375%, 01/15/23	USA	USD	313,388	0.13
364,000	Sprint Communications Inc., senior note, 6.00%, 11/15/22	USA	USD	312,545	0.13
361,000	Centene Corp., senior note, 4.75%, 05/15/22	USA	USD	312,307	0.13
351,000	The Chemours Co., senior note, 6.625%, 05/15/23	USA	USD	310,548	0.13
381,000	Bausch Health Cos. Inc., senior note, 144A, 5.875%, 05/15/23	USA	USD	308,827	0.13
305,000	Altice France SA, senior secured bond, first lien, Reg S, 5.625%, 05/15/24	FRA	EUR	307,663	0.13

The accompanying notes form an integral part of these financial statements

— Franklin Diversified Balanced Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Corporate Bonds (continued)				
368,000	Wynn Las Vegas LLC/Wynn Las Vegas Capital Corp., senior bond, 144A, 5.50%, 03/01/25	USA	USD	300,297	0.13
				28,950,626	12.14
	Government and Municipal Bonds				
4,743,000	Government of Argentina, senior note, Reg S, 3.875%, 01/15/22	ARG	EUR	4,022,609	1.69
2,780,000	U.S. Treasury Bond, 6.375%, 08/15/27	USA	USD	3,120,844	1.31
2,271,000	Government of Mexico, senior note, 1.875%, 02/23/22	MEX	EUR	2,337,972	0.98
2,013,000	Government of the Netherlands, Reg S, 0.25%, 07/15/25	NLD	EUR	2,043,165	0.86
1,903,000	Government of Austria, 144A, Reg S, 1.20%, 10/20/25	AUT	EUR	2,040,568	0.86
2,042,000	Governement of France, Reg S, Strip, 03/25/24	FRA	EUR	2,038,672	0.85
1,996,000	Government of Belgium, senior note, Reg S, 0.50%, 10/22/24	BEL	EUR	2,032,207	0.85
1,965,000	Government of Belgium, Reg S, 0.80%, 06/22/25	BEL	EUR	2,030,336	0.85
1,971,000	Government of Ireland, Reg S, 1.00%, 05/15/26	IRL	EUR	2,030,071	0.85
1,931,000	Government of Finland, senior bond, Reg S, 0.875%, 09/15/25	FIN	EUR	2,026,807	0.85
1,948,000	Government of Belgium, senior bond, Reg S, 1.00%, 06/22/26	BEL	EUR	2,023,280	0.85
1,776,000	Government of Belgium, Reg S, 2.60%, 06/22/24	BEL	EUR	2,019,046	0.85
1,512,000	Government of Austria, senior bond, Reg S, 4.85%, 03/15/26	AUT	EUR	2,017,295	0.85
1,725,000	Government of Ireland, Reg S, 3.40%, 03/18/24	IRL	EUR	2,015,568	0.84
1,662,000	Government of Spain, senior bond, Reg S, 5.40%, 01/31/23	ESP	EUR	2,013,638	0.84
1,797,000	Government of France, Reg S, 2.25%, 05/25/24	FRA	EUR	2,012,981	0.84
1,832,000	Government of Austria, senior bond, Reg S, 1.65%, 10/21/24	AUT	EUR	2,011,234	0.84
1,860,000	Government of Portugal, senior note, 144A, Reg S, 2.20%, 10/17/22	PRT	EUR	2,006,010	0.84
1,801,000	Government of Portugal, senior bond, 144A, Reg S, 2.875%, 10/15/25	PRT	EUR	2,005,576	0.84
1,552,000	Government of Belgium, senior bond, Reg S, 4.50%, 03/28/26	BEL	EUR	2,004,004	0.84
1,826,000	Government of France, Reg S, 1.75%, 11/25/24	FRA	EUR	2,002,264	0.84
1,584,000	Government of Portugal, senior bond, 144A, Reg S, 5.65%, 02/15/24	PRT	EUR	1,985,124	0.83
1,509,000	Government of Ireland, senior bond, 5.40%, 03/13/25	IRL	EUR	1,971,599	0.83
1,568,000	Government of Finland, 144A, Reg S, 4.00%, 07/04/25	FIN	EUR	1,967,644	0.82
1,651,000	Government of Spain, senior bond, Reg S, 4.40%, 10/31/23	ESP	EUR	1,965,904	0.82
1,618,000	Government of Portugal, senior bond, 144A, Reg S, 4.95%, 10/25/23	PRT	EUR	1,964,017	0.82
1,654,000	Government of Spain, senior bond, 144A, Reg S, 5.85%, 01/31/22	ESP	EUR	1,954,118	0.82
1,403,000	Government of France, 6.00%, 10/25/25	FRA	EUR	1,947,925	0.82
1,893,000	Government of the Hellenic Republic, Reg S, 3.50%, 01/30/23	GRC	EUR	1,915,631	0.80
1,584,000	Government of Mexico, senior note, 2.375%, 04/09/21	MEX	EUR	1,661,204	0.70
2,326,000	Government of Australia, senior bond, Reg S, 4.25%, 04/21/26	AUS	AUD	1,626,455	0.68
2,400,000	New Zealand Local Government Funding Agency Bond, senior note, 6.00%, 05/15/21	NZL	NZD	1,530,086	0.64
125,000,000	European Investment Bank, senior note, 5.50%, 07/28/21	SP	INR	1,502,274	0.63
1,346,000	Government of Mexico, senior bond, 5.50%, 02/17/20	MEX	EUR	1,430,017	0.60
110,460,000	Asian Development Bank, senior note, 6.45%, 08/08/21	SP	INR	1,361,868	0.57
97,100,000	International Finance Corp., senior note, Reg S, 11.00%, 01/21/20	SP	RUB	1,253,046	0.53
1,103,000	Government of Indonesia, senior note, Reg S, 2.625%, 06/14/23	IDN	EUR	1,149,475	0.48
832,000	U.S. Treasury Note, 1.625%, 08/15/22	USA	USD	704,694	0.30
320,000	Saudi Government International Bond, senior note, 144A, 2.875%, 03/04/23	SAU	USD	269,024	0.11
1,000	Government of Mexico, senior note, 4.00%, 10/02/23	MEX	USD	870	0.00
				74,015,122	31.02
	Securities Maturing Within One Year				
4,032,000	Italy Buoni Poliennali del Tesoro, senior note, 0.05%, 10/15/19	ITA	EUR	4,024,279	1.69
3,236,000	Italy Treasury Bond, senior note, 0.10%, 04/15/19	ITA	EUR	3,237,602	1.36
829,000	Hellenic Republic Treasury Bill, 0.00%, 06/14/19	GRC	EUR	825,667	0.34
				8,087,548	3.39
	TOTAL BONDS			111,053,296	46.55
	TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET			111,092,399	46.57
	TOTAL INVESTMENTS			216,236,661	90.64

† Floating Rates are indicated as at December 31, 2018

The accompanying notes form an integral part of these financial statements

— Franklin Diversified Conservative Fund —

Schedule of Investments as of December 31, 2018

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	INVESTMENTS FUNDS				
	Diversified Financial Services				
84,197	iShares III PLC - iShares Euro Covered Bond UCITS ETF	IRL	EUR	12,981,914	4.44
125,171	Invesco S&P 500 UCITS ETF	USA	EUR	2,552,112	0.88
				15,534,026	5.32
	TOTAL INVESTMENTS FUNDS			15,534,026	5.32
	SHARES				
	Aerospace & Defense				
37,700	Bombardier Inc., B	CAN	CAD	48,934	0.02
	Air Freight & Logistics				
621	Royal Mail PLC	GBR	GBP	1,881	0.00
	Airlines				
3,700	Delta Air Lines Inc.	USA	USD	161,136	0.05
5,261	Deutsche Lufthansa AG	DEU	EUR	103,698	0.04
1,400	United Continental Holdings Inc.	USA	USD	102,306	0.03
13,920	International Consolidated Airlines Group SA	GBR	EUR	96,326	0.03
2,500	Japan Airlines Co. Ltd.	JPN	JPY	77,461	0.03
				540,927	0.18
	Auto Components				
3,917	Magna International Inc.	CAN	CAD	155,207	0.05
1,300	Lear Corp.	USA	USD	139,394	0.05
				294,601	0.10
	Automobiles				
12,685	Peugeot SA	FRA	EUR	236,512	0.08
17,597	Fiat Chrysler Automobiles NV	GBR	EUR	221,444	0.08
4,100	Suzuki Motor Corp.	JPN	JPY	181,755	0.06
3,000	General Motors Co.	USA	USD	87,581	0.03
				727,292	0.25
	Banks				
215,500	Mizuho Financial Group Inc.	JPN	JPY	292,242	0.10
373,000	China Construction Bank Corp., H	CHN	HKD	268,561	0.09
22,740	UniCredit SpA	ITA	EUR	224,808	0.08
30,502	Standard Chartered PLC	GBR	GBP	206,846	0.07
61,700	Itausa-Investimentos Itau SA, pfd.	BRA	BRL	167,599	0.06
28,919	Bank Leumi Le-Israel BM	ISR	ILS	152,551	0.05
8,343	Danske Bank AS	DNK	DKK	144,557	0.05
4,700	Sumitomo Mitsui Financial Group Inc.	JPN	JPY	136,419	0.05
23,530	Bank Hapoalim BM	ISR	ILS	129,891	0.04
3,756	Societe Generale SA	FRA	EUR	104,492	0.04
191,000	China CITIC Bank Corp. Ltd., H	CHN	HKD	101,331	0.03
21,100	Resona Holdings Inc.	JPN	JPY	88,833	0.03
128,000	Bank of Communications Co. Ltd., H	CHN	HKD	87,167	0.03
137,700	China Minsheng Banking Corp. Ltd., H	CHN	HKD	82,876	0.03
				2,188,173	0.75
	Biotechnology				
4,200	AbbVie Inc.	USA	USD	337,928	0.12
2,098	CSL Ltd.	AUS	AUD	238,867	0.08
800	Biogen Inc.	USA	USD	210,103	0.07
3,400	Gilead Sciences Inc.	USA	USD	185,608	0.06
3,300	Celgene Corp.	USA	USD	184,585	0.06
900	United Therapeutics Corp.	USA	USD	85,538	0.03
				1,242,629	0.42
	Building Products				
700	Lennox International Inc.	USA	USD	133,707	0.05
	Capital Markets				
1,700	S&P Global Inc.	USA	USD	252,136	0.09
1,100	MSCI Inc.	USA	USD	141,537	0.05
4,936	Hargreaves Lansdown PLC	GBR	GBP	101,578	0.03
203,000	Yuanta Financial Holding Co. Ltd.	TWN	TWD	89,462	0.03
10,127	3i Group PLC	GBR	GBP	87,171	0.03
				671,884	0.23
	Chemicals				
6,600	LyondellBasell Industries NV, A	USA	USD	479,015	0.16
3,840	Covestro AG	DEU	EUR	165,982	0.06
47,800	Petronas Chemicals Group Bhd.	MYS	MYR	93,783	0.03
5,800	Tosoh Corp.	JPN	JPY	66,138	0.02
				804,918	0.27
	Communications Equipment				
1,200	F5 Networks Inc.	USA	USD	169,695	0.06
	Construction Materials				
24,500	Anhui Conch Cement Co. Ltd., H	CHN	HKD	103,765	0.04

The accompanying notes form an integral part of these financial statements

— Franklin Diversified Conservative Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Consumer Finance				
3,500	Capital One Financial Corp.	USA	USD	230,900	0.08
7,900	Ally Financial Inc.	USA	USD	156,235	0.05
3,600	Synchrony Financial	USA	USD	73,709	0.03
				460,844	0.16
	Containers & Packaging				
2,900	International Paper Co.	USA	USD	102,150	0.03
	Diversified Consumer Services				
4,390	H&R Block Inc.	USA	USD	97,202	0.03
	Diversified Financial Services				
1,790	EXOR NV	NLD	EUR	84,813	0.03
6,100	ORIX Corp.	JPN	JPY	77,987	0.03
				162,800	0.06
	Diversified Telecommunication Services				
7,000	Verizon Communications Inc.	USA	USD	343,463	0.12
8,800	Nippon Telegraph & Telephone Corp.	JPN	JPY	314,076	0.11
47,749	BT Group PLC	GBR	GBP	126,535	0.04
41,786	Spark New Zealand Ltd.	NZL	NZD	101,599	0.03
				885,673	0.30
	Electric Utilities				
9,000	Exelon Corp.	USA	USD	354,251	0.12
4,100	PG&E Corp.	USA	USD	84,984	0.03
				439,235	0.15
	Entertainment				
7,500	Viacom Inc., B	USA	USD	168,223	0.06
360	NCsoft Corp.	KOR	KRW	131,605	0.04
1,703	UbiSoft Entertainment SA	FRA	EUR	120,028	0.04
				419,856	0.14
	Equity Real Estate Investment Trusts (REITs)				
4,500	Simon Property Group Inc.	USA	USD	659,762	0.23
8,000	Host Hotels & Resorts Inc.	USA	USD	116,390	0.04
				776,152	0.27
	Food & Staples Retailing				
12,645	Koninklijke Ahold Delhaize NV	NLD	EUR	279,138	0.10
12,090	Woolworths Group Ltd.	AUS	AUD	218,712	0.07
93,900	Wal-Mart de Mexico SAB de CV, V	MEX	MXN	208,439	0.07
1,800	Walmart Inc.	USA	USD	146,334	0.05
13,000	President Chain Store Corp.	TWN	TWD	115,323	0.04
4,000	The Kroger Co.	USA	USD	96,003	0.03
900	Walgreens Boots Alliance Inc.	USA	USD	53,672	0.02
				1,117,621	0.38
	Food Products				
81,000	Uni-President Enterprises Corp.	TWN	TWD	161,270	0.06
1,500	Tyson Foods Inc.	USA	USD	69,907	0.02
1,100	Nestle (Malaysia) Bhd.	MYS	MYR	34,243	0.01
				265,420	0.09
	Health Care Equipment & Supplies				
3,700	Hoya Corp.	JPN	JPY	194,900	0.07
2,337	Coloplast AS, B	DNK	DKK	189,722	0.06
1,268	Cochlear Ltd.	AUS	AUD	135,331	0.05
12,835	Fisher & Paykel Healthcare Corp. Ltd.	NZL	NZD	97,757	0.03
				617,710	0.21
	Health Care Providers & Services				
2,400	HCA Holdings Inc.	USA	USD	260,674	0.09
2,400	CVS Health Corp.	USA	USD	137,238	0.04
341	Cigna Corp.	USA	USD	56,482	0.02
				454,394	0.15
	Hotels, Restaurants & Leisure				
54,000	Sands China Ltd.	MAC	HKD	206,438	0.07
700	Domino's Pizza Inc.	USA	USD	151,504	0.05
700	Yum! Brands Inc.	USA	USD	56,156	0.02
				414,098	0.14
	Household Durables				
6,717	Persimmon PLC	GBR	GBP	144,284	0.05
5,300	PulteGroup Inc.	USA	USD	120,219	0.04
23,062	Barratt Developments PLC	GBR	GBP	118,789	0.04
72,860	Taylor Wimpey PLC	GBR	GBP	110,487	0.04
2,805	The Berkeley Group Holdings PLC	GBR	GBP	108,611	0.04
2,170	Pandora AS	DNK	DKK	77,320	0.02
				679,710	0.23

The accompanying notes form an integral part of these financial statements

— Franklin Diversified Conservative Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Household Products				
12,983	Hindustan Unilever Ltd.	IND	INR	296,368	0.10
2,600	Kimberly-Clark Corp.	USA	USD	258,548	0.09
4,800	Colgate-Palmolive Co.	USA	USD	249,342	0.09
33,000	Unilever Indonesia Tbk PT	IDN	IDR	90,929	0.03
				895,187	0.31
	Industrial Conglomerates				
8,300	Toshiba Corp.	JPN	JPY	204,890	0.07
	Insurance				
3,700	Prudential Financial Inc.	USA	USD	263,340	0.09
4,700	Lincoln National Corp.	USA	USD	210,470	0.07
14,289	Manulife Financial Corp.	CAN	CAD	176,973	0.06
4,500	MetLife Inc.	USA	USD	161,259	0.05
700	Everest Re Group Ltd.	USA	USD	133,035	0.05
32,508	Aegon NV	NLD	EUR	132,600	0.05
3,600	American International Group Inc.	USA	USD	123,823	0.04
3,100	Athene Holding Ltd., A	USA	USD	107,761	0.04
15,000	BB Seguridade Participacoes SA	BRA	BRL	93,060	0.03
3,953	Admiral Group PLC	GBR	GBP	90,060	0.03
2,300	Brighthouse Financial Inc.	USA	USD	61,183	0.02
2,120	Industrial Alliance Insurance and Financial Services Inc.	CAN	CAD	59,061	0.02
				1,612,625	0.55
	Interactive Media & Services				
1,400	Autohome Inc., ADR	CHN	USD	95,586	0.04
18,575	Auto Trader Group PLC	GBR	GBP	94,023	0.03
3,000	Momo Inc., ADR	CHN	USD	62,184	0.02
				251,793	0.09
	IT Services				
4,000	Accenture PLC, A	USA	USD	492,267	0.17
17,849	Tata Consultancy Services Ltd.	IND	INR	423,882	0.14
3,300	International Business Machines Corp.	USA	USD	327,379	0.11
2,200	VeriSign Inc.	USA	USD	284,725	0.10
30,635	Infosys Ltd.	IND	INR	253,244	0.09
4,900	DXC Technology Co.	USA	USD	227,381	0.08
9,000	Western Union Co.	USA	USD	134,003	0.04
				2,142,881	0.73
	Leisure products				
2,700	Bandai Namco Holdings Inc.	JPN	JPY	105,889	0.04
	Machinery				
900	Snap-on Inc.	USA	USD	114,122	0.04
	Media				
4,823	ProSiebenSat.1 Media SE	DEU	EUR	74,902	0.03
	Metals & Mining				
10,654	ArcelorMittal	FRA	EUR	193,264	0.07
9,900	Teck Resources Ltd., B	CAN	CAD	186,041	0.06
6,129	Boliden AB	SWE	SEK	115,952	0.04
7,100	Freeport-McMoRan Inc.	USA	USD	63,886	0.02
1,800	Steel Dynamics Inc.	USA	USD	47,192	0.02
				606,335	0.21
	Mortgage Real Estate Investment Trusts (REIT's)				
25,400	Annaly Capital Management Inc.	USA	USD	217,689	0.07
	Multiline Retail				
1,433	Next PLC	GBR	GBP	63,652	0.02
21,913	Marks & Spencer Group PLC	GBR	GBP	60,289	0.02
				123,941	0.04
	Multi-Utilities				
8,579	AGL Energy Ltd.	AUS	AUD	108,669	0.04
2,980	Centrica PLC	GBR	GBP	4,474	0.00
				113,143	0.04
	Oil, Gas & Consumable Fuels				
23,639	Equinor ASA	NOR	NOK	437,567	0.15
6,000	ConocoPhillips	USA	USD	326,497	0.11
8,861	Royal Dutch Shell PLC, A	GBR	GBP	227,568	0.08
2,500	Occidental Petroleum Corp.	USA	USD	133,924	0.05
3,000	HollyFrontier Corp.	USA	USD	133,845	0.05
2,514	Total SA	FRA	EUR	116,096	0.04
4,500	Suncor Energy Inc.	CAN	CAD	109,712	0.04
6,719	Eni SpA	ITA	EUR	92,639	0.03
19,300	JXTG Holdings Inc.	JPN	JPY	88,631	0.03
4,020	Lundin Petroleum AB	SWE	SEK	87,653	0.03
1,700	Marathon Petroleum Corp.	USA	USD	87,552	0.03
3,500	Canadian Natural Resources Ltd.	CAN	CAD	73,717	0.02
7,100	Husky Energy Inc.	CAN	CAD	64,056	0.02

The accompanying notes form an integral part of these financial statements

— Franklin Diversified Conservative Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Oil, Gas & Consumable Fuels (continued)				
4,400	Newfield Exploration Co.	USA	USD	56,296	0.02
				2,035,753	0.70
	Personal Products				
194	LG Household & Health Care Ltd.	KOR	KRW	167,382	0.06
	Pharmaceuticals				
3,431	Roche Holding AG	CHE	CHF	743,843	0.25
11,944	Novo Nordisk AS, B	DNK	DKK	478,766	0.16
28,000	Astellas Pharma Inc.	JPN	JPY	312,487	0.11
3,600	Shionogi & Co. Ltd.	JPN	JPY	179,771	0.06
4,800	Mylan NV	USA	USD	114,784	0.04
58,000	CSPC Pharmaceutical Group Ltd.	CHN	HKD	73,048	0.03
55	GlaxoSmithKline PLC	GBR	GBP	913	0.00
				1,903,612	0.65
	Professional Services				
2,500	Robert Half International Inc.	USA	USD	124,804	0.04
1,400	ManpowerGroup Inc.	USA	USD	79,176	0.03
3,700	Recruit Holdings Co. Ltd.	JPN	JPY	78,446	0.03
				282,426	0.10
	Real Estate Management & Development				
47,500	CK Asset Holdings Ltd.	HKG	HKD	303,354	0.10
6,400	CBRE Group Inc.	USA	USD	223,648	0.08
1,300	Daito Trust Construction Co. Ltd.	JPN	JPY	155,436	0.05
5,000	Daiwa House Industry Co. Ltd.	JPN	JPY	139,274	0.05
				821,712	0.28
	Semiconductors & Semiconductor Equipment				
9,160	Intel Corp.	USA	USD	375,178	0.13
12,100	Micron Technology Inc.	USA	USD	335,079	0.11
52,000	Taiwan Semiconductor Manufacturing Co. Ltd.	TWN	TWD	334,474	0.11
3,800	Texas Instruments Inc.	USA	USD	313,405	0.11
6,557	SK Hynix Inc.	KOR	KRW	310,871	0.11
1,900	Skyworks Solutions Inc.	USA	USD	111,135	0.04
500	Broadcom Inc.	USA	USD	110,962	0.04
900	Lam Research Corp.	USA	USD	106,958	0.04
950	KLA-Tencor Corp.	USA	USD	74,197	0.02
				2,072,259	0.71
	Software				
4,000	Intuit Inc.	USA	USD	687,205	0.24
5,600	Cadence Design Systems Inc.	USA	USD	212,505	0.07
2,300	Citrix Systems Inc.	USA	USD	205,671	0.07
				1,105,381	0.38
	Specialty Retail				
11,600	The TJX Cos. Inc.	USA	USD	452,945	0.15
1,900	The Home Depot Inc.	USA	USD	284,917	0.10
3,100	Ross Stores Inc.	USA	USD	225,100	0.08
200	AutoZone Inc.	USA	USD	146,333	0.05
3,000	Best Buy Co. Inc.	USA	USD	138,663	0.05
4,900	The Gap Inc.	USA	USD	110,162	0.04
5,914	Mr. Price Group Ltd.	ZAF	ZAR	88,423	0.03
5,545	Hennes & Mauritz AB, B	SWE	SEK	68,847	0.02
300	Ulta Beauty Inc.	USA	USD	64,106	0.02
				1,579,496	0.54
	Technology Hardware, Storage & Peripherals				
4,000	Apple Inc.	USA	USD	550,672	0.19
12,856	Samsung Electronics Co. Ltd., pfd.	KOR	KRW	319,866	0.11
14,200	HP Inc.	USA	USD	253,563	0.09
5,600	Seagate Technology PLC	USA	USD	188,605	0.06
4,200	Western Digital Corp.	USA	USD	135,516	0.04
9,300	Hewlett Packard Enterprise Co.	USA	USD	107,220	0.04
				1,555,442	0.53
	Textiles, Apparel & Luxury Goods				
3,000	NIKE Inc., B	USA	USD	194,118	0.07
393	Hermes International	FRA	EUR	190,526	0.06
8,749	Burberry Group PLC	GBR	GBP	168,993	0.06
1,000	Lululemon Athletica Inc.	USA	USD	106,136	0.04
3,000	Capri Holdings Ltd.	USA	USD	99,284	0.03
				759,057	0.26
	Tobacco				
4,000	Philip Morris International Inc.	USA	USD	233,060	0.08
3,766	Swedish Match AB	SWE	SEK	129,440	0.04
				362,500	0.12

The accompanying notes form an integral part of these financial statements

— Franklin Diversified Conservative Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Trading Companies & Distributors				
3,543	Ferguson PLC	CHE	GBP	197,834	0.07
1,700	United Rentals Inc.	USA	USD	152,122	0.05
2,800	Fastenal Co.	USA	USD	127,782	0.05
500	W.W. Grainger Inc.	USA	USD	123,215	0.04
				600,953	0.21
	Wireless Telecommunication Services				
26,200	NTT DoCoMo Inc.	JPN	JPY	515,844	0.17
19,100	KDDI Corp.	JPN	JPY	399,096	0.14
10,500	China Mobile Ltd.	CHN	HKD	88,181	0.03
				1,003,121	0.34
	TOTAL SHARES			34,533,762	11.81
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			50,067,788	17.13
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	INVESTMENTS FUNDS				
	Diversified Financial Services				
1,200	FTIF Templeton Emerging Markets Smaller Companies Fund, Class Y (Mdis) USD	LUX	USD	10,808	0.01
1,439	FTIF Templeton Emerging Markets Bond Fund, Class Y (Mdis) USD	LUX	USD	10,641	0.00
1,100	FTSIIF Franklin Emerging Market Corporate Debt Fund, Class Y (Mdis) EUR	LUX	EUR	10,417	0.00
				31,866	0.01
	TOTAL INVESTMENTS FUNDS			31,866	0.01
	BONDS				
	Corporate Bonds				
1,900,000	BNP Paribas SA, sub. bond, Reg S, 2.875% to 03/20/21, FRN thereafter, 03/20/26	FRA	EUR	1,961,968	0.67
1,670,000	AT&T Inc., senior note, 1.30%, 09/05/23	USA	EUR	1,687,811	0.58
1,600,000	Credit Agricole SA, senior note, Reg S, 0.875%, 01/19/22	FRA	EUR	1,625,688	0.56
1,630,000	Bank of America Corp., senior note, Reg S, 0.75%, 07/26/23	USA	EUR	1,618,240	0.55
1,600,000	Telefonica Emisiones SA, senior note, Reg S, 0.75%, 04/13/22	ESP	EUR	1,610,728	0.55
1,460,000	Wells Fargo & Co., senior note, Reg S, 2.00%, 07/28/25	USA	GBP	1,575,517	0.54
1,550,000	Anheuser-Busch InBev SA, senior note, Reg S, 0.875%, 03/17/22	BEL	EUR	1,565,500	0.54
1,430,000	The Goldman Sachs Group Inc., senior note, Reg S, 3.25%, 02/01/23	USA	EUR	1,549,033	0.53
1,566,000	Petroleos Mexicanos, senior note, Reg S, 2.50%, 08/21/21	MEX	EUR	1,545,008	0.53
1,680,000	Verizon Communications Inc., senior note, 3.00%, 11/01/21	USA	USD	1,459,784	0.50
1,400,000	BPCE SA, sub. bond, Reg S, 2.75% to 07/08/21, FRN thereafter, 07/08/26	FRA	EUR	1,445,843	0.49
1,380,000	Morgan Stanley, senior note, 1.875%, 03/30/23	USA	EUR	1,433,213	0.49
1,380,000	BP Capital Markets PLC, senior note, Reg S, 1.526%, 09/26/22	GBR	EUR	1,432,226	0.49
1,300,000	HSBC Holdings PLC, senior note, 2.172% to 06/27/22, FRN thereafter, 06/27/23	GBR	GBP	1,430,254	0.49
1,500,000	Lloyds Banking Group PLC, senior note, Reg S, 0.625% to 01/15/23, FRN thereafter, 01/15/24	GBR	EUR	1,429,860	0.49
1,390,000	Citigroup Inc., senior note, Reg S, 1.375%, 10/27/21	USA	EUR	1,428,016	0.49
1,530,000	Walmart Inc., senior note, 3.125%, 06/23/21	USA	USD	1,345,224	0.46
1,270,000	Shell International Finance BV, senior note, Reg S, 1.25%, 03/15/22	NLD	EUR	1,312,253	0.45
1,290,000	Intesa Sanpaolo SpA, senior note, Reg S, 2.00%, 06/18/21	ITA	EUR	1,310,330	0.45
1,330,000	BAT Capital Corp., senior note, Reg S, FRN, 0.184%, 08/16/21 †	GBR	EUR	1,305,302	0.45
1,330,000	General Electric Co., senior note, 0.375%, 05/17/22	USA	EUR	1,255,759	0.43
1,140,000	Barclays PLC, senior note, Reg S, FRN, 2.375%, 10/06/23 †	GBR	GBP	1,232,069	0.42
1,200,000	Bayer Capital Corp. BV, senior note, Reg S, 0.625%, 12/15/22	DEU	EUR	1,196,730	0.41
1,160,000	United Technologies Corp., senior note, 1.125%, 12/15/21	USA	EUR	1,180,689	0.40
1,150,000	Amgen Inc., senior note, 1.25%, 02/25/22	USA	EUR	1,175,996	0.40
1,140,000	Berkshire Hathaway Inc., senior note, 1.30%, 03/15/24	USA	EUR	1,168,660	0.40
1,094,000	Bank of America Corp., senior note, Reg S, FRN, 0.482%, 02/07/22 †	USA	EUR	1,095,105	0.37
1,066,000	Westpac Banking Corp., senior note, Reg S, 0.75%, 10/17/23	AUS	EUR	1,066,437	0.37
1,050,000	Commerzbank AG, secured note, Reg S, 0.625%, 05/28/25	DEU	EUR	1,063,986	0.36
920,000	Oracle Corp., senior bond, 3.125%, 07/10/25	USA	EUR	1,060,254	0.36
1,069,000	Morgan Stanley, senior note, FRN, 0.063%, 11/09/21 †	USA	EUR	1,056,332	0.36
1,210,000	Kraft Heinz Foods Co., senior note, 4.00%, 06/15/23	USA	USD	1,054,263	0.36
1,060,000	Enel Finance International NV, senior note, Reg S, 1.00%, 09/16/24	ITA	EUR	1,048,451	0.36
1,020,000	Hutchison Whampoa Finance 14 Ltd., senior note, Reg S, 1.375%, 10/31/21	HKG	EUR	1,046,831	0.36
850,000	AXA SA, junior sub. bond, Reg S, 3.875% to 10/07/25, FRN thereafter, Perpetual	FRA	EUR	866,103	0.30
909,992	Reynolds Group Issuer Inc./Reynolds Group Issuer LLC/Reynolds Group Issuer Luxembourg SA, senior secured note, first lien, 5.75%, 10/15/20	USA	USD	793,205	0.27
900,000	Centene Corp., senior note, 4.75%, 05/15/22	USA	USD	778,604	0.27
940,000	Freeport-McMoRan Inc., senior bond, 3.55%, 03/01/22	USA	USD	778,343	0.27
790,000	Grifols SA, senior note, Reg S, 3.20%, 05/01/25	ESP	EUR	777,640	0.27
710,000	Fiat Chrysler Finance Europe, senior note, Reg S, 4.75%, 07/15/22	ITA	EUR	774,575	0.27
900,000	Sprint Communications Inc., senior note, 6.00%, 11/15/22	USA	USD	772,776	0.26
940,000	Calpine Corp., senior note, 5.375%, 01/15/23	USA	USD	771,164	0.26
950,000	Bausch Health Cos. Inc., senior note, 144A, 5.875%, 05/15/23	USA	USD	770,041	0.26
870,000	The Chemours Co., senior note, 6.625%, 05/15/23	USA	USD	769,735	0.26
790,000	Netflix Inc., senior bond, 3.625%, 05/15/27	USA	EUR	768,496	0.26
750,000	Altice France SA, senior secured bond, first lien, Reg S, 5.625%, 05/15/24	FRA	EUR	756,548	0.26
800,000	NE Property Cooperatief UA, senior note, Reg S, 3.75%, 02/26/21	ROU	EUR	754,732	0.26
910,000	Wynn Las Vegas LLC/Wynn Las Vegas Capital Corp., senior bond, 144A, 5.50%, 03/01/25	USA	USD	742,582	0.25
600,000	Daimler AG, senior note, Reg S, FRN, 0.133%, 07/03/24 †	DEU	EUR	582,822	0.20
349,000	Sumitomo Mitsui Financial Group Inc., senior note, Reg S, FRN, 0.138%, 06/14/22 †	JPN	EUR	346,351	0.12
344,000	HSBC Holdings PLC, senior note, Reg S, FRN, 0.39%, 09/27/22 †	GBR	EUR	337,602	0.12
330,000	UBS Group Funding Switzerland AG, senior note, Reg S, FRN, 0.389%, 09/20/22 †	CHE	EUR	327,423	0.11

The accompanying notes form an integral part of these financial statements

— Franklin Diversified Conservative Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Corporate Bonds (continued)				
306,000	Mizuho Financial Group Inc., senior note, Reg S, FRN, 0.182%, 04/10/23 †	JPN	EUR	302,525	0.10
313,000	BNP Paribas SA, senior note, Reg S, FRN, 0.434%, 06/07/24 †	FRA	EUR	302,392	0.10
305,000	BNP Paribas SA, senior note, Reg S, FRN, 0.012%, 01/19/23 †	FRA	EUR	294,540	0.10
				59,141,559	20.23
	Government and Municipal Bonds				
4,816,000	Government of the Netherlands, Reg S, 0.25%, 07/15/25	NLD	EUR	4,888,168	1.67
4,553,000	Government of Austria, 144A, Reg S, 1.20%, 10/20/25	AUT	EUR	4,882,136	1.67
4,884,000	Governement of France, Reg S, Strip, 03/25/24	FRA	EUR	4,876,039	1.67
4,775,000	Government of Belgium, senior note, Reg S, 0.50%, 10/22/24	BEL	EUR	4,861,618	1.66
4,701,000	Government of Belgium, Reg S, 0.80%, 06/22/25	BEL	EUR	4,857,308	1.66
4,715,000	Government of Ireland, Reg S, 1.00%, 05/15/26	IRL	EUR	4,856,309	1.66
4,618,000	Government of Finland, senior bond, Reg S, 0.875%, 09/15/25	FIN	EUR	4,847,122	1.66
4,659,000	Government of Belgium, senior bond, Reg S, 1.00%, 06/22/26	BEL	EUR	4,839,047	1.65
4,250,000	Government of Belgium, Reg S, 2.60%, 06/22/24	BEL	EUR	4,831,612	1.65
3,618,000	Government of Austria, senior bond, Reg S, 4.85%, 03/15/26	AUT	EUR	4,827,099	1.65
4,127,000	Government of Ireland, Reg S, 3.40%, 03/18/24	IRL	EUR	4,822,173	1.65
3,975,000	Government of Spain, senior bond, Reg S, 5.40%, 01/31/23	ESP	EUR	4,816,011	1.65
4,299,000	Government of France, Reg S, 2.25%, 05/25/24	FRA	EUR	4,815,697	1.65
4,383,000	Government of Austria, senior bond, Reg S, 1.65%, 10/21/24	AUT	EUR	4,811,811	1.65
4,309,000	Government of Portugal, senior bond, 144A, Reg S, 2.875%, 10/15/25	PRT	EUR	4,798,459	1.64
4,449,000	Government of Portugal, senior note, 144A, Reg S, 2.20%, 10/17/22	PRT	EUR	4,798,247	1.64
3,712,000	Government of Belgium, senior bond, Reg S, 4.50%, 03/28/26	BEL	EUR	4,793,083	1.64
4,369,000	Government of France, Reg S, 1.75%, 11/25/24	FRA	EUR	4,790,740	1.64
3,789,000	Government of Portugal, senior bond, 144A, Reg S, 5.65%, 02/15/24	PRT	EUR	4,748,507	1.62
3,611,000	Government of Ireland, senior bond, 5.40%, 03/13/25	IRL	EUR	4,717,988	1.61
3,750,000	Government of Finland, 144A, Reg S, 4.00%, 07/04/25	FIN	EUR	4,705,781	1.61
3,950,000	Government of Spain, senior bond, Reg S, 4.40%, 10/31/23	ESP	EUR	4,703,403	1.61
3,870,000	Government of Portugal, senior bond, 144A, Reg S, 4.95%, 10/25/23	PRT	EUR	4,697,619	1.61
3,958,000	Government of Spain, senior bond, 144A, Reg S, 5.85%, 01/31/22	ESP	EUR	4,676,179	1.60
3,355,000	Government of France, 6.00%, 10/25/25	FRA	EUR	4,658,082	1.59
3,924,000	U.S. Treasury Bond, 6.375%, 08/15/27	USA	USD	4,405,105	1.51
4,990,000	Government of Australia, senior bond, Reg S, 4.25%, 04/21/26	AUS	AUD	3,489,256	1.19
3,107,000	Government of Mexico, senior note, 1.875%, 02/23/22	MEX	EUR	3,198,625	1.09
4,604,000	New Zealand Local Government Funding Agency Bond, senior note, 6.00%, 05/15/21	NZL	NZD	2,935,215	1.00
3,400,000	Government of Argentina, senior note, Reg S, 3.875%, 01/15/22	ARG	EUR	2,883,591	0.99
2,478,000	Government of the Hellenic Republic, Reg S, 3.50%, 01/30/23	GRC	EUR	2,507,624	0.86
2,382,000	Government of Mexico, senior note, 2.375%, 04/09/21	MEX	EUR	2,498,099	0.85
3,602,000	Government of New Zealand, senior bond, Reg S, 4.50%, 04/15/27	NZL	NZD	2,474,010	0.85
1,873,000	Government of Mexico, senior bond, 5.50%, 02/17/20	MEX	EUR	1,989,913	0.68
124,900,000	International Finance Corp., senior note, Reg S, 11.00%, 01/21/20	SP	RUB	1,611,797	0.55
1,509,000	Government of Indonesia, senior note, Reg S, 2.625%, 06/14/23	IDN	EUR	1,572,582	0.54
83,500,000	European Investment Bank, senior note, 5.50%, 07/28/21	SP	INR	1,003,519	0.34
71,070,000	Asian Development Bank, senior note, 6.45%, 08/08/21	SP	INR	876,226	0.30
49,300,000	Asian Development Bank, senior note, 6.00%, 02/24/21	SP	INR	602,980	0.21
695,000	Saudi Government International Bond, senior note, 144A, 2.875%, 03/04/23	SAU	USD	584,287	0.20
				152,553,067	52.17
	Securities Maturing Within One Year				
7,050,000	Italy Buoni Poliennali del Tesoro, senior note, 0.05%, 10/15/19	ITA	EUR	7,036,499	2.41
6,524,000	Italy Treasury Bond, senior note, 0.10%, 04/15/19	ITA	EUR	6,527,230	2.23
1,085,000	Hellenic Republic Treasury Bill, 0.00%, 06/14/19	GRC	EUR	1,080,638	0.37
				14,644,367	5.01
	TOTAL BONDS			226,338,993	77.41
	TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET			226,370,859	77.42
	TOTAL INVESTMENTS			276,438,647	94.55

† Floating Rates are indicated as at December 31, 2018

The accompanying notes form an integral part of these financial statements

— Franklin Diversified Dynamic Fund —

Schedule of Investments as of December 31, 2018

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	INVESTMENTS FUNDS				
	Diversified Financial Services				
105,194	Invesco S&P 500 UCITS ETF	USA	EUR	2,144,801	1.82
33,679	Vanguard S&P 500 UCITS ETF	USA	USD	1,398,760	1.19
				3,543,561	3.01
	TOTAL INVESTMENTS FUNDS			3,543,561	3.01
	SHARES				
	Aerospace & Defense				
81,000	Bombardier Inc., B	CAN	CAD	105,137	0.09
	Air Freight & Logistics				
1,269	Royal Mail PLC	GBR	GBP	3,843	0.00
	Airlines				
7,800	Delta Air Lines Inc.	USA	USD	339,693	0.29
3,000	United Continental Holdings Inc.	USA	USD	219,227	0.18
10,936	Deutsche Lufthansa AG	DEU	EUR	215,556	0.18
28,931	International Consolidated Airlines Group SA	GBR	EUR	200,203	0.17
5,200	Japan Airlines Co. Ltd.	JPN	JPY	161,118	0.14
				1,135,797	0.96
	Auto Components				
8,348	Magna International Inc.	CAN	CAD	330,780	0.28
3,000	Lear Corp.	USA	USD	321,679	0.27
				652,459	0.55
	Automobiles				
26,365	Peugeot SA	FRA	EUR	491,575	0.41
36,574	Fiat Chrysler Automobiles NV	GBR	EUR	460,255	0.39
8,700	Suzuki Motor Corp.	JPN	JPY	385,675	0.33
6,400	General Motors Co.	USA	USD	186,839	0.16
				1,524,344	1.29
	Banks				
463,100	Mizuho Financial Group Inc.	JPN	JPY	628,015	0.53
803,000	China Construction Bank Corp., H	CHN	HKD	578,162	0.49
48,830	UniCredit SpA	ITA	EUR	482,734	0.41
65,499	Standard Chartered PLC	GBR	GBP	444,173	0.38
132,700	Itausa-Investimentos Itau SA, pfd.	BRA	BRL	360,460	0.30
60,108	Bank Leumi Le-Israel BM	ISR	ILS	317,077	0.27
17,915	Danske Bank AS	DNK	DKK	310,409	0.26
10,100	Sumitomo Mitsui Financial Group Inc.	JPN	JPY	293,157	0.25
48,903	Bank Hapoalim BM	ISR	ILS	269,955	0.23
8,067	Societe Generale SA	FRA	EUR	224,424	0.19
401,000	China CITIC Bank Corp. Ltd., H	CHN	HKD	212,742	0.18
45,300	Resona Holdings Inc.	JPN	JPY	190,717	0.16
275,000	Bank of Communications Co. Ltd., H	CHN	HKD	187,273	0.16
286,500	China Minsheng Banking Corp. Ltd., H	CHN	HKD	172,433	0.15
				4,671,731	3.96
	Biotechnology				
9,000	AbbVie Inc.	USA	USD	724,132	0.61
4,366	CSL Ltd.	AUS	AUD	497,089	0.42
1,700	Biogen Inc.	USA	USD	446,469	0.38
7,400	Gilead Sciences Inc.	USA	USD	403,971	0.34
7,100	Celgene Corp.	USA	USD	397,136	0.34
1,800	United Therapeutics Corp.	USA	USD	171,077	0.15
				2,639,874	2.24
	Building Products				
1,600	Lennox International Inc.	USA	USD	305,617	0.26
	Capital Markets				
3,600	S&P Global Inc.	USA	USD	533,936	0.45
2,400	MSCI Inc.	USA	USD	308,808	0.26
10,599	Hargreaves Lansdown PLC	GBR	GBP	218,116	0.19
420,000	Yuanta Financial Holding Co. Ltd.	TWN	TWD	185,093	0.16
21,050	3i Group PLC	GBR	GBP	181,194	0.15
				1,427,147	1.21
	Chemicals				
14,300	LyondellBasell Industries NV, A	USA	USD	1,037,867	0.88
8,247	Covestro AG	DEU	EUR	356,473	0.30
102,600	Petronas Chemicals Group Bhd.	MYS	MYR	201,299	0.17
12,000	Tosoh Corp.	JPN	JPY	136,837	0.12
				1,732,476	1.47
	Communications Equipment				
2,600	F5 Networks Inc.	USA	USD	367,672	0.31
	Construction Materials				
53,500	Anhui Conch Cement Co. Ltd., H	CHN	HKD	226,589	0.19

The accompanying notes form an integral part of these financial statements

— Franklin Diversified Dynamic Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Consumer Finance				
7,500	Capital One Financial Corp.	USA	USD	494,785	0.42
17,000	Ally Financial Inc.	USA	USD	336,202	0.28
7,900	Synchrony Financial	USA	USD	161,751	0.14
				992,738	0.84
	Containers & Packaging				
6,400	International Paper Co.	USA	USD	225,436	0.19
	Diversified Consumer Services				
9,080	H&R Block Inc.	USA	USD	201,047	0.17
	Diversified Financial Services				
3,720	EXOR NV	NLD	EUR	176,259	0.15
13,200	ORIX Corp.	JPN	JPY	168,758	0.14
				345,017	0.29
	Diversified Telecommunication Services				
15,000	Verizon Communications Inc.	USA	USD	735,992	0.62
18,800	Nippon Telegraph & Telephone Corp.	JPN	JPY	670,981	0.57
102,540	BT Group PLC	GBR	GBP	271,731	0.23
86,850	Spark New Zealand Ltd.	NZL	NZD	211,167	0.18
				1,889,871	1.60
	Electric Utilities				
19,400	Exelon Corp.	USA	USD	763,606	0.65
8,700	PG&E Corp.	USA	USD	180,333	0.15
				943,939	0.80
	Entertainment				
15,500	Viacom Inc., B	USA	USD	347,661	0.30
748	NCsoft Corp.	KOR	KRW	273,446	0.23
3,541	UbiSoft Entertainment SA	FRA	EUR	249,570	0.21
				870,677	0.74
	Equity Real Estate Investment Trusts (REITs)				
9,800	Simon Property Group Inc.	USA	USD	1,436,815	1.22
17,200	Host Hotels & Resorts Inc.	USA	USD	250,239	0.21
				1,687,054	1.43
	Food & Staples Retailing				
27,154	Koninklijke Ahold Delhaize NV	NLD	EUR	599,424	0.51
25,962	Woolworths Group Ltd.	AUS	AUD	469,660	0.40
201,900	Wal-Mart de Mexico SAB de CV, V	MEX	MXN	448,178	0.38
3,700	Walmart Inc.	USA	USD	300,799	0.26
27,000	President Chain Store Corp.	TWN	TWD	239,517	0.20
8,600	The Kroger Co.	USA	USD	206,406	0.17
2,000	Walgreens Boots Alliance Inc.	USA	USD	119,270	0.10
				2,383,254	2.02
	Food Products				
176,000	Uni-President Enterprises Corp.	TWN	TWD	350,413	0.30
3,200	Tyson Foods Inc.	USA	USD	149,136	0.13
2,400	Nestle (Malaysia) Bhd.	MYS	MYR	74,712	0.06
				574,261	0.49
	Health Care Equipment & Supplies				
7,900	Hoya Corp.	JPN	JPY	416,138	0.35
5,018	Coloplast AS, B	DNK	DKK	407,372	0.35
2,634	Cochlear Ltd.	AUS	AUD	281,121	0.24
26,676	Fisher & Paykel Healthcare Corp. Ltd.	NZL	NZD	203,176	0.17
				1,307,807	1.11
	Health Care Providers & Services				
5,400	HCA Holdings Inc.	USA	USD	586,516	0.50
5,100	CVS Health Corp.	USA	USD	291,632	0.25
754	Cigna Corp.	USA	USD	125,067	0.10
				1,003,215	0.85
	Hotels, Restaurants & Leisure				
112,800	Sands China Ltd.	MAC	HKD	431,226	0.37
1,500	Domino's Pizza Inc.	USA	USD	324,651	0.27
1,700	Yum! Brands Inc.	USA	USD	136,380	0.12
				892,257	0.76
	Household Durables				
13,959	Persimmon PLC	GBR	GBP	299,846	0.25
11,300	PulteGroup Inc.	USA	USD	256,316	0.22
47,933	Barratt Developments PLC	GBR	GBP	246,896	0.21
151,439	Taylor Wimpey PLC	GBR	GBP	229,647	0.20
5,831	The Berkeley Group Holdings PLC	GBR	GBP	225,779	0.19
4,659	Pandora AS	DNK	DKK	166,006	0.14
				1,424,490	1.21

The accompanying notes form an integral part of these financial statements

— Franklin Diversified Dynamic Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Household Products				
28,670	Hindustan Unilever Ltd.	IND	INR	654,463	0.55
5,700	Kimberly-Clark Corp.	USA	USD	566,816	0.48
10,400	Colgate-Palmolive Co.	USA	USD	540,241	0.46
68,600	Unilever Indonesia Tbk PT	IDN	IDR	189,022	0.16
				1,950,542	1.65
	Industrial Conglomerates				
17,900	Toshiba Corp.	JPN	JPY	441,871	0.38
	Insurance				
7,900	Prudential Financial Inc.	USA	USD	562,267	0.48
9,800	Lincoln National Corp.	USA	USD	438,853	0.37
29,098	Manulife Financial Corp.	CAN	CAD	360,386	0.31
9,800	MetLife Inc.	USA	USD	351,185	0.30
1,800	Everest Re Group Ltd.	USA	USD	342,091	0.29
69,806	Aegon NV	NLD	EUR	284,739	0.24
7,700	American International Group Inc.	USA	USD	264,843	0.22
6,400	Athene Holding Ltd., A	USA	USD	222,475	0.19
8,489	Admiral Group PLC	GBR	GBP	193,402	0.16
31,100	BB Seguridade Participacoes SA	BRA	BRL	192,944	0.16
4,800	Brighthouse Financial Inc.	USA	USD	127,687	0.11
4,543	Industrial Alliance Insurance and Financial Services Inc.	CAN	CAD	126,562	0.11
				3,467,434	2.94
	Interactive Media & Services				
39,887	Auto Trader Group PLC	GBR	GBP	201,901	0.17
2,900	Autohome Inc., ADR	CHN	USD	197,999	0.17
6,500	Momo Inc., ADR	CHN	USD	134,731	0.11
				534,631	0.45
	IT Services				
8,700	Accenture PLC, A	USA	USD	1,070,682	0.91
38,328	Tata Consultancy Services Ltd.	IND	INR	910,222	0.77
7,100	International Business Machines Corp.	USA	USD	704,361	0.60
4,700	VeriSign Inc.	USA	USD	608,276	0.52
65,784	Infosys Ltd.	IND	INR	543,803	0.46
10,000	DXC Technology Co.	USA	USD	464,043	0.39
21,500	Western Union Co.	USA	USD	320,117	0.27
				4,621,504	3.92
	Leisure products				
5,800	Bandai Namco Holdings Inc.	JPN	JPY	227,465	0.19
	Machinery				
2,100	Snap-on Inc.	USA	USD	266,285	0.23
	Media				
10,357	ProSiebenSat.1 Media SE	DEU	EUR	160,845	0.14
	Metals & Mining				
22,877	ArcelorMittal	FRA	EUR	414,989	0.35
21,200	Teck Resources Ltd., B	CAN	CAD	398,391	0.34
12,739	Boliden AB	SWE	SEK	241,004	0.20
15,400	Freeport-McMoRan Inc.	USA	USD	138,570	0.12
3,800	Steel Dynamics Inc.	USA	USD	99,627	0.09
				1,292,581	1.10
	Mortgage Real Estate Investment Trusts (REIT's)				
55,700	Annaly Capital Management Inc.	USA	USD	477,373	0.41
	Multiline Retail				
3,076	Next PLC	GBR	GBP	136,633	0.12
47,056	Marks & Spencer Group PLC	GBR	GBP	129,464	0.11
				266,097	0.23
	Multi-Utilities				
18,423	AGL Energy Ltd.	AUS	AUD	233,362	0.20
6,194	Centrica PLC	GBR	GBP	9,300	0.01
				242,662	0.21
	Oil, Gas & Consumable Fuels				
52,200	Equinor ASA	NOR	NOK	966,241	0.82
13,100	ConocoPhillips	USA	USD	712,851	0.61
19,027	Royal Dutch Shell PLC, A	GBR	GBP	488,651	0.41
5,500	Occidental Petroleum Corp.	USA	USD	294,633	0.25
6,000	HollyFrontier Corp.	USA	USD	267,691	0.23
5,225	Total SA	FRA	EUR	241,290	0.21
9,800	Suncor Energy Inc.	CAN	CAD	238,928	0.20
14,430	Eni SpA	ITA	EUR	198,956	0.17
41,500	JXTG Holdings Inc.	JPN	JPY	190,581	0.16
3,700	Marathon Petroleum Corp.	USA	USD	190,554	0.16
8,356	Lundin Petroleum AB	SWE	SEK	182,196	0.15
7,500	Canadian Natural Resources Ltd.	CAN	CAD	157,964	0.13
15,100	Husky Energy Inc.	CAN	CAD	136,232	0.12

The accompanying notes form an integral part of these financial statements

— Franklin Diversified Dynamic Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Oil, Gas & Consumable Fuels (continued)				
9,100	Newfield Exploration Co.	USA	USD	116,430	0.10
				4,383,198	3.72
	Personal Products				
420	LG Household & Health Care Ltd.	KOR	KRW	362,373	0.31
	Pharmaceuticals				
7,368	Roche Holding AG	CHE	CHF	1,597,388	1.36
24,847	Novo Nordisk AS, B	DNK	DKK	995,972	0.84
60,300	Astellas Pharma Inc.	JPN	JPY	672,963	0.57
7,700	Shionogi & Co. Ltd.	JPN	JPY	384,510	0.33
10,400	Mylan NV	USA	USD	248,699	0.21
122,000	CSPC Pharmaceutical Group Ltd.	CHN	HKD	153,653	0.13
112	GlaxoSmithKline PLC	GBR	GBP	1,859	0.00
				4,055,044	3.44
	Professional Services				
5,200	Robert Half International Inc.	USA	USD	259,592	0.22
7,900	Recruit Holdings Co. Ltd.	JPN	JPY	167,493	0.14
2,900	ManpowerGroup Inc.	USA	USD	164,008	0.14
				591,093	0.50
	Real Estate Management & Development				
102,000	CK Asset Holdings Ltd.	HKG	HKD	651,413	0.55
13,800	CBRE Group Inc.	USA	USD	482,241	0.41
2,800	Daito Trust Construction Co. Ltd.	JPN	JPY	334,783	0.28
10,900	Daiwa House Industry Co. Ltd.	JPN	JPY	303,618	0.26
				1,772,055	1.50
	Semiconductors & Semiconductor Equipment				
19,893	Intel Corp.	USA	USD	814,783	0.69
112,000	Taiwan Semiconductor Manufacturing Co. Ltd.	TWN	TWD	720,405	0.61
26,000	Micron Technology Inc.	USA	USD	720,003	0.61
14,479	SK Hynix Inc.	KOR	KRW	686,457	0.58
8,200	Texas Instruments Inc.	USA	USD	676,296	0.58
2,100	Lam Research Corp.	USA	USD	249,570	0.21
1,100	Broadcom Inc.	USA	USD	244,116	0.21
4,000	Skyworks Solutions Inc.	USA	USD	233,968	0.20
1,941	KLA-Tencor Corp.	USA	USD	151,597	0.13
				4,497,195	3.82
	Software				
8,600	Intuit Inc.	USA	USD	1,477,492	1.26
11,900	Cadence Design Systems Inc.	USA	USD	451,572	0.38
4,900	Citrix Systems Inc.	USA	USD	438,169	0.37
				2,367,233	2.01
	Specialty Retail				
25,000	The TJX Cos. Inc.	USA	USD	976,174	0.83
4,100	The Home Depot Inc.	USA	USD	614,821	0.52
6,700	Ross Stores Inc.	USA	USD	486,507	0.41
6,591	Best Buy Co. Inc.	USA	USD	304,643	0.26
400	AutoZone Inc.	USA	USD	292,665	0.25
10,100	The Gap Inc.	USA	USD	227,069	0.19
12,291	Mr. Price Group Ltd.	ZAF	ZAR	183,769	0.16
700	Ulta Beauty Inc.	USA	USD	149,579	0.13
11,909	Hennes & Mauritz AB, B	SWE	SEK	147,863	0.12
				3,383,090	2.87
	Technology Hardware, Storage & Peripherals				
8,500	Apple Inc.	USA	USD	1,170,178	0.99
27,608	Samsung Electronics Co. Ltd., pfd.	KOR	KRW	686,907	0.58
30,500	HP Inc.	USA	USD	544,624	0.46
12,000	Seagate Technology PLC	USA	USD	404,154	0.35
9,200	Western Digital Corp.	USA	USD	296,844	0.25
20,000	Hewlett Packard Enterprise Co.	USA	USD	230,581	0.20
				3,333,288	2.83
	Textiles, Apparel & Luxury Goods				
6,600	NIKE Inc., B	USA	USD	427,059	0.36
846	Hermes International	FRA	EUR	410,141	0.35
18,184	Burberry Group PLC	GBR	GBP	351,237	0.30
2,200	Lululemon Athletica Inc.	USA	USD	233,498	0.20
6,800	Capri Holdings Ltd.	USA	USD	225,044	0.19
				1,646,979	1.40
	Tobacco				
8,600	Philip Morris International Inc.	USA	USD	501,079	0.42
7,830	Swedish Match AB	SWE	SEK	269,122	0.23
				770,201	0.65

The accompanying notes form an integral part of these financial statements

— Franklin Diversified Dynamic Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Trading Companies & Distributors				
7,608	Ferguson PLC	CHE	GBP	424,816	0.36
3,700	United Rentals Inc.	USA	USD	331,088	0.28
1,200	W.W. Grainger Inc.	USA	USD	295,717	0.25
5,800	Fastenal Co.	USA	USD	264,690	0.23
				1,316,311	1.12
	Wireless Telecommunication Services				
56,200	NTT DoCoMo Inc.	JPN	JPY	1,106,505	0.94
41,100	KDDI Corp.	JPN	JPY	858,788	0.73
23,000	China Mobile Ltd.	CHN	HKD	193,158	0.16
				2,158,451	1.83
	TOTAL SHARES			74,119,550	62.88
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			77,663,111	65.89
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	INVESTMENTS FUNDS				
	Diversified Financial Services				
1,200	FTIF Templeton Emerging Markets Smaller Companies Fund, Class Y (Mdis) USD	LUX	USD	10,808	0.01
1,440	FTIF Templeton Emerging Markets Bond Fund, Class Y (Mdis) USD	LUX	USD	10,641	0.01
627	FTIF Franklin High Yield Fund, Class Y (Mdis) USD	LUX	USD	4,805	0.00
				26,254	0.02
	TOTAL INVESTMENTS FUNDS			26,254	0.02
	BONDS				
	Corporate Bonds				
227,000	NE Property Cooperatief UA, senior note, Reg S, 3.75%, 02/26/21	ROU	EUR	214,155	0.18
209,000	Petroleos Mexicanos, senior note, Reg S, 2.50%, 08/21/21	MEX	EUR	206,198	0.17
131,000	AT&T Inc., senior note, 1.30%, 09/05/23	USA	EUR	132,397	0.11
121,000	Anheuser-Busch InBev SA, senior note, Reg S, 0.875%, 03/17/22	BEL	EUR	122,210	0.10
100,000	Oracle Corp., senior bond, 3.125%, 07/10/25	USA	EUR	115,245	0.10
130,000	Verizon Communications Inc., senior note, 3.00%, 11/01/21	USA	USD	112,959	0.10
107,000	BP Capital Markets PLC, senior note, Reg S, 1.526%, 09/26/22	GBR	EUR	111,049	0.09
100,000	HSBC Holdings PLC, senior note, 2.172% to 06/27/22, FRN thereafter, 06/27/23	GBR	GBP	110,020	0.09
100,000	Fiat Chrysler Finance Europe, senior note, Reg S, 4.75%, 07/15/22	ITA	EUR	109,095	0.09
100,000	Barclays PLC, senior note, Reg S, FRN, 2.375%, 10/06/23 †	GBR	GBP	108,076	0.09
100,000	Wells Fargo & Co., senior note, Reg S, 2.00%, 07/28/25	USA	GBP	107,912	0.09
100,000	Morgan Stanley, senior note, 1.875%, 03/30/23	USA	EUR	103,856	0.09
100,000	Shell International Finance BV, senior note, Reg S, 1.25%, 03/15/22	NLD	EUR	103,327	0.09
100,000	BPCE SA, sub. bond, Reg S, 2.75% to 07/08/21, FRN thereafter, 07/08/26	FRA	EUR	103,274	0.09
100,000	BNP Paribas SA, sub. bond, Reg S, 2.875% to 03/20/21, FRN thereafter, 03/20/26	FRA	EUR	103,261	0.09
117,000	Walmart Inc., senior note, 3.125%, 06/23/21	USA	USD	102,870	0.09
100,000	Citigroup Inc., senior note, Reg S, 1.375%, 10/27/21	USA	EUR	102,735	0.09
100,000	Hutchison Whampoa Finance 14 Ltd., senior note, Reg S, 1.375%, 10/31/21	HKG	EUR	102,630	0.09
100,000	Berkshire Hathaway Inc., senior note, 1.30%, 03/15/24	USA	EUR	102,514	0.09
100,000	Amgen Inc., senior note, 1.25%, 02/25/22	USA	EUR	102,260	0.09
104,000	BAT Capital Corp., senior note, Reg S, FRN, 0.184%, 08/16/21 †	GBR	EUR	102,069	0.09
100,000	AXA SA, junior sub. bond, Reg S, 3.875% to 10/07/25, FRN thereafter, Perpetual	FRA	EUR	101,894	0.09
100,000	United Technologies Corp., senior note, 1.125%, 12/15/21	USA	EUR	101,783	0.09
100,000	Credit Agricole SA, senior note, Reg S, 0.875%, 01/19/22	FRA	EUR	101,605	0.09
100,000	Intesa Sanpaolo SpA, senior note, Reg S, 2.00%, 06/18/21	ITA	EUR	101,576	0.09
100,000	Altice France SA, senior secured bond, first lien, Reg S, 5.625%, 05/15/24	FRA	EUR	100,873	0.09
100,000	Telefonica Emisiones SA, senior note, Reg S, 0.75%, 04/13/22	ESP	EUR	100,671	0.09
100,000	Westpac Banking Corp., senior note, Reg S, 0.75%, 10/17/23	AUS	EUR	100,041	0.08
100,000	Bayer Capital Corp. BV, senior note, Reg S, 0.625%, 12/15/22	DEU	EUR	99,728	0.08
100,000	Bank of America Corp., senior note, Reg S, 0.75%, 07/26/23	USA	EUR	99,279	0.08
100,000	Enel Finance International NV, senior note, Reg S, 1.00%, 09/16/24	ITA	EUR	98,911	0.08
100,000	Grifols SA, senior note, Reg S, 3.20%, 05/01/25	ESP	EUR	98,436	0.08
104,000	General Electric Co., senior note, 0.375%, 05/17/22	USA	EUR	98,195	0.08
90,000	The Goldman Sachs Group Inc., senior note, Reg S, 3.25%, 02/01/23	USA	EUR	97,492	0.08
100,000	Netflix Inc., senior bond, 3.625%, 05/15/27	USA	EUR	97,278	0.08
100,000	Lloyds Banking Group PLC, senior note, Reg S, 0.625% to 01/15/23, FRN thereafter, 01/15/24	GBR	EUR	95,324	0.08
90,000	Commerzbank AG, secured note, Reg S, 0.625%, 05/28/25	DEU	EUR	91,199	0.08
94,000	Kraft Heinz Foods Co., senior note, 4.00%, 06/15/23	USA	USD	81,901	0.07
70,745	Reynolds Group Issuer Inc./Reynolds Group Issuer LLC/Reynolds Group Issuer Luxembourg SA, senior secured note, first lien, 5.75%, 10/15/20	USA	USD	61,666	0.05
70,000	Sprint Communications Inc., senior note, 6.00%, 11/15/22	USA	USD	60,105	0.05
69,000	Centene Corp., senior note, 4.75%, 05/15/22	USA	USD	59,693	0.05
72,000	Freeport-McMoRan Inc., senior bond, 3.55%, 03/01/22	USA	USD	59,618	0.05
67,000	The Chemours Co., senior note, 6.625%, 05/15/23	USA	USD	59,278	0.05
73,000	Bausch Health Cos. Inc., senior note, 144A, 5.875%, 05/15/23	USA	USD	59,172	0.05
72,000	Calpine Corp., senior note, 5.375%, 01/15/23	USA	USD	59,068	0.05
70,000	Wynn Las Vegas LLC/Wynn Las Vegas Capital Corp., senior bond, 144A, 5.50%, 03/01/25	USA	USD	57,122	0.05
				4,620,020	3.92

The accompanying notes form an integral part of these financial statements

— Franklin Diversified Dynamic Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Government and Municipal Bonds				
2,165,000	Government of Argentina, senior note, Reg S, 3.875%, 01/15/22	ARG	EUR	1,836,169	1.56
1,021,000	Government of Mexico, senior note, 1.875%, 02/23/22	MEX	EUR	1,051,109	0.89
951,000	Government of the Hellenic Republic, Reg S, 3.50%, 01/30/23	GRC	EUR	962,369	0.82
56,410,000	Asian Development Bank, senior note, 6.45%, 08/08/21	SP	INR	695,482	0.59
648,000	Government of Mexico, senior note, 2.375%, 04/09/21	MEX	EUR	679,584	0.58
49,600,000	International Finance Corp., senior note, Reg S, 11.00%, 01/21/20	SP	RUB	640,073	0.54
513,000	Government of the Netherlands, Reg S, 0.25%, 07/15/25	NLD	EUR	520,687	0.44
485,000	Government of Austria, 144A, Reg S, 1.20%, 10/20/25	AUT	EUR	520,061	0.44
520,000	Governement of France, Reg S, Strip, 03/25/24	FRA	EUR	519,152	0.44
509,000	Government of Belgium, senior note, Reg S, 0.50%, 10/22/24	BEL	EUR	518,233	0.44
501,000	Government of Belgium, Reg S, 0.80%, 06/22/25	BEL	EUR	517,658	0.44
502,000	Government of Ireland, Reg S, 1.00%, 05/15/26	IRL	EUR	517,045	0.44
496,000	Government of Indonesia, senior note, Reg S, 2.625%, 06/14/23	IDN	EUR	516,899	0.44
492,000	Government of Finland, senior bond, Reg S, 0.875%, 09/15/25	FIN	EUR	516,411	0.44
496,000	Government of Belgium, senior bond, Reg S, 1.00%, 06/22/26	BEL	EUR	515,168	0.44
386,000	Government of Austria, senior bond, Reg S, 4.85%, 03/15/26	AUT	EUR	514,997	0.44
453,000	Government of Belgium, Reg S, 2.60%, 06/22/24	BEL	EUR	514,993	0.44
440,000	Government of Ireland, Reg S, 3.40%, 03/18/24	IRL	EUR	514,116	0.44
424,000	Government of Spain, senior bond, Reg S, 5.40%, 01/31/23	ESP	EUR	513,708	0.44
458,000	Government of France, Reg S, 2.25%, 05/25/24	FRA	EUR	513,047	0.43
467,000	Government of Austria, senior bond, Reg S, 1.65%, 10/21/24	AUT	EUR	512,689	0.43
396,000	Government of Belgium, senior bond, Reg S, 4.50%, 03/28/26	BEL	EUR	511,331	0.43
474,000	Government of Portugal, senior note, 144A, Reg S, 2.20%, 10/17/22	PRT	EUR	511,209	0.43
459,000	Government of Portugal, senior bond, 144A, Reg S, 2.875%, 10/15/25	PRT	EUR	511,138	0.43
466,000	Government of France, Reg S, 1.75%, 11/25/24	FRA	EUR	510,983	0.43
404,000	Government of Portugal, senior bond, 144A, Reg S, 5.65%, 02/15/24	PRT	EUR	506,307	0.43
385,000	Government of Ireland, senior bond, 5.40%, 03/13/25	IRL	EUR	503,026	0.43
400,000	Government of Finland, 144A, Reg S, 4.00%, 07/04/25	FIN	EUR	501,950	0.43
421,000	Government of Spain, senior bond, Reg S, 4.40%, 10/31/23	ESP	EUR	501,300	0.43
412,000	Government of Portugal, senior bond, 144A, Reg S, 4.95%, 10/25/23	PRT	EUR	500,108	0.42
422,000	Government of Spain, senior bond, 144A, Reg S, 5.85%, 01/31/22	ESP	EUR	498,572	0.42
358,000	Government of France, 6.00%, 10/25/25	FRA	EUR	497,047	0.42
660,000	New Zealand Local Government Funding Agency Bond, senior note, 6.00%, 05/15/21	NZL	NZD	420,774	0.36
290,000	Government of Australia, senior bond, Reg S, 4.25%, 04/21/26	AUS	AUD	202,782	0.17
				19,786,177	16.79
	Securities Maturing Within One Year				
699,000	Italy Buoni Poliennali del Tesoro, senior note, 0.05%, 10/15/19	ITA	EUR	697,661	0.59
417,000	Hellenic Republic Treasury Bill, 0.00%, 06/14/19	GRC	EUR	415,324	0.35
				1,112,985	0.94
	TOTAL BONDS			25,519,182	21.65
	TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET			25,545,436	21.67
	TOTAL INVESTMENTS			103,208,547	87.56

† Floating Rates are indicated as at December 31, 2018

The accompanying notes form an integral part of these financial statements

— Franklin Euro Government Bond Fund —

Schedule of Investments as of December 31, 2018

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	BONDS				
	Government and Municipal Bonds				
6,500,000	Italy Treasury Bond, senior bond, Reg S, 4.75%, 09/01/28	ITA	EUR	7,682,057	13.57
5,929,770	Government of Germany, Reg S, Index Linked, 1.75%, 04/15/20	DEU	EUR	6,100,399	10.78
6,000,000	Government of Spain, senior bond, Reg S, 1.40%, 04/30/28	ESP	EUR	6,027,870	10.65
4,100,000	Government of the Netherlands, Reg S, 0.50%, 07/15/26	NLD	EUR	4,209,921	7.44
2,500,000	Government of Germany, Reg S, 2.50%, 08/15/46	DEU	EUR	3,520,787	6.22
3,400,000	Italy Treasury Bond, 0.20%, 10/15/20	ITA	EUR	3,383,969	5.98
3,100,000	Government of Austria, senior bond, Reg S, 0.75%, 10/20/26	AUT	EUR	3,207,585	5.67
2,830,000	Government of Finland, Reg S, 0.375%, 09/15/20	FIN	EUR	2,875,039	5.08
2,700,000	Italy Buoni Poliennali del Tesoro, 0.95%, 03/01/23	ITA	EUR	2,633,999	4.65
2,400,000	Government of Belgium, Reg S, 1.25%, 04/22/33	BEL	EUR	2,413,836	4.27
1,700,000	Government of Germany, Reg S, 1.25%, 08/15/48	DEU	EUR	1,867,518	3.30
1,700,000	Government of Romania, Reg S, 2.875%, 05/26/28	ROU	EUR	1,704,293	3.01
1,600,000	Government of Lithuania, senior note, Reg S, 0.95%, 05/26/27	LTU	EUR	1,607,040	2.84
1,600,000	Government of Poland, Reg S, 0.875%, 05/10/27	POL	EUR	1,584,200	2.80
1,400,000	Government of Sweden, senior note, Reg S, 0.125%, 04/24/23	SWE	EUR	1,414,980	2.50
1,400,000	Bank Gospodarstwa Krajowego, senior bond, Reg S, 1.625%, 04/30/28	POL	EUR	1,378,566	2.44
1,100,000	Government of Latvia, senior note, Reg S, 1.125%, 05/30/28	LVA	EUR	1,110,203	1.96
1,100,000	Agence Francaise de Developpement, senior note, Reg S, 0.50%, 10/31/25	FRA	EUR	1,098,152	1.94
800,000	Government of Hungary, senior note, Reg S, 1.25%, 10/22/25	HUN	EUR	795,000	1.40
				54,615,414	96.50
	TOTAL BONDS			54,615,414	96.50
	TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET			54,615,414	96.50
	TOTAL INVESTMENTS			54,615,414	96.50

The accompanying notes form an integral part of these financial statements

— Franklin Euro High Yield Fund —

Schedule of Investments as of December 31, 2018

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	INVESTMENTS FUNDS				
	Diversified Financial Services				
75,000	iShares PLC - iShares Euro High Yield Corporate Bond UCITS ETF, Class EUR (Dist)	IRL	EUR	7,498,875	1.43
250,000	Franklin Liberty Euro Short Maturity UCITS ETF	IRL	EUR	6,235,625	1.19
				13,734,500	2.62
	TOTAL INVESTMENTS FUNDS			13,734,500	2.62
	SHARES				
	Air Freight & Logistics				
11,601	CEVA Logistics AG	CHE	CHF	307,234	0.06
	TOTAL SHARES			307,234	0.06
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			14,041,734	2.68
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	BONDS				
	Corporate Bonds				
9,000,000	Unitymedia Hessen GmbH & Co. KG/Unitymedia NRW GmbH, secured bond, Reg S, 4.00%, 01/15/25	DEU	EUR	9,292,140	1.78
8,550,000	WMG Acquisition Corp., senior secured note, first lien, Reg S, 4.125%, 11/01/24	USA	EUR	8,812,656	1.68
8,200,000	Barry Callebaut Services SA, senior note, 144A, 5.50%, 06/15/23	BEL	USD	7,366,796	1.41
6,700,000	UBS Group AG, junior sub. bond, 5.75% to 02/19/22, FRN thereafter, Perpetual	CHE	EUR	7,105,584	1.36
6,000,000	Enel SpA, sub. bond, Reg S, 6.625% to 09/15/21, FRN thereafter, 09/15/76	ITA	GBP	7,012,461	1.34
6,900,000	LSF10 Wolverine Investments SCA, secured note, Reg S, 5.00%, 03/15/24	DNK	EUR	6,531,954	1.25
5,900,000	Sealed Air Corp., senior note, Reg S, 4.50%, 09/15/23	USA	EUR	6,363,622	1.22
6,000,000	Kommunal Landspensjonskasse Gjensidig Forsikringsselskap, senior sub. bond, Reg S, 4.25% to 06/10/25, FRN thereafter, 06/10/45	NOR	EUR	6,202,530	1.19
6,000,000	Europcar Mobility Group, senior note, Reg S, 5.75%, 06/15/22	FRA	EUR	6,099,420	1.17
6,000,000	Grifols SA, senior note, Reg S, 3.20%, 05/01/25	ESP	EUR	5,906,130	1.13
6,000,000	Schoeller Allibert Group BV, senior secured note, first lien, Reg S, 8.00%, 10/01/21	NLD	EUR	5,812,500	1.11
5,500,000	Jaguar Land Rover Automotive PLC, senior note, Reg S, 5.00%, 02/15/22	GBR	GBP	5,694,840	1.09
6,000,000	Sabine Pass Liquefaction LLC, senior secured note, first lien, 5.625%, 02/01/21	USA	USD	5,396,398	1.03
5,500,000	Telecom Italia Mobile SpA, senior note, Reg S, 2.875%, 01/28/26	ITA	EUR	5,244,085	1.00
5,200,000	UGI International LLC, senior note, Reg S, 3.25%, 11/01/25	USA	EUR	5,224,700	1.00
5,100,000	Lincoln Finance Ltd., senior secured note, Reg S, 6.875%, 04/15/21	NLD	EUR	5,223,930	1.00
5,000,000	Repsol International Finance BV, junior sub., Reg S, 4.50% to 03/25/25, FRN thereafter, 03/25/75	ESP	EUR	5,132,050	0.98
5,000,000	Catalent Pharma Solutions Inc., senior note, Reg S, 4.75%, 12/15/24	USA	EUR	5,028,350	0.96
5,000,000	Crown European Holdings SA, senior note, Reg S, 2.625%, 09/30/24	USA	EUR	4,942,275	0.94
5,000,000	EDF SA, junior sub. bond, Reg S, 5.00% to 01/22/26, FRN thereafter, Perpetual	FRA	EUR	4,883,400	0.93
5,000,000	Playtech PLC, senior secured note, Reg S, 3.75%, 10/12/23	GBR	EUR	4,875,000	0.93
5,000,000	thyssenkrupp AG, senior note, Reg S, 1.375%, 03/03/22	DEU	EUR	4,873,175	0.93
4,900,000	Netflix Inc., senior bond, 3.625%, 05/15/27	USA	EUR	4,766,622	0.91
4,700,000	Darling Global Finance BV, senior note, Reg S, 3.625%, 05/15/26	USA	EUR	4,677,299	0.89
4,500,000	LimaCorporate SpA, senior secured note, Reg S, FRN, 3.75%, 08/15/23 †	ITA	EUR	4,459,950	0.85
4,000,000	Pinnacle Bidco PLC, senior secured note, first lien, Reg S, 6.375%, 02/15/25	GBR	GBP	4,435,684	0.85
5,000,000	Fresenius Medical Care U.S. Finance II Inc., senior note, 144A, 4.125%, 10/15/20	DEU	USD	4,344,672	0.83
4,000,000	MPT Operating Partnership LP/MPT Finance Corp., senior note, 4.00%, 08/19/22	USA	EUR	4,275,920	0.82
5,000,000	Casino Guichard Perrachon SA, senior bond, Reg S, 3.58%, 02/07/25	FRA	EUR	4,272,275	0.82
4,500,000	Telecom Italia SpA, cvt., senior note, Reg S, 1.125%, 03/26/22	ITA	EUR	4,226,490	0.81
5,000,000	Teva Pharmaceutical Finance Netherlands II BV, senior note, Reg S, 1.125%, 10/15/24	ISR	EUR	4,220,500	0.81
4,000,000	DEA Finance SA, senior note, Reg S, 7.50%, 10/15/22	DEU	EUR	4,204,180	0.80
4,000,000	Fresenius Finance BV, senior note, Reg S, 3.00%, 02/01/21	DEU	EUR	4,202,760	0.80
4,000,000	N&W Global Vending SpA, senior secured note, Reg S, 7.00%, 10/15/23	ITA	EUR	4,147,856	0.79
4,000,000	Auris Luxembourg II SA, senior note, Reg S, 8.00%, 01/15/23	DEU	EUR	4,093,460	0.78
4,000,000	Caixa Geral de Depositos SA, sub. note, Reg S, 5.75% to 06/28/23, FRN thereafter, 06/28/28	PRT	EUR	4,071,360	0.78
4,000,000	Origin Energy Finance Ltd., sub. bond, Reg S, 4.00% to 09/16/19, FRN thereafter, 09/16/74	AUS	EUR	4,049,860	0.77
5,000,000	Adient Global Holdings Ltd., senior note, Reg S, 3.50%, 08/15/24	USA	EUR	4,042,150	0.77
4,400,000	International Design Group SpA, senior secured note, Reg S, 6.50%, 11/15/25	ITA	EUR	4,026,000	0.77
4,000,000	INEOS Finance PLC, senior secured note, first lien, Reg S, 4.00%, 05/01/23	GBR	EUR	4,020,140	0.77
4,100,000	James Hardie International Finance Ltd., senior note, Reg S, 3.625%, 10/01/26	AUS	EUR	3,997,500	0.76
4,000,000	Axalta Coating Systems LLC, senior note, Reg S, 4.25%, 08/15/24	USA	EUR	3,976,820	0.76
4,000,000	Matterhorn Telecom SA, senior secured note, Reg S, 3.875%, 05/01/22	CHE	EUR	3,908,620	0.75
4,000,000	DEMIRE Deutsche Mittelstand Real Estate AG, senior note, Reg S, 2.875%, 07/15/22	DEU	EUR	3,904,060	0.75
4,200,000	Refinitiv U.S. Holdings Inc., senior note, Reg S, 6.875%, 11/15/26	USA	EUR	3,894,975	0.74
4,000,000	IQVIA Inc., senior note, Reg S, 2.875%, 09/15/25	USA	EUR	3,809,440	0.73
4,000,000	UniCredit SpA, junior sub. bond, Reg S, 6.625% to 06/03/23, FRN thereafter, Perpetual	ITA	EUR	3,773,240	0.72
4,000,000	CPI Property Group SA, sub. bond, Reg S, 4.375% to 11/08/23, FRN thereafter, Perpetual	CZE	EUR	3,733,420	0.71
4,000,000	Eagle Intermediate Global Holding BV/Ruyi US Finance LLC, senior note, Reg S, 5.375%, 05/01/23	CHN	EUR	3,696,460	0.71
4,000,000	Pro-Gest SpA, senior note, Reg S, 3.25%, 12/15/24	ITA	EUR	3,610,900	0.69
3,500,000	AXA SA, junior sub. bond, Reg S, 3.875% to 10/07/25, FRN thereafter, Perpetual	FRA	EUR	3,566,307	0.68
3,500,000	Teva Pharmaceutical Finance Netherlands II BV, senior note, 4.50%, 03/01/25	ISR	EUR	3,557,312	0.68
3,500,000	Nexi Capital SpA, senior secured note, Reg S, 4.125%, 11/01/23	ITA	EUR	3,476,042	0.66
3,500,000	Altice France SA/France, first lien, Reg S, 5.875%, 02/01/27	FRA	EUR	3,470,215	0.66
3,500,000	OI European Group BV, senior note, 3.125%, 11/15/24	USA	EUR	3,464,545	0.66
3,500,000	Avis Budget Finance PLC, senior note, Reg S, 4.75%, 01/30/26	USA	EUR	3,325,385	0.64
3,500,000	Nidda Healthcare Holding AG, secured note, Reg S, 3.50%, 09/30/24	DEU	EUR	3,316,250	0.63

The accompanying notes form an integral part of these financial statements

— Franklin Euro High Yield Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Corporate Bonds (continued)				
3,500,000	Groupe Ecore Holding SAS, senior secured note, Reg S, FRN, 6.25%, 11/15/23 †	LUX	EUR	3,290,000	0.63
4,000,000	Novafives SAS, secured note, Reg S, 5.00%, 06/15/25	FRA	EUR	3,235,500	0.62
4,000,000	Altice Finco SA, senior bond, Reg S, 4.75%, 01/15/28	LUX	EUR	3,211,500	0.61
3,000,000	Worldpay Finance PLC, senior note, Reg S, 3.75%, 11/15/22	GBR	EUR	3,175,170	0.61
3,000,000	Societe Generale SA, junior sub. bond, Reg S, 9.375% to 09/04/19, FRN thereafter, Perpetual	FRA	EUR	3,168,750	0.61
3,000,000	Assicurazioni Generali SpA, sub. bond, 5.50% to 10/27/27, FRN thereafter, 10/27/47	ITA	EUR	3,131,550	0.60
3,000,000	Casino Guichard Perrachon SA, senior note, Reg S, 5.976%, 05/26/21	FRA	EUR	3,083,715	0.59
3,000,000	Ardagh Packaging Finance PLC/Ardagh MP Holdings USA Inc., senior secured note, Reg S, 4.125%, 05/15/23	LUX	EUR	3,060,480	0.58
3,000,000	Cemex SAB de CV, senior secured note, first lien, Reg S, 4.375%, 03/05/23	MEX	EUR	3,043,410	0.58
3,000,000	Quintiles IMS Inc., senior note, Reg S, 3.50%, 10/15/24	USA	EUR	3,032,295	0.58
3,000,000	Schaeffler Finance BV, senior secured note, Reg S, 2.50%, 05/15/20	DEU	EUR	3,015,405	0.58
3,000,000	Danske Bank AS, junior sub. bond, Reg S, 5.875% to 04/06/22, FRN thereafter, Perpetual	DNK	EUR	3,015,270	0.58
2,950,000	NEW Areva Holding SA, senior bond, 4.875%, 09/23/24	FRA	EUR	2,930,677	0.56
3,000,000	SoftBank Group Corp., senior bond, Reg S, 5.00%, 04/15/28	JPN	EUR	2,916,255	0.56
3,000,000	LKQ European Holdings BV, senior note, Reg S, 3.625%, 04/01/26	USA	EUR	2,913,090	0.56
3,000,000	ATF Netherlands BV, senior note, Reg S, 1.50%, 07/15/24	DEU	EUR	2,911,455	0.56
3,000,000	Odyssey Europe Holdco S. à r.l., Reg S, 8.00%, 05/15/23	EST	EUR	2,902,500	0.55
3,200,000	Grand City Properties SA, sub. bond, Reg S, 2.50% to 10/24/23, FRN thereafter, Perpetual	DEU	EUR	2,817,424	0.54
3,500,000	Altice Luxembourg SA, senior bond, Reg S, 6.25%, 02/15/25	FRA	EUR	2,797,865	0.53
3,000,000	La Financiere Atalian SASU, senior note, Reg S, 6.625%, 05/15/25	FRA	GBP	2,764,904	0.53
2,500,000	Fiat Chrysler Finance Europe, senior note, Reg S, 4.75%, 07/15/22	ITA	EUR	2,727,375	0.52
3,000,000	Energo-Pro AS, senior note, Reg S, 4.50%, 05/04/24	CZE	EUR	2,707,155	0.52
3,000,000	ArcelorMittal, senior note, 5.50%, 03/01/21	FRA	USD	2,701,113	0.52
2,500,000	DKT Finance ApS, senior note, first lien, Reg S, 7.00%, 06/17/23	DNK	EUR	2,643,612	0.51
2,600,000	Schaeffler Verwaltung Zwei GmbH, senior secured note, first lien, Reg S, PIK, 2.75%, 09/15/21 ‡	DEU	EUR	2,583,594	0.49
3,000,000	Hema Bondco I BV, senior secured note, first lien, Reg S, FRN, 6.25%, 07/15/22 †	NLD	EUR	2,558,910	0.49
2,500,000	Miller Homes Group Holdings PLC, secured note, Reg S, 5.50%, 10/15/24	GBR	GBP	2,547,203	0.49
2,500,000	Cemex Finance LLC, senior secured note, Reg S, 4.625%, 06/15/24	MEX	EUR	2,525,187	0.48
2,400,000	Naturgy Finance BV, junior sub. bond, Reg S, 4.125% to 11/18/22, FRN thereafter, Perpetual	ESP	EUR	2,457,444	0.47
2,500,000	EDF SA, junior sub. bond, 4.00% to 10/04/24, FRN thereafter, Perpetual	FRA	EUR	2,430,250	0.46
2,500,000	Unione di Banche Italiane SpA, sub. bond, Reg S, 4.45% to 09/14/22, FRN thereafter, 09/15/27	ITA	EUR	2,426,988	0.46
2,500,000	ProGroup AG, secured note, Reg S, 3.00%, 03/31/26	DEU	EUR	2,410,413	0.46
2,000,000	Koninklijke KPN NV, senior sub. bond, Reg S, 6.875% to 03/14/20, FRN thereafter, 03/14/73	NLD	GBP	2,322,117	0.44
2,500,000	Fresenius Medical Care U.S. Finance II Inc., senior note, 144A, 4.75%, 10/15/24	DEU	USD	2,196,882	0.42
2,750,000	Rekeep SpA, secured note, Reg S, 9.00%, 06/15/22	ITA	EUR	2,160,345	0.41
2,000,000	Telefonica Europe BV, junior sub. note, Reg S, 5.875% to 03/31/24, FRN thereafter, Perpetual	ESP	EUR	2,135,510	0.41
2,200,000	Equinix Inc., senior note, 2.875%, 10/01/25	USA	EUR	2,113,980	0.40
2,000,000	Bacardi Ltd., senior note, Reg S, 2.75%, 07/03/23	BMU	EUR	2,107,820	0.40
2,000,000	HSBC Holdings PLC, sub. note, Reg S, 3.00%, 06/30/25	GBR	EUR	2,100,090	0.40
2,000,000	Vantiv LLC/Vanity Issuer Corp., senior note, Reg S, 3.875%, 11/15/25	USA	GBP	2,097,997	0.40
2,000,000	Commerzbank AG, sub. note, Reg S, 4.00%, 03/23/26	DEU	EUR	2,075,770	0.40
2,000,000	Swiss Life AG via Demeter Investment, sub. bond, Reg S, 4.375% to 06/16/25, FRN thereafter, Perpetual	CHE	EUR	2,068,630	0.40
2,000,000	ELM BV for Swiss Life Insurance and Pension Group., sub. bond, Reg S, 4.50% to 05/19/27, FRN thereafter, Perpetual	CHE	EUR	2,061,000	0.39
2,000,000	Tesco Corporate Treasury Services PLC, senior note, Reg S, 2.50%, 07/01/24	GBR	EUR	2,046,220	0.39
2,000,000	Tenneco Inc., secured note, Reg S, 4.875%, 04/15/22	USA	EUR	2,041,250	0.39
2,000,000	Merlin Entertainments PLC, senior note, Reg S, 2.75%, 03/15/22	GBR	EUR	2,031,790	0.39
2,000,000	El Corte Ingles SA, senior note, Reg S, 3.00%, 03/15/24	ESP	EUR	2,020,000	0.39
2,000,000	Intesa Sanpaolo SpA, sub. bond, Reg S, 3.928%, 09/15/26	ITA	EUR	2,006,216	0.38
2,000,000	Smurfit Kappa Acquisitions ULC, senior note, 2.875%, 01/15/26	IRL	EUR	1,987,340	0.38
2,000,000	Perstorp Holding AB, secured note, Reg S, 4.25%, 09/15/22	SWE	EUR	1,986,470	0.38
2,000,000	Piaggio & C SpA, senior note, Reg S, 3.625%, 04/30/25	ITA	EUR	1,985,000	0.38
2,000,000	Promontoria Holding 264 BV, secured note, Reg S, FRN, 6.25%, 08/15/23 †	NLD	EUR	1,980,710	0.38
2,250,000	Nidda BondCo GmbH, senior note, Reg S, 5.00%, 09/30/25	DEU	EUR	1,979,719	0.38
2,000,000	INEOS Group Holdings SA, senior note, Reg S, 5.375%, 08/01/24	GBR	EUR	1,963,700	0.38
2,000,000	Schaeffler Verwaltung Zwei GmbH, senior secured note, first lien, Reg S, PIK, 3.25%, 09/15/23 ‡	DEU	EUR	1,961,800	0.37
2,000,000	Teva Pharmaceutical Finance Netherlands II BV, senior note, Reg S, 0.375%, 07/25/20	ISR	EUR	1,955,350	0.37
2,000,000	Platin 1426 GmbH, senior note, Reg S, 6.875%, 06/15/23	DEU	EUR	1,934,670	0.37
2,000,000	LKQ European Holdings BV, senior note, Reg S, 4.125%, 04/01/28	USA	EUR	1,921,770	0.37
2,000,000	WEPA Hygieneprodukte GmbH, senior secured note, first lien, Reg S, 3.75%, 05/15/24	DEU	EUR	1,903,240	0.36
2,000,000	Equinix Inc., senior note, 2.875%, 02/01/26	USA	EUR	1,902,920	0.36
2,000,000	The Chemours Co., senior note, 4.00%, 05/15/26	USA	EUR	1,899,300	0.36
2,000,000	Bausch Health Cos. Inc., senior note, Reg S, 4.50%, 05/15/23	CAN	EUR	1,897,740	0.36
2,100,000	Kraton Polymers LLC / Kraton Polymers Capital Corp., senior note, Reg S, 5.25%, 05/15/26	USA	EUR	1,895,450	0.36
2,000,000	Intesa Sanpaolo Vita SpA, sub. note, Reg S, 4.75% to 12/17/24, FRN thereafter, Perpetual	ITA	EUR	1,890,560	0.36
2,000,000	Volvo Car AB, senior note, Reg S, 2.00%, 01/24/25	SWE	EUR	1,880,650	0.36
2,000,000	Adler Pelzer Holding GmbH, senior secured note, Reg S, 4.125%, 04/01/24	DEU	EUR	1,848,640	0.35
2,000,000	Unilabs Subholding AB, senior note, Reg S, 5.75%, 05/15/25	SWE	EUR	1,816,350	0.35
2,000,000	Coty Inc., senior note, Reg S, 4.75%, 04/15/26	USA	EUR	1,743,000	0.33

The accompanying notes form an integral part of these financial statements

— Franklin Euro High Yield Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Corporate Bonds (continued)				
2,000,000	Raffinerie Heide GmbH, secured note, Reg S, 6.375%, 12/01/22	DEU	EUR	1,718,730	0.33
2,500,000	Thomas Cook Finance 2 PLC, senior note, Reg S, 3.875%, 07/15/23	GBR	EUR	1,716,100	0.33
1,700,000	ADLER Real Estate AG, senior note, Reg S, 1.50%, 12/06/21	DEU	EUR	1,657,942	0.32
1,750,000	Kaefer Isoliertechnik GmbH & Co. KG, secured note, Reg S, 5.50%, 01/10/24	DEU	EUR	1,635,393	0.31
1,700,000	Telefonica Europe BV, junior sub. note, Reg S, 3.00% to 12/03/23, FRN thereafter, Perpetual	ESP	EUR	1,582,267	0.30
1,800,000	La Financiere Atalian SASU, Reg S, 5.125%, 05/15/25	FRA	EUR	1,503,216	0.29
1,500,000	MPT Operating Partnership LP/MPT Finance Corp., senior note, 3.325%, 03/24/25	USA	EUR	1,500,405	0.29
1,500,000	Energo-Pro AS, senior note, Reg S, 4.00%, 12/07/22	CZE	EUR	1,436,250	0.27
2,000,000	Galapagos SA, senior secured note, Reg S, 5.375%, 06/15/21	DEU	EUR	1,421,670	0.27
1,500,000	International Design Group SpA, senior secured note, Reg S, FRN, 6.00%, 11/15/25 †	ITA	EUR	1,417,500	0.27
1,500,000	PVH Corp., senior note, Reg S, 3.125%, 12/15/27	USA	EUR	1,403,805	0.27
1,500,000	Wind Tre SpA, secured note, Reg S, 3.125%, 01/20/25	ITA	EUR	1,340,970	0.26
1,300,000	Telefonica Europe BV, junior sub. bond, 3.75% to 03/15/22, FRN thereafter, Perpetual	ESP	EUR	1,312,363	0.25
1,500,000	CMA CGM SA, senior note, Reg S, 5.25%, 01/15/25	FRA	EUR	1,259,138	0.24
1,150,000	InterGen NV, secured note, Reg S, 7.50%, 06/30/21	NLD	GBP	1,254,108	0.24
1,200,000	Quintiles IMS Inc., senior note, Reg S, 3.25%, 03/15/25	USA	EUR	1,178,190	0.23
1,100,000	Volvo Car AB, senior note, Reg S, 3.25%, 05/18/21	SWE	EUR	1,149,979	0.22
1,300,000	NE Property Cooperatief UA, senior note, Reg S, 1.75%, 11/23/24	ROU	EUR	1,089,934	0.21
1,000,000	GE Capital European Funding Unlimited Co., senior bond, 4.35%, 11/03/21	USA	EUR	1,081,115	0.21
1,400,000	InterGen NV, secured bond, 144A, 7.00%, 06/30/23	NLD	USD	1,052,322	0.20
1,000,000	GE Capital European Funding Unlimited Co., senior bond, 5.375%, 01/23/20	USA	EUR	1,050,120	0.20
1,000,000	Schaeffler Finance BV, senior secured bond, Reg S, 3.25%, 05/15/25	DEU	EUR	1,021,960	0.20
1,000,000	Banco Santander SA, junior sub. bond, Reg S, 6.75% to 04/25/22, FRN thereafter, Perpetual	ESP	EUR	1,016,895	0.19
1,000,000	Axalta Coating Systems Dutch Holding B BV, senior note, Reg S, 3.75%, 01/15/25	USA	EUR	966,670	0.18
1,000,000	Schaeffler Verwaltung Zwei GmbH, senior secured note, first lien, Reg S, PIK, 3.75%, 09/15/26 ‡	DEU	EUR	960,630	0.18
1,000,000	UniCredit SpA, junior sub. bond, Reg S, 6.75% to 09/10/21, FRN thereafter, Perpetual	ITA	EUR	958,020	0.18
1,000,000	Selecta Group BV, secured note, Reg S, 5.875%, 02/01/24	CHE	EUR	945,500	0.18
1,000,000	SoftBank Group Corp., senior note, Reg S, 3.125%, 09/19/25	JPN	EUR	922,775	0.18
779,000	Intesa Sanpaolo SpA, sub. note, Reg S, 6.625%, 09/13/23	ITA	EUR	884,991	0.17
1,000,000	La Financiere Atalian SASU, senior note, Reg S, 4.00%, 05/15/24	FRA	EUR	820,400	0.16
750,000	Altice Luxembourg SA, senior note, Reg S, 7.25%, 05/15/22	FRA	EUR	699,990	0.13
600,000	Fiat Chrysler Finance Europe, senior note, Reg S, 4.75%, 03/22/21	ITA	EUR	642,042	0.12
600,000	Perstorp Holding AB, first lien, Reg S, 7.625%, 06/30/21	SWE	EUR	621,300	0.12
817,000	Galapagos SA, senior secured note, Reg S, FRN, 4.439%, 06/15/21 †	DEU	EUR	568,714	0.11
1,000,000	Moby SpA, senior note, first lien, Reg S, 7.75%, 02/15/23	ITA	EUR	418,715	0.08
3,000,000	Abengoa Finance SAU, senior bond, Reg S, zero cpn., 03/31/27	ESP	EUR	18,750	0.00
3,368,916	K2016470219 South Africa Ltd., senior secured note, Reg S, PIK, 3.00%, 12/31/22 ‡	ZAF	USD	3,675	0.00
				475,331,664	90.82
	Securities Maturing Within One Year				
4,000,000	Banco BPM SpA, senior note, Reg S, 3.50%, 03/14/19	ITA	EUR	4,022,300	0.77
2,000,000	Fiat Chrysler Finance Europe, senior note, Reg S, 6.75%, 10/14/19	ITA	EUR	2,098,750	0.40
				6,121,050	1.17
	TOTAL BONDS			481,452,714	91.99
	TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET			481,452,714	91.99
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET				
	SHARES				
	Specialty Retail				
43,144,236	K2016470219 South Africa Ltd., A **	ZAF	ZAR	26,206	0.01
24,182,306	K2016470219 South Africa Ltd., B **	ZAF	ZAR	14,689	0.00
				40,895	0.01
	TOTAL SHARES			40,895	0.01
	BONDS				
	Corporate Bonds				
118,753	Astana Finance JSC, secured note, Reg S, zero cpn., 12/22/24 **	KAZ	USD	1,036	0.00
	TOTAL BONDS			1,036	0.00
	TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET			41,931	0.01
	TOTAL INVESTMENTS			495,536,379	94.68

† Floating Rates are indicated as at December 31, 2018
‡ Income may be received in additional securities and/or cash
** These securities are submitted to a Fair Valuation

The accompanying notes form an integral part of these financial statements

— Franklin Euro Short Duration Bond Fund —

Schedule of Investments as of December 31, 2018

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	INVESTMENTS FUNDS				
	Diversified Financial Services				
220,000	Franklin Liberty Euro Short Maturity UCITS ETF	IRL	EUR	5,487,350	4.45
	TOTAL INVESTMENTS FUNDS			5,487,350	4.45
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			5,487,350	4.45
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	BONDS				
	Corporate Bonds				
2,700,000	Lloyds Bank PLC, secured note, Reg S, 1.375%, 04/16/22	GBR	EUR	2,782,701	2.26
2,700,000	Bank of Nova Scotia, secured note, Reg S, 0.75%, 09/17/22	CAN	EUR	2,756,281	2.24
1,800,000	Reseau Ferre de France, senior note, Reg S, 0.10%, 05/27/21	FRA	EUR	1,813,230	1.47
1,800,000	Sanofi, senior note, Reg S, FRN, 0.00%, 03/21/20 †	FRA	EUR	1,803,384	1.46
1,800,000	Toyota Motor Credit Corp., senior note, Reg S, zero cpn., 07/21/21	USA	EUR	1,796,670	1.46
1,700,000	America Movil SAB de CV, cvt., senior note, Reg S, zero cpn., 05/28/20	MEX	EUR	1,678,172	1.36
1,600,000	Westpac Securities New Zealand Ltd., secured note, Reg S, 0.125%, 06/16/22	NZL	EUR	1,602,584	1.30
1,600,000	Australia & New Zealand Banking Group Ltd., secured note, 0.25%, 11/29/23	AUS	EUR	1,601,112	1.30
1,500,000	Engie SA, junior sub. bond, Reg S, 3.00% to 06/02/19, FRN thereafter, Perpetual	FRA	EUR	1,513,177	1.23
1,500,000	Takeda Pharmaceutical Co. Ltd., senior note, Reg S, 0.375%, 11/21/20	JPN	EUR	1,499,617	1.22
1,475,000	Sumitomo Mitsui Banking Corp., senior note, Reg S, FRN, 0.182%, 07/13/20 †	JPN	EUR	1,477,139	1.20
1,200,000	Total SA, junior sub. bond, Reg S, 2.25% to 02/26/21, FRN thereafter, Perpetual	FRA	EUR	1,212,966	0.98
1,200,000	Nordea Mortgage Bank PLC, secured note, Reg S, 0.125%, 06/17/20	FIN	EUR	1,206,360	0.98
1,200,000	Bank of Montreal, senior note, Reg S, FRN, 0.191%, 09/28/21 †	CAN	EUR	1,205,268	0.98
1,200,000	Santander UK PLC, Reg S, 0.375%, 09/18/20	GBR	EUR	1,204,854	0.98
1,200,000	Mitsubishi UFJ Financial Group Inc., senior note, Reg S, 0.98%, 10/09/23	JPN	EUR	1,201,362	0.97
1,200,000	Sparebank 1 OestLandet, senior note, Reg S, 0.875%, 03/13/23	NOR	EUR	1,200,372	0.97
1,200,000	The Goldman Sachs Group Inc., senior note, Reg S, FRN, 0.139%, 12/16/20 †	USA	EUR	1,194,258	0.97
1,200,000	UBS Group Funding Switzerland AG, senior note, Reg S, FRN, 0.389%, 09/20/22 †	CHE	EUR	1,190,628	0.97
1,200,000	Citigroup Inc., senior note, Reg S, FRN, 0.191%, 03/21/23 †	USA	EUR	1,177,176	0.95
1,200,000	BPCE SA, senior note, Reg S, FRN, 0.19%, 03/23/23 †	FRA	EUR	1,160,796	0.94
1,200,000	Ford Motor Credit Co. LLC, senior note, FRN, 0.054%, 12/01/21 †	USA	EUR	1,118,454	0.91
1,000,000	Vodafone Group PLC, cvt., senior note, Reg S, zero cpn., 11/26/20	GBR	GBP	1,079,522	0.88
1,000,000	Glencore Finance Europe Ltd., senior note, Reg S, 3.70%, 10/23/23	CHE	EUR	1,060,230	0.86
1,050,000	Natwest Markets PLC, senior note, Reg S, FRN, 0.59%, 09/27/21 †	GBR	EUR	1,035,242	0.84
10,000,000	SSB Boligkreditt AS, secured note, FRN, 1.49%, 09/03/21 †	NOR	NOK	1,011,800	0.82
1,000,000	Allianz Finance II BV, senior note, Reg S, FRN, 0.184%, 12/07/20 †	DEU	EUR	1,006,775	0.82
1,000,000	Bayer AG, junior sub. bond, Reg S, 3.00% to 07/01/25, FRN thereafter, 07/01/75	DEU	EUR	998,350	0.81
1,000,000	CaixaBank SA, senior note, Reg S, 1.75%, 10/24/23	ESP	EUR	994,785	0.81
900,000	Sumitomo Mitsui Trust Bank Ltd., senior note, Reg S, FRN, 0.19%, 09/25/20 †	JPN	EUR	904,311	0.73
800,000	Orange SA, cvt., senior note, Reg S, 0.375%, 06/27/21	FRA	GBP	863,689	0.70
857,000	NE Property Cooperatief UA, senior note, Reg S, 3.75%, 02/26/21	ROU	EUR	808,507	0.66
700,000	Allergan Funding SCS, senior note, FRN, 0.034%, 11/15/20 †	USA	EUR	697,830	0.57
600,000	Bacardi Ltd., senior note, Reg S, 2.75%, 07/03/23	BMU	EUR	632,346	0.51
600,000	Danske Bank AS, junior sub. bond, Reg S, 5.75% to 10/06/67, FRN thereafter, Perpetual	DNK	EUR	591,789	0.48
600,000	ArcelorMittal, senior note, Reg S, 0.95%, 01/17/23	FRA	EUR	581,877	0.47
500,000	UBS Group AG, junior sub. bond, 5.75% to 02/19/22, FRN thereafter, Perpetual	CHE	EUR	530,267	0.43
500,000	CPI Property Group SA, senior note, Reg S, 1.45%, 04/14/22	CZE	EUR	494,215	0.40
500,000	ADLER Real Estate AG, senior note, Reg S, 1.50%, 12/06/21	DEU	EUR	487,630	0.40
400,000	Casino Guichard Perrachon SA, senior note, 5.244%, 03/09/20	FRA	EUR	410,282	0.33
400,000	Lincoln Finance Ltd., senior secured note, Reg S, 6.875%, 04/15/21	NLD	EUR	409,720	0.33
300,000	EDF SA, junior sub. bond, Reg S, 4.125% to 01/22/22, FRN thereafter, Perpetual	FRA	EUR	306,512	0.25
				48,302,240	39.20
	Government and Municipal Bonds				
11,800,000	Government of the Netherlands, Reg S, 1.75%, 07/15/23	NLD	EUR	12,900,291	10.47
12,800,000	Italy Treasury Bond, 0.20%, 10/15/20	ITA	EUR	12,739,648	10.34
6,842,042	Government of Germany, Reg S, Index Linked, 1.75%, 04/15/20	DEU	EUR	7,038,922	5.71
3,000,000	Government of Sweden, senior note, Reg S, 0.125%, 04/24/23	SWE	EUR	3,032,100	2.46
2,700,000	Latvia Government International Bond, senior note, Reg S, 0.50%, 12/15/20	LVA	EUR	2,729,025	2.21
2,500,000	Government of Indonesia, senior note, Reg S, 2.875%, 07/08/21	IDN	EUR	2,633,250	2.14
2,300,000	Kreditanstalt fuer Wiederaufbau, senior note, 3.625%, 01/20/20	DEU	EUR	2,399,360	1.95
1,800,000	Government of Belgium, senior bond, Reg S, 144A, 4.25%, 09/28/22	BEL	EUR	2,107,233	1.71
1,700,000	Government of Morocco, senior note, Reg S, 4.50%, 10/05/20	MAR	EUR	1,819,952	1.48
1,500,000	China Development Bank, senior note, Reg S, 0.375%, 11/16/21	CHN	EUR	1,499,167	1.21
1,300,000	Government of Finland, senior bond, 144A, Reg S, 1.625%, 09/15/22	FIN	EUR	1,394,653	1.13
1,000,000	Government of Belgium, senior bond, Reg S, 3.75%, 09/28/20	BEL	EUR	1,075,545	0.87
				51,369,146	41.68
	Securities Maturing Within One Year				
6,500,000	Italy Treasury Bond, senior bond, 4.25%, 09/01/19	ITA	EUR	6,669,520	5.41
13,000,000	DNB Bank ASA, senior note, FRN, 1.77%, 01/30/19 †	NOR	NOK	1,312,479	1.07
1,200,000	Molson Coors Brewing Co., senior note, FRN, 0.039%, 03/15/19 †	USA	EUR	1,200,199	0.97
10,000,000	Nordea Bank AB, senior secured note, FRN, 1.77%, 02/07/19 †	FIN	NOK	1,009,665	0.82
600,000	UniCredit Bank Austria AG, senior bond, 0.708%, 10/31/19	AUT	EUR	850,661	0.69

The accompanying notes form an integral part of these financial statements

— Franklin Euro Short Duration Bond Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Securities Maturing Within One Year (continued)				
800,000	Banco BPM SpA, senior note, Reg S, 3.50%, 03/14/19	ITA	EUR	804,460	0.65
				11,846,984	9.61
	TOTAL BONDS			111,518,370	90.49
	TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET			111,518,370	90.49
	TOTAL INVESTMENTS			117,005,720	94.94

† Floating Rates are indicated as at December 31, 2018

The accompanying notes form an integral part of these financial statements

— Franklin Euro Short-Term Money Market Fund —

Schedule of Investments as of December 31, 2018

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	BONDS				
	Securities Maturing Within One Year				
4,700,000	France Treasury Bill, 0.00%, 02/06/19	FRA	EUR	4,703,509	4.15
4,700,000	France Treasury Bill, 0.00%, 01/23/19	FRA	EUR	4,702,310	4.15
4,700,000	ABN AMRO Bank NV, senior note, Reg S, FRN, 0.182%, 01/14/19 †	NLD	EUR	4,700,968	4.15
4,684,000	BNP Paribas SA, senior note, Reg S, FRN, 0.234%, 05/20/19 †	FRA	EUR	4,693,510	4.14
4,600,000	The Coca-Cola Co., senior note, FRN, 0.00%, 03/08/19 †	USA	EUR	4,603,008	4.06
4,500,000	Credit Suisse AG, senior note, Reg S, FRN, 0.132%, 10/16/19 †	CHE	EUR	4,513,254	3.98
4,500,000	Banque Federative du Credit Mutuel SA, senior note, Reg S, FRN, 0.409%, 03/20/19 †	FRA	EUR	4,507,010	3.98
4,400,000	Santander UK PLC, senior note, Reg S, FRN, 0.309%, 05/22/19 †	GBR	EUR	4,409,447	3.89
4,400,000	American Honda Finance Corp., senior note, FRN, 0.085%, 03/11/19 †	USA	EUR	4,403,386	3.88
4,390,000	Pfizer Inc., senior note, FRN, 0.00%, 03/06/19 †	USA	EUR	4,392,623	3.87
4,240,000	John Deere Bank SA, senior note, Reg S, FRN, 0.169%, 03/19/19 †	USA	EUR	4,244,162	3.74
4,000,000	Dutch Treasury Bill, 0.00%, 01/31/19	NLD	EUR	4,002,633	3.53
3,782,000	BMW U.S. Capital LLC, senior note, Reg S, FRN, 0.069%, 03/18/19 †	DEU	EUR	3,784,633	3.34
3,553,000	European Union, senior note, Reg S, 3.375%, 05/10/19	SP	EUR	3,602,920	3.18
3,500,000	European Stability Mechanism Treasury Bill, 0.00%, 01/10/19	SP	EUR	3,500,546	3.09
3,000,000	European Stability Mechanism Treasury Bill, 0.00%, 02/07/19	SP	EUR	3,001,905	2.65
3,000,000	Daimler AG, senior note, Reg S, FRN, 0.212%, 01/12/19 †	DEU	EUR	3,000,469	2.65
2,828,000	European Investment Bank, senior note, Reg S, 2.50%, 03/15/19	SP	EUR	2,845,530	2.51
2,500,000	BNZ International Funding Ltd., senior note, Reg S, FRN, 0.184%, 12/02/19 †	NZL	EUR	2,508,907	2.21
2,500,000	ING Bank NV, senior note, Reg S, FRN, 0.274%, 02/25/19 †	NLD	EUR	2,502,273	2.21
2,222,000	Archer-Daniels-Midland Co., senior note, FRN, 0.19%, 06/24/19 †	USA	EUR	2,226,190	1.96
2,100,000	ABN AMRO Bank NV, senior secured note, Reg S, FRN, 0.484%, 03/06/19 †	NLD	EUR	2,103,038	1.85
2,000,000	UBS AG London, senior note, Reg S, FRN, 0.184%, 09/05/19 †	CHE	EUR	2,005,408	1.77
2,000,000	Swedbank AB, senior note, Reg S, FRN, 0.435%, 03/11/19 †	SWE	EUR	2,002,890	1.77
1,900,000	Barclays Bank PLC, senior note, Reg S, FRN, 0.088%, 03/13/19 †	GBR	EUR	1,901,223	1.68
1,500,000	The Coca-Cola Co., senior note, FRN, 0.00%, 09/09/19 †	USA	EUR	1,503,256	1.33
1,500,000	Sanofi, senior note, Reg S, FRN, 0.00%, 03/22/19 †	FRA	EUR	1,501,023	1.32
1,250,000	Equinor ASA, senior note, Reg S, FRN, 0.00%, 08/19/19 †	NOR	EUR	1,252,189	1.10
1,000,000	Barclays Bank PLC, senior note, Reg S, FRN, 0.085%, 09/11/19 †	GBR	EUR	1,001,417	0.88
800,000	Shell International Finance BV, senior note, Reg S, FRN, 0.089%, 09/15/19 †	NLD	EUR	802,272	0.71
				94,921,909	83.73
	TOTAL BONDS			94,921,909	83.73
	TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET			94,921,909	83.73
	TOTAL INVESTMENTS			94,921,909	83.73

† Floating Rates are indicated as at December 31, 2018

The accompanying notes form an integral part of these financial statements

— Franklin European Corporate Bond Fund —

Schedule of Investments as of December 31, 2018

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	INVESTMENTS FUNDS				
	Financials				
20,000	Franklin Liberty Euro Short Maturity UCITS ETF	IRL	EUR	498,850	0.82
	TOTAL INVESTMENTS FUNDS			498,850	0.82
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			498,850	0.82
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	BONDS				
	Corporate Bonds				
1,100,000	CGNPC International Ltd., senior note, Reg S, 1.625%, 12/11/24	CHN	EUR	1,087,446	1.78
1,000,000	Rabobank Nederland, sub. bond, Reg S, 2.50% to 05/26/21, FRN thereafter, 05/26/26	NLD	EUR	1,035,910	1.69
1,000,000	Skandinaviska Enskilda Banken AB, sub. bond, Reg S, 2.50% to 05/28/21, FRN thereafter, 05/28/26	SWE	EUR	1,034,415	1.69
1,000,000	Takeda Pharmaceutical Co. Ltd., senior note, Reg S, 2.25%, 11/21/26	JPN	EUR	1,022,590	1.67
900,000	Equinor ASA, senior bond, Reg S, 2.875%, 09/10/25	NOR	EUR	1,020,258	1.67
1,000,000	Credit Suisse London, senior note, Reg S, 1.125%, 09/15/20	CHE	EUR	1,018,450	1.67
1,000,000	Anheuser-Busch InBev SA/NV, senior note, Reg S, 1.50%, 03/17/25	BEL	EUR	1,018,275	1.67
1,000,000	APT Pipelines Ltd., senior note, Reg S, 1.375%, 03/22/22	AUS	EUR	1,018,180	1.66
1,000,000	Sanofi, senior note, Reg S, 1.00%, 03/21/26	FRA	EUR	1,014,935	1.66
1,000,000	Zapadoslovenska Energetika AS, senior note, Reg S, 1.75%, 03/02/28	SVK	EUR	1,009,070	1.65
1,000,000	Johnson & Johnson, senior bond, 1.65%, 05/20/35	USA	EUR	1,005,960	1.64
1,000,000	BMW U.S. Capital LLC, senior note, Reg S, 0.625%, 04/20/22	DEU	EUR	1,005,780	1.64
1,000,000	Schlumberger Finance France SAS, senior note, Reg S, 1.00%, 02/18/26	USA	EUR	1,004,190	1.64
1,000,000	Chorus Ltd., senior note, Reg S, 1.125%, 10/18/23	NZL	EUR	1,003,930	1.64
1,000,000	Diageo Finance PLC, senior note, Reg S, 1.00%, 04/22/25	GBR	EUR	1,002,965	1.64
1,000,000	Mitsubishi UFJ Financial Group Inc., senior note, Reg S, 0.98%, 10/09/23	JPN	EUR	1,001,135	1.64
1,000,000	Bertelsmann SE & Co. KGaA, senior note, Reg S, 1.25%, 09/29/25	DEU	EUR	999,060	1.63
1,000,000	Industrial & Commercial Bank of China Ltd., senior note, Reg S, 0.232%, 10/12/20	CHN	EUR	998,690	1.63
1,000,000	Lunar Funding V for Swisscom AG, secured note, Reg S, 1.125%, 10/12/26	CHE	EUR	997,335	1.63
1,000,000	Total SA, junior sub. note, Reg S, 2.625% to 02/26/25, FRN thereafter, Perpetual	FRA	EUR	994,340	1.63
1,000,000	ANZ New Zealand International Ltd. of London, senior note, Reg S, 1.125%, 03/20/25	NZL	EUR	994,335	1.63
1,000,000	Teleperformance, senior note, Reg S, 1.50%, 04/03/24	FRA	EUR	994,115	1.63
1,000,000	Madrilena Red de Gas Finance BV, senior note, Reg S, 1.375%, 04/11/25	ESP	EUR	993,755	1.63
1,000,000	Tele2 AB, senior note, Reg S, 1.125%, 05/15/24	SWE	EUR	993,025	1.62
1,000,000	The Procter & Gamble Co., senior note, 0.50%, 10/25/24	USA	EUR	992,775	1.62
900,000	Allianz SE, sub. note, Reg S, 4.75% to 10/24/23, FRN thereafter, Perpetual	DEU	EUR	991,269	1.62
1,000,000	Berkshire Hathaway Inc., senior bond, 1.125%, 03/16/27	USA	EUR	987,375	1.61
1,000,000	America Movil SAB de CV, cvt., senior note, Reg S, zero cpn., 05/28/20	MEX	EUR	987,160	1.61
1,000,000	RCI Banque SA, senior note, Reg S, 0.25%, 07/12/21	FRA	EUR	985,560	1.61
1,000,000	Wells Fargo & Co., senior note, Reg S, 1.50%, 05/24/27	USA	EUR	985,470	1.61
1,000,000	JPMorgan Chase & Co., senior note, Reg S, 0.625%, 01/25/24	USA	EUR	984,410	1.61
900,000	Aquarius and Investments PLC for Zurich Insurance Co. Ltd., sub. bond, Reg S, 4.25% to 10/02/23, FRN thereafter, 10/02/43	CHE	EUR	984,177	1.61
900,000	Intesa Sanpaolo SpA, senior note, Reg S, 4.00%, 10/30/23	ITA	EUR	981,162	1.60
1,000,000	Citigroup Inc., senior note, Reg S, 1.625%, 03/21/28	USA	EUR	980,535	1.60
900,000	Carlsberg Breweries AS, senior note, Reg S, 2.50%, 05/28/24	DNK	EUR	969,417	1.59
1,000,000	Naturgy Finance BV, senior note, Reg S, 0.875%, 05/15/25	ESP	EUR	967,615	1.58
900,000	Telefonica Emisiones SA, senior bond, Reg S, 2.932%, 10/17/29	ESP	EUR	958,009	1.57
1,000,000	AXA SA, sub. bond, Reg S, 3.25% to 03/26/18, FRN thereafter, 05/28/49	FRA	EUR	956,410	1.56
900,000	McDonald's Corp., senior bond, Reg S, 2.00%, 06/01/23	USA	EUR	951,700	1.56
900,000	Compass Group PLC, senior note, Reg S, 1.875%, 01/27/23	GBR	EUR	949,248	1.55
1,000,000	Akelius Residential Property AB, senior note, Reg S, 1.125%, 03/14/24	SWE	EUR	946,140	1.55
900,000	Australia Pacific Airports Melbourne Pty. Ltd., senior secured note, Reg S, 1.75%, 10/15/24	AUS	EUR	938,232	1.53
900,000	Time Warner Inc., senior note, 1.95%, 09/15/23	USA	EUR	936,504	1.53
900,000	Eesti Energia AS, senior note, Reg S, 2.384%, 09/22/23	EST	EUR	934,789	1.53
900,000	Glencore Finance Europe SA, senior note, Reg S, 2.75%, 04/01/21	CHE	EUR	933,448	1.53
900,000	Transurban Finance Co. Pty. Ltd., senior secured note, first lien, 2.50%, 10/08/20	AUS	EUR	931,635	1.52
900,000	Kommunal Landspensjonskasse Gjensidig Forsikringsselskap, senior sub. bond, Reg S, 4.25% to 06/10/25, FRN thereafter, 06/10/45	NOR	EUR	930,379	1.52
800,000	BHP Billiton Finance Ltd., sub. bond, Reg S, 5.625% to 10/22/24, FRN thereafter, 10/22/79	AUS	EUR	923,236	1.51
900,000	The Goldman Sachs Group Inc., senior note, Reg S, 1.375%, 07/26/22	USA	EUR	916,497	1.50
900,000	KBC Groep NV, sub. note, Reg S, 2.375% to 11/25/19, FRN thereafter, 11/25/24	BEL	EUR	914,922	1.50
900,000	Toyota Motor Finance Netherlands BV, senior note, Reg S, 0.625%, 09/26/23	JPN	EUR	900,482	1.47
900,000	BP Capital Markets PLC, senior note, Reg S, 0.90%, 07/03/24	GBR	EUR	899,361	1.47
900,000	Smiths Group PLC, senior note, Reg S, 2.00%, 02/23/27	GBR	EUR	882,954	1.44
900,000	UBS Group Funding Jersey Ltd., senior note, Reg S, 1.25%, 09/01/26	CHE	EUR	877,208	1.43
900,000	ATF Netherlands BV, senior note, Reg S, 1.50%, 07/15/24	DEU	EUR	873,437	1.43
900,000	Enel SpA, junior sub. bond, Reg S, 2.50% to 11/24/23, FRN thereafter, 11/24/78	ITA	EUR	833,706	1.36
700,000	Rikshem AB, senior note, Reg S, 1.25%, 06/28/24	SWE	EUR	697,081	1.14
500,000	Bacardi Ltd., senior note, Reg S, 2.75%, 07/03/23	BMU	EUR	526,955	0.86
400,000	UGI International LLC, senior note, Reg S, 3.25%, 11/01/25	USA	EUR	401,900	0.66
400,000	CaixaBank SA, senior note, Reg S, 1.75%, 10/24/23	ESP	EUR	397,914	0.65
400,000	NEW Areva Holding SA, senior note, Reg S, 3.125%, 03/20/23	FRA	EUR	382,306	0.63
400,000	CPI Property Group SA, sub. bond, Reg S, 4.375% to 11/08/23, FRN thereafter, Perpetual	CZE	EUR	373,342	0.61
400,000	General Electric Co., senior bond, 2.125%, 05/17/37	USA	EUR	314,226	0.51
300,000	EDF SA, junior sub. bond, 4.00% to 10/04/24, FRN thereafter, Perpetual	FRA	EUR	291,630	0.48
300,000	Casino Guichard Perrachon SA, senior bond, Reg S, 3.58%, 02/07/25	FRA	EUR	256,337	0.42

The accompanying notes form an integral part of these financial statements

— Franklin European Corporate Bond Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Corporate Bonds (continued)				
200,000	Altice France SA/France, first lien, Reg S, 5.875%, 02/01/27	FRA	EUR	198,298	0.32
				58,293,355	95.29
	Securities Maturing Within One Year				
800,000	Davide Campari-Milano SpA, senior note, Reg S, 4.50%, 10/25/19	ITA	EUR	826,472	1.35
400,000	Banco BPM SpA, senior note, Reg S, 3.50%, 03/14/19	ITA	EUR	402,230	0.66
				1,228,702	2.01
	TOTAL BONDS			59,522,057	97.30
	TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET			59,522,057	97.30
	TOTAL INVESTMENTS			60,020,907	98.12

The accompanying notes form an integral part of these financial statements

— Franklin European Dividend Fund —

Schedule of Investments as of December 31, 2018

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	SHARES				
	Aerospace & Defense				
495,384	BAE Systems PLC	GBR	GBP	2,531,806	2.34
	Banks				
116,072	BNP Paribas SA	FRA	EUR	4,581,942	4.24
476,602	FinecoBank Banca Fineco SpA	ITA	EUR	4,185,290	3.88
196,617	DNB ASA	NOR	NOK	2,754,049	2.55
281,639	ING Groep NV	NLD	EUR	2,650,223	2.45
25,991	KBC Groep NV	BEL	EUR	1,473,170	1.36
140,816	UniCredit SpA	ITA	EUR	1,392,109	1.29
168,586	Standard Chartered PLC	GBR	GBP	1,143,245	1.06
				18,180,028	16.83
	Building Products				
95,181	Compagnie de Saint-Gobain	FRA	EUR	2,775,954	2.57
	Capital Markets				
156,738	Banca Generali SpA	ITA	EUR	2,843,956	2.64
161,846	UBS Group AG	CHE	CHF	1,762,760	1.63
36,994	Amundi SA	FRA	EUR	1,707,643	1.58
390,609	Ashmore Group PLC	GBR	GBP	1,589,406	1.47
				7,903,765	7.32
	Chemicals				
123,279	Evonik Industries AG	DEU	EUR	2,685,741	2.49
	Construction Materials				
45,978	CRH PLC	IRL	EUR	1,062,894	0.98
	Electric Utilities				
43,597	Orsted AS	DNK	DKK	2,546,258	2.36
	Electrical Equipment				
33,490	Schneider Electric SE	FRA	EUR	2,000,023	1.85
	Food Products				
38,472	Nestle SA	CHE	CHF	2,726,765	2.52
	Industrial Conglomerates				
16,858	Siemens AG	DEU	EUR	1,642,051	1.52
	Insurance				
131,183	ASR Nederland NV	NLD	EUR	4,536,308	4.20
160,138	AXA SA	FRA	EUR	3,019,882	2.80
				7,556,190	7.00
	Multi-Utilities				
68,382	Innogy SE	DEU	EUR	2,540,079	2.35
126,423	E.ON SE	DEU	EUR	1,089,209	1.01
				3,629,288	3.36
	Oil, Gas & Consumable Fuels				
212,737	Royal Dutch Shell PLC, A	GBR	GBP	5,463,504	5.06
989,448	BP PLC	GBR	GBP	5,461,568	5.05
114,537	Total SA	FRA	EUR	5,289,319	4.90
211,336	Eni SpA	ITA	EUR	2,913,826	2.70
				19,128,217	17.71
	Pharmaceuticals				
33,379	Roche Holding AG	CHE	CHF	7,236,591	6.70
83,202	Novartis AG	CHE	CHF	6,222,725	5.76
61,249	Sanofi	FRA	EUR	4,634,099	4.29
179,804	GlaxoSmithKline PLC	GBR	GBP	2,984,158	2.76
44,419	Bayer AG	DEU	EUR	2,696,301	2.50
				23,773,874	22.01
	Tobacco				
70,640	British American Tobacco PLC	GBR	GBP	1,965,519	1.82
97,064	Scandinavian Tobacco Group AS	DNK	DKK	1,020,948	0.95
				2,986,467	2.77
	Wireless Telecommunication Services				
1,224,956	Vodafone Group PLC	GBR	GBP	2,084,560	1.93
	TOTAL SHARES			103,213,881	95.56
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			103,213,881	95.56
	TOTAL INVESTMENTS			103,213,881	95.56

The accompanying notes form an integral part of these financial statements

— Franklin European Growth Fund —

Schedule of Investments as of December 31, 2018

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	SHARES				
	Air Freight & Logistics				
464,795	Cia de Distribucion Integral Logista Holdings SA	ESP	EUR	10,160,419	3.38
	Auto Components				
873,000	Dometic Group AB	SWE	SEK	4,754,970	1.58
	Banks				
1,406,433	FinecoBank Banca Fineco SpA	ITA	EUR	12,350,620	4.10
1,573,736	Sbanken ASA	NOR	NOK	11,903,266	3.96
				24,253,886	8.06
	Capital Markets				
2,730,512	Ashmore Group PLC	GBR	GBP	11,110,581	3.69
571,041	Banca Generali SpA	ITA	EUR	10,361,339	3.45
				21,471,920	7.14
	Chemicals				
4,262,613	Elementis PLC	GBR	GBP	8,639,177	2.87
	Commercial Services & Supplies				
265,200	ISS AS	DNK	DKK	6,480,167	2.15
	Electrical Equipment				
676,991	Prysmian SpA	ITA	EUR	11,496,593	3.82
145,332	Schneider Electric SE	FRA	EUR	8,679,227	2.89
				20,175,820	6.71
	Electronic Equipment, Instruments & Components				
224,500	Landis+Gyr Group AG	CHE	CHF	11,047,088	3.67
	Energy Equipment & Services				
407,990	Tecnicas Reunidas SA	ESP	EUR	8,706,507	2.90
1,178,766	Hunting PLC	GBR	GBP	6,297,314	2.09
51,599	Schoeller-Bleckmann Oilfield Equipment AG	AUT	EUR	2,955,021	0.98
				17,958,842	5.97
	Food Products				
895,700	Glanbia PLC	IRL	EUR	14,680,769	4.88
752,300	Ebro Foods SA	ESP	EUR	13,120,112	4.36
				27,800,881	9.24
	Health Care Equipment & Supplies				
162,800	Draegerwerk AG & Co. KGaA, pfd.	DEU	EUR	7,567,239	2.51
	Insurance				
238,453	ASR Nederland NV	NLD	EUR	8,245,705	2.74
	Internet & Direct Marketing Retail				
793,725	Takkt AG	DEU	EUR	10,846,622	3.60
	IT Services				
1,105,200	Atea ASA	NOR	NOK	12,402,643	4.12
121,698	Capgemini SE	FRA	EUR	10,563,386	3.51
				22,966,029	7.63
	Machinery				
446,959	IMI PLC	GBR	GBP	4,695,979	1.56
	Paper & Forest Products				
1,384,405	Corticeira Amorim SGPS SA	PRT	EUR	12,459,645	4.14
	Pharmaceuticals				
69,834	Roche Holding AG	CHE	CHF	15,140,061	5.03
187,433	Sanofi	FRA	EUR	14,181,181	4.71
				29,321,242	9.74
	Professional Services				
1,119,760	Applus Services SA	ESP	EUR	10,850,474	3.61
	Specialty Retail				
554,863	Maisons du Monde SA	FRA	EUR	9,271,761	3.08
	Textiles, Apparel & Luxury Goods				
14,845,677	Coats Group PLC	GBR	GBP	13,466,171	4.48
	Tobacco				
359,550	Scandinavian Tobacco Group AS	DNK	DKK	3,781,853	1.26

The accompanying notes form an integral part of these financial statements

— Franklin European Growth Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Wireless Telecommunication Services				
158,000	1&1 Drillisch AG	DEU	EUR	7,042,784	2.34
	TOTAL SHARES			293,258,674	97.46
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			293,258,674	97.46
	TOTAL INVESTMENTS			293,258,674	97.46

The accompanying notes form an integral part of these financial statements

— Franklin European Income Fund —

Schedule of Investments as of December 31, 2018

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	INVESTMENTS FUNDS				
	Financials				
20,000	Franklin Liberty Euro Short Maturity UCITS ETF	IRL	EUR	498,850	2.48
	TOTAL INVESTMENTS FUNDS			498,850	2.48
	SHARES				
	Communication Services				
26,062	Deutsche Telekom AG	DEU	EUR	386,619	1.93
14,156	WPP PLC	GBR	GBP	133,384	0.66
				520,003	2.59
	Consumer Staples				
23,465	Ontex Group NV	BEL	EUR	420,023	2.09
9,127	British American Tobacco PLC	GBR	GBP	253,954	1.27
4,358	Anheuser-Busch InBev SA/NV	BEL	EUR	251,457	1.25
				925,434	4.61
	Energy				
19,274	Royal Dutch Shell PLC, B	GBR	GBP	501,966	2.50
9,112	Total SA	FRA	EUR	420,792	2.09
				922,758	4.59
	Financials				
47,038	ING Groep NV	NLD	EUR	442,628	2.20
2,099	Allianz SE	DEU	EUR	368,147	1.83
9,819	ASR Nederland NV	NLD	EUR	339,541	1.69
34,989	FinecoBank Banca Fineco SpA	ITA	EUR	307,257	1.53
12,765	Banca Generali SpA	ITA	EUR	231,616	1.15
10,231	Swedbank AB, A	SWE	SEK	199,649	0.99
12,254	Prudential PLC	GBR	GBP	191,211	0.95
4,353	BNP Paribas SA	FRA	EUR	171,835	0.86
2,959	KBC Groep NV	BEL	EUR	167,716	0.84
				2,419,600	12.04
	Health Care				
7,728	Novartis AG	CHE	CHF	577,981	2.88
2,368	Roche Holding AG	CHE	CHF	513,384	2.55
28,777	GlaxoSmithKline PLC	GBR	GBP	477,604	2.38
9,181	Novo Nordisk AS, B	DNK	DKK	368,013	1.83
2,604	Draegerwerk AG & Co. KGaA, pfd.	DEU	EUR	121,039	0.60
				2,058,021	10.24
	Industrials				
3,596	Safran SA	FRA	EUR	379,019	1.89
62,227	BAE Systems PLC	GBR	GBP	318,029	1.58
4,104	Vinci SA	FRA	EUR	295,570	1.47
12,820	Cia de Distribucion Integral Logista Holdings SA	ESP	EUR	280,245	1.40
4,555	Schneider Electric SE	FRA	EUR	272,025	1.35
20,981	IMI PLC	GBR	GBP	220,437	1.10
25,235	Leonardo SpA	ITA	EUR	194,044	0.97
17,042	Siemens Gamesa Renewable Energy SA	ESP	EUR	181,327	0.90
				2,140,696	10.66
	Information Technology				
24,068	Infineon Technologies AG	DEU	EUR	420,582	2.09
5,983	NXP Semiconductors NV	NLD	EUR	383,184	1.91
10,020	Tieto OYJ	FIN	EUR	236,271	1.18
4,774	Landis+Gyr Group AG	CHE	CHF	234,917	1.17
15,060	Atea ASA	NOR	NOK	169,004	0.84
				1,443,958	7.19
	Materials				
4,434	BASF SE	DEU	EUR	269,557	1.34
24,836	Corticeira Amorim SGPS SA	PRT	EUR	223,524	1.11
9,218	Evonik Industries AG	DEU	EUR	200,822	1.00
				693,903	3.45
	TOTAL SHARES			11,124,373	55.37
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			11,623,223	57.85
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	INVESTMENTS FUNDS				
	Financials				
26,503	FTIF Franklin Euro High Yield Fund, Class I (acc) EUR	LUX	EUR	540,929	2.69
	TOTAL INVESTMENTS FUNDS			540,929	2.69
	BONDS				
	Asset-Backed Securities				
1,575,382	Nykredit Realkredit AS, secured bond, Reg S, 2.00%, 10/01/50	DNK	DKK	210,575	1.05
1,563,809	Nykredit Realkredit AS, secured bond, 1.50%, 10/01/47	DNK	DKK	206,450	1.02
				417,025	2.07

The accompanying notes form an integral part of these financial statements

— Franklin European Income Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Corporate Bonds				
300,000	Eesti Energia AS, senior note, Reg S, 2.384%, 09/22/23	EST	EUR	311,596	1.55
300,000	Skandinaviska Enskilda Banken AB, sub. bond, Reg S, 2.50% to 05/28/21, FRN thereafter, 05/28/26	SWE	EUR	310,324	1.55
300,000	The Goldman Sachs Group Inc., senior note, Reg S, 1.375%, 07/26/22	USA	EUR	305,499	1.52
300,000	Teleperformance, senior note, Reg S, 1.50%, 04/03/24	FRA	EUR	298,234	1.48
300,000	Tele2 AB, senior note, Reg S, 1.125%, 05/15/24	SWE	EUR	297,908	1.48
300,000	Berkshire Hathaway Inc., senior bond, 1.125%, 03/16/27	USA	EUR	296,213	1.47
300,000	JPMorgan Chase & Co., senior note, Reg S, 0.625%, 01/25/24	USA	EUR	295,323	1.47
300,000	Smiths Group PLC, senior note, Reg S, 2.00%, 02/23/27	GBR	EUR	294,318	1.47
200,000	BHP Billiton Finance Ltd., sub. bond, Reg S, 5.625% to 10/22/24, FRN thereafter, 10/22/79	AUS	EUR	230,809	1.15
200,000	Prudential PLC, sub. note, Reg S, 5.625% to 10/20/31, FRN thereafter, 10/20/51	GBR	GBP	222,929	1.11
200,000	America Movil SAB de CV, cvt., senior note, Reg S, zero cpn., 05/28/20	MEX	EUR	197,432	0.98
200,000	General Electric Co., senior bond, 2.125%, 05/17/37	USA	EUR	157,113	0.78
100,000	Pinnacle Bidco PLC, senior secured note, first lien, Reg S, 6.375%, 02/15/25	GBR	GBP	110,892	0.55
100,000	Telefonica Europe BV, junior sub. note, Reg S, 5.875% to 03/31/24, FRN thereafter, Perpetual	ESP	EUR	106,776	0.53
100,000	Lincoln Finance Ltd., senior secured note, Reg S, 6.875%, 04/15/21	NLD	EUR	102,430	0.51
100,000	EDF SA, junior sub. bond, 4.00% to 10/04/24, FRN thereafter, Perpetual	FRA	EUR	97,210	0.48
100,000	NEW Areva Holding SA, senior note, Reg S, 3.125%, 03/20/23	FRA	EUR	95,577	0.48
100,000	Casino Guichard Perrachon SA, senior bond, Reg S, 3.58%, 02/07/25	FRA	EUR	85,446	0.43
100,000	NE Property Cooperatief UA, senior note, Reg S, 1.75%, 11/23/24	ROU	EUR	83,841	0.42
				3,899,870	19.41
	Government and Municipal Bonds				
800,000	Italy Treasury Bond, senior bond, Reg S, 4.75%, 09/01/28	ITA	EUR	945,484	4.71
798,238	Government of Germany, Reg S, Index Linked, 1.75%, 04/15/20	DEU	EUR	821,208	4.09
2,750,000	Government of Poland, 2.50%, 07/25/26	POL	PLN	636,024	3.16
300,000	Government of Romania, Reg S, 2.875%, 05/26/28	ROU	EUR	300,758	1.50
250,000	Government of Belgium, senior bond, Reg S, 1.00%, 06/22/26	BEL	EUR	259,661	1.29
				2,963,135	14.75
	TOTAL BONDS			7,280,030	36.23
	TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET			7,820,959	38.92
	TOTAL INVESTMENTS			19,444,182	96.77

The accompanying notes form an integral part of these financial statements

— Franklin European Small-Mid Cap Growth Fund —

Schedule of Investments as of December 31, 2018

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	SHARES				
	Air Freight & Logistics				
144,580	Panalpina Welttransport Holding AG	CHE	CHF	16,824,889	5.42
	Capital Markets				
3,608,271	Hellenic Exchanges - Athens Stock Exchange SA	GRC	EUR	13,350,603	4.30
28,894,921	ABG Sundal Collier Holding ASA	NOR	NOK	13,241,854	4.27
				26,592,457	8.57
	Commercial Services & Supplies				
525,100	ISS AS	DNK	DKK	12,830,828	4.14
5,761,600	Biffa PLC	GBR	GBP	12,555,740	4.05
493,803	Elis SA	FRA	EUR	7,184,834	2.31
				32,571,402	10.50
	Containers & Packaging				
1,883,400	RPC Group PLC	GBR	GBP	13,667,110	4.41
1,189,500	Ardagh Group SA	USA	USD	11,502,583	3.71
				25,169,693	8.12
	Distributors				
3,039,100	Headlam Group PLC	GBR	GBP	13,868,049	4.47
	Electronic Equipment, Instruments & Components				
608,180	Sesa SpA	ITA	EUR	14,133,480	4.56
	Energy Equipment & Services				
2,807,257	John Wood Group PLC	GBR	GBP	15,815,787	5.10
4,491,809	Borr Drilling Ltd.	NOR	NOK	9,704,202	3.13
				25,519,989	8.23
	Equity Real Estate Investment Trusts (REITs)				
1,627,638	Lar Espana Real Estate Socimi SA	ESP	EUR	12,125,903	3.91
2,521,702	Green REIT PLC	IRL	EUR	3,403,617	1.10
2,327,900	Irish Residential Properties REIT PLC, Reg S	IRL	EUR	3,140,528	1.01
				18,670,048	6.02
	Hotels, Restaurants & Leisure				
1,318,200	Elior Group SA	FRA	EUR	17,215,692	5.55
	Internet & Direct Marketing Retail				
561,093	Dustin Group AB	SWE	SEK	4,060,008	1.31
	Leisure products				
152,160	Beneteau SA	FRA	EUR	1,746,797	0.56
	Machinery				
2,315,044	Zardoya Otis SA	ESP	EUR	14,376,423	4.64
	Marine				
660,400	Clarkson PLC	GBR	GBP	13,965,200	4.50
	Personal Products				
242,900	Ontex Group NV	BEL	EUR	4,347,910	1.40
	Professional Services				
3,605,754	SThree PLC	GBR	GBP	11,497,601	3.71
1,653,140	PageGroup PLC	GBR	GBP	8,294,306	2.67
				19,791,907	6.38
	Real Estate Management & Development				
4,411,500	LSL Property Services PLC	GBR	GBP	10,777,234	3.47
9,047,600	Foxtons Group PLC	GBR	GBP	5,357,122	1.73
				16,134,356	5.20
	Specialty Retail				
742,200	Grandvision NV	NLD	EUR	14,198,286	4.58
	Tobacco				
1,251,425	Scandinavian Tobacco Group AS	DNK	DKK	13,162,858	4.24
	Trading Companies & Distributors				
1,820,941	Grafton Group PLC, units consisting of common stock	GBR	GBP	13,031,468	4.20
	TOTAL SHARES			305,380,912	98.45
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			305,380,912	98.45
	TOTAL INVESTMENTS			305,380,912	98.45

The accompanying notes form an integral part of these financial statements

— Franklin European Total Return Fund —

Schedule of Investments as of December 31, 2018

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	INVESTMENTS FUNDS				
	Diversified Financial Services				
650,000	Franklin Liberty Euro Short Maturity UCITS ETF	IRL	EUR	16,212,625	5.73
	TOTAL INVESTMENTS FUNDS			16,212,625	5.73
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			16,212,625	5.73
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	BONDS				
	Asset-Backed Securities				
122,852,773	Nykredit Realkredit AS, secured bond, Reg S, 2.00%, 10/01/50	DNK	DKK	16,421,228	5.81
37,964,263	Nykredit Realkredit AS, secured bond, 1.50%, 10/01/47	DNK	DKK	5,011,961	1.77
				21,433,189	7.58
	Corporate Bonds				
5,700,000	Commerzbank AG, secured note, Reg S, 0.625%, 05/28/25	DEU	EUR	5,775,924	2.04
5,800,000	Berkshire Hathaway Inc., senior bond, 1.125%, 03/16/27	USA	EUR	5,726,775	2.02
3,900,000	Orange SA, cvt., senior note, Reg S, 0.375%, 06/27/21	FRA	GBP	4,210,482	1.49
4,000,000	Mitsubishi UFJ Financial Group Inc., senior note, Reg S, 0.98%, 10/09/23	JPN	EUR	4,004,540	1.42
4,000,000	Sparebank 1 OestLandet, senior note, Reg S, 0.875%, 03/13/23	NOR	EUR	4,001,240	1.41
3,800,000	America Movil SAB de CV, cvt., senior note, Reg S, zero cpn., 05/28/20	MEX	EUR	3,751,208	1.33
3,500,000	The Procter & Gamble Co., senior note, 0.50%, 10/25/24	USA	EUR	3,474,712	1.23
3,100,000	Eesti Energia AS, senior note, Reg S, 2.384%, 09/22/23	EST	EUR	3,219,830	1.14
3,100,000	Glencore Finance Europe SA, senior note, Reg S, 2.75%, 04/01/21	CHE	EUR	3,215,211	1.14
3,100,000	APT Pipelines Ltd., senior note, Reg S, 1.375%, 03/22/22	AUS	EUR	3,156,358	1.12
3,100,000	Total SA, junior sub. note, Reg S, 2.625% to 02/26/25, FRN thereafter, Perpetual	FRA	EUR	3,082,454	1.09
3,100,000	FCC Aqualia SA, secured note, Reg S, 2.629%, 06/08/27	ESP	EUR	3,070,457	1.09
3,100,000	Barclays PLC, senior note, Reg S, 0.625% to 11/14/22, FRN thereafter, 11/14/23	GBR	EUR	2,947,279	1.04
3,500,000	NE Property Cooperatief UA, senior note, Reg S, 1.75%, 11/23/24	ROU	EUR	2,934,439	1.04
2,900,000	HSBC Holdings PLC, sub. bond, Reg S, 3.375% to 01/10/19, FRN thereafter, 01/10/24	GBR	EUR	2,901,900	1.03
3,000,000	Akelius Residential Property AB, senior note, Reg S, 1.125%, 03/14/24	SWE	EUR	2,838,420	1.00
2,600,000	Vodafone Group PLC, cvt., senior note, Reg S, zero cpn., 11/26/20	GBR	GBP	2,806,756	0.99
3,100,000	Aroundtown SA, senior note, Reg S, 1.625%, 01/31/28	DEU	EUR	2,779,507	0.98
2,700,000	Wells Fargo & Co., senior note, Reg S, 1.50%, 05/24/27	USA	EUR	2,660,769	0.94
2,400,000	UBS Group Funding Jersey Ltd., senior note, Reg S, 1.25%, 09/01/26	CHE	EUR	2,339,220	0.83
2,000,000	Globalworth Real Estate Investments Ltd., senior note, Reg S, 3.00%, 03/29/25	ROU	EUR	1,892,238	0.67
1,800,000	NEW Areva Holding SA, senior note, Reg S, 3.125%, 03/20/23	FRA	EUR	1,720,377	0.61
1,400,000	Altice France SA/France, first lien, Reg S, 5.875%, 02/01/27	FRA	EUR	1,388,086	0.49
				73,898,182	26.14
	Government and Municipal Bonds				
22,700,000	Government of Spain, senior bond, Reg S, 1.40%, 04/30/28	ESP	EUR	22,805,441	8.07
91,500,000	Government of Poland, 2.50%, 07/25/26	POL	PLN	21,162,268	7.48
16,400,000	Italy Treasury Bond, senior bond, Reg S, 4.75%, 09/01/28	ITA	EUR	19,382,422	6.85
15,650,000	Government of the Netherlands, Reg S, 0.50%, 07/15/26	NLD	EUR	16,069,576	5.68
13,700,000	Italy Treasury Bond, senior bond, 2.00%, 02/01/28	ITA	EUR	13,117,202	4.64
11,700,000	Government of Belgium, Reg S, 1.25%, 04/22/33	BEL	EUR	11,767,451	4.16
9,100,000	Government of Germany, Reg S, 1.25%, 08/15/48	DEU	EUR	9,996,714	3.54
9,400,000	Government of Sweden, senior note, Reg S, 0.125%, 04/24/23	SWE	EUR	9,500,580	3.36
7,800,000	Italy Buoni Poliennali del Tesoro, 0.95%, 03/01/23	ITA	EUR	7,609,329	2.69
7,000,000	Government of Finland, senior bond, Reg S, 0.875%, 09/15/25	FIN	EUR	7,347,305	2.60
6,000,000	Government of Romania, senior bond, Reg S, 2.875%, 03/11/29	ROU	EUR	5,831,520	2.06
4,400,000	Government of Hungary, senior note, Reg S, 1.25%, 10/22/25	HUN	EUR	4,372,500	1.55
3,700,000	Government of Lithuania, senior note, Reg S, 0.95%, 05/26/27	LTU	EUR	3,716,280	1.31
3,000,000	Government of Lithuania, senior bond, Reg S, 2.125%, 10/29/26	LTU	EUR	3,302,850	1.17
2,500,000	Government of Latvia, senior note, Reg S, 1.125%, 05/30/28	LVA	EUR	2,523,188	0.89
				158,504,626	56.05
	Securities Maturing Within One Year				
51,000,000	DNB Bank ASA, senior note, FRN, 1.77%, 01/30/19 †	NOR	NOK	5,148,957	1.82
	TOTAL BONDS			258,984,954	91.59
	TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET			258,984,954	91.59
	TOTAL INVESTMENTS			275,197,579	97.32

† Floating Rates are indicated as at December 31, 2018

The accompanying notes form an integral part of these financial statements

— Franklin Flexible Alpha Bond Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	BONDS				
	Asset-Backed Securities				
7,000,000	Long Point Park CLO Ltd., 2017-1A, A2, 144A, FRN, 3.824%, 01/17/30 †	USA	USD	6,757,310	1.54
7,000,000	LCM 26 Ltd., 26A, B, 144A, FRN, 3.869%, 01/20/31 †	USA	USD	6,755,000	1.54
6,800,000	BlueMountain Fuji U.S. CLO III Ltd., 2017-3A, B, 144A, FRN, 3.811%, 01/15/30 †	USA	USD	6,563,360	1.50
7,000,000	Long Point Park CLO Ltd., 2017-1A, B, 144A, FRN, 4.149%, 01/17/30 †	USA	USD	6,524,000	1.49
7,000,000	BlueMountain Fuji U.S. CLO III Ltd., 2017-3A, C, 144A, FRN, 4.136%, 01/15/30 †	USA	USD	6,523,300	1.49
6,200,000	Neuberger Berman CLO XVI-S Ltd., 2017-16SA, C, 144A, FRN, 4.036%, 01/15/28 †	USA	USD	5,955,658	1.36
6,000,000	Dryden 55 CLO Ltd., 2018-55A, A1, 144A, FRN, 3.456%, 04/15/31 †	USA	USD	5,906,700	1.35
6,000,000	Neuberger Berman CLO XVI-S Ltd., 2017-16SA, B, 144A, FRN, 3.686%, 01/15/28 †	USA	USD	5,843,460	1.33
4,590,000	FNMA Connecticut Avenue Securities, 2014-C02, 1M2, FRN, 5.106%, 05/25/24 †	USA	USD	4,812,677	1.10
4,433,390	FNMA Connecticut Avenue Securities, 2014-C03, 1M2, FRN, 5.506%, 07/25/24 †	USA	USD	4,665,165	1.06
5,000,000	Dryden 53 CLO Ltd., 2017-53A, C, 144A, FRN, 4.136%, 01/15/31 †	USA	USD	4,650,000	1.06
4,310,000	FHLMC Structured Agency Credit Risk Debt Notes, 2015-HQ1, M3, FRN, 6.306%, 03/25/25 †	USA	USD	4,542,811	1.04
4,110,000	FHLMC Structured Agency Credit Risk Debt Notes, 2015-DNA2, M3, FRN, 6.406%, 12/25/27 †	USA	USD	4,440,506	1.01
3,984,271	FNMA Connecticut Avenue Securities, 2015-C03, 1M2, FRN, 7.506%, 07/25/25 †	USA	USD	4,402,015	1.00
3,804,655	FNMA Connecticut Avenue Securities, 2014-C04, 1M1, FRN, 7.406%, 11/25/24 †	USA	USD	4,250,010	0.97
4,191,954	Octagon Investment Partners XX Ltd., 2014-1A, AR, 144A, FRN, 3.748%, 08/12/26 †	USA	USD	4,192,415	0.96
4,000,000	FHLMC Structured Agency Credit Risk Debt Notes, 2016-DNA4, M2, FRN, 3.806%, 03/25/29 †	USA	USD	4,005,904	0.91
3,597,309	FNMA Connecticut Avenue Securities, 2014-C04, 2M2, FRN, 7.506%, 11/25/24 †	USA	USD	3,975,008	0.91
4,000,000	Gilbert Park CLO Ltd., 2017-1A, B, 144A, FRN, 4.036%, 10/15/30 †	USA	USD	3,907,760	0.89
4,000,000	Octagon Investment Partners 33 Ltd., 2017-1A, A2, 144A, FRN, 3.969%, 01/20/31 †	USA	USD	3,881,440	0.89
3,905,660	Voya CLO Ltd., 2016-3A, CR, 144A, FRN, 5.721%, 10/18/31 †	USA	USD	3,782,671	0.86
4,000,000	Carlyle U.S. CLO Ltd., 2017-5A, B, 144A, FRN, 4.269%, 01/20/30 †	USA	USD	3,749,480	0.86
3,437,000	FHLMC Structured Agency Credit Risk Debt Notes, 2015-DNA1, M3, FRN, 5.806%, 10/25/27 †	USA	USD	3,732,021	0.85
3,511,692	Towd Point Mortgage Trust, 2016-3, A1, 144A, FRN, 2.25%, 04/25/56 †	USA	USD	3,445,460	0.79
2,942,267	FNMA Connecticut Avenue Securities, 2015-C02, 1M2, FRN, 6.506%, 05/25/25 †	USA	USD	3,153,902	0.72
3,197,846	Towd Point Mortgage Trust, 2017-1, A1, 144A, FRN, 2.75%, 10/25/56 †	USA	USD	3,140,497	0.72
3,015,077	FHLMC Structured Agency Credit Risk Debt Notes, 2016-HQA2, M2, FRN, 4.756%, 11/25/28 †	USA	USD	3,064,489	0.70
3,093,098	Towd Point Mortgage Trust, 2017-4, A1, 144A, FRN, 2.75%, 06/25/57 †	USA	USD	3,023,136	0.69
3,000,000	Dryden 64 CLO Ltd., 2018-64A, A, 144A, FRN, 3.415%, 04/18/31 †	USA	USD	2,936,040	0.67
2,870,500	Towd Point Mortgage Trust, 2016-4, A1, 144A, FRN, 2.25%, 07/25/56 †	USA	USD	2,801,406	0.64
3,000,000	LCM 26 Ltd., 26A, C, 144A, FRN, 4.269%, 01/20/31 †	USA	USD	2,798,250	0.64
2,740,111	Towd Point Mortgage Trust, 2017-5, A1, 144A, FRN, 3.106%, 02/25/57 †	USA	USD	2,732,000	0.62
2,700,000	Carlyle U.S. CLO Ltd., 2017-1A, A1A, 144A, FRN, 3.769%, 04/20/31 †	USA	USD	2,687,850	0.61
2,689,787	Invitation Homes Trust, 2018-SFR3, A, 144A, FRN, 3.456%, 07/17/37 †	USA	USD	2,679,231	0.61
2,680,000	Dryden 33 Senior Loan Fund, 2014-33A, AR, 144A, FRN, 3.866%, 10/15/28 †	USA	USD	2,676,704	0.61
2,179,163	FHLMC Structured Agency Credit Risk Debt Notes, 2014-DN4, M3, FRN, 7.056%, 10/25/24 †	USA	USD	2,386,694	0.54
2,060,000	FHLMC Structured Agency Credit Risk Debt Notes, 2015-DNA3, M3, FRN, 7.206%, 04/25/28 †	USA	USD	2,379,769	0.54
2,500,000	AMMC CLO 21 Ltd., 2017-21A, C, 144A, FRN, 4.659%, 11/02/30 †	USA	USD	2,378,475	0.54
2,200,000	BlueMountain Fuji U.S. CLO III Ltd., 2017-3A, A2, 144A, FRN, 3.586%, 01/15/30 †	USA	USD	2,168,650	0.50
1,960,719	FNMA Connecticut Avenue Securities, 2014-C03, 2M2, FRN, 5.406%, 07/25/24 †	USA	USD	2,051,709	0.47
1,857,135	FNMA Connecticut Avenue Securities, 2015-C03, 2M2, FRN, 7.506%, 07/25/25 †	USA	USD	2,029,074	0.46
2,070,000	FREMF Mortgage Trust, 2018-K72, B, 144A, FRN, 3.992%, 12/25/50 †	USA	USD	1,999,110	0.46
2,044,596	Towd Point Mortgage Trust, 2016-5, A1, 144A, FRN, 2.50%, 10/25/56 †	USA	USD	1,992,340	0.45
2,000,000	BlueMountain Fuji U.S. CLO I Ltd., 2017-1A, C, 144A, FRN, 4.819%, 07/20/29 †	USA	USD	1,953,960	0.45
2,000,000	Dryden 49 Senior Loan Fund, 2017-49A, C, 144A, FRN, 4.795%, 07/18/30 †	USA	USD	1,945,940	0.44
2,000,000	Carlyle U.S. CLO Ltd., 2017-2A, B, 144A, FRN, 4.869%, 07/20/31 †	USA	USD	1,944,720	0.44
2,000,000	AMMC CLO XI Ltd., 2012-11A, BR2, 144A, FRN, 4.12%, 04/30/31 †	USA	USD	1,935,040	0.44
1,760,000	FHLMC Structured Agency Credit Risk Debt Notes, 2015-HQ2, M3, FRN, 5.756%, 05/25/25 †	USA	USD	1,913,637	0.44
2,000,000	LCM XXII Ltd., 22A, BR, 144A, FRN, 4.502%, 10/20/28 †	USA	USD	1,910,200	0.44
2,000,000	TCI-Flatiron CLO Ltd., 2017-1A, C, 144A, FRN, 4.49%, 11/17/30 †	USA	USD	1,906,560	0.44
2,000,000	Gilbert Park CLO Ltd., 2017-1A, D, 144A, FRN, 5.386%, 10/15/30 †	USA	USD	1,893,720	0.43
2,000,000	Carlyle U.S. CLO Ltd., 2017-4A, C, 144A, FRN, 5.236%, 01/15/30 †	USA	USD	1,870,840	0.43
2,000,000	LCM XXII Ltd., 22A, CR, 144A, FRN, 5.302%, 10/20/28 †	USA	USD	1,868,780	0.43
1,925,000	ARES XXXVII CLO Ltd., 2015-4A, BR, 144A, FRN, 4.236%, 10/15/30 †	USA	USD	1,832,869	0.42
1,690,529	FNMA Connecticut Avenue Securities, 2015-C01, 2M2, FRN, 7.056%, 02/25/25 †	USA	USD	1,804,519	0.41
1,900,000	Carlyle U.S. CLO Ltd., 2017-4A, B, 144A, FRN, 4.286%, 01/15/30 †	USA	USD	1,788,888	0.41
1,743,211	FNMA Connecticut Avenue Securities, 2018-C04, 2M1, FRN, 3.256%, 12/25/30 †	USA	USD	1,742,317	0.40
1,615,672	CIM Trust, 2018-INV1, A4, 144A, FRN, 4.00%, 08/25/48 †	USA	USD	1,626,318	0.37
1,618,420	Neuberger Berman Loan Advisers CLO Ltd., 2017-26A, B, 144A, FRN, 3.945%, 10/18/30 †	USA	USD	1,573,574	0.36
1,541,701	Invitation Homes Trust, 2018-SFR4, A, 144A, FRN, 3.556%, 01/17/38 †	USA	USD	1,557,543	0.36
1,457,396	FNMA Connecticut Avenue Securities, 2015-C02, 2M2, FRN, 6.506%, 05/25/25 †	USA	USD	1,554,114	0.35
1,600,000	Carlyle GMS Finance MM CLO LLC, 2015-1A, A2R, 144A, FRN, 4.636%, 10/15/31 †	USA	USD	1,538,416	0.35
1,429,392	FHLMC Structured Agency Credit Risk Debt Notes, 2014-DN3, M3, FRN, 6.506%, 08/25/24 †	USA	USD	1,537,655	0.35
1,500,000	Race Point X CLO Ltd., 2016-10A, B1R, 144A, FRN, 4.14%, 07/25/31 †	USA	USD	1,451,490	0.33

The accompanying notes form an integral part of these financial statements

— Franklin Flexible Alpha Bond Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Asset-Backed Securities (continued)				
1,423,902	FHLMC Structured Agency Credit Risk Debt Notes, 2015-DNA1, M2, FRN, 4.356%, 10/25/27 †	USA	USD	1,441,988	0.33
1,500,000	Antares CLO Ltd., 2018-1A, B, 144A, FRN, 4.119%, 04/20/31 †	USA	USD	1,412,370	0.32
1,500,000	Atrium XIII, 2013A, C, 144A, FRN, 4.277%, 11/21/30 †	USA	USD	1,409,580	0.32
1,400,000	Atrium XIV LLC, 14A, A2A, 144A, FRN, 3.807%, 08/23/30 †	USA	USD	1,378,146	0.31
1,400,000	NZCG Funding Ltd., 2015-1A, A2R, 144A, FRN, 4.239%, 02/26/31 †	USA	USD	1,362,032	0.31
1,183,850	FNMA Connecticut Avenue Securities, 2015-C01, 1M2, FRN, 6.806%, 02/25/25 †	USA	USD	1,279,498	0.29
1,300,000	HayFin Kingsland IX Ltd., 2013-6A, BR, 144A, FRN, 4.309%, 04/28/31 †	USA	USD	1,257,594	0.29
1,300,000	Octagon Investment Partners XXIII Ltd., 2015-1A, CR, 144A, FRN, 4.286%, 07/15/27 †	USA	USD	1,249,157	0.29
1,158,272	BX Commercial Mortgage Trust, 2018-IND, A, 144A, FRN, 3.205%, 11/15/35 †	USA	USD	1,145,264	0.26
1,200,000	Voya CLO Ltd., 2013-2A, BR, 144A, FRN, 4.34%, 04/25/31 †	USA	USD	1,140,612	0.26
1,200,000	Octagon Investment Partners 33 Ltd., 2017-1A, B, 144A, FRN, 4.319%, 01/20/31 †	USA	USD	1,127,976	0.26
950,000	FNMA Connecticut Avenue Securities, 2017-C01, 1B1, FRN, 8.256%, 07/25/29 †	USA	USD	1,096,758	0.25
966,378	FHLMC Structured Agency Credit Risk Debt Notes, 2015-DN1, M3, FRN, 6.656%, 01/25/25 †	USA	USD	1,027,114	0.23
1,027,920	Wells Fargo Mortgage Backed Securities, 2018-1, A3, 144A, FRN, 3.50%, 07/25/47 †	USA	USD	1,018,450	0.23
1,000,000	Octagon Investment Partners 30 Ltd., 144A, FRN, 3.789%, 03/17/30 †	USA	USD	998,970	0.23
1,000,000	Buttermilk Park CLO Ltd., 2018-1A, A1, 144A, FRN, 3.438%, 10/15/31 †	USA	USD	988,270	0.23
1,000,000	LCM XXII Ltd., 22A, A2R, 144A, FRN, 3.952%, 10/20/28 †	USA	USD	971,410	0.22
1,000,000	Halcyon Loan Advisors Funding Ltd., 2018-1A, A2, 144A, FRN, 4.183%, 07/21/31 †	USA	USD	969,860	0.22
1,000,000	Cent CLO, 2018-28A, C, 144A, FRN, 6.009%, 11/07/30 †	USA	USD	948,830	0.22
935,705	FHLMC Structured Agency Credit Risk Debt Notes, 2015-HQA1, M2, FRN, 5.156%, 03/25/28 †	USA	USD	947,872	0.22
1,000,000	TCI-Flatiron CLO Ltd., 2017-1A, D, 144A, FRN, 5.39%, 11/17/30 †	USA	USD	938,790	0.21
1,000,000	BlueMountain CLO XXIII Ltd., 2018-23A, D, 144A, FRN, 5.365%, 10/20/31 †	USA	USD	937,650	0.21
1,000,000	Octagon Investment Partners 33 Ltd., 2017-1A, C, 144A, FRN, 5.219%, 01/20/31 †	USA	USD	930,220	0.21
926,023	Towd Point Mortgage Trust, 2017-2, A1, 144A, FRN, 2.75%, 04/25/57 †	USA	USD	906,718	0.21
900,000	Ellington CLO III Ltd., 2018-3A, A1, 144A, FRN, 4.119%, 07/20/30 †	USA	USD	890,406	0.20
887,279	Towd Point Mortgage Trust, 2015-2, 2A1, 144A, FRN, 3.75%, 11/25/57 †	USA	USD	889,074	0.20
884,110	ARM Trust, 2005-9, 5A1, FRN, 3.046%, 11/25/35 †	USA	USD	874,041	0.20
850,000	Neuberger Berman CLO XVIII Ltd., 2014-18A, A1BR, 144A, FRN, 3.889%, 10/21/30 †	USA	USD	846,549	0.19
800,000	Progress Residential Trust, 2018-SFR2, A, 144A, 3.712%, 08/17/35	USA	USD	802,235	0.18
818,180	Neuberger Berman CLO XVIII Ltd., 2014-18A, A2R2, 144A, FRN, 4.189%, 10/21/30 †	USA	USD	792,939	0.18
800,000	Atrium XII, 2012A, CR, 144A, FRN, 3.299%, 04/22/27 †	USA	USD	790,656	0.18
789,767	Aegis Asset Backed Securities Trust, 2005-2, M2, FRN, 2.946%, 06/25/35 †	USA	USD	782,935	0.18
21,237,386	GS Mortgage Securities Corp. II, 2015-GC30, XA, IO, FRN, 0.856%, 05/10/50 †	USA	USD	768,900	0.18
703,454	Conseco Financial Corp., 1998-6, A8, 6.66%, 06/01/30	USA	USD	733,649	0.17
667,272	Greenpoint Manufactured Housing, 1999-5, M1A, FRN, 8.30%, 10/15/26 †	USA	USD	708,396	0.16
709,216	Towd Point Mortgage Trust, 2016-2, A1A, 144A, FRN, 2.75%, 08/25/55 †	USA	USD	695,402	0.16
700,000	Carlyle U.S. CLO Ltd., 2017-2A, A2A, 144A, FRN, 4.169%, 07/20/31 †	USA	USD	686,749	0.16
700,000	Burnham Park CLO Ltd., 2016-1A, DR, 144A, FRN, 5.319%, 10/20/29 †	USA	USD	661,360	0.15
674,789	Credit Suisse Mortgage Trust, 2013-IVR3, A2, 144A, FRN, 3.00%, 05/25/43 †	USA	USD	651,986	0.15
660,000	Towd Point Mortgage Trust, 2017-1, A2, 144A, FRN, 3.50%, 10/25/56 †	USA	USD	648,497	0.15
700,000	Long Point Park CLO Ltd., 2017-1A, C, 144A, FRN, 4.849%, 01/17/30 †	USA	USD	631,372	0.14
607,803	Lehman XS Trust, 2005-4, 1A4, FRN, 3.066%, 10/25/35 †	USA	USD	596,254	0.14
600,000	AMMC CLO XI Ltd., 2012-11A, CR2, 144A, FRN, 4.42%, 04/30/31 †	USA	USD	560,826	0.13
450,000	WMG Acquisition Corp., senior secured note, first lien, 144A, 4.125%, 11/01/24	USA	EUR	531,589	0.12
526,980	LCM XVI LP, 2016A, BR2, 144A, FRN, 4.155%, 10/15/31 †	USA	USD	519,149	0.12
518,182	Madison Park Funding XXIX Ltd., 2018-29A, A2, 144A, FRN, 3.855%, 10/18/30 †	USA	USD	514,249	0.12
505,180	FNMA Connecticut Avenue Securities, 2016-C03, 1M1, FRN, 4.506%, 10/25/28 †	USA	USD	509,322	0.12
486,603	Impac Secured Assets Corp., 2004-4, M1, FRN, 3.271%, 02/25/35 †	USA	USD	487,989	0.11
469,459	FHLMC Structured Agency Credit Risk Debt Notes, 2014-DN1, M2, FRN, 4.706%, 02/25/24 †	USA	USD	478,296	0.11
484,130	Buttermilk Park CLO Ltd., 2018-1A, C, 144A, FRN, 4.438%, 10/15/31 †	USA	USD	462,596	0.11
452,665	Mill City Mortgage Loan Trust, 2016-1, A, 144A, FRN, 2.50%, 04/25/57 †	USA	USD	444,695	0.10
469,565	Galaxy XXVI CLO Ltd., 2018-26A, D, 144A, FRN, 5.702%, 11/22/31 †	USA	USD	439,043	0.10
466,667	Octagon Loan Funding Ltd., 2014-1A, DRR, 144A, FRN, 5.54%, 11/18/31 †	USA	USD	433,548	0.10
453,704	Harbor Park CLO Ltd., 1A, D, 144A, FRN, 5.739%, 01/20/31 †	USA	USD	419,998	0.10
6,230,328	JPMDB Commercial Mortgage Securities Trust, 2017-C5, XA, IO, FRN, 0.994%, 03/15/50 †	USA	USD	375,850	0.09
400,000	AMMC CLO XI Ltd., 2012-11A, DR2, 144A, FRN, 5.37%, 04/30/31 †	USA	USD	366,268	0.08
350,000	Dryden 53 CLO Ltd., 2017-53A, D, 144A, FRN, 4.836%, 01/15/31 †	USA	USD	315,094	0.07
300,000	Burnham Park CLO Ltd., 2016-1A, A, 144A, FRN, 3.899%, 10/20/29 †	USA	USD	299,535	0.07
250,000	Voya CLO Ltd., 2012-4A, A2R, 144A, FRN, 4.286%, 10/15/28 †	USA	USD	249,343	0.06
48,555	FHLMC Structured Agency Credit Risk Debt Notes, 2015-HQ1, M2, FRN, 4.706%, 03/25/25 †	USA	USD	48,642	0.01
				251,287,118	57.36
	Corporate Bonds				
5,600,000	Banca Popolare di Milano Scarl, secured note, Reg S, 0.625%, 06/08/24	ITA	EUR	6,259,597	1.43
4,900,000	Turkiye Vakiflar Bankasi TAO, secured note, Reg S, 2.375%, 11/04/22	TUR	EUR	5,395,233	1.23
4,500,000	Banco BPM SpA, secured note, Reg S, 0.75%, 03/31/23	ITA	EUR	5,129,288	1.17
4,200,000	Banca Monte dei Paschi di Siena SpA, secured note, Reg S, 2.125%, 11/26/63	ITA	EUR	4,816,691	1.10
4,250,000	Energy Transfer Equity LP, senior note, first lien, 7.50%, 10/15/20	USA	USD	4,430,625	1.01
3,500,000	Intesa Sanpaolo SpA, secured note, Reg S, 5.00%, 01/27/22	ITA	EUR	4,365,292	1.00
3,700,000	Kookmin Bank, secured note, 144A, 2.25%, 02/03/22	KOR	USD	3,606,601	0.82
5,000,000	Toyota Finance Australia Ltd., senior note, Reg S, 2.44%, 03/06/20	AUS	AUD	3,521,253	0.80

The accompanying notes form an integral part of these financial statements

— Franklin Flexible Alpha Bond Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Corporate Bonds (continued)				
3,600,000	CGNPC International Ltd., senior note, Reg S, 3.75%, 12/11/27	CHN	USD	3,446,496	0.79
3,100,000	State Grid Overseas Investment 2016 Ltd., senior note, 144A, 3.50%, 05/04/27	CHN	USD	2,990,182	0.68
2,600,000	CNOOC Finance 2015 USA LLC, senior note, 3.50%, 05/05/25	CHN	USD	2,531,919	0.58
2,500,000	Tenet Healthcare Corp., senior note, 6.75%, 02/01/20	USA	USD	2,506,250	0.57
2,500,000	CNAC HK Finbridge Co. Ltd., senior note, Reg S, 4.125%, 03/14/21	CHN	USD	2,502,730	0.57
2,100,000	Banca Carige SpA, secured note, Reg S, 1.25%, 04/28/22	ITA	EUR	2,394,161	0.55
2,250,000	Navient Corp., senior bond, 8.00%, 03/25/20	USA	USD	2,291,850	0.52
2,400,000	Wynn Las Vegas LLC/Wynn Las Vegas Capital Corp., senior bond, 144A, 5.50%, 03/01/25	USA	USD	2,244,000	0.51
2,200,000	HSBC Holdings PLC, senior note, 4.30%, 03/08/26	GBR	USD	2,171,345	0.50
2,100,000	Bank of China Ltd., senior note, Reg S, 2.875%, 04/20/22	CHN	USD	2,063,911	0.47
2,000,000	Sinopec Group Overseas Development 2015 Ltd., senior note, 144A, 2.50%, 04/28/20	CHN	USD	1,980,370	0.45
1,900,000	Imperial Brands Finance PLC, senior note, 144A, 4.25%, 07/21/25	GBR	USD	1,863,875	0.43
2,000,000	Dominion Energy Inc., senior bond, 2.85%, 08/15/26	USA	USD	1,847,036	0.42
1,900,000	Capital One Financial Corp., senior note, 3.20%, 02/05/25	USA	USD	1,776,904	0.41
1,800,000	Three Gorges Finance I Cayman Islands Ltd., senior note, 144A, 3.70%, 06/10/25	CHN	USD	1,776,402	0.41
1,900,000	EDF SA, junior sub. bond, 144A, 5.625% to 01/22/24, FRN thereafter, Perpetual	FRA	USD	1,758,953	0.40
1,600,000	China Overseas Finance Cayman VII Ltd., senior note, Reg S, 4.25%, 04/26/23	CHN	USD	1,606,824	0.37
2,600,000	PetSmart Inc., senior note, 144A, 7.125%, 03/15/23	USA	USD	1,527,500	0.35
1,500,000	China Construction Bank Corp., senior note, Reg S, 2.75%, 12/04/20	CHN	USD	1,480,710	0.34
1,500,000	Industrial & Commercial Bank of China Ltd., senior note, 2.957%, 11/08/22	CHN	USD	1,467,825	0.34
1,500,000	Tencent Holdings Ltd., senior note, 144A, 2.985%, 01/19/23	CHN	USD	1,458,690	0.33
1,500,000	Telefonica Emisiones SA, senior note, 4.103%, 03/08/27	ESP	USD	1,447,928	0.33
1,300,000	Korea East-West Power Co. Ltd., senior note, 144A, 3.875%, 07/19/23	KOR	USD	1,316,894	0.30
1,400,000	The Southern Co., senior bond, 3.25%, 07/01/26	USA	USD	1,314,274	0.30
1,500,000	Yes Bank Ifsc Banking Unit Branch, senior note, Reg S, 3.75%, 02/06/23	IND	USD	1,304,940	0.30
1,200,000	Sabine Pass Liquefaction LLC, senior secured note, first lien, 5.625%, 04/15/23	USA	USD	1,265,367	0.29
1,300,000	FedEx Corp., senior bond, 3.20%, 02/01/25	USA	USD	1,259,782	0.29
1,300,000	Anheuser-Busch Cos. LLC/Anheuser-Busch InBev Worldwide Inc., senior note, Reg S, 3.65%, 02/01/26	BEL	USD	1,229,943	0.28
1,300,000	American Tower Corp., senior bond, 3.375%, 10/15/26	USA	USD	1,212,084	0.28
1,000,000	Banca Monte dei Paschi di Siena SpA, secured note, Reg S, 2.875%, 07/16/62	ITA	EUR	1,204,408	0.27
1,200,000	Saudi Electricity Co., senior bond, Reg S, 4.723%, 09/27/28	SAU	USD	1,188,000	0.27
1,200,000	Morgan Stanley, senior note, 3.70%, 10/23/24	USA	USD	1,180,892	0.27
1,000,000	UniCredit SpA, secured bond, Reg S, FRN, 0.00%, 10/31/58 †	ITA	EUR	1,142,088	0.26
1,150,000	Athene Global Funding, secured note, 144A, 3.00%, 07/01/22	USA	USD	1,123,865	0.26
1,100,000	Takeda Pharmaceutical Co. Ltd., senior note, 144A, 4.40%, 11/26/23	JPN	USD	1,113,173	0.25
1,100,000	Bank of America Corp., senior note, 3.55% to 03/05/23, FRN thereafter, 03/05/24	USA	USD	1,087,260	0.25
1,100,000	Anthem Inc., senior note, 2.95%, 12/01/22	USA	USD	1,073,683	0.25
1,100,000	Bank of America Corp., senior note, 3.50%, 04/19/26	USA	USD	1,060,453	0.24
1,000,000	Prologis LP, senior note, 4.25%, 08/15/23	USA	USD	1,033,325	0.24
1,000,000	DowDuPont Inc., senior note, 4.205%, 11/15/23	USA	USD	1,023,590	0.23
1,050,000	Calpine Corp., senior note, 5.375%, 01/15/23	USA	USD	987,000	0.23
950,000	KB Home, senior note, 8.00%, 03/15/20	USA	USD	983,250	0.22
1,000,000	Transurban Finance Co. Pty. Ltd., senior secured bond, 144A, 4.125%, 02/02/26	AUS	USD	982,000	0.22
1,000,000	American Homes 4 Rent LP, senior bond, 4.25%, 02/15/28	USA	USD	968,728	0.22
1,000,000	Standard Chartered PLC, senior note, 144A, 3.885% to 03/15/23, FRN thereafter, 03/15/24	GBR	USD	967,290	0.22
1,000,000	Amgen Inc., senior note, 3.20%, 11/02/27	USA	USD	941,752	0.21
925,000	CNPC General Capital Ltd., senior note, 144A, 3.40%, 04/16/23	CHN	USD	915,847	0.21
1,000,000	Celgene Corp., senior bond, 3.45%, 11/15/27	USA	USD	912,229	0.21
900,000	The Goldman Sachs Group Inc., senior note, FRN, 3.988%, 09/15/20 †	USA	USD	904,433	0.21
900,000	Aptiv Corp., senior bond, 4.15%, 03/15/24	USA	USD	901,879	0.21
905,000	Fiserv Inc., senior bond, 3.85%, 06/01/25	USA	USD	898,598	0.21
1,000,000	Kraft Heinz Foods Co., senior bond, 3.00%, 06/01/26	USA	USD	893,987	0.20
900,000	Enterprise Products Operating LLC, senior note, 3.35%, 03/15/23	USA	USD	888,516	0.20
900,000	Bayer U.S. Finance II LLC, senior note, 144A, 3.875%, 12/15/23	DEU	USD	884,597	0.20
900,000	Allergan Funding SCS, senior bond, 3.80%, 03/15/25	USA	USD	880,231	0.20
900,000	Freeport-McMoRan Inc., senior note, 4.00%, 11/14/21	USA	USD	878,625	0.20
900,000	Verizon Communications Inc., senior note, 2.45%, 11/01/22	USA	USD	873,800	0.20
850,000	HCA Inc., senior secured bond, first lien, 5.875%, 03/15/22	USA	USD	873,375	0.20
850,000	Sealed Air Corp., senior bond, 144A, 5.25%, 04/01/23	USA	USD	856,375	0.20
900,000	Citigroup Inc., senior note, 3.40%, 05/01/26	USA	USD	848,332	0.19
800,000	Bank of China Ltd., senior note, Reg S, FRN, 3.517%, 03/08/21 †	CHN	USD	797,636	0.18
800,000	Israel Electric Corp. Ltd., secured bond, 144A, 4.25%, 08/14/28	ISR	USD	764,788	0.17
800,000	JPMorgan Chase & Co., senior bond, 3.30%, 04/01/26	USA	USD	762,972	0.17
700,000	China Southern Power Grid International Finance BVI 2018 Co. Ltd., senior note, Reg S, 3.875%, 09/18/23	CHN	USD	705,289	0.16
700,000	Alibaba Group Holding Ltd., senior note, 2.80%, 06/06/23	CHN	USD	677,061	0.15
600,000	Baidu Inc., senior note, 4.375%, 05/14/24	CHN	USD	605,457	0.14
600,000	CVS Health Corp., senior note, 3.70%, 03/09/23	USA	USD	594,113	0.14
600,000	Centene Corp., senior note, 144A, 5.375%, 06/01/26	USA	USD	585,000	0.13
500,000	SF Holding Investment Ltd., senior note, Reg S, 4.125%, 07/26/23	CHN	USD	501,675	0.11
500,000	SABIC Capital II BV, senior note, 144A, 4.50%, 10/10/28	SAU	USD	499,388	0.11
500,000	Industrial & Commercial Bank of China Ltd., senior note, 2.452%, 10/20/21	CHN	USD	485,595	0.11
500,000	Colbun SA, senior note, 144A, 3.95%, 10/11/27	CHL	USD	463,825	0.11
450,000	Sprint Communications Inc., senior note, 144A, 7.00%, 03/01/20	USA	USD	462,375	0.11
400,000	Glencore Funding LLC, senior note, 144A, 3.00%, 10/27/22	CHE	USD	381,864	0.09
300,000	Duke Energy Indiana Inc., senior secured bond, 3.75%, 07/15/20	USA	USD	303,973	0.07

The accompanying notes form an integral part of these financial statements

— Franklin Flexible Alpha Bond Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Corporate Bonds (continued)				
300,000	Exxon Mobil Corp., senior note, 2.222%, 03/01/21	USA	USD	295,763	0.07
300,000	Woodside Finance Ltd., senior note, 144A, 3.65%, 03/05/25	AUS	USD	287,034	0.07
300,000	Teva Pharmaceutical Finance Netherlands IV BV, senior note, Reg S, 0.50%, 07/28/22	ISR	CHF	282,818	0.06
300,000	Maxim Integrated Products Inc., senior note, 3.45%, 06/15/27	USA	USD	280,479	0.06
150,000	Reynolds American Inc., senior note, 4.45%, 06/12/25	GBR	USD	144,897	0.03
150,000	Tech Data Corp., senior bond, 4.95%, 02/15/27	USA	USD	141,102	0.03
150,000	Bunge Ltd. Finance Corp., senior note, 3.25%, 08/15/26	USA	USD	131,709	0.03
150,000	Oceaneering International Inc., senior note, 4.65%, 11/15/24	USA	USD	118,902	0.03
				132,309,021	30.20
	Government and Municipal Bonds				
2,100,000	The Export-Import Bank of China, senior note, 144A, 3.625%, 07/31/24	CHN	USD	2,098,099	0.48
2,000,000	Harvest Operations Corp., senior note, 144A, 4.20%, 06/01/23	KOR	USD	2,054,833	0.47
2,000,000	The Export-Import Bank of India, senior note, 144A, 3.875%, 02/01/28	IND	USD	1,879,291	0.43
1,200,000	The Korea Development Bank, senior note, 3.375%, 03/12/23	KOR	USD	1,199,724	0.27
710,000	Orlando Health Obligated Group, 3.777%, 10/01/28	USA	USD	714,814	0.16
7,720,000,000	Government of Indonesia, senior bond, FR70, 8.375%, 03/15/24	IDN	IDR	545,607	0.13
565,000	Providence St. Joseph Health Obligated Group, 2.746%, 10/01/26	USA	USD	526,355	0.12
75,000	Texas State GO, Transportation Commission Highway Improvement, Series A, 5.00%, 04/01/21	USA	USD	80,151	0.02
				9,098,874	2.08
	Securities Maturing Within One Year				
6,600,000	Safeway Inc., senior bond, 5.00%, 08/15/19	USA	USD	6,567,000	1.50
5,000,000	PHH Corp., senior note, 7.375%, 09/01/19	USA	USD	5,050,000	1.15
3,400,000	Sanmina Corp., senior note, first lien, 144A, 4.375%, 06/01/19	USA	USD	3,400,000	0.78
2,925,000	Tenet Healthcare Corp., senior note, 5.50%, 03/01/19	USA	USD	2,935,238	0.67
1,730,000	American Airlines Group Inc., senior note, 144A, 5.50%, 10/01/19	USA	USD	1,742,975	0.40
1,000,000	The Export-Import Bank of Korea, senior note, Reg S, 3.50%, 09/26/19	KOR	AUD	706,924	0.16
				20,402,137	4.66
	TOTAL BONDS			413,097,150	94.30
	TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET			413,097,150	94.30
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET				
	BONDS				
	Asset-Backed Securities				
1,700,000	Bayfront Infrastructure Capital Pte Ltd., 2018, A, Reg S, FRN, 3.939%, 01/11/38 †,**	SGP	USD	1,679,397	0.38
	TOTAL BONDS			1,679,397	0.38
	TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET			1,679,397	0.38
	TOTAL INVESTMENTS			414,776,547	94.68

† Floating Rates are indicated as at December 31, 2018
** These securities are submitted to a Fair Valuation

The accompanying notes form an integral part of these financial statements

— Franklin GCC Bond Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	BONDS				
	Asset-Backed Securities				
3,825,000	Acwa Power Management and Investments One Ltd., secured bond, Reg S, 5.95%, 12/15/39	SAU	USD	3,599,803	4.10
2,400,000	JP Morgan Structured Products BV, senior note, Reg S, FRN, 2.00%, 10/05/22 †	USA	USD	2,075,760	2.37
2,000,000	Abu Dhabi Crude Oil Pipeline LLC, senior secured bond, Reg S, 4.60%, 11/02/47	ARE	USD	1,955,000	2.23
748,931	Nakilat Inc., second lien, Reg S, 6.267%, 12/31/33	QAT	USD	821,533	0.94
650,000	Ruwais Power Co. PJSC, Reg S, 6.00%, 08/31/36	ARE	USD	711,048	0.81
55,150	Ras Laffan Liquefied Natural Gas Co. Ltd. II, secured bond, Reg S, 5.298%, 09/30/20	QAT	USD	55,989	0.06
				9,219,133	10.51
	Corporate Bonds				
3,200,000	Aabar Investments PJSC, cvt., senior note, 0.50%, 03/27/20	ARE	EUR	3,369,898	3.84
2,755,000	Virgin Mobile Middle East & Africa Sukuk Ltd., cvt., secured note, 12.00%, 03/31/23	ARE	USD	2,782,550	3.17
2,500,000	MAF Global Securities Ltd., junior sub. bond, 6.375% to 03/20/26, FRN thereafter, Perpetual	ARE	USD	2,312,500	2.64
2,402,968	Nile Delta Sukuk Ltd., secured note, Reg S, FRN, 4.00%, 10/31/20 †	ARE	USD	2,222,757	2.53
2,200,000	Aldar Sukuk Ltd., senior note, Reg S, 4.75%, 09/29/25	ARE	USD	2,203,707	2.51
2,125,000	The Oil and Gas Holding Co. BSCC, senior note, Reg S, 8.375%, 11/07/28	BHR	USD	2,170,369	2.48
2,500,000	Ezdan Sukuk Co. Ltd., senior note, Reg S, 4.375%, 05/18/21	QAT	USD	2,088,237	2.38
2,000,000	Equate Petrochemical BV, senior note, Reg S, 4.25%, 11/03/26	KWT	USD	1,940,000	2.21
2,100,000	Oztel Holdings SPC Ltd., senior secured note, Reg S, 6.625%, 04/24/28	OMN	USD	1,934,436	2.21
1,960,000	Emirates REIT Sukuk Ltd., senior note, Reg S, 5.125%, 12/12/22	ARE	USD	1,789,666	2.04
1,800,000	DP World Ltd., cvt., senior note, Reg S, 1.75%, 06/19/24	ARE	USD	1,715,454	1.96
1,700,000	SABIC Capital II BV, senior note, Reg S, 4.50%, 10/10/28	SAU	USD	1,694,050	1.93
1,550,000	MAF Global Securities Ltd., senior note, Reg S, 4.75%, 05/07/24	ARE	USD	1,540,312	1.76
1,400,000	Saudi Electricity Global Sukuk Co. 3, senior bond, Reg S, 5.50%, 04/08/44	SAU	USD	1,423,135	1.62
1,400,000	Saudi Electricity Global Sukuk Co. 2, senior bond, Reg S, 5.06%, 04/08/43	SAU	USD	1,347,486	1.54
1,250,000	Abu Dhabi National Energy Co. PJSC, senior bond, Reg S, 4.875%, 04/23/30	ARE	USD	1,258,394	1.43
1,200,000	Abu Dhabi National Energy Co. PJSC, senior note, Reg S, 4.375%, 06/22/26	ARE	USD	1,188,378	1.36
1,250,000	MDC-GMTN BV, senior bond, Reg S, 3.75%, 04/19/29	ARE	USD	1,186,562	1.35
1,400,000	NMC Health Jersey Ltd., cvt., senior note, Reg S, 1.875%, 04/30/25	ARE	USD	1,155,098	1.32
1,150,000	Al Ahli Bank of Kuwait KSCP, senior note, Reg S, 3.50%, 04/05/22	KWT	USD	1,125,275	1.28
1,000,000	Ahli United Bank BSC, junior sub. bond, Reg S, 6.875% to 04/29/20, FRN thereafter, Perpetual	BHR	USD	1,001,590	1.14
1,000,000	ABQ Finance Ltd., senior note, Reg S, 3.50%, 02/22/22	QAT	USD	961,875	1.10
900,000	Noor Sukuk Co. Ltd., senior note, Reg S, 4.471%, 04/24/23	ARE	USD	893,205	1.02
800,000	DP World Ltd., Reg S, 6.85%, 07/02/37	ARE	USD	892,596	1.02
850,000	Tabreed Sukuk SPC Ltd., senior note, Reg S, 5.50%, 10/31/25	ARE	USD	865,938	0.99
900,000	Dar Al-Arkan Sukuk Co. Ltd., senior note, Reg S, 6.875%, 03/21/23	SAU	USD	841,181	0.96
925,000	Emaar Sukuk Ltd., senior note, Reg S, 3.635%, 09/15/26	ARE	USD	833,550	0.95
900,000	Alpha Star Holding V Ltd., senior note, Reg S, 6.625%, 04/18/23	ARE	USD	806,949	0.92
750,000	DIB Sukuk Co. Ltd., senior note, Reg S, 3.625%, 02/06/23	ARE	USD	727,519	0.83
750,000	QIB Sukuk Ltd., senior note, Reg S, 3.251%, 05/23/22	QAT	USD	725,156	0.83
650,000	National Bank of Oman SAOG, senior note, Reg S, 5.625%, 09/25/23	OMN	USD	632,151	0.72
600,000	DIB Tier 1 Sukuk Ltd., junior sub. bond, Reg S, 6.25% to 03/19/19, FRN thereafter, Perpetual	ARE	USD	600,780	0.69
600,000	Ooredoo International Finance Ltd., senior bond, Reg S, 3.25%, 02/21/23	QAT	USD	580,800	0.66
675,000	Ezdan Sukuk Co. Ltd., senior note, Reg S, 4.875%, 04/05/22	QAT	USD	560,797	0.64
500,000	NBK Tier 1 Financing Ltd., junior sub. bond, Reg S, 5.75% to 04/09/21, FRN thereafter, Perpetual	KWT	USD	506,875	0.58
500,000	Equate Sukuk SPC Ltd., senior note, Reg S, 3.944%, 02/21/24	KWT	USD	491,343	0.56
400,000	Boubyan Tier 1 Capital SPC Ltd., sub. bond, Reg S, 6.75% to 05/16/21, FRN thereafter, Perpetual	KWT	USD	411,854	0.47
200,000	Senaat Sukuk Ltd., senior note, Reg S, 4.76%, 12/05/25	ARE	USD	203,760	0.23
				48,986,183	55.87
	Government and Municipal Bonds				
4,750,000	Government of Bahrain, senior bond, Reg S, 7.50%, 09/20/47	BHR	USD	4,603,439	5.25
2,300,000	Government of Qatar, senior bond, Reg S, 5.103%, 04/23/48	QAT	USD	2,419,795	2.76
2,980,000	Government of Oman International Bond, senior bond, Reg S, 6.50%, 03/08/47	OMN	USD	2,405,873	2.74
2,250,000	Kuwait International Government Bond, senior note, Reg S, 3.50%, 03/20/27	KWT	USD	2,245,984	2.56
1,500,000	Government of Qatar, senior bond, Reg S, 6.40%, 01/20/40	QAT	USD	1,881,780	2.15
1,800,000	Abu Dhabi Government International Bond, senior bond, Reg S, 4.125%, 10/11/47	ARE	USD	1,731,393	1.98
1,700,000	Abu Dhabi Government International Bond, senior note, Reg S, 3.125%, 10/11/27	ARE	USD	1,629,960	1.86
1,550,000	Government of Qatar, senior note, Reg S, 4.50%, 04/23/28	QAT	USD	1,619,321	1.85
1,800,000	Government of Oman International Bond, senior note, Reg S, 5.625%, 01/17/28	OMN	USD	1,590,687	1.81
1,500,000	Saudi Government International Bond, senior bond, Reg S, 4.50%, 10/26/46	SAU	USD	1,360,658	1.55
1,250,000	Saudi Government International Bond, senior bond, Reg S, 4.50%, 04/17/30	SAU	USD	1,246,025	1.42
600,000	Government of Bahrain, senior bond, Reg S, 7.00%, 10/12/28	BHR	USD	601,935	0.69
400,000	Sharjah Sukuk Programme Ltd., senior note, Reg S, 4.226%, 03/14/28	ARE	USD	395,208	0.45
				23,732,058	27.07
	Securities Maturing Within One Year				
3,150,000	Kuwait Energy PLC, senior note, Reg S, 9.50%, 08/04/19	KWT	USD	3,035,151	3.46
	TOTAL BONDS			84,972,525	96.91
	TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET			84,972,525	96.91
	TOTAL INVESTMENTS			84,972,525	96.91

† Floating Rates are indicated as at December 31, 2018

The accompanying notes form an integral part of these financial statements

— Franklin Global Aggregate Bond Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	BONDS				
	Asset-Backed Securities				
1,060,391	FHLMC, 4.00%, 04/01/47	USA	USD	1,082,719	2.16
715,763	FHLMC, 3.50%, 05/01/47	USA	USD	717,022	1.43
705,923	FHLMC, 3.50%, 07/01/47	USA	USD	706,426	1.41
597,441	FHLMC, 4.00%, 03/01/47	USA	USD	610,021	1.21
541,976	FNMA, 3.50%, 03/01/48	USA	USD	542,354	1.08
152,377	GNMA II, SF, 3.50%, 02/20/47	USA	USD	153,535	0.30
				3,812,077	7.59
	Corporate Bonds				
550,000	CGNPC International Ltd., senior note, Reg S, 1.625%, 12/11/24	CHN	EUR	622,998	1.24
600,000	Aroundtown SA, senior note, Reg S, 1.625%, 01/31/28	DEU	EUR	616,405	1.23
500,000	Energo-Pro AS, senior note, Reg S, 4.00%, 12/07/22	CZE	EUR	548,552	1.09
525,000	Bank of Montreal, senior note, 3.10%, 04/13/21	CAN	USD	524,889	1.05
515,000	Bank of America Corp., senior note, 2.738% to 01/23/21, FRN thereafter, 01/23/22	USA	USD	507,319	1.01
400,000	Anheuser-Busch InBev SA/NV, senior note, Reg S, 1.50%, 03/17/25	BEL	EUR	466,696	0.93
400,000	AXA SA, sub. bond, Reg S, 3.25% to 03/26/18, FRN thereafter, 05/28/49	FRA	EUR	438,342	0.87
415,000	JPMorgan Chase & Co., senior note, 4.25%, 10/15/20	USA	USD	422,508	0.84
415,000	New York Life Global Funding, secured note, 144A, 1.95%, 02/11/20	USA	USD	410,315	0.82
400,000	Enterprise Products Operating LLC, senior note, 2.80%, 02/15/21	USA	USD	395,799	0.79
435,000	Glencore Funding LLC, senior note, 144A, 3.875%, 10/27/27	CHE	USD	392,970	0.78
400,000	Ford Motor Credit Co. LLC, senior note, 3.336%, 03/18/21	USA	USD	388,315	0.77
435,000	Bunge Ltd. Finance Corp., senior note, 3.75%, 09/25/27	USA	USD	387,765	0.77
360,000	Verizon Communications Inc., senior note, 5.15%, 09/15/23	USA	USD	383,765	0.76
385,000	Celgene Corp., senior note, 3.25%, 02/20/23	USA	USD	376,272	0.75
370,000	Walmart Inc., senior note, 3.40%, 06/26/23	USA	USD	374,017	0.75
390,000	MPLX LP, senior bond, 4.125%, 03/01/27	USA	USD	372,156	0.74
375,000	Canadian Imperial Bank of Commerce, senior note, 2.70%, 02/02/21	CAN	USD	371,307	0.74
375,000	Gilead Sciences Inc., senior bond, 3.50%, 02/01/25	USA	USD	370,503	0.74
365,000	Aflac Inc., senior bond, 3.625%, 11/15/24	USA	USD	364,974	0.73
385,000	The Goldman Sachs Group Inc., senior note, 3.85%, 01/26/27	USA	USD	362,712	0.72
370,000	Simon Property Group LP, senior bond, 3.375%, 10/01/24	USA	USD	362,261	0.72
365,000	Toyota Motor Credit Corp., senior note, 2.20%, 01/10/20	USA	USD	361,570	0.72
400,000	Western Digital Corp., senior note, 4.75%, 02/15/26	USA	USD	348,500	0.69
300,000	BMW Finance NV, senior note, Reg S, 0.75%, 04/15/24	DEU	EUR	339,460	0.68
350,000	CK Hutchison International 16 Ltd., senior note, 144A, 1.875%, 10/03/21	HKG	USD	336,087	0.67
350,000	Tencent Holdings Ltd., senior note, 144A, 3.595%, 01/19/28	CHN	USD	328,636	0.65
330,000	Citigroup Inc., senior note, 2.70%, 03/30/21	USA	USD	325,058	0.65
320,000	CVS Health Corp., senior note, 3.70%, 03/09/23	USA	USD	316,860	0.63
315,000	Burlington Northern Santa Fe LLC, senior bond, 3.90%, 08/01/46	USA	USD	298,142	0.59
290,000	GE Capital International Funding Co., senior note, 2.342%, 11/15/20	USA	USD	279,982	0.56
215,000	21st Century Fox America Inc., senior bond, 6.40%, 12/15/35	USA	USD	270,262	0.54
285,000	Anthem Inc., senior bond, 4.375%, 12/01/47	USA	USD	266,488	0.53
280,000	Morgan Stanley, sub. bond, 3.95%, 04/23/27	USA	USD	264,586	0.53
300,000	Teva Pharmaceutical Finance Netherlands III BV, senior note, 2.80%, 07/21/23	ISR	USD	258,626	0.52
260,000	Sunoco LP/Sunoco Finance Corp., senior note, 4.875%, 01/15/23	USA	USD	254,150	0.51
270,000	WPP Finance 2010, senior note, 3.75%, 09/19/24	GBR	USD	251,625	0.50
275,000	Comcast Corp., senior bond, 4.00%, 03/01/48	USA	USD	251,576	0.50
300,000	Baker Hughes a GE Co. LLC/Baker Hughes Co-obligator Inc., senior bond, 4.08%, 12/15/47	USA	USD	248,137	0.49
250,000	Sprint Corp., senior note, 7.625%, 03/01/26	USA	USD	247,500	0.49
260,000	Syngenta Finance NV, senior note, 144A, 4.892%, 04/24/25	CHE	USD	246,273	0.49
270,000	T-Mobile USA Inc., senior bond, 4.75%, 02/01/28	USA	USD	245,362	0.49
175,000	Citigroup Inc., senior bond, 8.125%, 07/15/39	USA	USD	243,505	0.49
260,000	Aramark Services Inc., senior bond, 144A, 5.00%, 02/01/28	USA	USD	243,100	0.48
250,000	Canadian Natural Resources Ltd., senior bond, 4.95%, 06/01/47	CAN	USD	242,354	0.48
270,000	United Rentals North America Inc., senior bond, 4.875%, 01/15/28	USA	USD	237,600	0.47
230,000	State Grid Overseas Invesments 2016 Ltd., senior note, 144A, 2.125%, 05/18/21	CHN	USD	223,307	0.45
200,000	Globalworth Real Estate Investments Ltd., senior note, Reg S, 3.00%, 03/29/25	ROU	EUR	216,813	0.43
230,000	Alibaba Group Holding Ltd., senior bond, 4.20%, 12/06/47	CHN	USD	206,132	0.41
200,000	CNAC HK Finbridge Co. Ltd., senior note, Reg S, 4.625%, 03/14/23	CHN	USD	201,880	0.40
200,000	Saudi Electricity Global Sukuk Co. 2, senior bond, 144A, 5.06%, 04/08/43	SAU	USD	192,498	0.38
185,000	General Motors Co., senior bond, 4.875%, 10/02/23	USA	USD	185,601	0.37
175,000	HSBC Holdings PLC, senior bond, 4.041% to 03/13/27, FRN thereafter, 03/13/28	GBR	USD	167,894	0.33
100,000	Heathrow Funding Ltd., senior secured bond, 144A, 4.875%, 07/15/23	GBR	USD	103,231	0.21
55,000	Mitsui Sumitomo Insurance Co. Ltd., junior sub. note, 144A, 7.00% to 03/15/22, FRN thereafter, 03/15/72	JPN	USD	58,561	0.12
60,000	Toll Brothers Finance Corp., senior bond, 4.375%, 04/15/23	USA	USD	56,550	0.11
50,000	CIT Group Inc., senior bond, 5.00%, 08/01/23	USA	USD	49,125	0.10
				17,827,871	35.50
	Government and Municipal Bonds				
480,000	Government of Mexico, M, 10.00%, 11/20/36	MEX	MXN	2,694,686	5.37
43,000,000	Government of South Africa, senior bond, 7.00%, 02/28/31	ZAF	ZAR	2,462,049	4.90
9,200,000	Government of Poland, 2.50%, 07/25/26	POL	PLN	2,438,023	4.85
8,600,000	Government of Poland, 2.50%, 07/25/27	POL	PLN	2,261,373	4.50
1,700,000	Government of Spain, Reg S, 2.35%, 07/30/33	ESP	EUR	2,045,847	4.07
2,000,000	U.S. Treasury Note, FRN, 2.463%, 04/30/20 †	USA	USD	1,999,541	3.98
160,000,000	Development Bank of Japan, 1.70%, 09/20/22	JPN	JPY	1,555,022	3.10
20,500,000,000	Indonesia Treasury Bond, senior bond, 8.25%, 05/15/36	IDN	IDR	1,416,111	2.82

The accompanying notes form an integral part of these financial statements

— Franklin Global Aggregate Bond Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Government and Municipal Bonds (continued)				
1,600,000	Queensland Treasury Corp., senior bond, Reg S, 5.75%, 07/22/24	AUS	AUD	1,323,477	2.64
1,650,000	Government of Canada, 2.75%, 06/01/22	CAN	CAD	1,243,614	2.48
1,650,000	Queensland Treasury Corp., senior bond, Reg S, 3.25%, 07/21/26	AUS	AUD	1,208,322	2.41
850,000	Italy Treasury Bond, senior bond, 5.50%, 09/01/22	ITA	EUR	1,116,611	2.22
100,000,000	Development Bank of Japan, senior bond, 2.30%, 03/19/26	JPN	JPY	1,061,825	2.11
800,000	Government of Chile, senior bond, 1.44%, 02/01/29	CHL	EUR	899,586	1.79
700,000	Government of Spain, senior note, 0.45%, 10/31/22	ESP	EUR	812,848	1.62
500,000	Government of France, Reg S, 1.00%, 11/25/25	FRA	EUR	601,384	1.20
550,000	Italy Treasury Bond, senior bond, 1.25%, 12/01/26	ITA	EUR	582,756	1.16
405,000	Saudi Government International Bond, senior note, 144A, 2.375%, 10/26/21	SAU	USD	390,950	0.78
355,000	Japan Bank for International Cooperation, 2.25%, 02/24/20	JPN	USD	353,122	0.70
300,000	U.S. Treasury Note, 1.75%, 05/15/23	USA	USD	290,791	0.58
80,000	California State GO, Build America Bonds, 7.30%, 10/01/39	USA	USD	110,065	0.22
70,000	Corp Andina De Fomento, 4.375%, 06/15/22	SP	USD	72,519	0.14
65,000	JobsOhio Beverage System Statewide Liquor Profits Revenue, Series B, 4.532%, 01/01/35	USA	USD	69,509	0.14
				27,010,031	53.78
	Securities Maturing Within One Year				
595,000	FNMA, 1.75%, 09/12/19	USA	USD	591,055	1.18
38,000	Navient Corp., senior note, 4.875%, 06/17/19	USA	USD	37,881	0.07
				628,936	1.25
	TOTAL BONDS			49,278,915	98.12
	TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET			49,278,915	98.12
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET				
	BONDS				
	Corporate Bonds				
590,000	T-Mobile USA Inc., Escrow Account **	USA	USD	0	0.00
	TOTAL BONDS			0	0.00
	TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET			0	0.00
	TOTAL INVESTMENTS			49,278,915	98.12

† Floating Rates are indicated as at December 31, 2018
** These securities are submitted to a Fair Valuation

The accompanying notes form an integral part of these financial statements

— Franklin Global Aggregate Investment Grade Bond Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	BONDS				
	Corporate Bonds				
200,000	Anheuser-Busch InBev SA/NV, senior note, Reg S, 1.50%, 03/17/25	BEL	EUR	233,348	2.19
200,000	Johnson & Johnson, senior note, 0.25%, 01/20/22	USA	EUR	229,983	2.16
200,000	BMW Finance NV, senior note, Reg S, 0.75%, 04/15/24	DEU	EUR	226,306	2.13
100,000	CGNPC International Ltd., senior note, Reg S, 1.625%, 12/11/24	CHN	EUR	113,272	1.06
110,000	Canadian Imperial Bank of Commerce, senior note, 2.70%, 02/02/21	CAN	USD	108,917	1.02
105,000	Walmart Inc., senior note, 3.40%, 06/26/23	USA	USD	106,140	1.00
100,000	Aroundtown SA, senior note, Reg S, 1.625%, 01/31/28	DEU	EUR	102,734	0.97
110,000	Comcast Corp., senior bond, 4.00%, 03/01/48	USA	USD	100,631	0.95
80,000	21st Century Fox America Inc., senior bond, 6.40%, 12/15/35	USA	USD	100,563	0.95
100,000	Citigroup Inc., senior note, 2.70%, 03/30/21	USA	USD	98,503	0.93
95,000	Aflac Inc., senior bond, 3.625%, 11/15/24	USA	USD	94,993	0.89
100,000	Burlington Northern Santa Fe LLC, senior bond, 3.90%, 08/01/46	USA	USD	94,648	0.89
95,000	Gilead Sciences Inc., senior bond, 3.50%, 02/01/25	USA	USD	93,861	0.88
95,000	Simon Property Group LP, senior bond, 3.375%, 10/01/24	USA	USD	93,013	0.87
90,000	JPMorgan Chase & Co., senior note, 4.25%, 10/15/20	USA	USD	91,628	0.86
85,000	Verizon Communications Inc., senior note, 5.15%, 09/15/23	USA	USD	90,611	0.85
65,000	Citigroup Inc., senior bond, 8.125%, 07/15/39	USA	USD	90,445	0.85
95,000	WPP Finance 2010, senior note, 3.75%, 09/19/24	GBR	USD	88,535	0.83
80,000	The Goldman Sachs Group Inc., senior note, 3.85%, 01/26/27	USA	USD	75,369	0.71
75,000	Bank of Montreal, senior note, 3.10%, 04/13/21	CAN	USD	74,984	0.71
75,000	Celgene Corp., senior note, 3.25%, 02/20/23	USA	USD	73,300	0.69
75,000	Bunge Ltd. Finance Corp., senior note, 3.75%, 09/25/27	USA	USD	66,856	0.63
65,000	Bank of America Corp., senior note, 2.738% to 01/23/21, FRN thereafter, 01/23/22	USA	USD	64,030	0.60
55,000	Enterprise Products Operating LLC, senior note, 2.80%, 02/15/21	USA	USD	54,422	0.51
50,000	Anthem Inc., senior bond, 4.375%, 12/01/47	USA	USD	46,752	0.44
40,000	CVS Health Corp., senior note, 3.70%, 03/09/23	USA	USD	39,608	0.37
				2,653,452	24.94
	Government and Municipal Bonds				
3,200,000	Government of Poland, 2.50%, 07/25/26	POL	PLN	848,008	7.97
70,000,000	Development Bank of Japan, senior bond, 2.30%, 03/19/26	JPN	JPY	743,277	6.99
650,000	U.S. Treasury Note, FRN, 2.473%, 07/31/20 †	USA	USD	649,765	6.11
400,000	Government of Spain, Reg S, 2.35%, 07/30/33	ESP	EUR	481,376	4.52
400,000	Government of Spain, senior note, 0.45%, 10/31/22	ESP	EUR	464,485	4.37
550,000	Queensland Treasury Corp., senior bond, Reg S, 5.75%, 07/22/24	AUS	AUD	454,945	4.28
600,000	Government of Canada, 2.75%, 06/01/22	CAN	CAD	452,223	4.25
460,000	U.S. Treasury Note, 1.75%, 05/15/23	USA	USD	445,880	4.19
380,000	U.S. Treasury Note, 3.50%, 05/15/20	USA	USD	384,765	3.62
50,000	Government of Mexico, M, 10.00%, 11/20/36	MEX	MXN	280,697	2.64
275,000	U.S. Treasury Note, 1.875%, 07/31/22	USA	USD	269,362	2.53
150,000	U.S. Treasury Bond, 5.375%, 02/15/31	USA	USD	190,728	1.79
190,000	U.S. Treasury Note, 2.125%, 05/15/25	USA	USD	184,998	1.74
150,000	Italy Treasury Bond, senior bond, Reg S, 144A, 4.50%, 02/01/20	ITA	EUR	179,611	1.69
145,000	U.S. Treasury Bond, 2.50%, 02/15/46	USA	USD	131,198	1.23
110,000	U.S. Treasury Bond, 3.125%, 08/15/44	USA	USD	112,526	1.06
100,000	Government of Chile, senior bond, 1.44%, 02/01/29	CHL	EUR	112,448	1.06
1,250,000,000	Indonesia Treasury Bond, senior bond, 8.25%, 05/15/36	IDN	IDR	86,348	0.81
60,000	California State GO, Build America Bonds, 7.30%, 10/01/39	USA	USD	82,549	0.78
15,000	JobsOhio Beverage System Statewide Liquor Profits Revenue, Series B, 4.532%, 01/01/35	USA	USD	16,041	0.15
				6,571,230	61.78
	Securities Maturing Within One Year				
290,000	Italy Treasury Bond, senior bond, 4.25%, 09/01/19	ITA	EUR	340,948	3.21
1,000,000	Government of Malaysia, senior note, 3.654%, 10/31/19	MYS	MYR	242,396	2.28
				583,344	5.49
	TOTAL BONDS			9,808,026	92.21
	TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET			9,808,026	92.21
	TOTAL INVESTMENTS			9,808,026	92.21

† Floating Rates are indicated as at December 31, 2018

The accompanying notes form an integral part of these financial statements

— Franklin Global Convertible Securities Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	SHARES				
	Gas Utilities				
125,000	South Jersey Industries Inc, 7.25%, cvt. pfd.	USA	USD	5,828,750	1.44
	Health Care Equipment				
123,000	Becton Dickinson and Co., 6.125%, cvt. pfd., A	USA	USD	7,093,410	1.76
	Industrial Machinery				
7,750	Fortive Corp., 5.00%, cvt. pfd., A	USA	USD	7,033,822	1.75
68,000	Stanley Black & Decker Inc., 5.375%, cvt. pfd.	USA	USD	6,180,520	1.53
				13,214,342	3.28
	Multi-Utilities				
35,750	Sempra Energy, 6.75%, cvt. pfd., B	USA	USD	3,447,730	0.85
35,000	Sempra Energy, 6.00%, cvt. pfd., A	USA	USD	3,328,850	0.83
				6,776,580	1.68
	Specialty Chemicals				
140,000	International Flavors & Fragrances Inc., 6.00%, cvt. pfd.	USA	USD	7,098,000	1.76
	TOTAL SHARES			40,011,082	9.92
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			40,011,082	9.92
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	SHARES				
	Agricultural Products				
71,500	Bunge Ltd., 4.875%, cvt. pfd.	USA	USD	6,935,500	1.72
	Industrial Machinery				
134,500	Rexnord Corp., 5.75%, cvt. pfd.	USA	USD	6,804,355	1.69
	Interactive Media & Services				
12,000	Mandatory Exchangeable Trust, 5.75%, cvt. pfd., 144A	CHN	USD	1,853,460	0.46
	Packaged Foods & Meats				
17,300	Post Holdings Inc., 2.50%, cvt. pfd.	USA	USD	2,863,007	0.71
	TOTAL SHARES			18,456,322	4.58
	BONDS				
	Corporate Bonds				
6,700,000	Workday Inc., cvt., senior note, 0.25%, 10/01/22	USA	USD	8,219,138	2.04
6,000,000	Atlassian Inc., cvt., senior note, 144A, 0.625%, 05/01/23	USA	USD	7,636,530	1.89
6,400,000	adidas AG, cvt., senior note, Reg S, 0.05%, 09/12/23	DEU	EUR	7,626,701	1.89
7,500,000	DexCom Inc., cvt., senior note, 144A, 0.75%, 12/01/23	USA	USD	7,607,775	1.89
7,800,000	Ctrip.com International Ltd., cvt., senior note, 1.25%, 09/15/22	CHN	USD	7,570,368	1.88
6,600,000	America Movil SAB de CV, cvt., senior note, Reg S, zero cpn., 05/28/20	MEX	EUR	7,465,180	1.85
6,000,000	Vodafone Group PLC, cvt., senior note, Reg S, zero cpn., 11/26/20	GBR	GBP	7,421,496	1.84
6,200,000	Grand City Properties SA, cvt., senior note, Reg S, 0.25%, 03/02/22	DEU	EUR	7,400,514	1.83
7,800,000	Wix.com Ltd., cvt., senior note, 144A, zero cpn., 07/01/23	ISR	USD	7,399,774	1.83
7,500,000	Cemex SAB de CV, cvt., sub. note, 3.72%, 03/15/20	MEX	USD	7,336,515	1.82
8,400,000	Glencore Funding LLC, cvt., senior note, Reg S, zero cpn., 03/27/25	CHE	USD	7,280,818	1.80
5,000,000	Etsy Inc., cvt., senior note, 144A, zero cpn., 03/01/23	USA	USD	7,259,375	1.80
7,000,000	Total SA, cvt., senior note, Reg S, 0.50%, 12/02/22	FRA	USD	7,255,430	1.80
8,000,000	BASF SE, cvt., senior note, Reg S, 0.925%, 03/09/23	DEU	USD	7,240,760	1.79
7,900,000	Weibo Corp., cvt., senior note, 144A, 1.25%, 11/15/22	CHN	USD	7,218,783	1.79
7,150,000	Envestnet Inc., cvt., senior note, 144A, 1.75%, 06/01/23	USA	USD	7,171,393	1.78
7,750,000	DocuSign Inc., cvt., senior note, 144A, 0.50%, 09/15/23	USA	USD	7,119,359	1.76
8,000,000	AXA SA, cvt., senior note, 144A, 7.25%, 05/15/21	FRA	USD	7,002,168	1.74
7,300,000	iQIYI Inc., cvt., senior note, 144A, 3.75%, 12/01/23	CHN	USD	6,986,888	1.73
7,050,000	Microchip Technology Inc., cvt., 1.625%, 02/15/27	USA	USD	6,908,422	1.71
7,000,000	Splunk Inc., cvt., senior note, 144A, 1.125%, 09/15/25	USA	USD	6,872,838	1.70
6,000,000	Zendesk Inc., cvt., senior note, 144A, 0.25%, 03/15/23	USA	USD	6,818,292	1.69
4,850,000	ServiceNow Inc., cvt., senior note, zero cpn., 06/01/22	USA	USD	6,781,697	1.68
4,980,000	The Priceline Group Inc., cvt., senior note, 0.35%, 06/15/20	USA	USD	6,719,833	1.67
7,500,000	MercadoLibre Inc., cvt., senior note, 144A, 2.00%, 08/15/28	ARG	USD	6,705,000	1.66
7,500,000	RH, cvt., senior note, 144A, zero cpn., 06/15/23	USA	USD	6,691,627	1.66
4,625,000	HubSpot Inc., cvt., senior note, 0.25%, 06/01/22	USA	USD	6,668,094	1.65
5,450,000	Neurocrine Biosciences Inc., cvt., senior note, 2.25%, 05/15/24	USA	USD	6,519,464	1.62
6,750,000	Guidewire Software Inc., cvt., senior note, 1.25%, 03/15/25	USA	USD	6,501,789	1.61
6,700,000	Liberty Expedia Holdings, cvt., 144A, 1.00%, 06/30/47	USA	USD	6,420,282	1.59
5,900,000	Square Inc., cvt., senior note, 144A, 0.50%, 05/15/23	USA	USD	6,179,837	1.53
4,750,000	RealPage Inc., cvt., senior note, 1.50%, 11/15/22	USA	USD	6,111,017	1.51
4,000,000	Twilio Inc., cvt., senior note, 144A, 0.25%, 06/01/23	USA	USD	5,720,124	1.42
5,850,000	Jazz Investments I Ltd., cvt., senior note, 1.50%, 08/15/24	USA	USD	5,311,344	1.32
5,278,000	Viavi Solutions Inc., cvt., senior note, 1.00%, 03/01/24	USA	USD	5,221,356	1.29
3,300,000	Okta Inc., cvt., senior note, 144A, 0.25%, 02/15/23	USA	USD	4,824,488	1.20
4,600,000	QIAGEN NV, cvt., senior note, Reg S, 0.50%, 09/13/23	NLD	USD	4,778,250	1.18
4,250,000	Illumina Inc., cvt., senior note, 144A, zero cpn., 08/15/23	USA	USD	4,380,696	1.09
3,950,000	Wayfair Inc., cvt., senior note, 0.375%, 09/01/22	USA	USD	4,262,326	1.06
3,800,000	Silicon Laboratories Inc., cvt., senior note, 1.375%, 03/01/22	USA	USD	4,023,645	1.00
3,750,000	Insulet Corp., cvt., senior note, 144A, 1.375%, 11/15/24	USA	USD	3,991,931	0.99
4,000,000	Palo Alto Networks Inc., cvt., senior note, 144A, 0.75%, 07/01/23	USA	USD	3,975,956	0.99

The accompanying notes form an integral part of these financial statements

— Franklin Global Convertible Securities Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Corporate Bonds (continued)				
3,500,000	Q2 Holdings Inc., cvt., 144A, 0.75%, 02/15/23	USA	USD	3,666,446	0.91
4,000,000	Oil States International Inc., cvt., senior note, 144A, 1.50%, 02/15/23	USA	USD	3,298,480	0.82
3,000,000	Wayfair Inc., cvt., senior note, 144A, 1.125%, 11/01/24	USA	USD	3,074,130	0.76
1,750,000	Sarepta Therapeutics Inc., cvt., senior note, 144A, 1.50%, 11/15/24	USA	USD	2,929,167	0.73
1,950,000	Illumina Inc., cvt., senior note, 0.50%, 06/15/21	USA	USD	2,569,536	0.64
1,110,000	Intel Corp., cvt., junior sub. bond, 3.25%, 08/01/39	USA	USD	2,539,125	0.63
1,800,000	QIAGEN NV, cvt., senior note, Reg S, 0.875%, 03/19/21	NLD	USD	2,267,892	0.56
2,500,000	Zillow Group Inc., cvt., senior note, 1.50%, 07/01/23	USA	USD	2,160,048	0.54
1,750,000	Liberty Media Corp., cvt., senior note, 1.375%, 10/15/23	USA	USD	1,878,275	0.47
1,750,000	Zillow Group Inc., cvt., senior note, 2.00%, 12/01/21	USA	USD	1,707,010	0.42
1,750,000	Jazz Investments I Ltd., cvt., senior note, 1.875%, 08/15/21	USA	USD	1,701,487	0.42
1,500,000	BioMarin Pharmaceutical Inc., cvt., senior sub. note, 1.50%, 10/15/20	USA	USD	1,672,500	0.41
2,000,000	DISH Network Corp., cvt., senior bond, 3.375%, 08/15/26	USA	USD	1,620,032	0.40
1,389,000	Micron Technology Inc., cvt., senior bond, G, 3.00%, 11/15/43	USA	USD	1,543,207	0.38
1,500,000	Liberty Interactive LLC, cvt., senior bond, 144A, 1.75%, 09/30/46	USA	USD	1,534,605	0.38
1,000,000	NuVasive Inc., cvt., senior note, 2.25%, 03/15/21	USA	USD	1,054,955	0.26
1,027,000	Viavi Solutions Inc., cvt., senior note, 144A, 1.75%, 06/01/23	USA	USD	1,028,438	0.25
400,000	Inphi Corp., cvt., senior note, 0.75%, 09/01/21	USA	USD	370,777	0.09
				309,223,383	76.64
	Securities Maturing Within One Year				
60,000,000	Industrivarden AB, cvt., senior note, Reg S, zero cpn., 05/15/19	SWE	SEK	7,396,470	1.83
7,000,000	Siemens Financieringsmaatschappij NV, cvt., senior note, Reg S, 1.65%, 08/16/19	DEU	USD	7,294,175	1.81
7,200,000	NXP Semiconductors NV, cvt., senior note, 1.00%, 12/01/19	NLD	USD	7,221,643	1.79
8,000,000	Bayer Capital Corp. BV, cvt., junior sub. note, 144A, 5.625%, 11/22/19	DEU	EUR	6,886,945	1.71
				28,799,233	7.14
	TOTAL BONDS			338,022,616	83.78
	TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET			356,478,938	88.36
	TOTAL INVESTMENTS			396,490,020	98.28

The accompanying notes form an integral part of these financial statements

— Franklin Global Fundamental Strategies Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	SHARES				
	Aerospace & Defense				
788,645	BAE Systems PLC	GBR	GBP	4,618,264	0.26
	Air Freight & Logistics				
62,840	United Parcel Service Inc., B	USA	USD	6,128,785	0.35
	Auto Components				
339,000	Toyo Tire Corp.	JPN	JPY	4,252,965	0.24
	Automobiles				
70,503	Volkswagen AG, pfd.	DEU	EUR	11,242,583	0.64
193,800	General Motors Co.	USA	USD	6,482,610	0.37
94,527	Hero Motocorp Ltd.	IND	INR	4,217,844	0.24
				21,943,037	1.25
	Banks				
374,664	Citigroup Inc.	USA	USD	19,505,008	1.11
1,753,132	Standard Chartered PLC	GBR	GBP	13,622,007	0.77
134,490	JPMorgan Chase & Co.	USA	USD	13,128,914	0.75
246,107	BNP Paribas SA	FRA	EUR	11,131,531	0.63
333,506	Citizens Financial Group Inc.	USA	USD	9,915,133	0.56
196,920	Wells Fargo & Co.	USA	USD	9,074,074	0.52
1,086,408	HSBC Holdings PLC	GBR	HKD	8,990,389	0.51
679,614	ING Groep NV	NLD	EUR	7,327,583	0.42
169,608	KB Financial Group Inc.	KOR	KRW	7,081,531	0.40
1,002,400	Bangkok Bank PCL, fgn.	THA	THB	6,416,104	0.36
180,333	Societe Generale SA	FRA	EUR	5,748,322	0.33
490,154	Credit Agricole SA	FRA	EUR	5,296,062	0.30
1,973,397	Barclays PLC	GBR	GBP	3,787,948	0.22
331,055	HSBC Holdings PLC	GBR	GBP	2,731,069	0.15
177,300	First Horizon National Corp.	USA	USD	2,333,268	0.13
410,389	Bank of Ireland Group PLC	IRL	EUR	2,283,509	0.13
279,800	Bangkok Bank PCL, NVDR	THA	THB	1,756,320	0.10
				130,128,772	7.39
	Beverages				
117,900	Suntory Beverage & Food Ltd.	JPN	JPY	5,335,621	0.30
	Biotechnology				
139,460	Gilead Sciences Inc.	USA	USD	8,723,223	0.49
63,030	Celgene Corp.	USA	USD	4,039,593	0.23
18,038	Amgen Inc.	USA	USD	3,511,457	0.20
				16,274,273	0.92
	Building Products				
212,900	Johnson Controls International PLC	USA	USD	6,312,485	0.36
96,829	Compagnie de Saint-Gobain	FRA	EUR	3,235,760	0.18
				9,548,245	0.54
	Capital Markets				
540,160	UBS Group AG	CHE	CHF	6,740,969	0.38
1,250,597	Guotai Junan Securities Co. Ltd.	CHN	HKD	2,529,782	0.14
216,526	Credit Suisse Group AG	CHE	CHF	2,368,134	0.14
1,159,160	Man Group PLC	GBR	GBP	1,966,031	0.11
236,555	Deutsche Bank AG	DEU	EUR	1,886,652	0.11
998,500	Value Partners Group Ltd.	HKG	HKD	692,402	0.04
				16,183,970	0.92
	Chemicals				
105,734	BASF SE	DEU	EUR	7,365,075	0.42
69,387	Akzo Nobel NV	NLD	EUR	5,597,055	0.32
				12,962,130	0.74
	Communications Equipment				
181,160	Cisco Systems Inc.	USA	USD	7,849,663	0.45
856,528	Nokia OYJ, A	FIN	EUR	4,936,491	0.28
215,600	CommScope Holding Co. Inc.	USA	USD	3,533,684	0.20
353,370	Nokia OYJ, ADR	FIN	USD	2,056,613	0.12
16,152	NetScout Systems Inc.	USA	USD	381,672	0.02
				18,758,123	1.07
	Construction Materials				
121,737	LafargeHolcim Ltd., B	CHE	CHF	5,026,248	0.29
99,200	Taiheiyo Cement Corp.	JPN	JPY	3,072,847	0.17
				8,099,095	0.46
	Consumer Finance				
173,210	Capital One Financial Corp.	USA	USD	13,092,944	0.74
175,337	Ally Financial Inc.	USA	USD	3,973,136	0.23
				17,066,080	0.97
	Containers & Packaging				
123,040	International Paper Co.	USA	USD	4,965,894	0.28

The accompanying notes form an integral part of these financial statements

— Franklin Global Fundamental Strategies Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Diversified Financial Services				
152,977	Voya Financial Inc.	USA	USD	6,140,497	0.35
131,802	CIT Group Inc.	USA	USD	5,044,062	0.28
				11,184,559	0.63
	Diversified Telecommunication Services				
5,301,500	Singapore Telecommunications Ltd.	SGP	SGD	11,396,057	0.65
2,907,125	Koninklijke KPN NV	NLD	EUR	8,527,318	0.48
150,588	China Telecom Corp. Ltd., ADR	CHN	USD	7,639,329	0.43
683,434	Telefonica SA	ESP	EUR	5,747,014	0.33
160,668	AT&T Inc.	USA	USD	4,585,465	0.26
				37,895,183	2.15
	Electric Utilities				
2,119,595	Enel SpA	ITA	EUR	12,288,349	0.70
83,578	PG&E Corp.	USA	USD	1,984,978	0.11
				14,273,327	0.81
	Electrical Equipment				
102,454	Vestas Wind Systems AS	DNK	DKK	7,755,862	0.44
	Energy Equipment & Services				
260,374	Baker Hughes a GE Co., A	USA	USD	5,598,041	0.32
	Entertainment				
141,900	The Walt Disney Co.	USA	USD	15,559,335	0.88
	Food & Staples Retailing				
240,208	Walgreens Boots Alliance Inc.	USA	USD	16,413,413	0.93
227,500	The Kroger Co.	USA	USD	6,256,250	0.35
119,500	Seven & i Holdings Co. Ltd.	JPN	JPY	5,215,041	0.30
				27,884,704	1.58
	Food Products				
130,100	Kellogg Co.	USA	USD	7,417,001	0.42
	Health Care Equipment & Supplies				
204,664	Medtronic PLC	USA	USD	18,616,237	1.06
132,480	Koninklijke Philips NV	NLD	EUR	4,695,037	0.26
312,365	Getinge AB, B	SWE	SEK	2,825,639	0.16
				26,136,913	1.48
	Health Care Providers & Services				
114,562	CVS Health Corp.	USA	USD	7,506,102	0.43
84,500	AmerisourceBergen Corp.	USA	USD	6,286,800	0.36
103,800	Cardinal Health Inc.	USA	USD	4,629,480	0.26
				18,422,382	1.05
	Hotels, Restaurants & Leisure				
196,290	Accor SA	FRA	EUR	8,346,376	0.47
962,000	Sands China Ltd.	MAC	HKD	4,213,856	0.24
				12,560,232	0.71
	Household Durables				
741,700	Panasonic Corp.	JPN	JPY	6,703,723	0.38
	Independent Power and Renewable Electricity Producers				
128,100	Vistra Energy Corp.	USA	USD	2,932,209	0.17
	Industrial Conglomerates				
78,437	Siemens AG	DEU	EUR	8,754,075	0.50
744,000	CK Hutchison Holdings Ltd.	HKG	HKD	7,144,985	0.40
629,200	General Electric Co.	USA	USD	4,763,044	0.27
				20,662,104	1.17
	Insurance				
296,543	NN Group NV	NLD	EUR	11,824,308	0.67
72,817	Chubb Ltd.	USA	USD	9,406,500	0.53
186,648	The Hartford Financial Services Group Inc.	USA	USD	8,296,504	0.47
3,669,000	China Life Insurance Co. Ltd., H	CHN	HKD	7,796,713	0.44
169,192	American International Group Inc.	USA	USD	6,667,857	0.38
262,490	AXA SA	FRA	EUR	5,671,751	0.32
1,158,982	Aegon NV	NLD	EUR	5,416,755	0.31
1,463,023	China Pacific Insurance Group Co. Ltd., H	CHN	HKD	4,736,304	0.27
598,871	RSA Insurance Group PLC	GBR	GBP	3,922,416	0.22
79,600	MetLife Inc.	USA	USD	3,268,376	0.19
249,991	T&D Holdings Inc.	JPN	JPY	2,917,322	0.17
2,400	Alleghany Corp.	USA	USD	1,495,968	0.09
				71,420,774	4.06
	Interactive Media & Services				
46,200	Baidu Inc., ADR	CHN	USD	7,327,320	0.42
5,721	Alphabet Inc., A	USA	USD	5,978,216	0.34
				13,305,536	0.76
	IT Services				
129,720	Cognizant Technology Solutions Corp., A	USA	USD	8,234,626	0.47

The accompanying notes form an integral part of these financial statements

— Franklin Global Fundamental Strategies Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Leisure products				
474,200	Mattel Inc.	USA	USD	4,737,258	0.27
	Machinery				
170,920	Navistar International Corp.	USA	USD	4,435,374	0.25
500,860	CNH Industrial NV	GBR	EUR	4,525,611	0.26
				8,960,985	0.51
	Marine				
4,504	A.P. Moeller-Maersk AS, B	DNK	DKK	5,665,894	0.32
	Media				
646,221	SES SA, IDR	LUX	EUR	12,372,752	0.70
32,506	Charter Communications Inc., A	USA	USD	9,263,235	0.53
224,340	Comcast Corp., A	USA	USD	7,638,777	0.43
271,200	Liberty Global PLC, C	GBR	USD	5,597,568	0.32
157,931	DISH Network Corp., A	USA	USD	3,943,537	0.22
				38,815,869	2.20
	Metals & Mining				
339,400	Wheaton Precious Metals Corp.	CAN	CAD	6,626,624	0.38
208,240	Barrick Gold Corp.	CAN	USD	2,819,570	0.16
33,569	Warrior Met Coal Inc.	USA	USD	809,348	0.05
43,879	thyssenkrupp AG	DEU	EUR	753,784	0.04
				11,009,326	0.63
	Multiline Retail				
5,893,500	Matahari Department Store Tbk PT	IDN	IDR	2,295,104	0.13
	Multi-Utilities				
434,633	Veolia Environnement SA	FRA	EUR	8,941,634	0.51
614,670	E.ON SE	DEU	EUR	6,067,868	0.34
				15,009,502	0.85
	Oil, Gas & Consumable Fuels				
2,758,760	BP PLC	GBR	GBP	17,448,059	0.99
474,035	Royal Dutch Shell PLC, B	GBR	GBP	14,145,607	0.80
649,765	Eni SpA	ITA	EUR	10,264,915	0.58
576,970	Kinder Morgan Inc.	USA	USD	8,873,799	0.51
7,358,900	Kunlun Energy Co. Ltd.	CHN	HKD	7,800,124	0.44
247,139	Royal Dutch Shell PLC, A	GBR	GBP	7,272,409	0.41
293,100	Canadian Natural Resources Ltd.	CAN	CAD	7,073,310	0.40
96,800	Exxon Mobil Corp.	USA	USD	6,600,792	0.38
212,120	Apache Corp.	USA	USD	5,568,150	0.32
184,098	Royal Dutch Shell PLC, A	GBR	EUR	5,411,652	0.31
238,757	The Williams Cos. Inc.	USA	USD	5,264,592	0.30
195,800	Plains GP Holdings LP, A	USA	USD	3,935,580	0.22
353,000	Husky Energy Inc.	CAN	CAD	3,649,093	0.21
72,930	Anadarko Petroleum Corp.	USA	USD	3,197,251	0.18
220,193	Marathon Oil Corp.	USA	USD	3,157,568	0.18
577,136	JXTG Holdings Inc.	JPN	JPY	3,036,810	0.17
740,200	Crescent Point Energy Corp.	CAN	CAD	2,245,084	0.13
				114,944,795	6.53
	Personal Products				
800,000	Coty Inc., A	USA	USD	5,248,000	0.30
	Pharmaceuticals				
163,001	Eli Lilly & Co.	USA	USD	18,862,476	1.07
173,676	Novartis AG, ADR	CHE	USD	14,903,138	0.85
753,533	GlaxoSmithKline PLC	GBR	GBP	14,329,581	0.81
153,870	Merck & Co. Inc.	USA	USD	11,757,207	0.67
115,878	Sanofi	FRA	EUR	10,045,606	0.57
74,935	Allergan PLC	USA	USD	10,015,812	0.57
39,754	Roche Holding AG	CHE	CHF	9,875,301	0.56
86,067	Merck KGaA	DEU	EUR	8,859,479	0.50
124,659	Bayer AG	DEU	EUR	8,670,259	0.49
252,320	Takeda Pharmaceutical Co. Ltd.	JPN	JPY	8,529,613	0.49
537,555	Teva Pharmaceutical Industries Ltd., ADR	ISR	USD	8,289,098	0.47
64,346	Novartis AG	CHE	CHF	5,514,132	0.31
95,020	Perrigo Co. PLC	USA	USD	3,682,025	0.21
				133,333,727	7.57
	Real Estate Management & Development				
272,300	Mitsui Fudosan Co. Ltd.	JPN	JPY	6,074,576	0.35
156,865	Dolphin Capital Investors Ltd.	GRC	GBP	11,702	0.00
				6,086,278	0.35
	Semiconductors & Semiconductor Equipment				
792,697	Renesas Electronics Corp.	JPN	JPY	3,616,318	0.21

The accompanying notes form an integral part of these financial statements

— Franklin Global Fundamental Strategies Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Software				
301,540	Oracle Corp.	USA	USD	13,614,531	0.77
88,492	Check Point Software Technologies Ltd.	ISR	USD	9,083,704	0.52
303,752	Symantec Corp.	USA	USD	5,739,394	0.33
17,500	Red Hat Inc.	USA	USD	3,073,700	0.17
				31,511,329	1.79
	Specialty Retail				
2,721,618	Kingfisher PLC	GBR	GBP	7,201,792	0.41
42,816	Dufry AG	CHE	CHF	4,080,385	0.23
20,201	Advance Auto Parts Inc.	USA	USD	3,180,850	0.18
				14,463,027	0.82
	Technology Hardware, Storage & Peripherals				
544,818	Samsung Electronics Co. Ltd.	KOR	KRW	18,931,730	1.08
134,140	Western Digital Corp.	USA	USD	4,959,156	0.28
356,531	Hewlett Packard Enterprise Co.	USA	USD	4,709,774	0.27
95,350	Samsung Electronics Co. Ltd., pfd.	KOR	KRW	2,718,268	0.15
				31,318,928	1.78
	Tobacco				
296,115	British American Tobacco PLC	GBR	GBP	9,440,516	0.53
85,630	Altria Group Inc.	USA	USD	4,229,266	0.24
48,805	British American Tobacco PLC, ADR	GBR	USD	1,554,927	0.09
				15,224,709	0.86
	Wireless Telecommunication Services				
729,500	China Mobile Ltd.	CHN	HKD	7,019,708	0.40
3,525,024	Vodafone Group PLC	GBR	GBP	6,873,293	0.39
1,230,910	Bharti Airtel Ltd.	IND	INR	5,529,098	0.31
22,200	SoftBank Group Corp.	JPN	JPY	1,479,663	0.09
				20,901,762	1.19
	TOTAL SHARES			1,047,354,576	59.48
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			1,047,354,576	59.48
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	WARRANTS				
	Software				
8,290	Avaya Holdings Corp., wts., 12/15/22	USA	USD	16,994	0.00
	TOTAL WARRANTS			16,994	0.00
	BONDS				
	Corporate Bonds				
7,560,000	Frontier Communications Corp., senior note, 10.50%, 09/15/22	USA	USD	5,292,000	0.30
250,000,000	Food Corp. of India, secured note, 6, 9.95%, 03/07/22	IND	INR	3,740,715	0.21
250,000,000	Mahanagar Telephone Nigam Ltd., 8.24%, 11/19/24	IND	INR	3,664,654	0.21
250,000,000	Mahanagar Telephone Nigam Ltd., 8.29%, 11/28/24	IND	INR	3,596,173	0.21
4,047,000	Frontier Communications Corp., senior note, 11.00%, 09/15/25	USA	USD	2,539,290	0.14
				18,832,832	1.07
	Government and Municipal Bonds				
23,293,600,000	Korea Treasury Bond, senior note, 1.375%, 09/10/21	KOR	KRW	20,650,468	1.17
255,953,000,000	Government of Indonesia, senior bond, FR70, 8.375%, 03/15/24	IDN	IDR	18,089,350	1.03
16,405,840,000	Korea Treasury Bond, senior note, 2.00%, 03/10/21	KOR	KRW	14,778,543	0.84
51,793	Nota Do Tesouro Nacional, 10.00%, 01/01/25	BRA	BRL	13,951,321	0.79
45,915	Nota Do Tesouro Nacional, 10.00%, 01/01/21	BRA	BRL	12,376,042	0.70
10,510,500,000	Korea Treasury Bond, senior bond, 4.25%, 06/10/21	KOR	KRW	9,974,476	0.57
10,343,000,000	Korea Treasury Bond, senior note, 1.875%, 03/10/22	KOR	KRW	9,288,213	0.53
26,184,700,000	Titulos de Tesoreria, B, 7.75%, 09/18/30	COL	COP	8,596,976	0.49
28,796	Nota Do Tesouro Nacional, 10.00%, 01/01/23	BRA	BRL	7,778,782	0.44
105,290,000,000	Government of Indonesia, senior bond, FR46, 9.50%, 07/15/23	IDN	IDR	7,755,440	0.44
108,344,000,000	Government of Indonesia, senior bond, FR56, 8.375%, 09/15/26	IDN	IDR	7,661,687	0.44
27,470	Nota Do Tesouro Nacional, 10.00%, 01/01/27	BRA	BRL	7,396,137	0.42
445,200,000	Government of India, senior note, 8.83%, 11/25/23	IND	INR	6,799,331	0.39
331,580,000	Argentine Bonos del Tesoro, senior note, 15.50%, 10/17/26	ARG	ARS	6,624,714	0.38
438,100,000	Government of India, senior note, 7.80%, 04/11/21	IND	INR	6,392,343	0.36
370,000,000	Government of India, senior bond, 9.15%, 11/14/24	IND	INR	5,780,552	0.33
372,000,000	Government of India, senior bond, 8.08%, 08/02/22	IND	INR	5,497,975	0.31
16,833,800,000	Titulos de Tesoreria, senior bond, B, 7.50%, 08/26/26	COL	COP	5,474,601	0.31
67,066,000,000	Government of Indonesia, senior bond, FR34, 12.80%, 06/15/21	IDN	IDR	5,221,631	0.30
348,100,000	Government of India, senior note, 6.79%, 05/15/27	IND	INR	4,812,456	0.27
4,770,900,000	Korea Treasury Bond, senior note, 3.00%, 09/10/24	KOR	KRW	4,525,315	0.26
295,000,000	Government of India, senior note, 8.27%, 06/09/20	IND	INR	4,315,387	0.25
770,100	Government of Mexico, senior bond, M, 8.00%, 06/11/20	MEX	MXN	3,893,432	0.22
169,116,000	Argentine Bonos del Tesoro, 16.00%, 10/17/23	ARG	ARS	3,798,663	0.22
9,728,000,000	Titulos de Tesoreria, senior bond, B, 10.00%, 07/24/24	COL	COP	3,527,602	0.20
14,850	Letra Tesouro Nacional, Strip, 07/01/20	BRA	BRL	3,461,833	0.20
164,372,000	Argentine Bonos del Tesoro, 18.20%, 10/03/21	ARG	ARS	3,374,640	0.19
16,980,000	Government of Ghana, senior bond, 19.75%, 03/15/32	GHA	GHS	3,350,295	0.19
50,592,000,000	Government of Indonesia, senior bond, FR63, 5.625%, 05/15/23	IDN	IDR	3,254,356	0.19
16,980,000	Government of Ghana, 19.00%, 11/02/26	GHA	GHS	3,212,435	0.18
195,000,000	Government of India, senior note, 7.68%, 12/15/23	IND	INR	2,854,730	0.16
41,071,000,000	Government of Indonesia, senior bond, FR61, 7.00%, 05/15/22	IDN	IDR	2,794,569	0.16

The accompanying notes form an integral part of these financial statements

— Franklin Global Fundamental Strategies Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Government and Municipal Bonds (continued)				
8,815,500,000	Titulos de Tesoreria, senior bond, B, 6.00%, 04/28/28	COL	COP	2,579,398	0.15
36,370,000,000	Government of Indonesia, senior bond, FR68, 8.375%, 03/15/34	IDN	IDR	2,546,027	0.15
477,800	Government of Mexico, senior bond, M, 6.50%, 06/10/21	MEX	MXN	2,324,869	0.13
28,773,000,000	Government of Indonesia, senior bond, FR73, 8.75%, 05/15/31	IDN	IDR	2,088,644	0.12
68,657,000	Argentina Treasury Bill, Strip, 04/30/20	ARG	ARS	2,005,803	0.11
130,000,000	Government of India, senior bond, 8.20%, 02/15/22	IND	INR	1,923,559	0.11
3,331,000	Government of Ukraine, Reg S, VRI, GDP Linked Security, zero cpn., 05/31/40	UKR	USD	1,919,006	0.11
2,004,000	Government of Argentina, senior note, 4.50%, 02/13/20	ARG	ARS	1,820,884	0.10
1,800,000,000	Korea Monetary Stabilization Bond, senior note, 2.05%, 10/05/20	KOR	KRW	1,621,459	0.09
22,147,000,000	Government of Indonesia, senior bond, FR53, 8.25%, 07/15/21	IDN	IDR	1,565,769	0.09
103,600,000	Government of India, senior note, 7.16%, 05/20/23	IND	INR	1,483,906	0.09
96,000,000	Government of India, senior bond, 8.13%, 09/21/22	IND	INR	1,422,282	0.08
18,367,000,000	Government of Indonesia, senior bond, FR43, 10.25%, 07/15/22	IDN	IDR	1,372,608	0.08
15,625,000,000	Government of Indonesia, senior bond, FR71, 9.00%, 03/15/29	IDN	IDR	1,147,155	0.07
5,660,000	Government of Ghana, 18.75%, 01/24/22	GHA	GHS	1,128,032	0.06
15,123,000,000	Government of Indonesia, senior bond, FR31, 11.00%, 11/15/20	IDN	IDR	1,125,706	0.06
17,196,000,000	Government of Indonesia, senior bond, FR59, 7.00%, 05/15/27	IDN	IDR	1,117,322	0.06
74,900,000	Government of India, senior bond, 8.35%, 05/14/22	IND	INR	1,115,049	0.06
5,660,000	Government of Ghana, 19.75%, 03/25/24	GHA	GHS	1,114,298	0.06
2,941,000,000	Titulos de Tesoreria, B, 7.00%, 06/30/32	COL	COP	894,041	0.05
947,290,000	Korea Monetary Stabilization Bond, senior note, 2.16%, 02/02/20	KOR	KRW	853,474	0.05
9,255,000,000	Government of Indonesia, senior bond, FR35, 12.90%, 06/15/22	IDN	IDR	741,172	0.04
1,823,000,000	Titulos de Tesoreria, senior bond, B, 7.00%, 05/04/22	COL	COP	586,413	0.03
1,741,000,000	Titulos de Tesoreria, senior bond, B, 11.00%, 07/24/20	COL	COP	582,317	0.03
7,412,000,000	Government of Indonesia, senior bond, FR47, 10.00%, 02/15/28	IDN	IDR	577,857	0.03
6,999,000,000	Government of Indonesia, senior bond, FR42, 10.25%, 07/15/27	IDN	IDR	550,770	0.03
14,702,000	Government of Argentina, FRN, 51.542%, 04/03/22 †	ARG	ARS	375,818	0.02
1,840,000	Government of Ghana, 16.25%, 05/17/21	GHA	GHS	352,170	0.02
1,550	Letra Tesouro Nacional, Strip, 07/01/21	BRA	BRL	331,476	0.02
20,000,000	Government of India, senior note, 8.79%, 11/08/21	IND	INR	299,897	0.02
15,000,000	Government of India, senior note, 8.15%, 06/11/22	IND	INR	222,229	0.01
2,622,000,000	Government of Indonesia, senior bond, FR39, 11.75%, 08/15/23	IDN	IDR	208,930	0.01
14,000,000	Government of India, senior note, 6.84%, 12/19/22	IND	INR	199,083	0.01
2,330,000,000	Government of Indonesia, senior bond, FR52, 10.50%, 08/15/30	IDN	IDR	189,268	0.01
454,000,000	Government of Colombia, senior bond, 7.75%, 04/14/21	COL	COP	145,724	0.01
1,801,000,000	Government of Indonesia, senior bond, FR64, 6.125%, 05/15/28	IDN	IDR	110,502	0.01
19,427	Mexican Udibonos, Index Linked, 2.50%, 12/10/20	MEX	MXN	95,504	0.01
1,146,000,000	Government of Indonesia, senior bond, FR44, 10.00%, 09/15/24	IDN	IDR	86,851	0.01
440,000	Government of Ghana, senior note, 16.50%, 03/22/21	GHA	GHS	84,934	0.01
280,000	Government of Ghana, 24.75%, 07/19/21	GHA	GHS	62,666	0.00
1,480,000	Government of Argentina, FRN, 42.819%, 06/21/20 †	ARG	ARS	42,604	0.00
109,000,000	Government of Colombia, senior bond, 9.85%, 06/28/27	COL	COP	41,257	0.00
190,000	Government of Ghana, senior note, 21.50%, 03/09/20	GHA	GHS	39,495	0.00
1,960,000	Government of the Philippines, senior note, 3.375%, 08/20/20	PHL	PHP	35,754	0.00
150,000	Government of Ghana, 24.75%, 03/01/21	GHA	GHS	33,273	0.00
130,000	Government of Ghana, senior note, 18.50%, 06/01/20	GHA	GHS	26,207	0.00
120,000	Government of Ghana, senior note, 18.25%, 09/21/20	GHA	GHS	24,035	0.00
69,000,000	Government of Colombia, senior bond, 4.375%, 03/21/23	COL	COP	20,196	0.00
559,000	Government of Argentina, Index Linked, 4.00%, 03/06/20	ARG	ARS	17,984	0.00
90,000	Government of Ghana, 17.60%, 11/28/22	GHA	GHS	17,098	0.00
				266,535,070	15.14
	Securities Maturing Within One Year				
4,944,300	Government of Mexico, senior note, M, 5.00%, 12/11/19	MEX	MXN	24,361,620	1.38
86,180	Letra Tesouro Nacional, Strip, 07/01/19	BRA	BRL	21,541,199	1.22
34,034,010	Mexico Treasury Bill, 0.00%, 05/23/19	MEX	MXN	16,764,398	0.95
30,580,360	Mexico Treasury Bill, 0.00%, 03/28/19	MEX	MXN	15,266,448	0.87
15,854,000,000	Korea Treasury Bond, senior note, 1.25%, 12/10/19	KOR	KRW	14,169,337	0.81
51,360	Letra Tesouro Nacional, Strip, 01/01/19	BRA	BRL	13,229,574	0.75
13,166,200,000	Korea Treasury Bond, senior note, 1.50%, 06/10/19	KOR	KRW	11,809,019	0.67
19,172,960	Mexico Treasury Bill, 0.00%, 02/14/19	MEX	MXN	9,650,925	0.55
17,260,140	Mexico Treasury Bill, 0.00%, 07/18/19	MEX	MXN	8,379,255	0.48
11,898,920	Mexico Treasury Bill, 0.00%, 07/04/19	MEX	MXN	5,795,565	0.33
185,864,000	Argentina Treasury Bill, 0.00%, 09/30/19	ARG	ARS	5,612,892	0.32
284,840,000	Philippine Treasury Bill, 0.00%, 03/20/19	PHL	PHP	5,375,528	0.31
4,978,000,000	Korea Monetary Stabilization Bond, senior note, 2.06%, 12/02/19	KOR	KRW	4,478,815	0.25
4,979,000,000	Korea Monetary Stabilization Bond, senior note, 1.80%, 09/09/19	KOR	KRW	4,472,668	0.25
8,661,420	Mexico Treasury Bill, 0.00%, 01/31/19	MEX	MXN	4,373,708	0.25
8,050,580	Mexico Treasury Bill, 0.00%, 09/12/19	MEX	MXN	3,858,526	0.22
6,865,460	Mexico Treasury Bill, 0.00%, 04/25/19	MEX	MXN	3,401,373	0.19
6,360,060	Mexico Treasury Bill, 0.00%, 02/28/19	MEX	MXN	3,195,533	0.18
95,451,000	Argentina Treasury Bill, 0.00%, 05/31/19	ARG	ARS	2,794,856	0.16
2,610,000,000	Korea Monetary Stabilization Bond, senior note, 1.87%, 11/09/19	KOR	KRW	2,344,189	0.13
32,243,000,000	Government of Indonesia, senior note, FR69, 7.875%, 04/15/19	IDN	IDR	2,251,964	0.13
3,952,250	Mexico Treasury Bill, 0.00%, 06/06/19	MEX	MXN	1,937,800	0.11
2,808,000	iHeartCommunications Inc., senior secured note, first lien, 9.00%, 12/15/19 *	USA	USD	1,895,400	0.11
1,740,000,000	Korea Monetary Stabilization Bond, 0.00%, 03/12/19	KOR	KRW	1,557,159	0.09
31,448,000	Argentina Treasury Bill, 0.00%, 04/30/19	ARG	ARS	945,870	0.05
30,297,000	Argentina Treasury Bill, 0.00%, 10/31/19	ARG	ARS	881,741	0.05
1,601,550	Mexico Treasury Bill, 0.00%, 03/14/19	MEX	MXN	800,999	0.05

The accompanying notes form an integral part of these financial statements

— Franklin Global Fundamental Strategies Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Securities Maturing Within One Year (continued)				
19,309,000	Government of Argentina, Index Linked, 3.75%, 02/08/19	ARG	ARS	727,896	0.04
1,482,090	Mexico Treasury Bill, 0.00%, 11/07/19	MEX	MXN	701,316	0.04
31,810,000	Government of the Philippines, senior note, 7-56, 3.875%, 11/22/19	PHL	PHP	594,362	0.03
17,054,000	Argentina Treasury Bill, 0.00%, 03/29/19	ARG	ARS	510,673	0.03
1,150	Nota Do Tesouro Nacional, senior note, 10.00%, 01/01/19	BRA	BRL	296,334	0.02
771,000,000	Titulos de Tesoreria, senior note, B, 7.00%, 09/11/19	COL	COP	241,027	0.01
3,245,000,000	Government of Indonesia, senior bond, FR36, 11.50%, 09/15/19	IDN	IDR	233,581	0.01
24,346	Mexican Udibonos, Index Linked, 4.00%, 06/13/19	MEX	MXN	122,626	0.01
6,330,000	Philippine Treasury Bill, 0.00%, 03/13/19	PHL	PHP	119,570	0.01
3,320,000	Government of the Philippines, senior note, 7.875%, 02/19/19	PHL	PHP	63,485	0.00
3,300,000	Philippine Treasury Bill, 0.00%, 03/06/19	PHL	PHP	62,388	0.00
				194,819,619	11.06
	TOTAL BONDS			480,187,521	27.27
	TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET			480,204,515	27.27
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET				
	BONDS				
	Corporate Bonds				
3,256,000	Avaya Holdings Corp., Escrow Account **	USA	USD	0	0.00
1,601,000	NewPage Corp., Escrow Account **	USA	USD	0	0.00
				0	0.00
	TOTAL BONDS			0	0.00
	TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET			0	0.00
	TOTAL INVESTMENTS			1,527,559,091	86.75

† Floating Rates are indicated as at December 31, 2018
* These Bonds are currently in default
** These securities are submitted to a Fair Valuation

The accompanying notes form an integral part of these financial statements

— Franklin Global Listed Infrastructure Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	SHARES				
	Airport Services				
742,093	Auckland International Airport Ltd.	NZL	NZD	3,576,839	4.60
14,351	Aeroports de Paris SA	FRA	EUR	2,721,379	3.50
12,995	Aena SME SA	ESP	EUR	2,021,273	2.60
20,110	Grupo Aeroportuario del Pacifico SAB de CV, ADR	MEX	USD	1,639,970	2.11
285,136	Enav SpA	ITA	EUR	1,387,860	1.78
926,000	Beijing Capital International Airport Co. Ltd.	CHN	HKD	982,703	1.26
				12,330,024	15.85
	Construction & Engineering				
15,233	Vinci SA	FRA	EUR	1,257,035	1.61
14,025	Eiffage SA	FRA	EUR	1,172,456	1.51
91,516	Sadbhav Engineering Ltd.	IND	INR	277,823	0.36
				2,707,314	3.48
	Electric Utilities				
50,260	American Electric Power Co. Inc.	USA	USD	3,756,432	4.83
62,598	Xcel Energy Inc.	USA	USD	3,084,204	3.96
383,282	Iberdrola SA	ESP	EUR	3,082,056	3.96
510,035	Enel SpA	ITA	EUR	2,956,927	3.80
16,470	NextEra Energy Inc.	USA	USD	2,862,815	3.68
17,700	Alliant Energy Corp.	USA	USD	747,825	0.96
6,979,190	Enel Chile SA	CHL	CLP	672,275	0.87
7,258	Orsted AS	DNK	DKK	485,704	0.63
6,205	Elia System Operator SA/NV	BEL	EUR	414,495	0.53
15,100	PG&E Corp.	USA	USD	358,625	0.46
3,610	Evergy Inc.	USA	USD	204,940	0.26
				18,626,298	23.94
	Environmental & Facilities Services				
612,818	Cleanaway Waste Management Ltd.	AUS	AUD	718,882	0.92
	Gas Utilities				
132,700	ENN Energy Holdings Ltd.	CHN	HKD	1,176,938	1.51
378,294	Gujarat State Petronet Ltd.	IND	INR	956,203	1.23
212,100	Infraestructura Energetica Nova SAB de CV	MEX	MXN	788,150	1.01
7,610	Atmos Energy Corp.	USA	USD	705,599	0.91
5,000	Southwest Gas Holdings Inc.	USA	USD	382,500	0.49
				4,009,390	5.15
	Highways & Railtracks				
332,344	Transurban Group	AUS	AUD	2,727,882	3.51
108,424	Atlantia SpA	ITA	EUR	2,243,947	2.88
266,224	Atlas Arteria Ltd.	AUS	AUD	1,174,176	1.51
69,470	Getlink SE	FRA	EUR	933,693	1.20
				7,079,698	9.10
	Integrated Telecommunication Services				
61,747	Cellnex Telecom SAU	ESP	EUR	1,584,086	2.04
3,475,100	China Tower Corp. Ltd., H	CHN	HKD	656,810	0.84
				2,240,896	2.88
	Marine Ports & Services				
856,000	COSCO Shipping Ports Ltd.	CHN	HKD	841,734	1.08
	Multi-Utilities				
48,600	Dominion Energy Inc.	USA	USD	3,472,956	4.46
30,110	Sempra Energy	USA	USD	3,257,601	4.19
188,469	National Grid PLC	GBR	GBP	1,836,717	2.36
34,900	CMS Energy Corp.	USA	USD	1,732,785	2.23
7,400	Avista Corp.	USA	USD	314,352	0.40
				10,614,411	13.64
	Oil & Gas Storage & Transportation				
105,754	TransCanada Corp.	CAN	CAD	3,777,067	4.85
51,100	Cheniere Energy Inc.	USA	USD	3,024,609	3.89
41,600	ONEOK Inc.	USA	USD	2,244,320	2.88
58,444	Pembina Pipeline Corp.	CAN	CAD	1,734,545	2.23
85,846	Energy Transfer Equity LP	USA	USD	1,134,026	1.46
20,248	Enbridge Inc.	CAN	CAD	629,120	0.81
14,120	Targa Resources Corp.	USA	USD	508,602	0.65
				13,052,289	16.77
	Railroads				
152,700	Rumo SA	BRA	BRL	668,831	0.86

The accompanying notes form an integral part of these financial statements

— Franklin Global Listed Infrastructure Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Water Utilities				
15,840	American Water Works Co. Inc.	USA	USD	1,437,797	1.85
142,334	Pennon Group PLC	GBR	GBP	1,257,511	1.61
510,000	Guangdong Investment Ltd.	CHN	HKD	986,067	1.27
33,895	Severn Trent PLC	GBR	GBP	784,743	1.01
				4,466,118	5.74
	TOTAL SHARES			77,355,885	99.41
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			77,355,885	99.41
	TOTAL INVESTMENTS			77,355,885	99.41

The accompanying notes form an integral part of these financial statements

— Franklin Global Multi-Asset Income Fund —

Schedule of Investments as of December 31, 2018

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	INVESTMENTS FUNDS				
	Financials				
107,331	Invesco S&P 500 UCITS ETF	USA	EUR	2,188,372	0.89
37,784	Vanguard S&P 500 UCITS ETF	USA	USD	1,569,249	0.63
				3,757,621	1.52
	TOTAL INVESTMENTS FUNDS			3,757,621	1.52
	SHARES				
	Communication Services				
73,300	NTT DoCoMo Inc.	JPN	JPY	1,443,181	0.59
53,600	KDDI Corp.	JPN	JPY	1,119,977	0.45
19,500	Verizon Communications Inc.	USA	USD	956,790	0.39
24,500	Nippon Telegraph & Telephone Corp.	JPN	JPY	874,417	0.35
19,800	Viacom Inc., B	USA	USD	444,109	0.18
133,630	BT Group PLC	GBR	GBP	354,120	0.14
949	NCsoft Corp.	KOR	KRW	346,926	0.14
4,492	UbiSoft Entertainment SA	FRA	EUR	316,596	0.13
125,215	Spark New Zealand Ltd.	NZL	NZD	304,447	0.12
4,100	Autohome Inc., ADR	CHN	USD	279,929	0.11
51,979	Auto Trader Group PLC	GBR	GBP	263,109	0.11
31,000	China Mobile Ltd.	CHN	HKD	260,344	0.11
13,498	ProSiebenSat.1 Media SE	DEU	EUR	209,625	0.09
9,600	Momo Inc., ADR	CHN	USD	198,988	0.08
				7,372,558	2.99
	Consumer Discretionary				
32,500	The TJX Cos. Inc.	USA	USD	1,269,026	0.51
5,400	The Home Depot Inc.	USA	USD	809,764	0.33
8,800	Ross Stores Inc.	USA	USD	638,995	0.26
33,440	Peugeot SA	FRA	EUR	623,489	0.25
46,391	Fiat Chrysler Automobiles NV	GBR	EUR	583,794	0.24
8,600	NIKE Inc., B	USA	USD	556,471	0.22
142,400	Sands China Ltd.	MAC	HKD	544,385	0.22
1,102	Hermes International	FRA	EUR	534,250	0.22
11,000	Suzuki Motor Corp.	JPN	JPY	487,635	0.20
23,065	Burberry Group PLC	GBR	GBP	445,517	0.18
10,927	Magna International Inc.	CAN	CAD	432,969	0.17
3,900	Lear Corp.	USA	USD	418,183	0.17
1,900	Domino's Pizza Inc.	USA	USD	411,224	0.17
8,500	Best Buy Co. Inc.	USA	USD	392,878	0.16
17,707	Persimmon PLC	GBR	GBP	380,355	0.15
500	AutoZone Inc.	USA	USD	365,832	0.15
14,700	PulteGroup Inc.	USA	USD	333,438	0.13
9,800	Capri Holdings Ltd.	USA	USD	324,329	0.13
3,000	Lululemon Athletica Inc.	USA	USD	318,406	0.13
5,078	Hilton Worldwide Holdings Inc.	USA	USD	318,206	0.13
61,306	Barratt Developments PLC	GBR	GBP	315,779	0.13
7,700	Bandai Namco Holdings Inc.	JPN	JPY	301,980	0.12
13,200	H&R Block Inc.	USA	USD	292,271	0.12
192,457	Taylor Wimpey PLC	GBR	GBP	291,848	0.12
12,900	The Gap Inc.	USA	USD	290,019	0.12
7,395	The Berkeley Group Holdings PLC	GBR	GBP	286,338	0.11
17,721	Mr. Price Group Ltd.	ZAF	ZAR	264,956	0.11
8,400	General Motors Co.	USA	USD	245,226	0.10
6,072	Pandora AS	DNK	DKK	216,352	0.09
15,520	Hennes & Mauritz AB, B	SWE	SEK	192,697	0.08
900	Ulta Beauty Inc.	USA	USD	192,316	0.08
4,008	Next PLC	GBR	GBP	178,031	0.07
61,324	Marks & Spencer Group PLC	GBR	GBP	168,719	0.07
2,100	Yum! Brands Inc.	USA	USD	168,469	0.07
				13,594,147	5.51
	Consumer Staples				
34,797	Hindustan Unilever Ltd.	IND	INR	794,326	0.32
35,387	Koninklijke Ahold Delhaize NV	NLD	EUR	781,168	0.32
7,600	Kimberly-Clark Corp.	USA	USD	755,755	0.30
13,500	Colgate-Palmolive Co.	USA	USD	701,274	0.28
11,296	Philip Morris International Inc.	USA	USD	658,161	0.27
33,834	Woolworths Group Ltd.	AUS	AUD	612,067	0.25
263,100	Wal-Mart de Mexico SAB de CV, V	MEX	MXN	584,030	0.24
622	LG Household & Health Care Ltd.	KOR	KRW	536,657	0.22
230,000	Uni-President Enterprises Corp.	TWN	TWD	457,926	0.18
4,800	Walmart Inc.	USA	USD	390,225	0.16
9,931	Swedish Match AB	SWE	SEK	341,335	0.14
34,000	President Chain Store Corp.	TWN	TWD	301,614	0.12
98,900	Unilever Indonesia Tbk PT	IDN	IDR	272,511	0.11
11,300	The Kroger Co.	USA	USD	271,208	0.11
4,200	Tyson Foods Inc.	USA	USD	195,741	0.08
2,600	Walgreens Boots Alliance Inc.	USA	USD	155,052	0.06
3,200	Nestle (Malaysia) Bhd.	MYS	MYR	99,615	0.04
				7,908,665	3.20

The accompanying notes form an integral part of these financial statements

— Franklin Global Multi-Asset Income Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Energy				
66,211	Equinor ASA	NOR	NOK	1,225,590	0.50
17,100	ConocoPhillips	USA	USD	930,516	0.38
24,797	Royal Dutch Shell PLC, A	GBR	GBP	636,836	0.26
9,000	HollyFrontier Corp.	USA	USD	401,536	0.16
7,300	Occidental Petroleum Corp.	USA	USD	391,058	0.16
12,800	Suncor Energy Inc.	CAN	CAD	312,069	0.13
6,627	Total SA	FRA	EUR	306,035	0.12
5,500	Marathon Petroleum Corp.	USA	USD	283,256	0.11
9,060	TransCanada Corp.	CAN	USD	282,285	0.11
10,291	Enbridge Inc.	CAN	USD	279,145	0.11
12,046	Lundin Petroleum AB	SWE	SEK	262,653	0.11
18,804	Eni SpA	ITA	EUR	259,263	0.10
54,100	JXTG Holdings Inc.	JPN	JPY	248,443	0.10
9,949	Enagas SA	ESP	EUR	234,896	0.10
9,800	Canadian Natural Resources Ltd.	CAN	CAD	206,407	0.08
13,238	Shell Midstream Partners LP	USA	USD	189,593	0.08
19,800	Husky Energy Inc.	CAN	CAD	178,635	0.07
13,200	Newfield Exploration Co.	USA	USD	168,888	0.07
				6,797,104	2.75
	Financials				
603,400	Mizuho Financial Group Inc.	JPN	JPY	818,277	0.33
1,046,000	China Construction Bank Corp., H	CHN	HKD	753,123	0.30
10,200	Prudential Financial Inc.	USA	USD	725,964	0.29
4,700	S&P Global Inc.	USA	USD	697,083	0.28
9,800	Capital One Financial Corp.	USA	USD	646,519	0.26
63,635	UniCredit SpA	ITA	EUR	629,097	0.25
70,600	Annaly Capital Management Inc.	USA	USD	605,072	0.25
85,357	Standard Chartered PLC	GBR	GBP	578,838	0.23
12,500	Lincoln National Corp.	USA	USD	559,762	0.23
42,995	Manulife Financial Corp.	CAN	CAD	532,503	0.22
172,900	Itausa-Investimentos Itau SA, pfd.	BRA	BRL	469,658	0.19
12,800	MetLife Inc.	USA	USD	458,691	0.19
22,200	Ally Financial Inc.	USA	USD	439,040	0.18
2,300	Everest Re Group Ltd.	USA	USD	437,116	0.18
3,200	MSCI Inc.	USA	USD	411,744	0.17
23,348	Danske Bank AS	DNK	DKK	404,545	0.16
76,240	Bank Leumi Le-Israel BM	ISR	ILS	402,175	0.16
13,200	Sumitomo Mitsui Financial Group Inc.	JPN	JPY	383,135	0.16
90,970	Aegon NV	NLD	EUR	371,067	0.15
10,000	American International Group Inc.	USA	USD	343,952	0.14
62,030	Bank Hapoalim BM	ISR	ILS	342,418	0.14
578,000	China CITIC Bank Corp. Ltd., H	CHN	HKD	306,645	0.12
10,513	Societe Generale SA	FRA	EUR	292,472	0.12
8,200	Athene Holding Ltd., A	USA	USD	285,046	0.12
13,812	Hargreaves Lansdown PLC	GBR	GBP	284,237	0.12
45,000	BB Seguridade Participacoes SA	BRA	BRL	279,180	0.11
607,000	Yuanta Financial Holding Co. Ltd.	TWN	TWD	267,504	0.11
30,349	3i Group PLC	GBR	GBP	261,238	0.11
5,364	EXOR NV	NLD	EUR	254,154	0.10
11,062	Admiral Group PLC	GBR	GBP	252,022	0.10
59,100	Resona Holdings Inc.	JPN	JPY	248,815	0.10
413,400	China Minsheng Banking Corp. Ltd., H	CHN	HKD	248,809	0.10
357,000	Bank of Communications Co. Ltd., H	CHN	HKD	243,115	0.10
17,200	ORIX Corp.	JPN	JPY	219,897	0.09
10,200	Synchrony Financial	USA	USD	208,843	0.08
6,900	Brighthouse Financial Inc.	USA	USD	183,550	0.07
6,057	Industrial Alliance Insurance and Financial Services Inc.	CAN	CAD	168,741	0.07
				15,014,047	6.08
	Health Care				
9,601	Roche Holding AG	CHE	CHF	2,081,504	0.84
30,668	Novo Nordisk AS, B	DNK	DKK	1,229,302	0.50
13,400	AbbVie Inc.	USA	USD	1,078,152	0.44
89,500	Astellas Pharma Inc.	JPN	JPY	998,842	0.40
7,000	HCA Holdings Inc.	USA	USD	760,299	0.31
2,500	Biogen Inc.	USA	USD	656,572	0.27
5,528	CSL Ltd.	AUS	AUD	629,388	0.25
10,300	Hoya Corp.	JPN	JPY	542,560	0.22
6,540	Coloplast AS, B	DNK	DKK	530,931	0.22
9,600	Gilead Sciences Inc.	USA	USD	524,071	0.21
9,200	Celgene Corp.	USA	USD	514,599	0.21
10,000	Shionogi & Co. Ltd.	JPN	JPY	499,364	0.20
6,700	CVS Health Corp.	USA	USD	383,124	0.16
15,500	Mylan NV	USA	USD	370,658	0.15
3,342	Cochlear Ltd.	AUS	AUD	356,684	0.14
38,461	Fisher & Paykel Healthcare Corp. Ltd.	NZL	NZD	292,935	0.12
2,700	United Therapeutics Corp.	USA	USD	256,615	0.10
156,000	CSPC Pharmaceutical Group Ltd.	CHN	HKD	196,474	0.08
973	Cigna Corp.	USA	USD	161,278	0.07

The accompanying notes form an integral part of these financial statements

— Franklin Global Multi-Asset Income Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Health Care (continued)				
141	GlaxoSmithKline PLC	GBR	GBP	2,340	0.00
				12,065,692	4.89
	Industrials				
23,400	Toshiba Corp.	JPN	JPY	577,641	0.23
9,914	Ferguson PLC	CHE	GBP	553,579	0.22
9,800	Delta Air Lines Inc.	USA	USD	426,793	0.17
4,700	United Rentals Inc.	USA	USD	420,572	0.17
2,000	Lennox International Inc.	USA	USD	382,021	0.15
32,029	Getlink SE	FRA	EUR	375,700	0.15
1,500	W.W. Grainger Inc.	USA	USD	369,646	0.15
2,800	Snap-on Inc.	USA	USD	355,046	0.14
4,781	Vinci SA	FRA	EUR	344,328	0.14
7,400	Fastenal Co.	USA	USD	337,708	0.14
6,700	Robert Half International Inc.	USA	USD	334,474	0.14
45,309	Transurban Group	AUS	AUD	324,574	0.13
15,767	Deutsche Lufthansa AG	DEU	EUR	310,779	0.13
16,472	Ferrovial SA	ESP	EUR	291,472	0.12
41,711	International Consolidated Airlines Group SA	GBR	EUR	288,640	0.12
3,900	United Continental Holdings Inc.	USA	USD	284,995	0.12
2,086	Aena SME SA	ESP	EUR	283,174	0.11
1,811	Flughafen Zurich AG	CHE	CHF	261,662	0.11
59,139	Sydney Airport	AUS	AUD	244,733	0.10
4,200	ManpowerGroup Inc.	USA	USD	237,528	0.10
7,600	Japan Airlines Co. Ltd.	JPN	JPY	235,481	0.09
3,183	Grupo Aeroportuario del Pacifico SAB de CV, ADR	MEX	USD	226,544	0.09
10,300	Recruit Holdings Co. Ltd.	JPN	JPY	218,377	0.09
105,700	Bombardier Inc., B	CAN	CAD	137,197	0.06
1,993	Royal Mail PLC	GBR	GBP	6,036	0.00
				7,828,700	3.17
	Information Technology				
11,300	Intuit Inc.	USA	USD	1,941,355	0.79
11,000	Apple Inc.	USA	USD	1,514,348	0.61
11,400	Accenture PLC, A	USA	USD	1,402,962	0.57
49,948	Tata Consultancy Services Ltd.	IND	INR	1,186,177	0.48
38,700	Micron Technology Inc.	USA	USD	1,071,697	0.43
25,900	Intel Corp.	USA	USD	1,060,819	0.43
12,100	Texas Instruments Inc.	USA	USD	997,949	0.40
145,000	Taiwan Semiconductor Manufacturing Co. Ltd.	TWN	TWD	932,668	0.38
9,200	International Business Machines Corp.	USA	USD	912,693	0.37
35,978	Samsung Electronics Co. Ltd., pfd.	KOR	KRW	895,158	0.36
18,366	SK Hynix Inc.	KOR	KRW	870,741	0.35
6,100	VeriSign Inc.	USA	USD	789,465	0.32
39,800	HP Inc.	USA	USD	710,689	0.29
85,727	Infosys Ltd.	IND	INR	708,662	0.29
14,800	DXC Technology Co.	USA	USD	686,783	0.28
15,500	Cadence Design Systems Inc.	USA	USD	588,183	0.24
6,300	Citrix Systems Inc.	USA	USD	563,360	0.23
15,700	Seagate Technology PLC	USA	USD	528,769	0.21
3,300	F5 Networks Inc.	USA	USD	466,660	0.19
27,400	Western Union Co.	USA	USD	407,963	0.17
12,100	Western Digital Corp.	USA	USD	390,415	0.16
2,800	Lam Research Corp.	USA	USD	332,760	0.13
26,100	Hewlett Packard Enterprise Co.	USA	USD	300,909	0.12
5,100	Skyworks Solutions Inc.	USA	USD	298,309	0.12
1,300	Broadcom Inc.	USA	USD	288,501	0.12
3,028	KLA-Tencor Corp.	USA	USD	236,495	0.10
				20,084,490	8.14
	Materials				
18,600	LyondellBasell Industries NV, A	USA	USD	1,349,953	0.55
29,814	ArcelorMittal	FRA	EUR	540,826	0.22
27,700	Teck Resources Ltd., B	CAN	CAD	520,540	0.21
10,747	Covestro AG	DEU	EUR	464,534	0.19
16,160	Boliden AB	SWE	SEK	305,725	0.12
70,000	Anhui Conch Cement Co. Ltd., H	CHN	HKD	296,472	0.12
8,400	International Paper Co.	USA	USD	295,884	0.12
133,800	Petronas Chemicals Group Bhd.	MYS	MYR	262,513	0.11
17,300	Tosoh Corp.	JPN	JPY	197,274	0.08
20,100	Freeport-McMoRan Inc.	USA	USD	180,861	0.07
5,000	Steel Dynamics Inc.	USA	USD	131,087	0.05
				4,545,669	1.84
	Real Estate				
15,707	Simon Property Group Inc.	USA	USD	2,302,862	0.93
166,500	CK Asset Holdings Ltd.	HKG	HKD	1,063,336	0.43
4,914	American Tower Corp.	USA	USD	678,431	0.28
17,900	CBRE Group Inc.	USA	USD	625,516	0.25
3,800	Daito Trust Construction Co. Ltd.	JPN	JPY	454,349	0.18
14,200	Daiwa House Industry Co. Ltd.	JPN	JPY	395,539	0.16
22,400	Host Hotels & Resorts Inc.	USA	USD	325,893	0.13

The accompanying notes form an integral part of these financial statements

— Franklin Global Multi-Asset Income Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Real Estate (continued)				
5,497	Equity Residential	USA	USD	316,684	0.13
4,120	Camden Property Trust	USA	USD	316,605	0.13
3,037	Alexandria Real Estate Equities Inc.	USA	USD	305,449	0.12
5,360	Realty Income Corp.	USA	USD	294,898	0.12
5,749	Prologis Inc.	USA	USD	294,625	0.12
3,451	Equity Lifestyle Properties Inc.	USA	USD	292,543	0.12
13,500	Mitsui Fudosan Co. Ltd.	JPN	JPY	262,841	0.11
5,075	Regency Centers Corp.	USA	USD	259,907	0.11
4,580	Kilroy Realty Corp.	USA	USD	251,344	0.10
9,918	CubeSmart	USA	USD	248,340	0.10
9,458	Rexford Industrial Realty Inc.	USA	USD	243,260	0.10
5,894	Deutsche Wohnen SE	DEU	EUR	235,095	0.10
9,441	HCP Inc.	USA	USD	230,134	0.09
25,500	Link REIT	HKG	HKD	225,380	0.09
2,167	Boston Properties Inc.	USA	USD	212,861	0.09
2,748	Coresite Realty Corp.	USA	USD	209,206	0.09
16,000	Sun Hung Kai Properties Ltd.	HKG	HKD	199,015	0.08
29,733	Dexus	AUS	AUD	194,163	0.08
8,500	SmartCentres REIT	CAN	CAD	167,559	0.07
68,378	Scentre Group	AUS	AUD	163,977	0.07
134,000	New World Development Co. Ltd.	HKG	HKD	154,727	0.06
23,378	Segro PLC	GBR	GBP	153,149	0.06
107	Hulic REIT Inc.	JPN	JPY	145,189	0.06
2,967	ADO Properties SA	DEU	EUR	134,723	0.05
38	Activia Properties Inc.	JPN	JPY	134,504	0.05
25,500	City Developments Ltd.	SGP	SGD	132,579	0.05
80,657	Vicinity Centres	AUS	AUD	128,949	0.05
941	Unibail-Rodamco-Westfield	FRA	EUR	127,411	0.05
87,900	CapitaLand Mall Trust	SGP	SGD	127,197	0.05
14,109	Unite Group PLC	GBR	GBP	126,566	0.05
10,156	Fabege AB	SWE	SEK	118,515	0.05
3,372	Derwent London PLC	GBR	GBP	107,072	0.04
12,201	Inmobiliaria Colonial SA	ESP	EUR	99,255	0.04
12,682	Aroundtown SA	DEU	EUR	91,826	0.04
778	Gecina SA	FRA	EUR	87,914	0.04
5,400	Nomura Real Estate Holdings Inc.	JPN	JPY	86,646	0.04
96	GLP J-REIT	JPN	JPY	85,543	0.03
9,525	Land Securities Group PLC	GBR	GBP	85,275	0.03
2,012	Vonovia SE	DEU	EUR	79,700	0.03
5,412	Hufvudstaden AB, A	SWE	SEK	73,126	0.03
53	Premier Investment Corp.	JPN	JPY	52,713	0.02
13,000	Swire Properties Ltd.	HKG	HKD	39,845	0.02
				13,142,236	5.32
	Utilities				
25,200	Exelon Corp.	USA	USD	991,901	0.40
8,733	Orsted AS	DNK	DKK	510,046	0.21
2,880	NextEra Energy Inc.	USA	USD	436,901	0.18
83,161	Enel SpA	ITA	EUR	420,777	0.17
56,020	Iberdrola SA	ESP	EUR	393,148	0.16
4,810	Atmos Energy Corp.	USA	USD	389,233	0.16
3,900	DTE Energy Co.	USA	USD	375,432	0.15
212,000	Guangdong Investment Ltd.	CHN	HKD	357,737	0.14
4,480	American Water Works Co. Inc.	USA	USD	354,904	0.14
3,550	Sempra Energy	USA	USD	335,202	0.14
24,010	AGL Energy Ltd.	AUS	AUD	304,132	0.12
14,997	Veolia Environnement SA	FRA	EUR	269,271	0.11
47,228	Apa Group	AUS	AUD	246,843	0.10
11,000	PG&E Corp.	USA	USD	228,007	0.09
10,655	Severn Trent PLC	GBR	GBP	215,296	0.09
25,123	National Grid PLC	GBR	GBP	213,681	0.09
8,930	Centrica PLC	GBR	GBP	13,408	0.00
				6,055,919	2.45
	TOTAL SHARES			114,409,227	46.34
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			118,166,848	47.86
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	INVESTMENTS FUNDS				
	Financials				
844,878	FTIF Templeton Emerging Markets Bond Fund, Class Y (Mdis) USD	LUX	USD	6,245,524	2.53
411,181	FTSIIF Franklin Emerging Market Corporate Debt Fund, Class Y (Mdis) EUR	LUX	EUR	3,893,883	1.58
1,200	FTIF Templeton Emerging Markets Smaller Companies Fund, Class Y (Mdis) USD	LUX	USD	10,808	0.00
				10,150,215	4.11
	TOTAL INVESTMENTS FUNDS			10,150,215	4.11

The accompanying notes form an integral part of these financial statements

— Franklin Global Multi-Asset Income Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	BONDS				
	Corporate Bonds				
1,004,000	Morgan Stanley, senior note, 5.50%, 07/28/21	USA	USD	918,138	0.37
896,000	NE Property Cooperatief UA, senior note, Reg S, 3.75%, 02/26/21	ROU	EUR	845,300	0.34
855,000	Petroleos Mexicanos, senior note, Reg S, 2.50%, 08/21/21	MEX	EUR	843,539	0.34
900,000	JPMorgan Chase & Co., senior note, 3.90%, 07/15/25	USA	USD	779,364	0.32
825,000	Verizon Communications Inc., senior bond, 5.50%, 03/16/47	USA	USD	769,498	0.31
794,000	The Goldman Sachs Group Inc., senior note, 5.75%, 01/24/22	USA	USD	725,833	0.29
835,000	AT&T Inc., senior note, 2.45%, 06/30/20	USA	USD	719,412	0.29
590,000	Citigroup Inc., senior bond, 8.125%, 07/15/39	USA	USD	716,496	0.29
850,000	Bank of America Corp., sub. bond, 4.183%, 11/25/27	USA	USD	714,745	0.29
775,000	Gilead Sciences Inc., senior note, 4.40%, 12/01/21	USA	USD	698,258	0.28
765,000	Danone SA, senior note, 144A, 2.589%, 11/02/23	FRA	USD	637,947	0.26
750,000	Sinopec Capital 2013 Ltd., senior note, 144A, 3.125%, 04/24/23	CHN	USD	637,101	0.26
747,000	Comcast Corp., senior bond, 3.375%, 08/15/25	USA	USD	636,120	0.26
600,000	Compass Group PLC, senior note, Reg S, 1.875%, 01/27/23	GBR	EUR	632,832	0.26
700,000	Microsoft Corp., senior bond, 4.10%, 02/06/37	USA	USD	629,275	0.25
715,000	HSBC USA Inc., senior note, 2.35%, 03/05/20	USA	USD	617,747	0.25
700,000	BPCE SA, sub note, 144A, 5.15%, 07/21/24	FRA	USD	613,175	0.25
740,000	Siemens Financieringsmaatschappij NV, senior note, 144A, 2.00%, 09/15/23	DEU	USD	605,579	0.25
600,000	Chorus Ltd., senior note, Reg S, 1.125%, 10/18/23	NZL	EUR	602,358	0.24
540,000	21st Century Fox America Inc., senior bond, 6.40%, 12/15/35	USA	USD	592,422	0.24
600,000	ATF Netherlands BV, senior note, Reg S, 1.50%, 07/15/24	DEU	EUR	582,291	0.24
600,000	Naturgy Finance BV, senior note, Reg S, 0.875%, 05/15/25	ESP	EUR	580,569	0.24
675,000	Glencore Funding LLC, senior note, 144A, 4.125%, 05/30/23	CHE	USD	578,981	0.23
500,000	BHP Billiton Finance Ltd., sub. bond, Reg S, 5.625% to 10/22/24, FRN thereafter, 10/22/79	AUS	EUR	577,022	0.23
500,000	APT Pipelines Ltd., senior bond, Reg S, 3.50%, 03/22/30	AUS	GBP	566,283	0.23
655,000	Anthem Inc., senior bond, 3.30%, 01/15/23	USA	USD	562,985	0.23
635,000	Nestle Holdings Inc., senior note, 144A, 3.625%, 09/24/28	USA	USD	558,865	0.23
605,000	Ford Motor Credit Co. LLC, senior bond, 8.125%, 01/15/20	USA	USD	548,250	0.22
500,000	Intesa Sanpaolo SpA, senior note, Reg S, 4.00%, 10/30/23	ITA	EUR	545,090	0.22
500,000	McDonald's Corp., senior bond, Reg S, 2.00%, 06/01/23	USA	EUR	528,722	0.21
635,000	FedEx Corp., senior bond, 4.75%, 11/15/45	USA	USD	525,131	0.21
590,000	AerCap Ireland Capital Ltd./AerCap Global Aviation Trust, senior note, 5.00%, 10/01/21	IRL	USD	522,661	0.21
650,000	Ashtead Capital Inc., second lien, 144A, 4.125%, 08/15/25	GBR	USD	518,892	0.21
500,000	Rabobank Nederland, sub. bond, Reg S, 2.50% to 05/26/21, FRN thereafter, 05/26/26	NLD	EUR	517,955	0.21
500,000	Skandinaviska Enskilda Banken AB, sub. bond, Reg S, 2.50% to 05/28/21, FRN thereafter, 05/28/26	SWE	EUR	517,208	0.21
585,000	Walgreens Boots Alliance Inc., senior note, 3.80%, 11/18/24	USA	USD	503,067	0.20
400,000	Telefonica Emisiones SA, senior bond, Reg S, 5.289%, 12/09/22	ESP	GBP	497,096	0.20
500,000	Madrilena Red de Gas Finance BV, senior note, Reg S, 1.375%, 04/11/25	ESP	EUR	496,878	0.20
500,000	Tele2 AB, senior note, Reg S, 1.125%, 05/15/24	SWE	EUR	496,513	0.20
500,000	CGNPC International Ltd., senior note, Reg S, 1.625%, 12/11/24	CHN	EUR	494,294	0.20
400,000	Bupa Finance PLC, sub. note, Reg S, 5.00%, 04/25/23	GBR	GBP	474,698	0.19
560,000	Realty Income Corp., senior bond, 3.00%, 01/15/27	USA	USD	455,454	0.18
535,000	Woodside Finance Ltd., senior note, 144A, 3.65%, 03/05/25	AUS	USD	446,742	0.18
530,000	MPLX LP, senior bond, 4.125%, 03/01/27	USA	USD	441,395	0.18
400,000	Allianz SE, sub. note, Reg S, 4.75% to 10/24/23, FRN thereafter, Perpetual	DEU	EUR	440,564	0.18
495,000	Charter Communications Operating LLC/Charter Communications Operating Capital Corp., senior secured note, first lien, 4.464%, 07/23/22	USA	USD	436,482	0.18
648,000	General Electric Co., junior sub. bond, 5.00% to 01/21/21, FRN thereafter, Perpetual	USA	USD	433,348	0.18
400,000	WPP Finance 2013, senior note, Reg S, 3.00%, 11/20/23	GBR	EUR	431,852	0.17
400,000	Motability Operations Group PLC, senior bond, Reg S, 2.375%, 03/14/32	GBR	GBP	431,778	0.17
535,000	Kraft Heinz Foods Co., senior bond, 5.20%, 07/15/45	USA	USD	428,655	0.17
475,000	Biogen Inc., senior bond, 5.20%, 09/15/45	USA	USD	428,401	0.17
400,000	National Grid Gas Finance PLC, senior bond, Reg S, 2.125%, 09/22/28	GBR	GBP	417,612	0.17
495,000	Sabine Pass Liquefaction LLC, senior secured bond, first lien, 4.20%, 03/15/28	USA	USD	414,248	0.17
500,000	Prudential Financial Inc., junior sub. bond, 5.20% to 03/15/24, FRN thereafter, 03/15/44	USA	USD	409,103	0.17
450,000	Telstra Corp. Ltd., senior bond, 144A, 4.80%, 10/12/21	AUS	USD	407,246	0.17
400,000	BMW U.S. Capital LLC, senior note, Reg S, 0.625%, 04/20/22	DEU	EUR	402,312	0.16
400,000	Commonwealth Bank of Australia, sub. bond, Reg S, 2.00% to 04/21/22, FRN thereafter, 04/22/27	AUS	EUR	400,878	0.16
460,000	ANZ New Zealand International Ltd. of London, senior note, 144A, 2.75%, 02/03/21	NZL	USD	396,337	0.16
400,000	AXA SA, sub. bond, Reg S, 3.25% to 03/26/18, FRN thereafter, 05/28/49	FRA	EUR	382,564	0.16
420,000	MetLife Inc., junior sub. bond, 6.40%, 12/15/66	USA	USD	373,286	0.15
400,000	Enel SpA, junior sub. bond, Reg S, 2.50% to 11/24/23, FRN thereafter, 11/24/78	ITA	EUR	370,536	0.15
370,000	Kinder Morgan Energy Partners LP, senior bond, 6.50%, 09/01/39	USA	USD	345,700	0.14
420,000	CNH Industrial NV, senior bond, 3.85%, 11/15/27	GBR	USD	336,962	0.14
380,000	CVS Health Corp., senior bond, 4.78%, 03/25/38	USA	USD	319,130	0.13
390,000	Teva Pharmaceutical Finance Netherlands III BV, senior note, 2.80%, 07/21/23	ISR	USD	293,431	0.12
363,000	Mexico City Airport Trust, secured bond, 144A, 5.50%, 07/31/47	MEX	USD	279,980	0.11
300,000	HCA Inc., senior secured bond, first lien, 5.875%, 03/15/22	USA	USD	269,026	0.11
300,000	Sumitomo Mitsui Banking Corp., senior note, 2.514%, 01/17/20	JPN	USD	259,708	0.11
275,000	Energy Transfer Equity LP, senior note, first lien, 7.50%, 10/15/20	USA	USD	250,207	0.10
300,000	EDF SA, junior sub. note, 144A, 5.25% to 01/29/23, FRN thereafter, Perpetual	FRA	USD	248,268	0.10
275,000	Sunoco LP/Sunoco Finance Corp., senior note, 4.875%, 01/15/23	USA	USD	234,607	0.10
265,000	Aramark Services Inc., senior bond, 144A, 5.00%, 02/01/28	USA	USD	216,246	0.09
200,000	Bacardi Ltd., senior note, Reg S, 2.75%, 07/03/23	BMU	EUR	210,782	0.09
255,000	Navient Corp., senior note, 7.25%, 09/25/23	USA	USD	205,026	0.08

The accompanying notes form an integral part of these financial statements

— Franklin Global Multi-Asset Income Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Corporate Bonds (continued)				
310,000	PetSmart Inc., senior secured note, first lien, 144A, 5.875%, 06/01/25	USA	USD	196,828	0.08
200,000	Heathrow Funding Ltd., senior secured bond, 144A, 4.875%, 07/15/23	GBR	USD	180,191	0.07
145,000	CSC Holdings LLC, senior note, 6.75%, 11/15/21	USA	USD	130,029	0.05
210,000	Ensco PLC, senior bond, 4.50%, 10/01/24	USA	USD	120,047	0.05
150,000	QEP Resources Inc., senior bond, 5.375%, 10/01/22	USA	USD	119,622	0.05
145,000	Plastipak Holdings Inc., senior note, 144A, 6.25%, 10/15/25	USA	USD	112,629	0.05
210,000	Weatherford International Ltd., senior bond, 7.00%, 03/15/38	USA	USD	95,305	0.04
150,000	California Resources Corp., senior secured note, second lien, 144A, 8.00%, 12/15/22	USA	USD	89,021	0.04
65,000	Aviation Capital Group Corp., 144A, 6.75%, 04/06/21	USA	USD	60,231	0.02
65,000	Sealed Air Corp., senior note, 144A, 6.50%, 12/01/20	USA	USD	58,856	0.02
48,000	WPX Energy Inc., senior bond, 6.00%, 01/15/22	USA	USD	40,950	0.02
				38,150,165	15.45
	Government and Municipal Bonds				
3,669,000	Government of Argentina, senior note, Reg S, 3.875%, 01/15/22	ARG	EUR	3,111,734	1.26
2,626,000	Government of Mexico, senior note, 2.375%, 04/09/21	MEX	EUR	2,753,991	1.11
3,929,000	Government of Australia, senior bond, Reg S, 4.25%, 04/21/26	AUS	AUD	2,747,352	1.11
2,239,000	Government of the Hellenic Republic, Reg S, 3.50%, 01/30/23	GRC	EUR	2,265,767	0.92
1,824,000	Government of Mexico, senior bond, 5.50%, 02/17/20	MEX	EUR	1,937,854	0.78
2,990,000	New Zealand Local Government Funding Agency Bond, senior note, 6.00%, 05/15/21	NZL	NZD	1,906,232	0.77
1,669,000	Government of Indonesia, senior note, Reg S, 2.625%, 06/14/23	IDN	EUR	1,739,323	0.70
2,511,000	Government of New Zealand, senior bond, Reg S, 4.50%, 04/15/27	NZL	NZD	1,724,664	0.70
111,400,000	International Finance Corp., senior note, Reg S, 11.00%, 01/21/20	SP	RUB	1,437,583	0.58
1,105,000	Government of the Netherlands, Reg S, 0.25%, 07/15/25	NLD	EUR	1,121,558	0.45
1,045,000	Government of Austria, 144A, Reg S, 1.20%, 10/20/25	AUT	EUR	1,120,543	0.45
1,121,000	Governement of France, Reg S, Strip, 03/25/24	FRA	EUR	1,119,173	0.45
1,096,000	Government of Belgium, senior note, Reg S, 0.50%, 10/22/24	BEL	EUR	1,115,881	0.45
1,079,000	Government of Belgium, Reg S, 0.80%, 06/22/25	BEL	EUR	1,114,877	0.45
1,082,000	Government of Ireland, Reg S, 1.00%, 05/15/26	IRL	EUR	1,114,428	0.45
1,060,000	Government of Finland, senior bond, Reg S, 0.875%, 09/15/25	FIN	EUR	1,112,592	0.45
1,069,000	Government of Belgium, senior bond, Reg S, 1.00%, 06/22/26	BEL	EUR	1,110,312	0.45
975,000	Government of Belgium, Reg S, 2.60%, 06/22/24	BEL	EUR	1,108,429	0.45
830,000	Government of Austria, senior bond, Reg S, 4.85%, 03/15/26	AUT	EUR	1,107,378	0.45
947,000	Government of Ireland, Reg S, 3.40%, 03/18/24	IRL	EUR	1,106,517	0.45
987,000	Government of France, Reg S, 2.25%, 05/25/24	FRA	EUR	1,105,628	0.45
912,000	Government of Spain, senior bond, Reg S, 5.40%, 01/31/23	ESP	EUR	1,104,956	0.45
1,006,000	Government of Austria, senior bond, Reg S, 1.65%, 10/21/24	AUT	EUR	1,104,422	0.45
989,000	Government of Portugal, senior bond, 144A, Reg S, 2.875%, 10/15/25	PRT	EUR	1,101,341	0.45
1,021,000	Government of Portugal, senior note, 144A, Reg S, 2.20%, 10/17/22	PRT	EUR	1,101,148	0.45
852,000	Government of Belgium, senior bond, Reg S, 4.50%, 03/28/26	BEL	EUR	1,100,136	0.45
1,003,000	Government of France, Reg S, 1.75%, 11/25/24	FRA	EUR	1,099,820	0.45
870,000	Government of Portugal, senior bond, 144A, Reg S, 5.65%, 02/15/24	PRT	EUR	1,090,314	0.44
829,000	Government of Ireland, senior bond, 5.40%, 03/13/25	IRL	EUR	1,083,138	0.44
861,000	Government of Finland, 144A, Reg S, 4.00%, 07/04/25	FIN	EUR	1,080,447	0.44
906,000	Government of Spain, senior bond, Reg S, 4.40%, 10/31/23	ESP	EUR	1,078,806	0.44
888,000	Government of Portugal, senior bond, 144A, Reg S, 4.95%, 10/25/23	PRT	EUR	1,077,903	0.44
908,000	Government of Spain, senior bond, 144A, Reg S, 5.85%, 01/31/22	ESP	EUR	1,072,757	0.43
770,000	Government of France, 6.00%, 10/25/25	FRA	EUR	1,069,068	0.43
63,380,000	Asian Development Bank, senior note, 6.45%, 08/08/21	SP	INR	781,416	0.32
				47,927,488	19.41
	Securities Maturing Within One Year				
981,000	Hellenic Republic Treasury Bill, 0.00%, 06/14/19	GRC	EUR	977,056	0.40
800,000	Alibaba Group Holding Ltd., senior note, 2.50%, 11/28/19	CHN	USD	695,193	0.28
750,000	U.S. Treasury Bill, 0.00%, 01/15/19	USA	USD	654,020	0.27
500,000	Standard Chartered PLC, senior note, Reg S, 4.125%, 01/18/19	GBR	EUR	500,828	0.20
461,000	American Tower Corp., senior note, 3.40%, 02/15/19	USA	USD	402,578	0.16
				3,229,675	1.31
	TOTAL BONDS			89,307,328	36.17
	TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET			99,457,543	40.28
	TOTAL INVESTMENTS			217,624,391	88.14

The accompanying notes form an integral part of these financial statements

— Franklin Global Real Estate Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	SHARES				
	Diversified Real Estate Activities				
208,206	Mitsui Fudosan Co. Ltd.	JPN	JPY	4,644,742	2.66
217,193	Mitsubishi Estate Co. Ltd.	JPN	JPY	3,427,329	1.96
232,059	Sun Hung Kai Properties Ltd.	HKG	HKD	3,307,296	1.89
1,589,000	New World Development Co. Ltd.	HKG	HKD	2,102,298	1.20
773,516	CapitaLand Ltd.	SGP	SGD	1,764,891	1.01
214,800	City Developments Ltd.	SGP	SGD	1,279,613	0.73
114,498	Tokyo Tatemono Co. Ltd.	JPN	JPY	1,190,946	0.68
64,700	Nomura Real Estate Holdings Inc.	JPN	JPY	1,189,512	0.68
				18,906,627	10.81
	Diversified REITs				
15,673	Gecina SA	FRA	EUR	2,029,268	1.16
286	Kenedix Office Investment Corp.	JPN	JPY	1,826,642	1.04
476,976	GPT Group	AUS	AUD	1,794,525	1.03
163,112	Land Securities Group PLC	GBR	GBP	1,673,221	0.96
359	Activia Properties Inc.	JPN	JPY	1,455,981	0.83
817	Hulic REIT Inc.	JPN	JPY	1,270,226	0.73
478,702	Stockland	AUS	AUD	1,187,189	0.68
860	Premier Investment Corp.	JPN	JPY	980,055	0.56
576,430	PLA Administradora Industrial S de RL de CV	MEX	MXN	685,831	0.39
				12,902,938	7.38
	Health Care REITs				
59,875	Welltower Inc.	USA	USD	4,155,924	2.38
88,935	HCP Inc.	USA	USD	2,483,954	1.42
30,035	Ventas Inc.	USA	USD	1,759,751	1.01
49,500	Physicians Realty Trust	USA	USD	793,485	0.45
				9,193,114	5.26
	Hotel & Resort REITs				
159,078	Host Hotels & Resorts Inc.	USA	USD	2,651,830	1.52
61,200	MGM Growth Properties LLC, A	USA	USD	1,616,292	0.92
21,100	Ryman Hospitality Properties Inc.	USA	USD	1,407,159	0.81
97,056	Sunstone Hotel Investors Inc.	USA	USD	1,262,699	0.72
				6,937,980	3.97
	Hotels, Resorts & Cruise Lines				
12,740	Hilton Worldwide Holdings Inc.	USA	USD	914,732	0.53
	Industrial REITs				
98,731	Prologis Inc.	USA	USD	5,797,484	3.31
431,146	Goodman Group	AUS	AUD	3,229,011	1.85
421,243	Segro PLC	GBR	GBP	3,161,901	1.81
79,900	First Industrial Realty Trust Inc.	USA	USD	2,305,914	1.32
64,900	Rexford Industrial Realty Inc.	USA	USD	1,912,603	1.09
1,463	GLP J-REIT	JPN	JPY	1,493,702	0.85
643	Nippon Prologis REIT Inc.	JPN	JPY	1,360,508	0.78
1,204,403	Mapletree Logistics Trust	SGP	SGD	1,113,347	0.64
				20,374,470	11.65
	Office REITs				
25,461	Alexandria Real Estate Equities Inc.	USA	USD	2,934,126	1.68
25,460	Boston Properties Inc.	USA	USD	2,865,523	1.64
325,034	Dexus	AUS	AUD	2,432,009	1.39
31,527	Kilroy Realty Corp.	USA	USD	1,982,418	1.13
48,478	Derwent London PLC	GBR	GBP	1,763,769	1.01
170,038	Inmobiliaria Colonial SA	ESP	EUR	1,584,938	0.91
16,749	SL Green Realty Corp.	USA	USD	1,324,511	0.76
33,961	Highwoods Properties Inc.	USA	USD	1,313,951	0.75
150,500	Cousins Properties Inc.	USA	USD	1,188,950	0.68
70,700	Brandywine Realty Trust	USA	USD	909,909	0.52
13,985	Vornado Realty Trust	USA	USD	867,489	0.49
				19,167,593	10.96
	Real Estate Development				
518,500	CK Asset Holdings Ltd.	HKG	HKD	3,794,145	2.17
6,280	Howard Hughes Corp.	USA	USD	613,053	0.35
				4,407,198	2.52
	Real Estate Operating Companies				
97,428	Deutsche Wohnen SE	DEU	EUR	4,452,728	2.55
45,154	ADO Properties SA	DEU	EUR	2,349,253	1.34
236,288	Aroundtown SA	DEU	EUR	1,960,320	1.12
146,502	Fabege AB	SWE	SEK	1,958,863	1.12
42,230	Vonovia SE	DEU	EUR	1,916,731	1.09
406,600	Swire Properties Ltd.	HKG	HKD	1,427,942	0.82
261,645	Hysan Development Co. Ltd.	HKG	HKD	1,244,656	0.71
78,703	Hufvudstaden AB, A	SWE	SEK	1,218,459	0.70
121,948	Hemfosa Fastigheter AB	SWE	SEK	962,674	0.55
56,700	First Capital Realty Inc.	CAN	CAD	783,029	0.45

The accompanying notes form an integral part of these financial statements

— Franklin Global Real Estate Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Real Estate Operating Companies (continued)				
122,901	Nyfosa AB	SWE	SEK	593,094	0.34
				18,867,749	10.79
	Residential REITs				
73,465	Equity Residential	USA	USD	4,849,425	2.77
25,079	AvalonBay Communities Inc.	USA	USD	4,365,000	2.50
32,100	Camden Property Trust	USA	USD	2,826,405	1.62
27,898	Equity Lifestyle Properties Inc.	USA	USD	2,709,733	1.55
64,900	Canadian Apartment Properties REIT	CAN	CAD	2,106,355	1.20
192,983	Unite Group PLC	GBR	GBP	1,983,579	1.13
65,800	American Homes 4 Rent, A	USA	USD	1,306,130	0.75
4,359	Essex Property Trust Inc.	USA	USD	1,068,870	0.61
				21,215,497	12.13
	Retail REITs				
46,442	Simon Property Group Inc.	USA	USD	7,801,792	4.46
50,603	Realty Income Corp.	USA	USD	3,190,013	1.82
17,255	Unibail-Rodamco-Westfield	FRA	EUR	2,676,963	1.53
39,064	Regency Centers Corp.	USA	USD	2,292,275	1.31
182,411	Link REIT	HKG	HKD	1,847,288	1.06
139,400	Retail Properties of America Inc., A	USA	USD	1,512,490	0.87
904,100	CapitaLand Mall Trust	SGP	SGD	1,499,040	0.86
25,048	Agree Realty Corp.	USA	USD	1,480,838	0.85
41,485	Weingarten Realty Investors	USA	USD	1,029,243	0.59
40,400	SmartCentres REIT	CAN	CAD	912,511	0.52
309,192	Scentre Group	AUS	AUD	849,581	0.49
17,000	Taubman Centers Inc.	USA	USD	773,330	0.44
13,500	The Macerich Co.	USA	USD	584,280	0.33
53,516	Unibail-Rodamco-Westfield, IDR	FRA	AUD	403,440	0.23
				26,853,084	15.36
	Specialized REITs				
37,365	Digital Realty Trust Inc.	USA	USD	3,981,241	2.28
25,500	Extra Space Storage Inc.	USA	USD	2,307,240	1.32
62,326	CubeSmart	USA	USD	1,788,133	1.02
8,817	Public Storage	USA	USD	1,784,649	1.02
9,900	American Tower Corp.	USA	USD	1,566,081	0.89
12,802	Coresite Realty Corp.	USA	USD	1,116,718	0.64
25,300	Iron Mountain Inc.	USA	USD	819,973	0.47
				13,364,035	7.64
	TOTAL SHARES			173,105,017	99.00
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			173,105,017	99.00
	TOTAL INVESTMENTS			173,105,017	99.00

The accompanying notes form an integral part of these financial statements

— Franklin Global Small-Mid Cap Growth Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	SHARES				
	Capital Markets				
297,000	Fairfax India Holdings Corp.	CAN	USD	3,899,610	4.25
75,100	Oaktree Capital Group LLC	USA	USD	2,985,225	3.25
305,032	Fairfax Africa Holdings Corp.	CAN	USD	2,473,810	2.69
2,374,030	ABG Sundal Collier Holding ASA	NOR	NOK	1,246,586	1.36
				10,605,231	11.55
	Commercial Services & Supplies				
112,800	ISS AS	DNK	DKK	3,158,134	3.44
101,600	Elis SA	FRA	EUR	1,693,813	1.84
				4,851,947	5.28
	Containers & Packaging				
392,400	RPC Group PLC	GBR	GBP	3,262,661	3.55
199,900	Ardagh Group SA	USA	USD	2,214,892	2.41
				5,477,553	5.96
	Energy Equipment & Services				
605,675	John Wood Group PLC	GBR	GBP	3,909,823	4.26
	Food & Staples Retailing				
1,432,900	Total Produce PLC	IRL	EUR	2,322,220	2.53
	Food Products				
1,185,000	Cloetta AB, B	SWE	SEK	3,238,684	3.53
	Health Care Providers & Services				
41,900	BML Inc.	JPN	JPY	1,078,848	1.17
	Hotels, Restaurants & Leisure				
228,600	Elior Group SA	FRA	EUR	3,420,804	3.73
	Insurance				
5,900	Markel Corp.	USA	USD	6,124,495	6.67
171,600	Arch Capital Group Ltd.	USA	USD	4,585,152	4.99
9,900	Fairfax Financial Holdings Ltd.	CAN	CAD	4,358,916	4.75
25,500	RenaissanceRe Holdings Ltd.	USA	USD	3,409,350	3.71
				18,477,913	20.12
	Interactive Media & Services				
61,200	58.com Inc., ADR	CHN	USD	3,317,652	3.61
	Leisure products				
46,900	Bandai Namco Holdings Inc.	JPN	JPY	2,107,504	2.30
	Machinery				
366,590	Zardoya Otis SA	ESP	EUR	2,608,441	2.84
	Media				
169,700	Liberty Latin America Ltd., A	CHL	USD	2,457,256	2.68
60,800	Liberty Latin America Ltd.	CHL	USD	885,856	0.96
				3,343,112	3.64
	Metals & Mining				
938,700	Major Drilling Group International Inc.	CAN	CAD	3,163,500	3.45
	Personal Products				
57,400	Ontex Group NV	BEL	EUR	1,177,264	1.28
	Professional Services				
281,976	PageGroup PLC	GBR	GBP	1,621,031	1.77
344,600	SThree PLC	GBR	GBP	1,259,028	1.37
				2,880,059	3.14
	Real Estate Management & Development				
2,134,800	Hang Lung Properties Ltd.	HKG	HKD	4,067,584	4.43
102,600	Kennedy-Wilson Holdings Inc.	USA	USD	1,864,242	2.03
				5,931,826	6.46
	Specialty Retail				
95,900	Grandvision NV	NLD	EUR	2,102,047	2.29
50,900	Signet Jewelers Ltd.	USA	USD	1,617,093	1.76
				3,719,140	4.05
	Tobacco				
256,200	Scandinavian Tobacco Group AS	DNK	DKK	3,087,687	3.36

The accompanying notes form an integral part of these financial statements

— Franklin Global Small-Mid Cap Growth Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Trading Companies & Distributors				
395,021	Grafton Group PLC, units consisting of common stock	GBR	GBP	3,239,116	3.53
95,500	NOW Inc.	USA	USD	1,111,620	1.21
				4,350,736	4.74
	TOTAL SHARES			89,069,944	97.00
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			89,069,944	97.00
	TOTAL INVESTMENTS			89,069,944	97.00

The accompanying notes form an integral part of these financial statements

— Franklin Gold and Precious Metals Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	SHARES				
	Gold and Diversified Resources				
465,400	Nevsun Resources Ltd.	CAN	CAD	2,042,380	0.93
143,119	Sandfire Resources NL	AUS	AUD	673,574	0.30
328,289	Imperial Metals Corp.	CAN	CAD	372,796	0.17
				3,088,750	1.40
	Gold Exploration and Development				
908,000	Pretium Resources Inc.	CAN	CAD	7,696,663	3.49
2,765,800	Ivanhoe Mines Ltd., A	CAN	CAD	4,802,334	2.18
2,049,000	Continental Gold Inc.	CAN	CAD	3,377,596	1.53
2,955,200	Asanko Gold Inc.	CAN	CAD	1,883,603	0.85
11,562,500	Lydian International Ltd.	CAN	CAD	1,355,361	0.62
4,506,500	Belo Sun Mining Corp.	CAN	CAD	1,254,603	0.57
8,615,000	Stornoway Diamond Corp.	CAN	CAD	1,230,759	0.56
1,606,700	Midas Gold Corp.	CAN	CAD	1,130,028	0.51
1,334,339	Orla Mining Ltd.	CAN	CAD	1,026,452	0.47
937,000	Rubicon Minerals Corp.	CAN	CAD	913,008	0.41
11,209,588	RTG Mining Inc., IDR	AUS	AUD	908,237	0.41
1,500,000	INV Metals Inc.	CAN	CAD	692,333	0.31
118,400	TMAC Resources Inc.	CAN	CAD	595,058	0.27
1,723,300	Lion One Metals Ltd.	CAN	CAD	511,328	0.23
42,201,310	Geopacific Resources Ltd.	AUS	AUD	475,727	0.22
3,551,900	Gascoyne Resources Ltd.	AUS	AUD	337,836	0.15
330,000	Bluestone Resources Inc., 144A	CAN	CAD	288,912	0.13
7,220,799	Nautilus Minerals Inc.	CAN	CAD	264,508	0.12
5,278,400	St. Augustine Gold and Copper Ltd.	PHL	CAD	77,342	0.04
320,000	Lydian International Ltd., 144A	CAN	CAD	37,511	0.02
358,843	RTG Mining Inc.	AUS	CAD	30,233	0.01
35,000	Chalice Gold Mines Ltd.	AUS	AUD	3,329	0.00
				28,892,761	13.10
	Long Life Gold Mines				
5,777,155	B2Gold Corp.	CAN	CAD	16,887,687	7.66
1,090,620	AngloGold Ashanti Ltd., ADR	ZAF	USD	13,687,281	6.21
748,424	Newcrest Mining Ltd.	AUS	AUD	11,495,186	5.21
778,000	Barrick Gold Corp.	CAN	USD	10,534,120	4.78
2,836,150	OceanaGold Corp.	AUS	CAD	10,347,652	4.69
211,000	Newmont Mining Corp.	USA	USD	7,311,150	3.31
1,675,000	Centerra Gold Inc.	CAN	CAD	7,191,106	3.26
607,550	Torex Gold Resources Inc.	CAN	CAD	5,781,951	2.62
3,904,400	Centamin PLC	EGY	GBP	5,417,246	2.46
17,427,511	Perseus Mining Ltd.	AUS	AUD	5,156,992	2.34
124,935	Agnico Eagle Mines Ltd.	CAN	CAD	5,043,349	2.29
1,390,071	Alamos Gold Inc., A	CAN	CAD	5,000,365	2.27
511,000	Detour Gold Corp.	CAN	CAD	4,316,517	1.96
2,258,500	Alacer Gold Corp.	USA	CAD	4,169,691	1.89
1,058,800	Alamos Gold Inc., A	CAN	USD	3,811,680	1.73
3,070,500	Guyana Goldfields Inc.	CAN	CAD	3,599,253	1.63
284,400	AngloGold Ashanti Ltd.	ZAF	ZAR	3,597,482	1.63
84,000	Agnico Eagle Mines Ltd.	CAN	USD	3,393,600	1.54
1,337,500	SEMAFO Inc.	CAN	CAD	2,890,674	1.31
909,640	Eldorado Gold Corp.	CAN	CAD	2,665,709	1.21
1,196,315	Dacian Gold Ltd.	AUS	AUD	2,107,159	0.95
				134,405,850	60.95
	Materials				
307,000	Endeavour Mining Corp.	CAN	CAD	5,024,638	2.28
1,000,000	Shandong Gold Mining Co. Ltd., 144A, Reg S	CHN	HKD	2,436,626	1.10
4,000,000	SolGold PLC	AUS	GBP	1,874,618	0.85
60,000	Osisko Gold Royalties Ltd.	CAN	CAD	526,173	0.24
2,400,000	West African Resources Ltd.	AUS	AUD	422,730	0.19
				10,284,785	4.66
	Medium Life Gold Mines				
2,022,762	St. Barbara Ltd.	AUS	AUD	6,698,143	3.04
1,386,500	IAMGOLD Corp.	CAN	USD	5,102,320	2.31
1,018,800	Golden Star Resources Ltd.	USA	USD	3,209,220	1.46
24,465,809	Red 5 Ltd.	AUS	AUD	1,534,127	0.70
34,034,316	Beadell Resources Ltd.	AUS	AUD	1,222,923	0.55
296,802	Teranga Gold Corp.	CAN	CAD	876,305	0.40
				18,643,038	8.46
	Platinum & Palladium				
1,295,400	Impala Platinum Holdings Ltd.	ZAF	ZAR	3,306,952	1.50
82,000	Anglo American Platinum Ltd.	ZAF	ZAR	3,069,971	1.39
349,860	Northam Platinum Ltd.	ZAF	ZAR	1,053,357	0.48
509,907	Royal Bafokeng Platinum Ltd.	ZAF	ZAR	939,731	0.43
608,096	Platinum Group Metals Ltd.	ZAF	CAD	913,291	0.41
390,559	Platinum Group Metals Ltd.	ZAF	USD	581,933	0.26
569,380	Eastern Platinum Ltd.	CAN	CAD	77,171	0.04
				9,942,406	4.51

The accompanying notes form an integral part of these financial statements

— Franklin Gold and Precious Metals Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Silver Mines				
316,000	Fresnillo PLC	GBR	GBP	3,465,619	1.57
261,000	MAG Silver Corp.	CAN	CAD	1,912,158	0.87
520,600	Tahoe Resources Inc.	CAN	CAD	1,895,587	0.86
909,125	Hochschild Mining PLC	PER	GBP	1,809,184	0.82
				9,082,548	4.12
	TOTAL SHARES			214,340,138	97.20
	WARRANTS				
	Materials				
5,200,000	Platinum Group Metals Ltd., wts., 11/15/19	ZAF	USD	104,000	0.05
	TOTAL WARRANTS			104,000	0.05
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			214,444,138	97.25
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	SHARES				
	Gold Exploration and Development				
200,000	Midas Gold Corp., 144A	CAN	CAD	140,664	0.06
	TOTAL SHARES			140,664	0.06
	TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET			140,664	0.06
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET				
	SHARES				
	Long Life Gold Mines				
23,800	Randgold Resources Ltd., ADR **	GBR	USD	2,034,284	0.92
	TOTAL SHARES			2,034,284	0.92
	WARRANTS				
	Materials				
3,179,000	Perseus Mining Ltd., wts., 04/19/19 **	AUS	AUD	7,176	0.01
140,000	Orla Mining Ltd., wts., 02/15/21 **	CAN	CAD	4,053	0.00
				11,229	0.01
	TOTAL WARRANTS			11,229	0.01
	TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET			2,045,513	0.93
	TOTAL INVESTMENTS			216,630,315	98.24

** These securities are submitted to a Fair Valuation

The accompanying notes form an integral part of these financial statements

— Franklin High Yield Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	SHARES				
	Air Freight & Logistics				
115,010	CEVA Logistics AG	CHE	CHF	3,489,941	0.21
	Oil, Gas & Consumable Fuels				
576,519	Goodrich Petroleum Corp.	USA	USD	7,783,006	0.47
1,103,511	Halcon Resources Corp.	USA	USD	1,875,969	0.12
7,180	Midstates Petroleum Co. Inc.	USA	USD	53,922	0.00
				9,712,897	0.59
	Paper & Forest Products				
77,949	Verso Corp., A	USA	USD	1,746,057	0.11
	TOTAL SHARES			14,948,895	0.91
	WARRANTS				
	Oil, Gas & Consumable Fuels				
99,135	Halcon Resources Corp., wts., 09/09/20	USA	USD	5,076	0.00
	TOTAL WARRANTS			5,076	0.00
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			14,953,971	0.91
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	SHARES				
	Oil, Gas & Consumable Fuels				
196,128	Titan Energy LLC	USA	USD	58,839	0.00
	TOTAL SHARES			58,839	0.00
	WARRANTS				
	Paper & Forest Products				
8,204	Verso Corp., wts., 07/25/23	USA	USD	42,661	0.00
	TOTAL WARRANTS			42,661	0.00
	BONDS				
	Corporate Bonds				
36,200,000	HCA Inc., senior secured note, first lien, 5.00%, 03/15/24	USA	USD	35,928,500	2.18
27,600,000	CSC Holdings LLC, senior note, 5.25%, 06/01/24	USA	USD	25,357,500	1.54
24,500,000	Vertiv Group Corp., senior note, 144A, 9.25%, 10/15/24	USA	USD	22,662,500	1.37
24,700,000	BWAY Holding Co., senior note, 144A, 7.25%, 04/15/25	USA	USD	22,260,875	1.35
21,400,000	Cheniere Corpus Christi Holdings LLC, senior secured note, first lien, 5.875%, 03/31/25	USA	USD	21,346,500	1.29
20,500,000	Sirius XM Radio Inc., senior bond, 144A, 6.00%, 07/15/24	USA	USD	20,628,125	1.25
20,700,000	Horizon Pharma USA Inc., senior note, 6.625%, 05/01/23	USA	USD	20,079,000	1.22
20,000,000	Cemex SAB de CV, senior secured bond, first lien, 144A, 5.70%, 01/11/25	MEX	USD	19,259,500	1.17
20,000,000	Martin Midstream Partners LP/Martin Midstream Finance Corp., senior note, 7.25%, 02/15/21	USA	USD	19,100,000	1.16
19,500,000	WellCare Health Plans Inc., senior note, 5.25%, 04/01/25	USA	USD	18,841,875	1.14
17,600,000	Unitymedia KabelBW GmbH, senior bond, 144A, 6.125%, 01/15/25	DEU	USD	17,710,000	1.07
18,000,000	Cott Holdings Inc., senior note, 144A, 5.50%, 04/01/25	CAN	USD	17,032,500	1.03
17,800,000	Hanesbrands Inc., senior note, 144A, 4.625%, 05/15/24	USA	USD	16,776,500	1.02
16,500,000	T-Mobile USA Inc., senior bond, 6.375%, 03/01/25	USA	USD	16,746,840	1.02
17,000,000	Infor (U.S.) Inc., senior note, 6.50%, 05/15/22	USA	USD	16,505,300	1.00
16,600,000	Clearway Energy Operating LLC, senior bond, 5.375%, 08/15/24	USA	USD	15,728,500	0.95
15,945,000	Bausch Health Cos. Inc., senior note, 144A, 5.625%, 12/01/21	USA	USD	15,715,791	0.95
18,000,000	Covey Park Energy LLC/Covey Park Finance Corp., senior note, 144A, 7.50%, 05/15/25	USA	USD	15,570,000	0.94
15,200,000	Tenet Healthcare Corp., senior note, 8.125%, 04/01/22	USA	USD	15,295,000	0.93
21,300,000	Talen Energy Supply LLC, senior note, 6.50%, 06/01/25	USA	USD	15,229,500	0.92
16,100,000	Navient Corp., senior note, 7.25%, 09/25/23	USA	USD	14,832,125	0.90
14,800,000	Equinix Inc., senior bond, 5.375%, 04/01/23	USA	USD	14,781,500	0.90
15,000,000	JPMorgan Chase & Co., junior sub. bond, R, 6.00% to 08/01/23, FRN thereafter, Perpetual	USA	USD	14,700,000	0.89
15,000,000	CCO Holdings LLC/CCO Holdings Capital Corp., senior bond, 5.125%, 02/15/23	USA	USD	14,662,500	0.89
15,000,000	Energy Transfer Equity LP, senior secured bond, first lien, 5.50%, 06/01/27	USA	USD	14,662,500	0.89
15,300,000	Golden Nugget Inc., senior note, 144A, 6.75%, 10/15/24	USA	USD	14,458,500	0.88
18,400,000	Calumet Specialty Products Partners LP/Calumet Finance Corp., senior note, 7.75%, 04/15/23	USA	USD	14,306,000	0.87
15,400,000	Ardagh Packaging Finance PLC/Ardagh MP Holdings USA Inc., senior note, 144A, 6.00%, 02/15/25	LUX	USD	14,264,250	0.86
15,000,000	AMC Networks Inc., senior note, 5.00%, 04/01/24	USA	USD	14,250,000	0.86
14,300,000	Centene Corp., senior note, 144A, 5.375%, 06/01/26	USA	USD	13,942,500	0.85
15,150,000	Hughes Satellite Systems Corp., senior bond, 6.625%, 08/01/26	USA	USD	13,919,062	0.84
15,000,000	NCI Building Systems Inc., senior secured note, 144A, 8.00%, 04/15/26	USA	USD	13,781,250	0.84
14,900,000	Citigroup Inc., junior sub. bond, M, 6.30% to 05/15/24, FRN thereafter, Perpetual	USA	USD	13,763,875	0.83
14,400,000	Cheniere Energy Partners LP, senior secured note, first lien, 5.25%, 10/01/25	USA	USD	13,482,000	0.82
14,700,000	Eldorado Gold Corp., senior note, 144A, 6.125%, 12/15/20	CAN	USD	13,413,750	0.81
14,200,000	Crestwood Midstream Partners LP/Crestwood Midstream Finance Corp., senior note, 5.75%, 04/01/25	USA	USD	13,241,500	0.80
15,000,000	Wynn Las Vegas LLC/Wynn Las Vegas Capital Corp., senior bond, 144A, 5.25%, 05/15/27	USA	USD	13,218,750	0.80
14,000,000	Novelis Corp., senior note, 144A, 6.25%, 08/15/24	USA	USD	13,195,000	0.80
13,200,000	SunCoke Energy Partners LP/SunCoke Energy Partners Finance Corp., senior note, 144A, 7.50%, 06/15/25	USA	USD	12,540,000	0.76
12,500,000	Sprint Corp., senior bond, 7.125%, 06/15/24	USA	USD	12,419,500	0.75

The accompanying notes form an integral part of these financial statements

— Franklin High Yield Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Corporate Bonds (continued)				
13,200,000	1011778 BC ULC/New Red Finance Inc., senior secured note, first lien, 144A, 4.25%, 05/15/24	CAN	USD	12,187,692	0.74
12,200,000	Sprint Corp., senior note, 7.625%, 03/01/26	USA	USD	12,078,000	0.73
12,400,000	Royal Bank of Scotland Group PLC, sub. note, 5.125%, 05/28/24	GBR	USD	12,033,890	0.73
14,800,000	West Corp., senior note, 144A, 8.50%, 10/15/25	USA	USD	11,766,000	0.71
11,500,000	Virgin Media Secured Finance PLC, senior secured bond, first lien, 144A, 5.50%, 01/15/25	GBR	USD	11,471,250	0.70
11,500,000	Park Aerospace Holdings Ltd., senior note, 144A, 5.50%, 02/15/24	IRL	USD	11,113,370	0.67
11,000,000	Owens-Brockway Glass Container Inc., senior note, 144A, 5.875%, 08/15/23	USA	USD	11,068,750	0.67
11,200,000	Diamondback Energy Inc., senior note, 144A, 4.75%, 11/01/24	USA	USD	10,864,000	0.66
11,200,000	Crestwood Midstream Partners LP/Crestwood Midstream Finance Corp., senior note, 6.25%, 04/01/23	USA	USD	10,836,000	0.66
10,500,000	Energy Transfer Equity LP, senior secured bond, first lien, 5.875%, 01/15/24	USA	USD	10,745,490	0.65
10,900,000	Sunoco LP/Sunoco Finance Corp., senior note, 4.875%, 01/15/23	USA	USD	10,654,750	0.65
11,000,000	First Data Corp., secured note, first lien, 144A, 5.00%, 01/15/24	USA	USD	10,628,750	0.64
11,985,000	First Quantum Minerals Ltd., senior note, 144A, 7.25%, 04/01/23	ZMB	USD	10,591,744	0.64
10,800,000	DAE Funding LLC, senior note, 144A, 5.00%, 08/01/24	ARE	USD	10,476,000	0.64
11,600,000	Univision Communications Inc., senior secured note, first lien, 144A, 5.125%, 02/15/25	USA	USD	10,208,000	0.62
10,500,000	KFC Holding Co./Pizza Hut Holdings LLC/Taco Bell of America LLC, senior note, 144A, 5.00%, 06/01/24	USA	USD	10,158,750	0.62
10,000,000	Platform Specialty Products Corp., senior note, 144A, 6.50%, 02/01/22	USA	USD	10,037,500	0.61
10,000,000	Tegna Inc., senior note, 5.125%, 07/15/20	USA	USD	10,002,200	0.61
10,000,000	CommScope Inc., senior note, 144A, 5.00%, 06/15/21	USA	USD	9,937,500	0.60
10,000,000	Steel Dynamics Inc., senior bond, 5.50%, 10/01/24	USA	USD	9,925,000	0.60
10,000,000	CIT Group Inc., senior bond, 5.00%, 08/15/22	USA	USD	9,887,500	0.60
10,000,000	Sprint Communications Inc., senior note, 6.00%, 11/15/22	USA	USD	9,838,300	0.60
13,600,000	Endo DAC/Endo Finance LLC/Endo Finco Inc., senior bond, 144A, 6.00%, 02/01/25	USA	USD	9,826,000	0.60
9,400,000	Sprint Corp., senior bond, 7.875%, 09/15/23	USA	USD	9,670,250	0.59
10,000,000	United Rentals North America Inc., senior bond, 5.75%, 11/15/24	USA	USD	9,662,500	0.59
10,000,000	DAE Funding LLC, senior note, 144A, 4.50%, 08/01/22	ARE	USD	9,600,000	0.58
10,000,000	Taylor Morrison Communities Inc./Taylor Morrison Holdings II Inc., senior note, 144A, 5.625%, 03/01/24	USA	USD	9,550,000	0.58
9,308,000	The Chemours Co., senior note, 6.625%, 05/15/23	USA	USD	9,435,985	0.57
10,000,000	Calpine Corp., senior note, 5.375%, 01/15/23	USA	USD	9,400,000	0.57
9,700,000	Post Holdings Inc., senior note, 144A, 5.50%, 03/01/25	USA	USD	9,346,532	0.57
9,500,000	International Game Technology PLC, senior secured note, first lien, 144A, 6.25%, 01/15/27	USA	USD	9,137,812	0.55
10,000,000	PulteGroup Inc., senior bond, 5.00%, 01/15/27	USA	USD	9,087,500	0.55
9,400,000	Jaguar Holding Co. II/Pharmaceutical Product Development LLC, senior note, 144A, 6.375%, 08/01/23	USA	USD	9,006,046	0.55
9,200,000	Lamb Weston Holdings Inc., senior note, 144A, 4.625%, 11/01/24	USA	USD	8,970,000	0.54
9,800,000	Post Holdings Inc., senior bond, 144A, 5.00%, 08/15/26	USA	USD	8,967,000	0.54
11,000,000	DISH DBS Corp., senior note, 5.875%, 11/15/24	USA	USD	8,896,250	0.54
9,200,000	Lamb Weston Holdings Inc., senior note, 144A, 4.875%, 11/01/26	USA	USD	8,878,000	0.54
9,000,000	Reynolds Group Issuer Inc./Reynolds Group Issuer LLC/Reynolds Group Issuer Luxembourg SA, senior secured note, first lien, 144A, 5.125%, 07/15/23	USA	USD	8,583,750	0.52
9,000,000	CSC Holdings LLC, senior secured note, first lien, 144A, 5.50%, 05/15/26	USA	USD	8,505,000	0.52
9,100,000	Navient Corp., senior note, 6.50%, 06/15/22	USA	USD	8,490,664	0.51
10,500,000	First Quantum Minerals Ltd., senior note, 144A, 6.875%, 03/01/26	ZMB	USD	8,465,625	0.51
10,000,000	Chesapeake Energy Corp., senior bond, 8.00%, 06/15/27	USA	USD	8,450,000	0.51
8,500,000	Owens-Brockway Glass Container Inc., senior note, 144A, 5.00%, 01/15/22	USA	USD	8,446,875	0.51
9,200,000	CHS/Community Health Systems Inc., senior secured note, first lien, 6.25%, 03/31/23	USA	USD	8,395,460	0.51
9,400,000	CSI Compressco LP/CSI Compressco Finance Inc., senior note, 7.25%, 08/15/22	USA	USD	8,319,000	0.50
9,100,000	Clearway Energy Operating LLC, senior bond, 5.00%, 09/15/26	USA	USD	8,212,750	0.50
8,700,000	Aramark Services Inc., senior bond, 144A, 5.00%, 02/01/28	USA	USD	8,134,500	0.49
10,000,000	Oceaneering International Inc., senior note, 6.00%, 02/01/28	USA	USD	8,080,804	0.49
10,900,000	PetSmart Inc., senior secured note, first lien, 144A, 5.875%, 06/01/25	USA	USD	7,929,750	0.48
8,300,000	Crown Americas LLC/Crown Americas Capital Corp., senior note, 144A, 4.75%, 02/01/26	USA	USD	7,895,375	0.48
8,400,000	Symantec Corp., senior note, 144A, 5.00%, 04/15/25	USA	USD	7,858,721	0.48
8,100,000	MEDNAX Inc., senior note, 144A, 6.25%, 01/15/27	USA	USD	7,836,750	0.48
8,000,000	Clear Channel Worldwide Holdings Inc., senior sub. note, 7.625%, 03/15/20	USA	USD	7,830,000	0.47
8,300,000	Tenet Healthcare Corp., senior note, 6.75%, 06/15/23	USA	USD	7,822,750	0.47
8,000,000	CCO Holdings LLC/CCO Holdings Capital Corp., senior bond, 144A, 5.375%, 05/01/25	USA	USD	7,690,000	0.47
7,800,000	Avantor Inc., senior secured note, first lien, 144A, 6.00%, 10/01/24	USA	USD	7,683,000	0.47
7,500,000	The Goodyear Tire & Rubber Co., senior note, 5.125%, 11/15/23	USA	USD	7,378,125	0.45
10,000,000	CHS/Community Health Systems Inc., senior note, 144A, 8.125%, 06/30/24	USA	USD	7,350,000	0.45
8,300,000	Beacon Roofing Supply Inc., senior note, 144A, 4.875%, 11/01/25	USA	USD	7,324,750	0.44
7,700,000	Nexstar Broadcasting Inc., senior note, 144A, 5.625%, 08/01/24	USA	USD	7,218,750	0.44
7,300,000	Park Aerospace Holdings Ltd., senior note, 144A, 5.25%, 08/15/22	IRL	USD	7,136,626	0.43
7,300,000	Stars Group Holdings BV/Stars Group U.S. Co-Borrower LLC, senior note, 144A, 7.00%, 07/15/26	CAN	USD	7,117,500	0.43
10,363,000	California Resources Corp., senior secured note, second lien, 144A, 8.00%, 12/15/22	USA	USD	7,046,840	0.43
7,500,000	QEP Resources Inc., senior bond, 5.25%, 05/01/23	USA	USD	6,675,000	0.40
7,300,000	ARD Finance SA, secured note, PIK, 7.125%, 09/15/23 ‡	LUX	USD	6,643,000	0.40
7,300,000	Netflix Inc., senior bond, 4.375%, 11/15/26	USA	USD	6,643,000	0.40
7,000,000	Calpine Corp., senior bond, 5.75%, 01/15/25	USA	USD	6,422,500	0.39
7,100,000	The Goodyear Tire & Rubber Co., senior bond, 5.00%, 05/31/26	USA	USD	6,416,625	0.39
7,000,000	QEP Resources Inc., senior bond, 5.375%, 10/01/22	USA	USD	6,396,250	0.39
8,300,000	Endo DAC/Endo Finance LLC/Endo Finco Inc., senior note, 144A, 6.00%, 07/15/23	USA	USD	6,370,250	0.39

The accompanying notes form an integral part of these financial statements

— Franklin High Yield Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Corporate Bonds (continued)				
6,800,000	Terex Corp., senior note, 144A, 5.625%, 02/01/25	USA	USD	6,341,000	0.38
6,500,000	T-Mobile USA Inc., senior note, 5.125%, 04/15/25	USA	USD	6,337,500	0.38
6,400,000	Sealed Air Corp., senior bond, 144A, 5.50%, 09/15/25	USA	USD	6,336,000	0.38
6,400,000	Gray Escrow Inc., senior note, 144A, 7.00%, 05/15/27	USA	USD	6,255,488	0.38
10,000,000	Weatherford International Ltd., senior note, 9.875%, 02/15/24	USA	USD	6,200,000	0.38
6,200,000	Clear Channel Worldwide Holdings Inc., senior note, 6.50%, 11/15/22	USA	USD	6,169,000	0.37
6,400,000	CDW LLC/CDW Finance Corp., senior note, 5.00%, 09/01/25	USA	USD	6,152,000	0.37
11,198,049	Murray Energy Corp., secured note, 1.5 lien, 144A, PIK, 12.00%, 04/15/24 ‡	USA	USD	6,102,937	0.37
8,000,000	Weatherford International Ltd., senior note, 7.75%, 06/15/21	USA	USD	6,040,000	0.37
6,200,000	Navient Corp., senior note, 5.00%, 10/26/20	USA	USD	5,952,000	0.36
6,000,000	CyrusOne LP/CyrusOne Finance Corp., senior note, 5.00%, 03/15/24	USA	USD	5,895,000	0.36
6,000,000	Netflix Inc., senior bond, 144A, 5.875%, 11/15/28	USA	USD	5,861,580	0.36
5,900,000	CCO Holdings LLC/CCO Holdings Capital Corp., senior bond, 5.25%, 09/30/22	USA	USD	5,859,437	0.36
6,000,000	KFC Holding Co./Pizza Hut Holdings LLC/Taco Bell of America LLC, senior note, 144A, 5.25%, 06/01/26	USA	USD	5,820,180	0.35
5,600,000	Block Communications Inc., senior note, 144A, 6.875%, 02/15/25	USA	USD	5,642,000	0.34
6,100,000	H&E Equipment Services Inc., senior note, 5.625%, 09/01/25	USA	USD	5,619,625	0.34
5,600,000	Aker BP ASA, senior note, 144A, 5.875%, 03/31/25	NOR	USD	5,604,595	0.34
5,500,000	OCI NV, senior note, 144A, 6.625%, 04/15/23	NLD	USD	5,500,000	0.33
5,600,000	WMG Acquisition Corp., secured note, first lien, 144A, 5.00%, 08/01/23	USA	USD	5,467,000	0.33
5,300,000	T-Mobile USA Inc., senior bond, 6.50%, 01/15/24	USA	USD	5,459,954	0.33
5,500,000	Resideo Funding Inc., senior note, 144A, 6.125%, 11/01/26	USA	USD	5,431,250	0.33
5,200,000	Northwest Acquisitions ULC/Dominion Finco Inc., secured note, second lien, 144A, 7.125%, 11/01/22	CAN	USD	5,153,356	0.31
5,200,000	MPT Operating Partnership LP/MPT Finance Corp., senior bond, 5.25%, 08/01/26	USA	USD	4,927,000	0.30
5,000,000	First Data Corp., secured note, second lien, 144A, 5.75%, 01/15/24	USA	USD	4,901,700	0.30
5,600,000	Bausch Health Cos. Inc., senior bond, 144A, 6.125%, 04/15/25	USA	USD	4,900,000	0.30
5,000,000	Cheniere Corpus Christi Holdings LLC, senior secured bond, first lien, 5.125%, 06/30/27	USA	USD	4,739,000	0.29
5,000,000	United Rentals North America Inc., senior bond, 5.875%, 09/15/26	USA	USD	4,731,250	0.29
5,000,000	Platform Specialty Products Corp., senior note, 144A, 5.875%, 12/01/25	USA	USD	4,700,000	0.28
4,600,000	Dell International LLC/EMC Corp., senior secured note, first lien, 144A, 5.45%, 06/15/23	USA	USD	4,685,313	0.28
5,000,000	Wynn Las Vegas LLC/Wynn Las Vegas Capital Corp., senior bond, 144A, 5.50%, 03/01/25	USA	USD	4,675,000	0.28
5,000,000	DISH DBS Corp., senior note, 5.875%, 07/15/22	USA	USD	4,618,750	0.28
5,000,000	Post Holdings Inc., senior bond, 144A, 5.625%, 01/15/28	USA	USD	4,618,750	0.28
4,700,000	CIT Group Inc., senior note, 5.25%, 03/07/25	USA	USD	4,606,000	0.28
5,000,000	CommScope Inc., senior bond, 144A, 5.50%, 06/15/24	USA	USD	4,593,750	0.28
5,000,000	Virgin Media Secured Finance PLC, senior secured bond, 144A, 5.25%, 01/15/26	GBR	USD	4,593,750	0.28
7,800,000	PetSmart Inc., senior note, 144A, 7.125%, 03/15/23	USA	USD	4,582,500	0.28
4,900,000	MPH Acquisition Holdings LLC, senior note, 144A, 7.125%, 06/01/24	USA	USD	4,581,500	0.28
5,000,000	Chesapeake Energy Corp., senior note, 7.50%, 10/01/26	USA	USD	4,300,000	0.26
4,500,000	FMG Resources (August 2006) Pty. Ltd., senior note, 144A, 4.75%, 05/15/22	AUS	USD	4,294,350	0.26
4,900,000	Navient Corp., senior note, 6.125%, 03/25/24	USA	USD	4,226,250	0.26
4,500,000	FMG Resources (August 2006) Pty. Ltd., senior note, 144A, 5.125%, 05/15/24	AUS	USD	4,208,895	0.26
4,500,000	Party City Holdings Inc., senior note, 144A, 6.625%, 08/01/26	USA	USD	4,106,250	0.25
4,200,000	BBA U.S. Holdings Inc., senior note, 144A, 5.375%, 05/01/26	USA	USD	3,989,958	0.24
4,000,000	Reynolds Group Issuer Inc./Reynolds Group Issuer LLC/Reynolds Group Issuer Luxembourg SA, senior note, 144A, 7.00%, 07/15/24	USA	USD	3,817,500	0.23
4,000,000	Cheniere Energy Partners LP, senior note, 144A, 5.625%, 10/01/26	USA	USD	3,750,000	0.23
4,000,000	Virgin Media Secured Finance PLC, senior secured bond, first lien, 144A, 5.50%, 08/15/26	GBR	USD	3,710,000	0.22
4,200,000	InterGen NV, secured bond, 144A, 7.00%, 06/30/23	NLD	USD	3,617,250	0.22
3,500,000	Dell International LLC/EMC Corp., senior secured bond, first lien, 144A, 6.02%, 06/15/26	USA	USD	3,522,503	0.21
3,600,000	CHS/Community Health Systems Inc., senior secured note, 5.125%, 08/01/21	USA	USD	3,357,000	0.20
3,200,000	Horizon Pharma USA Inc., senior note, 144A, 8.75%, 11/01/24	USA	USD	3,264,000	0.20
3,100,000	Dell International LLC/EMC Corp., senior note, 144A, 7.125%, 06/15/24	USA	USD	3,156,636	0.19
3,000,000	Dell International LLC/EMC Corp., senior note, 144A, 5.875%, 06/15/21	USA	USD	3,004,154	0.18
10,000,000	Sanchez Energy Corp., senior note, 7.75%, 06/15/21	USA	USD	2,400,000	0.15
2,600,000	Weatherford International Ltd., senior note, 5.125%, 09/15/20	USA	USD	2,041,000	0.12
1,600,000	WMG Acquisition Corp., secured note, 144A, 4.875%, 11/01/24	USA	USD	1,524,000	0.09
1,400,000	Bausch Health Cos. Inc., senior secured note, first lien, 144A, 6.50%, 03/15/22	USA	USD	1,412,712	0.09
				1,555,679,792	94.31
	TOTAL BONDS			1,555,679,792	94.31
	TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET			1,555,781,292	94.31
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET				
	WARRANTS				
	Oil, Gas & Consumable Fuels				
50,872	Midstates Petroleum Co. Inc., wts., 04/21/20 **	USA	USD	130	0.00
	TOTAL WARRANTS			130	0.00

The accompanying notes form an integral part of these financial statements

— Franklin High Yield Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	BONDS				
	Corporate Bonds				
55,500,000	Vistra Energy Corp., Escrow Account	USA	USD	166,500	0.01
1,733,089	Goss Graphic Systems Inc., senior sub. note, 12.25%, 11/19/05 *,**	USA	USD	173	0.00
15,400,000	Midstates Petroleum Co. Inc./Midstates Petroleum Co. LLC, Escrow Account **	USA	USD	0	0.00
28,050,000	NewPage Corp., Escrow Account **	USA	USD	0	0.00
28,300,000	T-Mobile USA Inc., Escrow Account **	USA	USD	0	0.00
				166,673	0.01
	TOTAL BONDS			166,673	0.01
	TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET			166,803	0.01
	TOTAL INVESTMENTS			1,570,902,066	95.23

‡ Income may be received in additional securities and/or cash
** These securities are submitted to a Fair Valuation
* These Bonds are currently in default

The accompanying notes form an integral part of these financial statements

— Franklin Income Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	SHARES				
	Communication Services				
388,000	Verizon Communications Inc.	USA	USD	21,813,360	1.52
15,000	Alphabet Inc., A	USA	USD	15,674,400	1.09
375,000	Royal Bank of Canada into Comcast Corp., 7.00%, cvt. pfd., 144A	USA	USD	12,876,297	0.90
170,000	BCE Inc.	CAN	CAD	6,716,803	0.47
2,500	Royal Bank of Canada into Alphabet Inc., 6.00%, cvt. pfd., A, 144A	BEL	USD	2,683,689	0.19
				59,764,549	4.17
	Consumer Discretionary				
450,000	General Motors Co.	USA	USD	15,052,500	1.05
180,000	Daimler AG	DEU	EUR	9,489,095	0.66
143,400	Target Corp.	USA	USD	9,477,306	0.66
3,000	Amazon.com Inc.	USA	USD	4,505,910	0.32
522,241	Ford Motor Co.	USA	USD	3,995,144	0.28
				42,519,955	2.97
	Consumer Staples				
150,000	The Procter & Gamble Co.	USA	USD	13,788,000	0.96
115,000	PepsiCo Inc.	USA	USD	12,705,200	0.89
167,600	The Coca-Cola Co.	USA	USD	7,935,860	0.55
				34,429,060	2.40
	Energy				
300,000	Royal Dutch Shell PLC, A, ADR	GBR	USD	17,481,000	1.22
103,100	Chevron Corp.	USA	USD	11,216,249	0.78
450,000	The Williams Cos. Inc.	USA	USD	9,922,500	0.69
140,000	Exxon Mobil Corp.	USA	USD	9,546,600	0.67
190,800	BP PLC, ADR	GBR	USD	7,235,136	0.51
90,600	Occidental Petroleum Corp.	USA	USD	5,561,028	0.39
250,000	Baker Hughes a GE Co., A	USA	USD	5,375,000	0.38
105,000	TransCanada Corp.	CAN	USD	3,748,500	0.26
65,000	Schlumberger Ltd.	USA	USD	2,345,200	0.16
50,000	Anadarko Petroleum Corp.	USA	USD	2,192,000	0.15
				74,623,213	5.21
	Financials				
600,000	Wells Fargo & Co.	USA	USD	27,648,000	1.93
180,000	JPMorgan Chase & Co.	USA	USD	17,571,600	1.23
304,218	MetLife Inc.	USA	USD	12,491,191	0.87
9,000	Bank of America Corp., 7.25%, cvt. pfd., L	USA	USD	11,272,500	0.79
350,000	Bank of America Corp.	USA	USD	8,624,000	0.60
300,000	AXA SA	FRA	EUR	6,482,249	0.45
3,000,000	Barclays PLC	GBR	GBP	5,758,519	0.40
75,000	Morgan Stanley	USA	USD	2,973,750	0.21
				92,821,809	6.48
	Health Care				
422,500	Pfizer Inc.	USA	USD	18,442,125	1.29
200,000	AstraZeneca PLC	GBR	GBP	14,979,086	1.04
70,000	Johnson & Johnson	USA	USD	9,033,500	0.63
100,000	Merck & Co. Inc.	USA	USD	7,641,000	0.53
				50,095,711	3.49
	Industrials				
100,000	General Dynamics Corp.	USA	USD	15,721,000	1.10
100,000	Cummins Inc.	USA	USD	13,364,000	0.93
50,000	FedEx Corp.	USA	USD	8,066,500	0.57
40,000	3M Co.	USA	USD	7,621,600	0.53
29,545	CEVA Logistics AG	CHE	CHF	896,534	0.06
				45,669,634	3.19
	Information Technology				
160,000	UBS AG London into Microsoft Corp., 6.50%, cvt. pfd., 144A	USA	USD	16,336,398	1.14
310,000	Wells Fargo Bank National Assn. into Intel Corp., 8.00%, cvt. pfd., 144A	USA	USD	14,898,426	1.04
90,000	Royal Bank of Canada into Apple Inc., 6.50%, cvt. pfd., 144A	USA	USD	14,410,584	1.00
145,000	Citigroup Global Markets Holdings Inc. into Texas Instruments Inc., 7.00%, cvt. pfd., 144A	USA	USD	14,017,270	0.98
150,000	Analog Devices Inc.	USA	USD	12,874,500	0.90
82,800	Microsoft Corp.	USA	USD	8,409,996	0.59
34,183	Apple Inc.	USA	USD	5,392,026	0.38
30,000	Lam Research Corp.	USA	USD	4,085,100	0.28
32,000	Credit Suisse AG into International Business Machines Corp., 9.50%, cvt. pfd., 144A	USA	USD	3,592,976	0.25
85,000	Applied Materials Inc.	USA	USD	2,782,900	0.19
				96,800,176	6.75
	Materials				
250,000	BASF SE	DEU	EUR	17,414,161	1.22
250,000	UBS AG London into DowDuPont Inc., 6.50%, cvt. pfd., 144A	USA	USD	13,843,854	0.97
201,700	Rio Tinto PLC, ADR	AUS	USD	9,778,416	0.68
137,500	DowDuPont Inc.	USA	USD	7,353,500	0.51
				48,389,931	3.38

The accompanying notes form an integral part of these financial statements

— Franklin Income Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Real Estate				
650,000	Host Hotels & Resorts Inc.	USA	USD	10,835,500	0.75
	Utilities				
209,000	Sempra Energy	USA	USD	22,611,710	1.58
488,800	The Southern Co.	USA	USD	21,468,096	1.50
289,618	Dominion Energy Inc.	USA	USD	20,696,102	1.44
100,000	Xcel Energy Inc.	USA	USD	4,927,000	0.34
				69,702,908	4.86
	TOTAL SHARES			625,652,446	43.65
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			625,652,446	43.65
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	SHARES				
	Consumer Discretionary				
10,000	Citigroup Global Markets Holdings Inc. into Amazon.com Inc., 9.00%, cvt. pfd., 144A	USA	USD	15,893,506	1.11
127,000	Wells Fargo Bank National Assn. into Target Corp., 8.00%, cvt. pfd., 144A	USA	USD	8,586,478	0.60
				24,479,984	1.71
	Energy				
265,000	UBS AG London into Halliburton Co., 7.00%, cvt. pfd., 144A	USA	USD	7,271,080	0.51
	Information Technology				
75,000	Morgan Stanley BV into Microchip Technology Inc., 9.00%, cvt. pfd., 144A	USA	USD	5,383,332	0.37
	TOTAL SHARES			37,134,396	2.59
	BONDS				
	Asset-Backed Securities				
4,500,000	Sprint Spectrum Co. LLC, senior secured bond, first lien, 144A, 5.152%, 09/20/29	USA	USD	4,432,500	0.31
	Corporate Bonds				
29,775,000	CHS/Community Health Systems Inc., secured note, Reg S, 11.00% to 06/22/19, 9.875% thereafter, 06/30/23	USA	USD	23,240,450	1.62
24,000,000	Tenet Healthcare Corp., senior note, 6.75%, 06/15/23	USA	USD	22,620,000	1.58
16,000,000	Sprint Communications Inc., senior note, 6.00%, 11/15/22	USA	USD	15,741,280	1.10
15,000,000	Tenet Healthcare Corp., senior note, 8.125%, 04/01/22	USA	USD	15,093,750	1.05
16,100,000	CHS/Community Health Systems Inc., senior secured note, first lien, 6.25%, 03/31/23	USA	USD	14,692,055	1.03
14,100,000	Sprint Corp., senior bond, 7.875%, 09/15/23	USA	USD	14,505,375	1.01
15,000,000	Univision Communications Inc., senior secured note, first lien, 144A, 5.125%, 05/15/23	USA	USD	13,500,000	0.94
16,000,000	Endo Finance LLC, senior note, 144A, 5.75%, 01/15/22	USA	USD	13,400,000	0.94
14,000,000	Calpine Corp., senior bond, 5.75%, 01/15/25	USA	USD	12,845,000	0.90
27,583,000	CHS/Community Health Systems Inc., senior note, 6.875%, 02/01/22	USA	USD	12,688,180	0.89
13,500,000	Citigroup Inc., junior sub. bond, M, 6.30% to 05/15/24, FRN thereafter, Perpetual	USA	USD	12,470,625	0.87
13,475,000	Mallinckrodt International Finance SA/Mallinckrodt CB LLC, senior note, 144A, 5.75%, 08/01/22	USA	USD	11,588,500	0.81
10,000,000	Vistra Energy Corp., senior note, 7.375%, 11/01/22	USA	USD	10,350,000	0.72
11,000,000	Bausch Health Cos. Inc., senior note, 144A, 5.875%, 05/15/23	USA	USD	10,216,250	0.71
10,000,000	JPMorgan Chase & Co., junior sub. bond, X, 6.10% to 10/01/24, FRN thereafter, Perpetual	USA	USD	9,950,000	0.69
10,000,000	JPMorgan Chase & Co., junior sub. bond, R, 6.00% to 08/01/23, FRN thereafter, Perpetual	USA	USD	9,800,000	0.68
10,000,000	Citigroup Inc., junior sub. bond, 5.90% to 02/15/23, FRN thereafter, Perpetual	USA	USD	9,345,000	0.65
10,000,000	HighPoint Operating Corp., senior bond, 7.00%, 10/15/22	USA	USD	9,250,000	0.65
10,000,000	DISH DBS Corp., senior note, 5.875%, 07/15/22	USA	USD	9,237,500	0.64
12,000,000	Weatherford International Ltd., senior note, 7.75%, 06/15/21	USA	USD	9,060,000	0.63
8,900,000	Cemex Finance LLC, senior secured note, first lien, 144A, 6.00%, 04/01/24	MEX	USD	8,885,760	0.62
8,500,000	DowDuPont Inc., senior note, 4.493%, 11/15/25	USA	USD	8,767,960	0.61
9,100,000	24 Hour Holdings III LLC, senior note, 144A, 8.00%, 06/01/22	USA	USD	8,622,250	0.60
8,500,000	HSBC Holdings PLC, senior note, 4.292% to 09/12/25, FRN thereafter, 09/12/26	GBR	USD	8,530,302	0.60
9,300,000	BWAY Holding Co., senior note, 144A, 7.25%, 04/15/25	USA	USD	8,381,625	0.59
10,000,000	DISH DBS Corp., senior bond, 5.00%, 03/15/23	USA	USD	8,362,500	0.58
8,200,000	Sprint Corp., senior bond, 7.125%, 06/15/24	USA	USD	8,147,192	0.57
8,000,000	Netflix Inc., senior bond, 4.875%, 04/15/28	USA	USD	7,320,000	0.51
7,400,000	Fiat Chrysler Automobiles NV, senior note, 5.25%, 04/15/23	GBR	USD	7,295,956	0.51
7,500,000	Mallinckrodt International Finance SA/Mallinckrodt CB LLC, senior note, 144A, 4.875%, 04/15/20	USA	USD	7,275,000	0.51
7,500,000	CommScope Inc., senior bond, 144A, 5.50%, 06/15/24	USA	USD	6,890,625	0.48
8,100,000	Chesapeake Energy Corp., senior bond, 8.00%, 06/15/27	USA	USD	6,844,500	0.48
7,000,000	Chesapeake Energy Corp., senior bond, 6.125%, 02/15/21	USA	USD	6,615,000	0.46
10,000,000	Weatherford International Ltd., cvt., senior note, 5.875%, 07/01/21	USA	USD	6,369,440	0.44
6,600,000	Wells Fargo & Co., junior sub. bond, S, 5.90% to 06/15/24, FRN thereafter, Perpetual	USA	USD	6,296,400	0.44
6,200,000	HCA Inc., senior bond, 5.875%, 05/01/23	USA	USD	6,293,000	0.44
6,700,000	FMG Resources (August 2006) Pty. Ltd., senior note, 144A, 5.125%, 05/15/24	AUS	USD	6,266,577	0.44
7,000,000	Wynn Las Vegas LLC/Wynn Las Vegas Capital Corp., senior bond, 144A, 5.25%, 05/15/27	USA	USD	6,168,750	0.43
5,000,000	Kinder Morgan Inc., senior bond, 7.75%, 01/15/32	USA	USD	6,011,365	0.42
6,000,000	Halfmoon Parent Inc., senior secured note, 144A, 3.75%, 07/15/23	USA	USD	5,985,828	0.42
7,000,000	Calumet Specialty Products Partners LP/Calumet Finance Corp., senior note, 6.50%, 04/15/21	USA	USD	5,880,000	0.41
5,800,000	Bank of America Corp., junior sub. bond, U, 5.20% to 06/01/23, FRN thereafter, Perpetual	USA	USD	5,592,070	0.39

The accompanying notes form an integral part of these financial statements

— Franklin Income Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Corporate Bonds (continued)				
6,300,000	Bausch Health Cos. Inc., senior bond, 144A, 6.125%, 04/15/25	USA	USD	5,512,500	0.38
5,500,000	CCO Holdings LLC/CCO Holdings Capital Corp., senior bond, 5.75%, 01/15/24	USA	USD	5,486,250	0.38
5,500,000	Iron Mountain Inc., senior sub. bond, 5.75%, 08/15/24	USA	USD	5,238,750	0.37
5,000,000	JPMorgan Chase & Co., junior sub. bond, 6.125% to 04/30/24, FRN thereafter, Perpetual	USA	USD	4,968,750	0.35
5,000,000	CVS Health Corp., senior bond, 4.30%, 03/25/28	USA	USD	4,905,157	0.34
5,000,000	Equinix Inc., senior bond, 5.375%, 05/15/27	USA	USD	4,900,000	0.34
5,000,000	The AES Corp., senior bond, 4.875%, 05/15/23	USA	USD	4,900,000	0.34
5,500,000	BAT Capital Corp., senior note, 3.557%, 08/15/27	GBR	USD	4,894,202	0.34
5,000,000	Syngenta Finance NV, senior note, 144A, 4.441%, 04/24/23	CHE	USD	4,858,600	0.34
4,972,000	Chesapeake Energy Corp., senior note, 6.625%, 08/15/20	USA	USD	4,835,270	0.34
5,000,000	JPMorgan Chase & Co., junior sub. bond, V, 5.00% to 07/30/19, FRN thereafter, Perpetual	USA	USD	4,831,250	0.34
5,000,000	United Rentals North America Inc., senior bond, 5.75%, 11/15/24	USA	USD	4,831,250	0.34
5,000,000	BWAY Holding Co., secured note, 144A, 5.50%, 04/15/24	USA	USD	4,718,750	0.33
5,000,000	Citigroup Inc., sub. bond, 4.125%, 07/25/28	USA	USD	4,700,536	0.33
5,000,000	Bank of America Corp., senior bond, 3.419% to 12/20/27, FRN thereafter, 12/20/28	USA	USD	4,678,840	0.33
5,000,000	Prudential Financial Inc., junior sub. bond, 5.70% to 09/15/28, FRN thereafter, 09/15/48	USA	USD	4,662,500	0.33
7,500,000	Weatherford International Ltd., senior note, 9.875%, 02/15/24	USA	USD	4,650,000	0.32
5,000,000	Chesapeake Energy Corp., senior note, 5.375%, 06/15/21	USA	USD	4,600,000	0.32
5,000,000	Shea Homes LP/Shea Homes Funding Corp., senior note, 144A, 5.875%, 04/01/23	USA	USD	4,587,500	0.32
4,500,000	United Technologies Corp., senior note, 3.95%, 08/16/25	USA	USD	4,473,616	0.31
5,000,000	Ford Motor Co., senior note, 4.346%, 12/08/26	USA	USD	4,470,490	0.31
4,600,000	Capital One Financial Corp., senior sub. note, 4.20%, 10/29/25	USA	USD	4,451,335	0.31
4,500,000	Allergan Funding SCS, senior bond, 3.80%, 03/15/25	USA	USD	4,401,155	0.31
5,000,000	Chesapeake Energy Corp., senior note, 4.875%, 04/15/22	USA	USD	4,387,500	0.31
5,500,000	West Corp., senior note, 144A, 8.50%, 10/15/25	USA	USD	4,372,500	0.31
4,500,000	HighPoint Operating Corp., senior note, 8.75%, 06/15/25	USA	USD	4,365,000	0.30
4,600,000	The Goldman Sachs Group Inc., senior note, 3.272% to 09/29/24, FRN thereafter, 09/29/25	USA	USD	4,314,909	0.30
5,000,000	General Motors Co., senior bond, 5.15%, 04/01/38	USA	USD	4,288,211	0.30
4,000,000	Kraft Heinz Foods Co., senior bond, 4.625%, 01/30/29	USA	USD	3,965,232	0.28
4,000,000	Bayer U.S. Finance II LLC, senior note, 144A, 4.25%, 12/15/25	DEU	USD	3,900,639	0.27
4,350,000	Chesapeake Energy Corp., senior note, 8.00%, 01/15/25	USA	USD	3,860,625	0.27
4,000,000	Mylan NV, senior note, 3.95%, 06/15/26	USA	USD	3,625,100	0.25
3,600,000	Morgan Stanley, junior sub. bond, 5.55% to 07/15/20, FRN thereafter, Perpetual	USA	USD	3,498,300	0.24
3,400,000	Bausch Health Cos. Inc., senior note, first lien, 144A, 7.00%, 03/15/24	USA	USD	3,442,500	0.24
5,600,000	Weatherford International Ltd., senior note, 8.25%, 06/15/23	USA	USD	3,402,000	0.24
3,246,000	Ascent Resources Utica Holdings LLC/ARU Finance Corp., senior note, 144A, 10.00%, 04/01/22	USA	USD	3,336,239	0.23
3,454,104	Talos Production LLC/Talos Production Finance Inc., second lien, 11.00%, 04/03/22	USA	USD	3,264,128	0.23
5,000,000	Weatherford International Ltd., senior note, 4.50%, 04/15/22	USA	USD	2,950,000	0.21
3,000,000	BAT Capital Corp., senior note, 3.222%, 08/15/24	GBR	USD	2,766,369	0.19
3,000,000	Post Holdings Inc., senior bond, 144A, 5.00%, 08/15/26	USA	USD	2,745,000	0.19
3,000,000	Tesla Inc., senior note, 144A, 5.30%, 08/15/25	USA	USD	2,617,500	0.18
2,500,000	Bausch Health Cos. Inc., senior note, 144A, 9.00%, 12/15/25	USA	USD	2,496,875	0.17
9,700,000	Sanchez Energy Corp., senior note, 7.75%, 06/15/21	USA	USD	2,328,000	0.16
2,500,000	Shea Homes LP/Shea Homes Funding Corp., senior bond, 144A, 6.125%, 04/01/25	USA	USD	2,225,000	0.16
2,200,000	Bausch Health Cos. Inc., senior secured note, first lien, 144A, 6.50%, 03/15/22	USA	USD	2,219,976	0.16
2,500,000	Weatherford International Ltd., senior note, 5.125%, 09/15/20	USA	USD	1,962,500	0.14
1,809,000	Chesapeake Energy Corp., senior bond, 6.875%, 11/15/20	USA	USD	1,763,775	0.12
2,000,000	United Rentals North America Inc., senior bond, 4.875%, 01/15/28	USA	USD	1,760,000	0.12
2,100,000	Ferrellgas LP/Ferrellgas Finance Corp., senior note, 6.50%, 05/01/21	USA	USD	1,732,500	0.12
2,000,000	Chesapeake Energy Corp., cvt., senior note, 5.50%, 09/15/26	USA	USD	1,619,954	0.11
1,500,000	CVS Health Corp., senior note, 4.10%, 03/25/25	USA	USD	1,488,860	0.10
1,700,000	Ferrellgas LP/Ferrellgas Finance Corp., senior note, 6.75%, 06/15/23	USA	USD	1,394,000	0.10
1,400,000	XPO Logistics Inc., senior note, 144A, 6.50%, 06/15/22	USA	USD	1,393,000	0.10
2,000,000	Mallinckrodt International Finance SA/Mallinckrodt CB LLC, senior note, 144A, 5.50%, 04/15/25	USA	USD	1,390,000	0.10
1,200,000	CVS Health Corp., senior bond, 5.05%, 03/25/48	USA	USD	1,173,079	0.08
1,000,000	Post Holdings Inc., senior bond, 144A, 5.625%, 01/15/28	USA	USD	923,750	0.06
1,000,000	Calumet Specialty Products Partners LP/Calumet Finance Corp., senior note, 7.75%, 04/15/23	USA	USD	777,500	0.05
				618,703,287	43.17
	Government and Municipal Bonds				
25,000,000	U.S. Treasury Note, 2.50%, 06/30/20	USA	USD	24,981,865	1.74
25,000,000	U.S. Treasury Note, 2.25%, 03/31/20	USA	USD	24,899,636	1.74
24,000,000	U.S. Treasury Note, 2.50%, 05/31/20	USA	USD	23,980,204	1.67
10,000,000	U.S. Treasury Note, 2.875%, 05/31/25	USA	USD	10,177,409	0.71
10,000,000	U.S. Treasury Note, 2.75%, 05/31/23	USA	USD	10,110,776	0.71
10,000,000	U.S. Treasury Note, 2.75%, 04/30/23	USA	USD	10,105,404	0.71
				104,255,294	7.28

The accompanying notes form an integral part of these financial statements

— Franklin Income Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Securities Maturing Within One Year				
10,000,000	U.S. Treasury Note, 1.00%, 06/30/19	USA	USD	9,925,485	0.69
1,700,000	Chesapeake Energy Corp., senior note, FRN, 5.686%, 04/15/19 †	USA	USD	1,695,750	0.12
				11,621,235	0.81
	TOTAL BONDS			739,012,316	51.57
	TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET			776,146,712	54.16
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET				
	BONDS				
	Corporate Bonds				
100,000	Motors Liquidation Co., Escrow Account, cvt. pfd., C, 6.25% **	USA	USD	0	0.00
	TOTAL BONDS			0	0.00
	TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET			0	0.00
	TOTAL INVESTMENTS			1,401,799,158	97.81

† Floating Rates are indicated as at December 31, 2018
** These securities are submitted to a Fair Valuation

The accompanying notes form an integral part of these financial statements

— Franklin India Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	SHARES				
	Auto Components				
4,290,404	Bharat Forge Ltd.	IND	INR	31,371,691	1.34
	Automobiles				
20,627,563	Tata Motors Ltd.	IND	INR	51,205,694	2.18
152,066	Eicher Motors Ltd.	IND	INR	50,619,486	2.16
20,776,556	Tata Motors Ltd., A	IND	INR	27,669,224	1.18
597,696	Mahindra & Mahindra Ltd.	IND	INR	6,906,108	0.29
				136,400,512	5.81
	Banks				
5,484,034	HDFC Bank Ltd.	IND	INR	167,248,454	7.12
8,605,794	Kotak Mahindra Bank Ltd.	IND	INR	155,428,779	6.62
9,228,676	ICICI Bank Ltd.	IND	INR	47,775,013	2.04
5,247,960	Axis Bank Ltd.	IND	INR	46,761,685	1.99
				417,213,931	17.77
	Beverages				
6,409,387	United Spirits Ltd.	IND	INR	58,575,367	2.49
	Building Products				
3,068,477	Kajaria Ceramics Ltd.	IND	INR	21,748,829	0.93
	Capital Markets				
3,619,998	Motilal Oswal Financial Services Ltd.	IND	INR	34,870,514	1.49
1,394,566	Care Ratings Ltd.	IND	INR	19,778,903	0.84
52,846	ICRA Ltd.	IND	INR	2,429,761	0.10
				57,079,178	2.43
	Chemicals				
3,393,937	Asian Paints Ltd.	IND	INR	66,983,545	2.85
	Construction & Engineering				
4,109,633	Larsen & Toubro Ltd.	IND	INR	84,918,829	3.62
7,208,606	Voltas Ltd.	IND	INR	57,351,781	2.44
				142,270,610	6.06
	Construction Materials				
1,665,003	UltraTech Cement Ltd.	IND	INR	95,514,500	4.07
248,375	Shree Cement Ltd.	IND	INR	61,535,379	2.62
2,040,118	Grasim Industries Ltd.	IND	INR	24,210,456	1.03
				181,260,335	7.72
	Health Care Providers & Services				
4,395,077	Narayana Hrudayalaya Ltd., Reg S	IND	INR	12,325,421	0.53
520,834	Dr Lal PathLabs Ltd.	IND	INR	6,814,937	0.29
				19,140,358	0.82
	Hotels, Restaurants & Leisure				
22,469,590	Indian Hotels Co. Ltd.	IND	INR	47,703,873	2.03
	Household Durables				
15,842,540	Crompton Greaves Consumer Electricals Ltd.	IND	INR	51,931,741	2.21
	Household Products				
4,094,016	Hindustan Unilever Ltd.	IND	INR	107,081,734	4.56
	Insurance				
5,131,836	ICICI Prudential Life Insurance Co. Ltd., Reg S	IND	INR	23,936,766	1.02
1,699,409	ICICI Lombard General Insurance Co. Ltd., Reg S	IND	INR	21,116,201	0.90
				45,052,967	1.92
	Internet & Direct Marketing Retail				
1,812,327	MakeMyTrip Ltd.	IND	USD	44,093,916	1.88
	IT Services				
13,343,491	Infosys Ltd.	IND	INR	126,386,278	5.38
1,335,700	Cognizant Technology Solutions Corp., A	USA	USD	84,790,236	3.61
707,400	eClerx Services Ltd.	IND	INR	10,924,180	0.47
				222,100,694	9.46
	Machinery				
5,245,840	Cummins India Ltd.	IND	INR	64,070,580	2.73
575,371	SKF India Ltd.	IND	INR	15,773,700	0.67
				79,844,280	3.40
	Metals & Mining				
15,931,421	Hindalco Industries Ltd.	IND	INR	51,799,446	2.21
6,647,555	Tata Steel Ltd.	IND	INR	49,787,387	2.12
332,388	Tata Steel Ltd.	IND	INR	427,847	0.02
				102,014,680	4.35
	Multiline Retail				
9,539,275	Trent Ltd.	IND	INR	49,677,725	2.12

The accompanying notes form an integral part of these financial statements

— Franklin India Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Personal Products				
5,263,559	Godrej Consumer Products Ltd.	IND	INR	61,332,530	2.61
	Pharmaceuticals				
615,727	Dr Reddy's Laboratories Ltd.	IND	INR	23,157,247	0.99
	Professional Services				
504,677	TeamLease Services Ltd.	IND	INR	20,773,947	0.88
	Real Estate Management & Development				
7,699,359	Oberoi Realty Ltd.	IND	INR	48,789,168	2.08
1,475,654	Godrej Properties Ltd.	IND	INR	13,844,464	0.59
				62,633,632	2.67
	Textiles, Apparel & Luxury Goods				
4,026,519	Titan Co. Ltd.	IND	INR	53,883,703	2.30
	Thrifts & Mortgage Finance				
2,767,781	Housing Development Finance Corp. Ltd.	IND	INR	78,309,066	3.34
	Wireless Telecommunication Services				
19,969,049	Bharti Airtel Ltd.	IND	INR	89,698,545	3.82
87,357,014	Vodafone Idea Ltd.	IND	INR	47,401,571	2.02
				137,100,116	5.84
	TOTAL SHARES			2,318,736,207	98.78
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			2,318,736,207	98.78
	TOTAL INVESTMENTS			2,318,736,207	98.78

The accompanying notes form an integral part of these financial statements

— Franklin Japan Fund —

Schedule of Investments as of December 31, 2018

(Currency — JPY)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	SHARES				
	Auto Components				
63,800	Denso Corp.	JPN	JPY	312,173,400	1.74
48,200	Koito Manufacturing Co. Ltd.	JPN	JPY	273,776,000	1.53
				585,949,400	3.27
	Automobiles				
92,000	Toyota Motor Corp.	JPN	JPY	589,352,000	3.29
193,700	Honda Motor Co. Ltd.	JPN	JPY	560,664,650	3.13
63,900	Suzuki Motor Corp.	JPN	JPY	355,731,300	1.98
				1,505,747,950	8.40
	Banks				
1,116,300	Mitsubishi UFJ Financial Group Inc.	JPN	JPY	600,457,770	3.35
2,101,200	Mizuho Financial Group Inc.	JPN	JPY	357,834,360	2.00
64,900	Chuo Mitsui Trust Holdings Inc.	JPN	JPY	261,027,800	1.45
604,200	Seven Bank Ltd.	JPN	JPY	189,718,800	1.06
340,100	Resona Holdings Inc.	JPN	JPY	179,810,870	1.00
				1,588,849,600	8.86
	Building Products				
31,200	Daikin Industries Ltd.	JPN	JPY	364,884,000	2.04
51,200	AGC Inc.	JPN	JPY	175,616,000	0.98
				540,500,000	3.02
	Capital Markets				
39,000	SBI Holdings Inc.	JPN	JPY	84,201,000	0.47
	Chemicals				
41,900	Shin-Etsu Chemical Co. Ltd.	JPN	JPY	357,658,400	2.00
28,300	Nippon Shobukai Co. Ltd.	JPN	JPY	198,383,000	1.11
251,100	Toray Industries Inc.	JPN	JPY	193,849,200	1.08
114,900	Kuraray Co. Ltd.	JPN	JPY	178,095,000	0.99
				927,985,600	5.18
	Commercial Services & Supplies				
29,100	Secom Co. Ltd.	JPN	JPY	265,217,400	1.48
	Construction & Engineering				
137,400	COMSYS Holdings Corp.	JPN	JPY	368,644,200	2.06
55,300	Taisei Corp.	JPN	JPY	260,186,500	1.45
				628,830,700	3.51
	Construction Materials				
106,400	Taiheiyo Cement Corp.	JPN	JPY	361,228,000	2.01
	Diversified Telecommunication Services				
128,800	Nippon Telegraph & Telephone Corp.	JPN	JPY	577,281,600	3.22
	Electric Utilities				
154,200	Kansai Electric Power Co. Inc.	JPN	JPY	254,430,000	1.42
	Electrical Equipment				
33,600	Nidec Corp.	JPN	JPY	419,160,000	2.34
138,900	Mitsubishi Electric Corp.	JPN	JPY	168,971,850	0.94
34,100	Fuji Electric Co. Ltd.	JPN	JPY	110,654,500	0.62
				698,786,350	3.90
	Electronic Equipment, Instruments & Components				
171,000	Hitachi Ltd.	JPN	JPY	501,970,500	2.80
18,400	Murata Manufacturing Co. Ltd.	JPN	JPY	275,172,000	1.53
74,000	Hitachi High-Technologies Corp.	JPN	JPY	255,670,000	1.43
32,500	TDK Corp.	JPN	JPY	250,900,000	1.40
3,200	Keyence Corp.	JPN	JPY	178,176,000	0.99
55,900	Topcon Corp.	JPN	JPY	81,781,700	0.46
				1,543,670,200	8.61
	Entertainment				
8,600	Nintendo Co. Ltd.	JPN	JPY	251,851,000	1.40
48,600	Toho Co. Ltd.	JPN	JPY	193,428,000	1.08
				445,279,000	2.48
	Food Products				
141,500	Ajinomoto Co. Inc.	JPN	JPY	276,915,500	1.54
	Household Durables				
130,800	Sony Corp.	JPN	JPY	696,640,800	3.89
108,900	Sekisui Chemical Co. Ltd.	JPN	JPY	177,615,900	0.99
				874,256,700	4.88
	Insurance				
69,400	Tokio Marine Holdings Inc.	JPN	JPY	363,378,400	2.03
280,200	T&D Holdings Inc.	JPN	JPY	358,375,800	2.00
96,100	The Dai-ichi Life Holdings Inc.	JPN	JPY	165,099,800	0.92
				886,854,000	4.95

The accompanying notes form an integral part of these financial statements

— Franklin Japan Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — JPY)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Interactive Media & Services				
883,500	Yahoo Japan Corp.	JPN	JPY	242,079,000	1.35
	IT Services				
57,800	Otsuka Corp.	JPN	JPY	174,556,000	0.97
68,500	Nihon Unisys Ltd.	JPN	JPY	167,893,500	0.94
39,300	Nomura Research Institute Ltd.	JPN	JPY	160,147,500	0.89
				502,597,000	2.80
	Machinery				
7,500	SMC Corp.	JPN	JPY	249,300,000	1.39
74,300	Komatsu Ltd.	JPN	JPY	175,756,650	0.98
				425,056,650	2.37
	Media				
93,700	Dentsu Inc.	JPN	JPY	459,598,500	2.56
	Metals & Mining				
294,100	Hitachi Metals Ltd.	JPN	JPY	338,215,000	1.89
99,500	JFE Holdings Inc.	JPN	JPY	174,821,500	0.97
				513,036,500	2.86
	Oil, Gas & Consumable Fuels				
276,900	INPEX Corp.	JPN	JPY	271,832,730	1.51
285,100	JXTG Holdings Inc.	JPN	JPY	164,417,170	0.92
				436,249,900	2.43
	Pharmaceuticals				
46,400	Takeda Pharmaceutical Co. Ltd.	JPN	JPY	171,912,000	0.96
	Real Estate Management & Development				
104,200	Mitsubishi Estate Co. Ltd.	JPN	JPY	180,213,900	1.01
	Road & Rail				
19,100	Central Japan Railway Co.	JPN	JPY	442,451,500	2.47
19,100	East Japan Railway Co.	JPN	JPY	185,480,100	1.03
				627,931,600	3.50
	Software				
29,800	Trend Micro Inc.	JPN	JPY	177,906,000	0.99
	Technology Hardware, Storage & Peripherals				
97,000	FUJIFILM Holdings Corp.	JPN	JPY	414,190,000	2.31
101,900	NEC Corp.	JPN	JPY	332,703,500	1.86
				746,893,500	4.17
	Tobacco				
91,000	Japan Tobacco Inc.	JPN	JPY	238,101,500	1.33
	Trading Companies & Distributors				
120,300	Mitsubishi Corp.	JPN	JPY	363,306,000	2.03
	Wireless Telecommunication Services				
99,700	KDDI Corp.	JPN	JPY	261,612,800	1.46
	TOTAL SHARES			17,392,477,850	97.02
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			17,392,477,850	97.02
	TOTAL INVESTMENTS			17,392,477,850	97.02

The accompanying notes form an integral part of these financial statements

— Franklin K2 Alternative Strategies Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	SHARES				
	Aerospace & Defense				
75,840	Heico Corp.	USA	USD	5,876,083	0.26
45,925	Esterline Technologies Corp.	USA	USD	5,577,591	0.24
7,958	The Boeing Co.	USA	USD	2,566,455	0.11
8,867	Harris Corp.	USA	USD	1,193,942	0.05
41,457	Kratos Defence & Security Solutions Inc.	USA	USD	584,129	0.03
912	United Technologies Corp.	USA	USD	97,110	0.00
				15,895,310	0.69
	Air Freight & Logistics				
358,346	CEVA Logistics AG	CHE	CHF	10,882,723	0.47
	Airlines				
105,161	Southwest Airlines Co.	USA	USD	4,887,883	0.21
35,497	Alaska Air Group Inc.	USA	USD	2,159,992	0.09
2,098	Delta Air Lines Inc.	USA	USD	104,690	0.01
				7,152,565	0.31
	Banks				
87,360	JPMorgan Chase & Co.	USA	USD	8,528,083	0.37
38,776	PNC Financial Services Group Inc.	USA	USD	4,533,302	0.20
75,283	Cadence Bancorp	USA	USD	1,263,249	0.06
428,100	Barclays PLC	GBR	GBP	821,322	0.04
2,035	Citigroup Inc.	USA	USD	105,942	0.00
1,493	SunTrust Banks Inc.	USA	USD	75,307	0.00
				15,327,205	0.67
	Beverages				
1,155,657	Davide Campari-Milano SpA	ITA	EUR	9,776,715	0.43
29,094	Constellation Brands Inc., A	USA	USD	4,678,897	0.20
1,840	Molson Coors Brewing Co., B	USA	USD	103,334	0.00
				14,558,946	0.63
	Biotechnology				
301,688	Shire PLC	GBR	GBP	17,271,638	0.75
87,794	BioMarin Pharmaceutical Inc.	USA	USD	7,475,659	0.32
84,540	Tesaro Inc.	USA	USD	6,277,095	0.27
54,637	Sarepta Therapeutics Inc.	USA	USD	5,962,536	0.26
44,389	Sage Therapeutics Inc.	USA	USD	4,252,022	0.18
57,317	Exact Sciences Corp.	USA	USD	3,616,703	0.16
19,606	Vertex Pharmaceuticals Inc.	USA	USD	3,248,910	0.14
33,232	Alexion Pharmaceuticals Inc.	USA	USD	3,235,468	0.14
258,629	Amicus Therapeutics Inc.	USA	USD	2,477,666	0.11
125,235	Immunomedics Inc.	USA	USD	1,787,103	0.08
112,161	ProQR Therapeutics NV	NLD	USD	1,769,901	0.08
26,398	Celgene Corp.	USA	USD	1,691,848	0.07
23,634	Neurocrine Biosciences Inc.	USA	USD	1,687,704	0.07
16,908	Bluebird Bio Inc.	USA	USD	1,677,274	0.07
120,030	Natera Inc.	USA	USD	1,675,619	0.07
189,932	BioCryst Pharmaceuticals Inc.	USA	USD	1,532,751	0.07
15,844	Argenx SE, ADR	NLD	USD	1,522,133	0.07
11,318	Madrigal Pharmaceuticals Inc.	USA	USD	1,275,765	0.06
53,938	Audentes Therapeutics Inc.	USA	USD	1,149,958	0.05
24,789	Mirati Therapeutics Inc.	USA	USD	1,051,549	0.05
38,993	Solid Biosciences Inc.	USA	USD	1,045,012	0.05
34,127	Allogene Therapeutics Inc.	USA	USD	919,040	0.04
17,428	Allakos Inc.	USA	USD	910,962	0.04
17,966	FibroGen Inc.	USA	USD	831,466	0.04
34,881	Retrophin Inc.	USA	USD	789,357	0.03
81,075	GlycoMimetics Inc.	USA	USD	767,780	0.03
108,024	Epizyme Inc.	USA	USD	665,428	0.03
12,534	Repligen Corp.	USA	USD	661,043	0.03
69,525	La Jolla Pharmaceutical Co.	USA	USD	655,621	0.03
11,029	Blueprint Medicines Corp.	USA	USD	594,573	0.03
175,676	Proteostasis Therapeutics Inc.	USA	USD	569,190	0.02
22,869	Aimmune Therapeutics Inc.	USA	USD	547,026	0.02
28,519	Rubius Therapeutics Inc.	USA	USD	458,586	0.02
9,546	Agios Pharmaceuticals Inc.	USA	USD	440,166	0.02
29,216	Apellis Pharmaceuticals Inc.	USA	USD	385,359	0.02
13,636	Heron Therapeutics Inc.	USA	USD	353,718	0.02
46,319	Aeglea Biotherapeutics Inc.	USA	USD	346,929	0.02
47,317	Kodiak Sciences Inc.	USA	USD	335,951	0.01
31,522	Spring Bank Pharmaceuticals Inc.	USA	USD	327,514	0.01
4,573	AnaptysBio Inc.	USA	USD	291,712	0.01
346,588	Ascletis Pharma Inc.	CHN	HKD	281,944	0.01
57,951	ImmunoGen Inc.	USA	USD	278,165	0.01
70,022	Shanghai Junshi Biosciences Co. Ltd., Reg S, 144A	CHN	HKD	216,402	0.01
6,299	Autolus Therapeutics PLC, ADR	GBR	USD	206,859	0.01
31,500	DBV Technologies SA, ADR	FRA	USD	202,230	0.01
26,299	Viking Therapeutics Inc.	USA	USD	201,187	0.01
13,805	Fate Therapeutics Inc.	USA	USD	177,118	0.01

The accompanying notes form an integral part of these financial statements

— Franklin K2 Alternative Strategies Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Biotechnology (continued)				
46,987	Innovent Biologics Inc., Reg S	CHN	HKD	144,612	0.01
1,348	AbbVie Inc.	USA	USD	124,272	0.01
588	Amgen Inc.	USA	USD	114,466	0.01
1,673	Gilead Sciences Inc.	USA	USD	104,646	0.00
9,432	Sutro Biopharma Inc.	USA	USD	85,077	0.00
1,300	Ionis Pharmaceuticals Inc.	USA	USD	70,278	0.00
318	Ligand Pharmaceuticals Inc., B	USA	USD	43,153	0.00
2,065	Eiger BioPharmaceuticals Inc.	USA	USD	20,980	0.00
15,954	Aileron Therapeutics Inc.	USA	USD	13,401	0.00
				84,820,525	3.69
	Building Products				
234,789	USG Corp.	USA	USD	10,016,099	0.44
	Capital Markets				
32,532	Moody's Corp.	USA	USD	4,555,781	0.20
44,477	Amundi SA	FRA	EUR	2,352,292	0.10
240,603	Anima Holding SpA, Reg S	ITA	EUR	890,000	0.04
44,218	ARYA Sciences Acquisition Corp.	USA	USD	452,792	0.02
358	Morgan Stanley	USA	USD	14,195	0.00
				8,265,060	0.36
	Chemicals				
49,771	The Sherwin-Williams Co.	USA	USD	19,582,898	0.85
69,037	Ingevity Corp.	USA	USD	5,777,707	0.25
63,540	DowDuPont Inc.	USA	USD	3,398,119	0.15
2,404	CF Industries Holdings Inc.	USA	USD	104,598	0.00
				28,863,322	1.25
	Commercial Services & Supplies				
104,295	Republic Services Inc.	USA	USD	7,518,627	0.33
31,770	Edenred	FRA	EUR	1,168,819	0.05
182,937	Atento SA	ESP	USD	733,577	0.03
716	Waste Management Inc.	USA	USD	63,717	0.00
				9,484,740	0.41
	Communications Equipment				
565,822	ARRIS International PLC	USA	USD	17,297,178	0.75
30,400	CommScope Holding Co. Inc.	USA	USD	498,256	0.02
2,514	Cisco Systems Inc.	USA	USD	108,932	0.01
5,590	Quantenna Communications Inc.	USA	USD	80,217	0.00
688	CalAmp Corp.	USA	USD	8,951	0.00
				17,993,534	0.78
	Construction Materials				
57,421	Heidelberger Zement AG	DEU	EUR	3,513,057	0.16
154,767	Cemex SAB de CV, CPO, ADR	MEX	USD	745,977	0.03
				4,259,034	0.19
	Consumer Finance				
1,455	Capital One Financial Corp.	USA	USD	109,983	0.00
1,043	EZCORP Inc., A	USA	USD	8,062	0.00
				118,045	0.00
	Containers & Packaging				
326,197	Ball Corp.	USA	USD	14,998,538	0.65
2,674	International Paper Co.	USA	USD	107,923	0.01
				15,106,461	0.66
	Distributors				
9,451	Pool Corp.	USA	USD	1,404,891	0.06
	Diversified Consumer Services				
110,075	Frontdoor Inc.	USA	USD	2,929,096	0.13
	Diversified Financial Services				
36,843	Berkshire Hathaway Inc., B	USA	USD	7,522,604	0.32
32,011	Element Fleet Management Corp.	CAN	CAD	162,025	0.01
				7,684,629	0.33
	Diversified Telecommunication Services				
48,613	Verizon Communications Inc.	USA	USD	2,733,023	0.12
528,420	Koninklijke KPN NV	NLD	EUR	1,549,919	0.07
2,606,538	Telecom Italia SpA	ITA	EUR	1,439,014	0.06
5,682,000	China Tower Corp. Ltd., H	CHN	HKD	1,073,924	0.05
61,875	China Unicom (Hong Kong) Ltd., ADR	CHN	USD	659,588	0.03
72,573	ORBCOMM Inc.	USA	USD	599,453	0.02
				8,054,921	0.35
	Electric Utilities				
2,964	FirstEnergy Corp.	USA	USD	111,298	0.01
3,806	PPL Corp.	USA	USD	107,824	0.00
				219,122	0.01

The accompanying notes form an integral part of these financial statements

— Franklin K2 Alternative Strategies Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Electrical Equipment				
718	Rockwell Automation Inc.	USA	USD	108,045	0.01
1,330	Eaton Corp. PLC	USA	USD	91,318	0.00
				199,363	0.01
	Electronic Equipment, Instruments & Components				
122,746	Flex Ltd.	SGP	USD	934,097	0.04
17,100	Itron Inc.	USA	USD	808,659	0.04
13,150	Fabrinet	THA	USD	674,727	0.03
3,756	Zebra Technologies Corp., A	USA	USD	598,068	0.03
1,314	CDW Corp.	USA	USD	106,500	0.00
				3,122,051	0.14
	Entertainment				
432,723	Twenty-First Century Fox Inc., A	USA	USD	20,822,631	0.91
81,597	The Walt Disney Co.	USA	USD	8,947,111	0.39
130,446	Vivendi SA	FRA	EUR	3,180,477	0.14
14,746	Spotify Technology SA	USA	USD	1,673,671	0.07
69,442	Nexon Co. Ltd.	JPN	JPY	895,229	0.04
166,554	Entertainment One Ltd.	CAN	GBP	757,025	0.03
1,896	Netflix Inc.	USA	USD	507,483	0.02
4,077	Viacom Inc., B	USA	USD	104,779	0.00
				36,888,406	1.60
	Equity Real Estate Investment Trusts (REITs)				
6,898	Uniti Group Inc.	USA	USD	107,402	0.01
3,297	Gaming and Leisure Properties Inc.	USA	USD	106,526	0.00
				213,928	0.01
	Food & Staples Retailing				
1,462	Walgreens Boots Alliance Inc.	USA	USD	99,898	0.00
	Food Products				
33	Chocoladefabriken Lindt & Spruengli AG	CHE	CHF	2,460,983	0.11
	Health Care Equipment & Supplies				
31,213	IDEXX Laboratories Inc.	USA	USD	5,806,242	0.25
54,469	Abbott Laboratories	USA	USD	3,939,743	0.17
107,187	Boston Scientific Corp.	USA	USD	3,787,989	0.16
7,139	Intuitive Surgical Inc.	USA	USD	3,419,010	0.15
20,283	Edwards Lifesciences Corp.	USA	USD	3,106,747	0.13
25,717	DexCom Inc.	USA	USD	3,080,897	0.13
6,884	Teleflex Inc.	USA	USD	1,779,376	0.08
8,250	Align Technology Inc.	USA	USD	1,727,798	0.08
23,908	Nevro Corp.	USA	USD	929,782	0.04
2,120	ABIOMED Inc.	USA	USD	689,085	0.03
8,978	iRhythm Technologies Inc.	USA	USD	623,791	0.03
30,216	AxoGen Inc.	USA	USD	617,313	0.03
4,819	Inogen Inc.	USA	USD	598,375	0.03
4,253	Insulet Corp.	USA	USD	337,348	0.01
365	Medtronic PLC	USA	USD	33,200	0.00
				30,476,696	1.32
	Health Care Providers & Services				
48,831	UnitedHealth Group Inc.	USA	USD	12,164,779	0.53
29,914	Cigna Corp.	USA	USD	5,681,267	0.25
18,547	Humana Inc.	USA	USD	5,313,345	0.23
37,842	Centene Corp.	USA	USD	4,363,183	0.19
11,284	Anthem Inc.	USA	USD	2,963,517	0.13
27,243	CVS Health Corp.	USA	USD	1,784,961	0.08
19,337	Guardant Health Inc.	USA	USD	726,878	0.03
10,395	HealthEquity Inc.	USA	USD	620,062	0.03
924	McKesson Corp.	USA	USD	102,074	0.00
				33,720,066	1.47
	Health Care Technology				
24,929	Tabula Rasa Healthcare Inc.	USA	USD	1,589,473	0.07
11,538	Teladoc Health Inc.	USA	USD	571,939	0.02
4,482	Inspire Medical Systems Inc.	USA	USD	189,365	0.01
				2,350,777	0.10
	Hotels, Restaurants & Leisure				
68,488	Royal Caribbean Cruises Ltd.	USA	USD	6,697,442	0.29
22,510	Wynn Resorts Ltd.	USA	USD	2,226,464	0.10
18,502	Marriott International Inc., A	USA	USD	2,008,577	0.09
48,999	Belmond Ltd., A	GBR	USD	1,226,445	0.05
16,568	Papa John's International Inc.	USA	USD	659,572	0.03
12,697	SeaWorld Entertainment Inc.	USA	USD	280,477	0.01
1,222	Yum! Brands Inc.	USA	USD	112,326	0.01
1,712	Starbucks Corp.	USA	USD	110,253	0.00
				13,321,556	0.58
	Household Durables				
25,475	Mohawk Industries Inc.	USA	USD	2,979,556	0.13

The accompanying notes form an integral part of these financial statements

— Franklin K2 Alternative Strategies Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Independent Power and Renewable Electricity Producers				
3,108	NRG Energy Inc.	USA	USD	123,077	0.01
	Industrial Conglomerates				
31,917	Smiths Group PLC	GBR	GBP	554,894	0.02
	Insurance				
299,199	Aspen Insurance Holdings Ltd.	USA	USD	12,563,366	0.55
49,451	Kemper Corp.	USA	USD	3,282,557	0.14
49,131	Trupanion Inc.	USA	USD	1,250,875	0.05
126,983	RSA Insurance Group PLC	GBR	GBP	831,275	0.04
2,484	Aflac Inc.	USA	USD	113,171	0.01
1,337	Prudential Financial Inc.	USA	USD	109,032	0.00
2,646	MetLife Inc.	USA	USD	108,645	0.00
				18,258,921	0.79
	Interactive Media & Services				
7,435	Alphabet Inc., A	USA	USD	7,769,278	0.34
167,114	Tencent Holdings Ltd.	CHN	HKD	6,701,207	0.29
35,308	Facebook Inc., A	USA	USD	4,628,526	0.20
1,818	Alphabet Inc., C	USA	USD	1,882,739	0.08
57,292	Yandex NV, A	RUS	USD	1,566,936	0.07
				22,548,686	0.98
	Internet & Direct Marketing Retail				
53,796	Alibaba Group Holding Ltd., ADR	CHN	USD	7,373,818	0.32
1,926	Amazon.com Inc.	USA	USD	2,892,794	0.13
119,926	Qurate Retail Group Inc. QVC Group, A	USA	USD	2,340,956	0.10
1,327	Booking Holdings Inc.	USA	USD	2,285,651	0.10
17,640	Expedia Group Inc.	USA	USD	1,987,146	0.09
63,995	eBay Inc.	USA	USD	1,796,340	0.08
100,117	Just Eat PLC	GBR	GBP	748,810	0.03
7,264	Delivery Hero SE	DEU	EUR	270,874	0.01
				19,696,389	0.86
	IT Services				
75,609	MasterCard Inc., A	USA	USD	14,263,638	0.62
145,744	PayPal Holdings Inc.	USA	USD	12,255,613	0.53
32,428	Total System Services Inc.	USA	USD	2,636,072	0.11
13,298	FleetCor Technologies Inc.	USA	USD	2,469,705	0.11
21,274	Global Payments Inc.	USA	USD	2,193,988	0.10
16,097	EPAM Systems Inc.	USA	USD	1,867,413	0.08
13,412	Visa Inc., A	USA	USD	1,769,579	0.08
11,137	VeriSign Inc.	USA	USD	1,651,506	0.07
23,316	GoDaddy Inc., A	USA	USD	1,529,996	0.07
28,312	ExlService Holdings Inc.	USA	USD	1,489,777	0.06
5,981	WEX Inc.	USA	USD	837,699	0.04
6,272	Automatic Data Processing Inc.	USA	USD	822,385	0.04
23,393	Genpact Ltd.	USA	USD	631,377	0.03
2,971	Accenture PLC, A	USA	USD	418,941	0.02
952	Alliance Data Systems Corp.	USA	USD	142,876	0.01
1,700	Paychex Inc.	USA	USD	110,755	0.00
1,142	Broadridge Financial Solutions Inc.	USA	USD	109,918	0.00
4,778	Sabre Corp.	USA	USD	103,396	0.00
1,471	StoneCo. Ltd.	BRA	USD	27,125	0.00
				45,331,759	1.97
	Leisure products				
99,448	Amer Sports OYJ	FIN	EUR	4,371,975	0.19
83,187	Brunswick Corp.	USA	USD	3,864,036	0.17
				8,236,011	0.36
	Life Sciences Tools & Services				
26,598	Illumina Inc.	USA	USD	7,977,538	0.35
60,475	IQVIA Holdings Inc.	USA	USD	7,025,381	0.30
27,968	Thermo Fisher Scientific Inc.	USA	USD	6,258,959	0.27
91,825	Gerresheimer AG	DEU	EUR	6,017,858	0.26
5,168	Mettler-Toledo International Inc.	USA	USD	2,922,917	0.13
7,390	Eurofins Scientific SE	LUX	EUR	2,760,272	0.12
278,807	Pacific Biosciences of California Inc.	USA	USD	2,063,172	0.09
15,155	Pra Health Sciences Inc.	USA	USD	1,393,654	0.06
62,412	Wuxi Biologics Cayman Inc., Reg S	CHN	HKD	399,714	0.02
17,198	Quanterix Corp.	USA	USD	314,895	0.01
				37,134,360	1.61
	Machinery				
89,690	Xylem Inc.	USA	USD	5,984,117	0.26
219,654	Trinity Industries Inc.	USA	USD	4,522,676	0.20
20,167	Deere & Co.	USA	USD	3,008,311	0.13
1,969	PACCAR Inc.	USA	USD	112,509	0.01
827	Cummins Inc.	USA	USD	110,520	0.00
867	Illinois Tool Works Inc.	USA	USD	109,840	0.00
				13,847,973	0.60

The accompanying notes form an integral part of these financial statements

— Franklin K2 Alternative Strategies Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Marine				
20,091	Star Bulk Carriers Corp.	GRC	USD	183,632	0.01
	Media				
315,444	Tribune Media Co., A	USA	USD	14,314,849	0.62
100,428	Stroeer SE & Co. KGaA	DEU	EUR	4,858,785	0.21
98,572	Liberty Global PLC, C	GBR	USD	2,034,526	0.09
526,183	ITV PLC	GBR	GBP	837,335	0.04
21,088	Comcast Corp., A	USA	USD	718,046	0.03
623,944	Postmedia Network Canada Corp.	CAN	CAD	555,297	0.02
1,491	Omnicom Group Inc.	USA	USD	109,201	0.01
18,016	Sirius XM Holdings Inc.	USA	USD	102,871	0.01
3,835	Sinclair Broadcast Group Inc., A	USA	USD	101,014	0.00
				23,631,924	1.03
	Metals & Mining				
504,257	Teck Resources Ltd., B	CAN	CAD	10,861,696	0.47
472,808	First Quantum Minerals Ltd.	ZMB	CAD	3,823,469	0.17
730,265	Nevsun Resources Ltd.	CAN	CAD	3,204,137	0.14
				17,889,302	0.78
	Multiline Retail				
60,029	Macy's Inc.	USA	USD	1,787,664	0.08
1,771	Kohl's Corp.	USA	USD	117,488	0.00
				1,905,152	0.08
	Multi-Utilities				
132,710	Innogy SE, Reg S	DEU	EUR	6,189,595	0.27
46,712	Innogy SE	DEU	EUR	1,986,673	0.09
1,508	Dominion Energy Inc.	USA	USD	107,762	0.00
				8,284,030	0.36
	Oil, Gas & Consumable Fuels				
88,825	Hess Corp.	USA	USD	3,597,413	0.16
155,755	Equitrans Midstream Corp.	USA	USD	3,118,215	0.14
538,128	MEG Energy Corp.	CAN	CAD	3,039,091	0.13
24,655	Green Plains Inc.	USA	USD	323,227	0.01
8,450	Canadian Natural Resources Ltd.	CAN	CAD	203,891	0.01
8,881	Whiting Petroleum Corp.	USA	USD	201,510	0.01
1,860	Marathon Petroleum Corp.	USA	USD	109,759	0.01
1,690	Occidental Petroleum Corp.	USA	USD	103,732	0.01
5,104	Plains GP Holdings LP, A	USA	USD	102,590	0.00
2,336	Anadarko Petroleum Corp.	USA	USD	102,410	0.00
11,647	EnCana Corp.	CAN	USD	67,320	0.00
2,714	Murphy Oil Corp.	USA	USD	63,480	0.00
				11,032,638	0.48
	Paper & Forest Products				
20,327	West Fraser Timber Co. Ltd.	CAN	CAD	1,004,141	0.05
63,334	Canfor Corp.	CAN	CAD	766,855	0.03
				1,770,996	0.08
	Pharmaceuticals				
110,959	AstraZeneca PLC, ADR	GBR	USD	4,214,223	0.18
53,657	Merck & Co. Inc.	USA	USD	4,099,931	0.18
34,287	Eli Lilly & Co.	USA	USD	3,967,692	0.17
117,808	Assembly Biosciences Inc.	USA	USD	2,664,817	0.12
46,379	Bristol-Myers Squibb Co.	USA	USD	2,410,780	0.10
50,856	Aerie Pharmaceuticals Inc.	USA	USD	1,835,902	0.08
30,842	Pfizer Inc.	USA	USD	1,346,253	0.06
13,547	GW Pharmaceuticals PLC, ADR	GBR	USD	1,319,342	0.06
9,271	Allergan PLC	USA	USD	1,239,162	0.05
30,068	Mylan NV	USA	USD	823,863	0.04
72,352	resTORbio Inc.	USA	USD	623,674	0.03
207,686	Marinus Pharmaceuticals Inc.	USA	USD	596,059	0.03
49,555	Charlottes Web Holdings Inc.	USA	CAD	550,651	0.02
5,598	Tilray Inc.	CAN	USD	394,883	0.02
78,794	Ocular Therapeutix Inc.	USA	USD	313,600	0.01
274,271	Hua Medicine, Reg S	CHN	HKD	290,716	0.01
7,599	Innoviva Inc.	USA	USD	132,603	0.01
830	Johnson & Johnson	USA	USD	107,112	0.00
1,759	Canopy Growth Corp.	CAN	CAD	47,170	0.00
603	The Medicines Co.	USA	USD	11,541	0.00
				26,989,974	1.17
	Professional Services				
96,983	Dun & Bradstreet Corp.	USA	USD	13,843,353	0.60
427,573	Intertrust NV	NLD	EUR	7,196,510	0.31
49,071	TriNet Group Inc.	USA	USD	2,058,528	0.09
18,069	TransUnion	USA	USD	1,026,319	0.04
10,472	Equifax Inc.	USA	USD	975,257	0.04
15,852	Huron Consulting Group Inc.	USA	USD	813,366	0.04
30,331	Experian PLC	GBR	GBP	736,471	0.03
1,892	CoStar Group Inc.	USA	USD	638,247	0.03

The accompanying notes form an integral part of these financial statements

— Franklin K2 Alternative Strategies Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Professional Services (continued)				
1,902	Robert Half International Inc.	USA	USD	108,794	0.01
				27,396,845	1.19
	Road & Rail				
186,889	CSX Corp.	USA	USD	11,611,414	0.51
40,571	Norfolk Southern Corp.	USA	USD	6,066,987	0.26
37,085	Union Pacific Corp.	USA	USD	5,126,260	0.22
20,098	Old Dominion Freight Line Inc.	USA	USD	2,481,902	0.11
				25,286,563	1.10
	Semiconductors & Semiconductor Equipment				
395,893	Integrated Device Technology Inc.	USA	USD	19,173,098	0.83
7,728	KLA-Tencor Corp.	USA	USD	691,579	0.03
9,291	Microchip Technology Inc.	USA	USD	668,209	0.03
18,533	Teradyne Inc.	USA	USD	581,566	0.03
9,749	First Solar Inc.	USA	USD	413,894	0.02
6,465	QUALCOMM Inc.	USA	USD	367,923	0.02
440	Broadcom Inc.	USA	USD	111,883	0.01
2,365	Intel Corp.	USA	USD	110,989	0.00
4,301	ON Semiconductor Corp.	USA	USD	71,010	0.00
447	Texas Instruments Inc.	USA	USD	42,242	0.00
303	Cree Inc.	USA	USD	12,961	0.00
				22,245,354	0.97
	Software				
67,848	Red Hat Inc.	USA	USD	11,916,823	0.52
30,251	Intuit Inc.	USA	USD	5,954,909	0.26
52,112	Microsoft Corp.	USA	USD	5,293,016	0.23
17,856	Salesforce.com Inc.	USA	USD	2,445,736	0.11
14,562	Workday Inc., A	USA	USD	2,325,260	0.10
11,060	ServiceNow Inc.	USA	USD	1,969,233	0.09
20,607	Guidewire Software Inc.	USA	USD	1,653,300	0.07
39,220	Ceridian HCM Holding Inc.	USA	USD	1,352,698	0.06
5,420	Adobe Systems Inc.	USA	USD	1,226,221	0.05
11,500	Atlassian Corp., PLC	USA	USD	1,023,270	0.05
7,947	HubSpot Inc.	USA	USD	999,176	0.04
14,116	Imperva Inc.	USA	USD	786,120	0.03
11,413	Blackbaud Inc.	USA	USD	717,878	0.03
800	Splunk Inc.	USA	USD	83,880	0.00
				37,747,520	1.64
	Specialty Retail				
99,692	The Home Depot Inc.	USA	USD	17,129,079	0.75
47,198	Tiffany & Co.	USA	USD	3,799,911	0.17
44,334	CarMax Inc.	USA	USD	2,781,072	0.12
72,096	Hudson Ltd., A	USA	USD	1,236,446	0.05
58,379	MarineMax Inc.	USA	USD	1,068,919	0.05
3,711	Ulta Beauty Inc.	USA	USD	908,601	0.04
226,088	Sports Direct International PLC	GBR	GBP	685,272	0.03
354,760	Pets at Home Group PLC	GBR	GBP	523,621	0.02
5,791	American Eagle Outfitters Inc.	USA	USD	111,940	0.01
3,325	Dick's Sporting Goods Inc.	USA	USD	103,740	0.00
1,797	Best Buy Co. Inc.	USA	USD	95,169	0.00
				28,443,770	1.24
	Technology Hardware, Storage & Peripherals				
44,810	Apple Inc.	USA	USD	7,068,329	0.31
17,818	Cray Inc.	USA	USD	384,691	0.02
7,870	Hewlett Packard Enterprise Co.	USA	USD	103,963	0.00
				7,556,983	0.33
	Textiles, Apparel & Luxury Goods				
78,467	Michael Kors Holdings Ltd.	USA	USD	2,975,468	0.13
73,032	Tapestry Inc.	USA	USD	2,464,830	0.11
4,245	Lululemon Athletica Inc.	USA	USD	516,234	0.02
				5,956,532	0.26
	Tobacco				
2,190	Altria Group Inc.	USA	USD	108,164	0.00
	Trading Companies & Distributors				
148,725	Brenntag AG	DEU	EUR	6,438,538	0.28
556,406	Ahlsell AB	SWE	SEK	3,271,612	0.14
				9,710,150	0.42
	Wireless Telecommunication Services				
40,458	T-Mobile U.S. Inc.	USA	USD	2,573,533	0.11
28,137	Millicom International Cellular SA, SDR	COL	SEK	1,782,060	0.08
12,228	Vodafone Group PLC, ADR	GBR	USD	235,756	0.01
				4,591,349	0.20
	TOTAL SHARES			815,332,456	35.44

The accompanying notes form an integral part of these financial statements

— Franklin K2 Alternative Strategies Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	WARRANTS				
	Oil, Gas & Consumable Fuels				
1,458	Halcon Resources Corp., wts., 09/09/20	USA	USD	75	0.00
	TOTAL WARRANTS			75	0.00
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			815,332,531	35.44
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	BONDS				
	Asset-Backed Securities				
1,250,000	Citibank Credit Card Issuance Trust, 2018-A1, A1, 2.49%, 01/20/23	USA	USD	1,240,411	0.05
1,142,841	VOLT LXXII LLC, 2018-NPL8, A1A, 144A, FRN, 4.213%, 10/26/48 †	USA	USD	1,143,468	0.05
1,010,665	Toyota Auto Receivables Owner Trust, 2018-A, FRN, 2.525%, 10/15/20 †	USA	USD	1,010,679	0.04
955,000	Nextgear Floorplan Master Owner Trust, 2017-1A, A1, 144A, FRN, 3.305%, 04/18/22 †	USA	USD	960,566	0.04
865,000	Chase Issuance Trust, 2018-A1, A1, FRN, 2.655%, 04/17/23 †	USA	USD	862,770	0.04
820,000	Volvo Financial Equipment Master Owner Trust, 2.975%, 07/17/23	USA	USD	829,643	0.04
800,000	Horizon Aircraft Finance I Ltd., 1, A, 144A, 4.458%, 12/15/38	USA	USD	816,308	0.04
810,000	Credit Acceptance Auto Loan Trust, 2018-2, A, 3.47%, 05/17/27	USA	USD	808,867	0.04
790,000	Flagship Credit Auto Trust, 2018-4, C, 4.11%, 10/15/24	USA	USD	801,830	0.04
788,111	S-Jets 2017-1 Ltd., 2017-1, A, 144A, 3.967%, 08/15/42	BMU	USD	796,064	0.03
795,000	CarMax Auto Owner Trust, 2018-3, A2B, FRN, 2.655%, 10/15/21 †	USA	USD	794,698	0.03
785,000	American Express Credit Account Master Trust, 2017-6, A, 2.04%, 05/15/23	USA	USD	773,203	0.03
750,000	OneMain Financial Issuance Trust, 2016-2A, B, 144A, 5.94%, 03/20/28	USA	USD	761,871	0.03
720,000	Nextgear Floorplan Master Owner Trust, 2018-1A, A1, 144A, FRN, 3.095%, 02/15/23 †	USA	USD	719,734	0.03
720,000	Invitation Homes Trust, 2018-SFR2, E, 144A, FRN, 4.455%, 06/17/37 †	USA	USD	713,287	0.03
664,207	Adams Outdoor Advertising LP, 2018-1, A, 144A, 4.81%, 11/15/48	USA	USD	684,213	0.03
670,000	Westlake Automobile Receivables Trust, 2018-3A, A2B, 144A, FRN, 2.805%, 01/18/22 †	USA	USD	670,267	0.03
660,000	Discover Card Execution Note Trust, 2018-A3, A3, FRN, 2.685%, 12/15/23 †	USA	USD	658,605	0.03
645,000	GM Financial Consumer Automobile Receivables Trust, 2.565%, 07/16/21	USA	USD	645,143	0.03
620,000	AmeriCredit Automobile Receivables Trust, 2018-3, D, 4.04%, 11/18/24	USA	USD	628,015	0.03
620,302	AmeriCredit Automobile Receivables Trust, 2017-3, A2B, 2.695%, 12/18/20	USA	USD	620,424	0.03
585,000	Toyota Auto Receivables Owner Trust, 2018-C, 2.575%, 08/16/21	USA	USD	585,083	0.03
560,000	First Investors Auto Owner Trust, 2018-2A, D, 4.28%, 01/15/25	USA	USD	571,416	0.03
570,000	Capital One Multi-Asset Execution Trust, 2014-A4, A4, FRN, 2.815%, 06/15/22 †	USA	USD	570,547	0.03
570,000	Capital One Multi-Asset Execution Trust, 2016-A1, A1, FRN, 2.905%, 02/15/22 †	USA	USD	570,543	0.03
570,000	Bank of America Credit Card Trust, 2017-A2, 1.84%, 01/17/23	USA	USD	560,006	0.02
555,000	Santander Drive Auto Receivables Trust, 2018-2, D, 3.88%, 02/15/24	USA	USD	559,907	0.02
535,000	Citibank Credit Card Issuance Trust, 2017-A8, A8, 1.86%, 08/08/22	USA	USD	526,458	0.02
505,000	SCF Equipment Leasing, 2018-1A, C, 144A, 4.21%, 04/20/27	USA	USD	516,082	0.02
520,000	Invitation Homes Trust, 2018-SFR1, E, FRN, 4.455%, 03/17/37 †	USA	USD	514,316	0.02
510,000	Nextgear Floorplan Master Owner Trust, 2017-2A, A1, FRN, 3.135%, 10/17/22 †	USA	USD	511,277	0.02
510,000	Citibank Credit Card Issuance Trust, 2017-A4, A4, 2.603%, 04/07/22	USA	USD	510,134	0.02
515,000	American Express Credit Account Master Trust, 2017-3, A, 1.77%, 11/15/22	USA	USD	507,767	0.02
510,000	Citibank Credit Card Issuance Trust, 2017-A3, A3, 1.92%, 04/07/22	USA	USD	503,635	0.02
505,000	Ally Auto Receivables Trust, 2017-3, A3, 1.74%, 09/15/21	USA	USD	500,346	0.02
500,000	Toyota Auto Receivables Owner Trust, 2017-B, 1.76%, 07/15/21	USA	USD	496,020	0.02
514,249	Latam Airlines 2015-1 Pass-Through Trust B, secured note, 4.50%, 08/15/25	CHL	USD	495,274	0.02
470,000	Nissan Auto Receivables Owner Trust, 2018-A, 2.65%, 05/16/22	USA	USD	467,917	0.02
470,000	Ally Auto Receivables Trust, 2017-4, A3, 1.75%, 12/15/21	USA	USD	465,461	0.02
455,000	OneMain Financial Issuance Trust, 2015-2A, D, 144A, 5.64%, 07/18/25	USA	USD	458,432	0.02
445,000	Sofi Consumer Loan Program, 2018-2, B, 3.79%, 04/26/27	USA	USD	446,222	0.02
437,400	CSMC Trust, 2018-RPL2, A1, 144A, FRN, 4.03%, 08/25/62 †	USA	USD	436,672	0.02
430,000	Drive Auto Receivables Trust, 2018-1, D, 3.81%, 05/15/24	USA	USD	430,907	0.02
415,000	American Express Credit Account Master Trust, 2014-1, A, 1.64%, 12/15/21	USA	USD	413,082	0.02
405,000	Santander Drive Auto Receivables Trust, 2018-3, D, 4.07%, 08/15/24	USA	USD	409,257	0.02
420,000	GS Mortgage Securities Trust, 2011-GC5, D, 144A, FRN, 5.391%, 08/10/44 †	USA	USD	405,987	0.02
400,000	Taco Bell Funding LLC, 2018-1A, A2, 4.318%, 11/25/48	USA	USD	405,436	0.02
405,000	OneMain Financial Issuance Trust, 2015-3A, A, 3.63%, 11/20/28	USA	USD	404,833	0.02
385,000	Drive Auto Receivables Trust, 2018-5, D, 4.30%, 04/15/26	USA	USD	390,160	0.02
390,000	Nissan Auto Receivables Owner Trust, 2018-B, 2.555%, 07/15/21	USA	USD	389,837	0.02
375,703	Stanwich Mortgage Loan Trust, 2018-NPB1, A1, 144A, FRN, 4.016%, 05/16/23 †	USA	USD	374,774	0.02
371,796	Nissan Auto Receivables Owner Trust, 2017-C, A2B, FRN, 2.525%, 10/15/20 †	USA	USD	371,688	0.02
363,069	Toyota Auto Receivables Owner Trust, 2017-D, A2B, FRN, 2.505%, 08/17/20 †	USA	USD	363,048	0.02
358,777	Santander Drive Auto Receivables Trust, 2016-1, 3.09%, 04/15/22	USA	USD	358,717	0.02
354,112	Planet Fitness Master Issuer LLC, 2018-1A, A2I, 144A, 4.262%, 09/05/48	USA	USD	356,435	0.02
348,987	Citigroup Mortgage Loan Trust Inc., 2018-C, A1, 144A, FRN, 4.125%, 03/25/59 †	USA	USD	352,909	0.02
360,000	Kestrel Aircraft Funding Ltd., 2018-1A, A, 144A, 4.25%, 12/15/38	USA	USD	352,129	0.02
350,000	Chase Issuance Trust, 2016-A1, A, FRN, 2.865%, 05/17/21 †	USA	USD	350,313	0.02
345,000	SLM Private Credit Student Loan Trust, 2003-B, A3, FRN, 4.75%, 03/15/33 †	USA	USD	344,998	0.02
341,279	Sprite 2017-1 Ltd., 2017-1, CL B, 144A, 5.75%, 12/15/37	CYM	USD	340,859	0.02
340,000	Bank of America Credit Card Trust, 2017-A1, 1.95%, 08/15/22	USA	USD	336,032	0.01
335,000	Verizon Owner Trust, 2018-1A, A1B, 144A, FRN, 2.73%, 09/20/22 †	USA	USD	334,619	0.01
330,000	AmeriCredit Automobile Receivables Trust, 2018-2, D, 4.01%, 07/18/24	USA	USD	334,587	0.01
325,000	Credit Acceptance Auto Loan Trust, 2018-2, C, 4.16%, 09/15/27	USA	USD	330,049	0.01
327,105	Santander Retail Auto Lease Trust, 2017-A, A2B, 144A, FRN, 2.74%, 03/20/20 †	USA	USD	327,126	0.01
330,000	CarMax Auto Owner Trust, 2016-1, A4, 1.88%, 06/15/21	USA	USD	326,509	0.01
325,000	Chesapeake Funding II LLC, 2018-1A, D, 144A, 3.92%, 04/15/30	USA	USD	325,827	0.01
410,000	Starwood Retail Property Trust, 2014-STAR, E, 144A, FRN, 6.605%, 11/15/27 †	USA	USD	313,943	0.01
304,005	Thunderbolt Aircraft Lease Ltd., 2017-A, B, 144A, 5.75%, 05/17/32	USA	USD	312,705	0.01

The accompanying notes form an integral part of these financial statements

— Franklin K2 Alternative Strategies Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Asset-Backed Securities (continued)				
310,000	Santander Drive Auto Receivables Trust, 2018-5, C, 3.81%, 12/16/24	USA	USD	312,294	0.01
308,559	Diamond Resorts Owner Trust, 2018-1, C, 144A, 4.53%, 01/21/31	USA	USD	311,053	0.01
312,713	Sofi Professional Loan Program LLC, 2015-D, B, 3.59%, 10/26/37	USA	USD	310,369	0.01
310,000	Sofi Consumer Loan Program, 2018-2, A2, 144A, 3.35%, 04/26/27	USA	USD	309,705	0.01
300,000	American Express Credit Account Master Trust, 2017-8, A, FRN, 2.575%, 05/16/22 †	USA	USD	299,845	0.01
295,000	Sofi Consumer Loan Program, 2018-4, C, 4.17%, 11/26/27	USA	USD	299,601	0.01
285,000	Home Partners of America Trust, 2016-2, F, 144A, FRN, 7.155%, 10/17/33 †	USA	USD	286,075	0.01
285,000	Springleaf Funding Trust, 2015-AA, B, 3.62%, 11/15/24	USA	USD	284,604	0.01
280,396	Bayview Opportunity Master Fund IVB Trust, 2018-RN9, A1, 144A, 4.213%, 10/29/33	USA	USD	281,276	0.01
250,000	FHLMC Structured Agency Credit Risk Debt Notes, 2015-DNA1, M3, FRN, 5.806%, 10/25/27 †	USA	USD	271,459	0.01
300,000	CSMC OA LLC, 2014-USA, E, 144A, 4.373%, 09/15/37	USA	USD	270,015	0.01
257,873	IndyMac Index Mortgage Loan Trust, 2004-AR6, 4A, FRN, 4.555%, 10/25/34 †	USA	USD	266,645	0.01
260,361	Castlelake Aircraft Securization Trust, 2018-1, 5.30%, 06/15/43	USA	USD	263,848	0.01
261,812	Motor 2017-1 PLC, 2017-1A, A1, FRN, 3.036%, 09/25/24 †	GBR	USD	261,693	0.01
203,593	Dukinfield II PLC, 2, A, Reg S, FRN, 2.158%, 12/20/52 †	GBR	GBP	260,681	0.01
256,100	Coinstar Funding LLC, 2017-1A, A2, 144A, 5.216%, 04/25/47	USA	USD	259,134	0.01
255,845	Ford Credit Auto Owner Trust, 2017-C, A2B, FRN, 2.575%, 09/15/20 †	USA	USD	256,201	0.01
200,000	Towd Point Mortgage Funding, 2016-GR1X, B, Reg S, FRN, 2.204%, 07/20/46 †	GBR	GBP	256,091	0.01
253,960	GCAT LLC, 2018-2, A1, 144A, 4.09%, 06/26/23	USA	USD	254,847	0.01
250,000	Westlake Automobile Receivables Trust, 2018-2A, D, 144A, 4.00%, 01/16/24	USA	USD	252,380	0.01
253,037	PRPM 2017-2 LLC, 2017-2A, A1, 144A, FRN, 3.47%, 09/25/22 †	USA	USD	251,435	0.01
250,000	Capital One Multi-Asset Execution Trust, 2015-A2, A2, 2.08%, 03/15/23	USA	USD	247,074	0.01
245,000	DT Auto Owner Trust, 2018-3A, C, 144A, 3.79%, 07/15/24	USA	USD	246,133	0.01
237,175	MAPS Ltd., 2018-1A, B, 5.193%, 05/15/43	USA	USD	241,143	0.01
240,926	RCO Mortgage LLC, 2017-1, A1, 144A, 3.375%, 08/25/22	USA	USD	240,114	0.01
235,000	Verizon Owner Trust, 2017-3A, A1B, 144A, FRN, 2.74%, 04/20/22 †	USA	USD	235,223	0.01
210,000	American Homes 4 Rent, sub. bond, 2014-SFR2, E, 144A, 6.231%, 10/17/36	USA	USD	231,606	0.01
228,433	Gosforth Funding PLC, 2018-1A, A1, 144A, FRN, 3.139%, 08/25/60 †	GBR	USD	230,191	0.01
223,937	RMAT, 2018-NPL1, A1, 144A, 4.09%, 05/25/48	USA	USD	223,938	0.01
218,350	Five Guys Holdings Inc., 2017-1A, A2, 144A, 4.60%, 07/25/47	USA	USD	222,998	0.01
220,000	California Republic Auto Receivables Trust, 2018-1, D, 4.33%, 04/15/25	USA	USD	222,823	0.01
220,694	VOLT LXX LLC, 2018-NPL6, A1A, 144A, FRN, 4.115%, 09/25/48 †	USA	USD	220,959	0.01
215,000	DT Auto Owner Trust, 2016-2A, D, 144A, 5.43%, 11/15/22	USA	USD	217,249	0.01
216,889	BMW Vehicle Owner Trust, 2018-A, A2B, FRN, 2.576%, 11/25/20 †	USA	USD	216,861	0.01
215,341	Chesapeake Funding II LLC, 2017-4A, A2, 144A, FRN, 2.795%, 11/15/29 †	USA	USD	215,126	0.01
200,000	American Homes 4 Rent, 2015-SFR1, E, 144A, 5.639%, 04/17/52	USA	USD	214,449	0.01
213,297	Toyota Auto Receivables Owner Trust, 2017-C, FRN, 2.535%, 07/15/20 †	USA	USD	213,283	0.01
215,000	Capital One Multi-Asset Execution Trust, 2017-A1, A1, 2.00%, 01/17/23	USA	USD	212,691	0.01
210,000	CPS Auto Receivables Trust, 2018-D, C, 144A, 3.83%, 09/15/23	USA	USD	212,326	0.01
205,035	VOLT LXVIII LLC, 2018-NPL4, A1A, 144A, FRN, 4.336%, 07/27/48 †	USA	USD	205,527	0.01
258,582	Structured ARM Loan Trust, 2005-14, A1, FRN, 2.816%, 07/25/35 †	USA	USD	205,241	0.01
240,162	IndyMac Index Mortgage Loan Trust, 2006-AR2, 2A1, FRN, 2.716%, 02/25/46 †	USA	USD	204,138	0.01
201,116	FHLMC Structured Agency Credit Risk Debt Notes, 2015-DNA1, M2, FRN, 4.356%, 10/25/27 †	USA	USD	203,671	0.01
210,000	CoreVest American Finance Trust, 2017-1, D, 4.358%, 10/15/49	USA	USD	203,279	0.01
204,435	Oak Hill Advisors Residential Loan Trust, 2017-NPL2, A1, 144A, FRN, 3.00%, 07/25/57 †	USA	USD	200,726	0.01
220,000	WFRBS Commercial Mortgage Trust, 2011-C3, D, 144A, FRN, 5.683%, 03/15/44 †	USA	USD	200,648	0.01
200,000	Chase Issuance Trust, 2015-A4, A, 1.84%, 04/15/22	USA	USD	197,067	0.01
195,000	CarMax Auto Owner Trust, 2018-2, D, 3.99%, 04/15/25	USA	USD	197,033	0.01
195,340	AIM Aviation Finance Ltd., 2015-1A, B1, 144A, FRN, 5.072%, 02/15/40 †	CYM	USD	195,285	0.01
190,765	Accelerated Assets LLC, 2018-1, A, 3.87%, 12/02/33	USA	USD	192,628	0.01
190,693	CarMax Auto Owner Trust, 2017-4, A2B, FRN, 2.585%, 04/15/21 †	USA	USD	190,671	0.01
195,025	RFMSI Trust, 2006-SA2, 3A1, FRN, 4.958%, 08/25/36 †	USA	USD	182,766	0.01
202,482	IndyMac Index Mortgage Loan Trust, 2004-AR12, A1, FRN, 3.286%, 12/25/34 †	USA	USD	181,013	0.01
176,959	Bayview Opportunity Master Fund IIIA Trust, 4.066%, 09/28/33	USA	USD	177,582	0.01
178,106	Ajax Mortgage Loan Trust, 2017-B, A, 144A, FRN, 3.163%, 09/25/56 †	USA	USD	176,268	0.01
180,856	American Home Mortgage Investment Trust, 2006-1, 11A1, FRN, 2.786%, 03/25/46 †	USA	USD	172,102	0.01
175,246	Residential Asset Securitization Trust, 2003-A9, A2, 4.00%, 08/25/33	USA	USD	169,100	0.01
165,000	DT Auto Owner Trust, 2018-2, D, 144A, 4.15%, 03/15/24	USA	USD	166,087	0.01
165,000	Honda Auto Receivables Owner Trust, 2017-3, A3, 1.79%, 09/20/21	USA	USD	163,016	0.01
159,535	MASTR Alternative Loan Trust, 2004-2, 8A4, 5.50%, 03/25/34	USA	USD	161,406	0.01
157,536	FHLMC Structured Agency Credit Risk Debt Notes, 2014-DN1, M2, FRN, 4.706%, 02/25/24 †	USA	USD	160,502	0.01
155,000	Home Partners of America Trust, 2016-2, E, 144A, FRN, 6.235%, 10/17/33 †	USA	USD	155,844	0.01
154,078	Wells Fargo Mortgage Backed Securities Trust, 2006-3, 5.50%, 03/25/36	USA	USD	153,459	0.01
124,893	Ludgate Funding PLC, 2008-W1X, A1, Reg S, FRN, 1.399%, 01/01/61 †	GBR	GBP	151,591	0.01
149,324	Shenton Aircraft Investment I Ltd., 2015-1A, A, 144A, 4.75%, 10/15/42	USA	USD	151,253	0.01
148,283	Citigroup Mortgage Loan Trust Inc., 2018-A, A1, 144A, FRN, 4.00%, 01/25/68 †	USA	USD	148,783	0.01
145,000	Wingstop Funding LLC, 2018-1, A2, 4.97%, 12/05/48	USA	USD	148,466	0.01
145,000	GLS Auto Receivables Trust, 2018-3A, B, 144A, 3.78%, 08/15/23	USA	USD	145,712	0.01
144,535	Colony Starwood Homes Trust, 2016-2A, E, 144A, FRN, 5.805%, 12/17/33 †	USA	USD	145,585	0.01
150,000	Morgan Stanley Capital I Trust, 2011-C2, E, 144A, FRN, 5.485%, 06/15/44 †	USA	USD	144,236	0.01
141,428	Tidewater Sales Finance Master Trust, 2017-A, 4.55%, 04/15/21	USA	USD	141,219	0.01
140,000	SMB Private Education Loan Trust, 2017-B, A2B, 144A, FRN, 3.205%, 10/15/35 †	USA	USD	139,286	0.01
137,922	DT Auto Owner Trust, 2016-1A, D, 144A, 4.66%, 12/15/22	USA	USD	138,731	0.01
138,175	CSMC Trust, 2018-RPL7, A1, 4.00%, 08/26/58	USA	USD	138,270	0.01
135,000	OneMain Financial Issuance Trust, 2015-3A, B, 144A, 4.16%, 11/20/28	USA	USD	136,808	0.01

The accompanying notes form an integral part of these financial statements

— Franklin K2 Alternative Strategies Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Asset-Backed Securities (continued)				
136,286	CarMax Auto Owner Trust, 2018-1, A2B, FRN, 2.605%, 05/17/21 †	USA	USD	136,235	0.01
135,000	Commercial Mortgage Trust, 2016-SAVA, C, 144A, FRN, 5.349%, 10/15/34 †	USA	USD	135,156	0.01
130,000	CarMax Auto Owner Trust, 2018-4, D, 4.15%, 04/15/25	USA	USD	132,678	0.01
131,918	VOLT LXXI LLC, 2018-NPL7, A1A, 144A, FRN, 3.967%, 09/25/48 †	USA	USD	131,530	0.01
130,000	Navistar Financial Dealer Note Master Owner Trust II, 2018-1, A, 144A, FRN, 3.136%, 09/25/23 †	USA	USD	130,006	0.01
130,000	World Financial Network Credit Card Master Trust, 3.09%, 04/17/23	USA	USD	129,917	0.01
129,755	GCAT LLC, 2018-1, A1, 144A, FRN, 3.844%, 06/25/48 †	USA	USD	129,072	0.01
130,000	Hertz Vehicle Financing II LP, 2017-2A, A, 144A, 3.29%, 10/25/23	USA	USD	128,412	0.01
125,000	WFRBS Commercial Mortgage Trust, 2012-C6, D, 144A, FRN, 5.582%, 04/15/45 †	USA	USD	125,398	0.01
125,000	Chesapeake Funding II LLC, 2018-1A, C, 3.57%, 04/15/30	USA	USD	125,303	0.01
125,683	PRPM 2017-3 LLC, 2017-3A, A1, 144A, FRN, 3.47%, 11/25/22 †	USA	USD	125,173	0.01
129,242	Banc of America Mortgage Trust, 2005-I, 4A1, FRN, 4.099%, 10/25/35 †	USA	USD	124,777	0.01
122,991	Accelerated Assets LLC, 2018-1, B, 144A, 4.51%, 12/02/33	USA	USD	124,043	0.01
115,252	MASTR Alternative Loan Trust, 2004-8, 2A1, 6.00%, 09/25/34	USA	USD	123,692	0.01
125,000	PRPM 2018-1 LLC, 2018-1A, A2, FRN, 5.00%, 04/25/23 †	USA	USD	122,976	0.01
120,000	SLM Private Credit Student Loan Trust, 2003-A, A3, FRN, 4.77%, 06/15/32 †	USA	USD	120,300	0.01
114,425	Driven Brands Funding LLC, 2018-1A, A2, 144A, 4.739%, 04/20/48	USA	USD	116,699	0.01
112,746	Wells Fargo Mortgage Backed Securities Trust, 2004-I, 2A1, FRN, 4.326%, 07/25/34 †	USA	USD	114,942	0.01
115,000	PRPM 2017-2 LLC, 2017-2A, A2, 144A, FRN, 5.00%, 09/25/22 †	USA	USD	114,239	0.01
125,093	MASTR ARM Trust, 2005-2, FRN, 3.546%, 03/25/35 †	USA	USD	113,973	0.01
114,088	Alternative Loan Trust, 2003-22CB, 3A1, 6.00%, 12/25/33	USA	USD	113,063	0.01
111,970	GMACM Mortgage Loan Trust, 2005-AR1, 3A, FRN, 4.053%, 03/18/35 †	USA	USD	112,976	0.01
110,931	Nissan Auto Receivables Owner Trust, 2017-B, FRN, 2.555%, 05/15/20 †	USA	USD	110,935	0.01
110,000	CPS Auto Receivables Trust, 2014-B, D, 144A, 4.62%, 05/15/20	USA	USD	110,360	0.01
109,571	Ajax Mortgage Loan Trust, 2017-A, A, FRN, 3.47%, 04/25/57 †	USA	USD	108,953	0.01
130,000	WFRBS Commercial Mortgage Trust, 2012-C7, E, 144A, FRN, 4.821%, 06/15/45 †	USA	USD	108,873	0.01
105,000	Adams Outdoor Advertising LP, 2018-1, B, 5.653%, 11/15/48	USA	USD	108,354	0.00
105,000	Colony American Finance Ltd., 2015-1, D, 144A, 5.649%, 10/15/47	USA	USD	105,375	0.00
104,230	Bayview Opportunity Master Fund IVA Trust, 2018-RN3, 3.672%, 03/28/33	USA	USD	104,396	0.00
102,074	Wells Fargo Mortgage Backed Securities Trust, 2005-AR2, 3A1, FRN, 3.994%, 03/25/35 †	USA	USD	104,135	0.00
105,000	Avis Budget Car Rental LLC/Finance Inc., 2016-2A, A, 2.72%, 11/20/22	USA	USD	103,385	0.00
100,000	First Investors Auto Owner Trust, 2016-1A, D, 144A, 4.70%, 04/18/22	USA	USD	101,214	0.00
100,000	Flagship Credit Auto Trust, 2016-3, D, 3.89%, 11/15/22	USA	USD	100,532	0.00
100,000	Chesapeake Funding II LLC, 2017-2A, D, 3.71%, 05/15/29	USA	USD	100,362	0.00
100,000	DT Auto Owner Trust, 2017-1A, D, 3.55%, 11/15/22	USA	USD	100,142	0.00
100,000	SLM Private Credit Student Loan Trust, 2003-B, A4, FRN, 4.75%, 03/15/33 †	USA	USD	100,134	0.00
100,000	CPS Auto Receivables Trust, 2017-D, D, 3.73%, 09/15/23	USA	USD	99,823	0.00
100,000	Morgan Stanley Capital I Trust, 2011-C2, D, 5.485%, 06/15/44	USA	USD	99,804	0.00
106,254	Harborview Mortgage Loan Trust, 2004-11, 2A2A, FRN, 3.11%, 01/19/35 †	USA	USD	99,070	0.00
99,881	Banc of America Funding Corp., 2007-4, 5A1, 5.50%, 11/25/34	USA	USD	98,825	0.00
100,000	Discover Card Execution Note Trust, 2015-A2, A, 1.90%, 10/17/22	USA	USD	98,651	0.00
111,292	RFMSI Trust, 2005-SA1, 1A1, FRN, 4.625%, 03/25/35 †	USA	USD	94,707	0.00
95,000	Westlake Automobile Receivables Trust, 2018-1A, D, 144A, 3.41%, 05/15/23	USA	USD	94,366	0.00
94,838	SpringCastle America Funding LLC, 2016-AA, A, 144A, 3.05%, 04/25/29	USA	USD	94,041	0.00
95,960	GMACM Mortgage Loan Trust, 2005-AR4, 3A1, FRN, 4.268%, 07/19/35 †	USA	USD	93,602	0.00
89,626	JPMorgan Mortgage Trust, 2004-S1, 2A1, 6.00%, 09/25/34	USA	USD	93,458	0.00
90,364	Harborview Mortgage Loan Trust, 2004-2, 1A1, FRN, 2.99%, 06/19/34 †	USA	USD	89,462	0.00
90,527	Sofi Professional Loan Program LLC, 2016-A, B, 144A, 3.57%, 01/26/38	USA	USD	88,795	0.00
82,495	Alternative Loan Trust, 2004-J10, 2CB1, 6.00%, 09/25/34	USA	USD	85,783	0.00
84,987	Bayview Opportunity Master Fund IIB Trust, 2018-RN5, 144A, FRN, 3.819%, 04/28/33 †	USA	USD	85,083	0.00
84,928	Ajax Mortgage Loan Trust, 2016-C, A, 144A, FRN, 4.00%, 10/25/57 †	USA	USD	85,040	0.00
82,559	Oak Hill Advisors Residential Loan Trust, 2017-NPLA, FRN, 3.00%, 06/25/57 †	USA	USD	81,202	0.00
86,643	JPMorgan Mortgage Trust, 2006-A1, 1A2, FRN, 4.688%, 02/25/36 †	USA	USD	80,668	0.00
81,058	Bayview Opportunity Master Fund IV Trust, 2018-RN2, A1, 144A, 3.598%, 02/25/33	USA	USD	80,634	0.00
74,940	ARM Trust, 2005-1, 3A1, FRN, 4.242%, 05/25/35 †	USA	USD	75,613	0.00
75,000	Bank of America Credit Card Trust, 2016-A1, A, FRN, 2.845%, 10/15/21 †	USA	USD	75,054	0.00
66,641	Newgate Fund PLC, 2007-3X, A2B, Reg S, FRN, 0.289%, 12/15/50 †	GBR	EUR	73,290	0.00
72,020	BCAP LLC Trust, 2007-AA2, 22A1, 6.00%, 03/25/22	USA	USD	71,721	0.00
70,689	GSR Mortgage Loan Trust, 2005-AR6, 4A5, FRN, 4.431%, 09/25/35 †	USA	USD	71,444	0.00
64,287	CAM Mortgage Trust, 2018-1, A1, 3.96%, 12/01/65	USA	USD	64,879	0.00
63,089	ACC Trust, 2018-1, A, 3.70%, 12/21/20	USA	USD	63,127	0.00
66,337	RALI Series Trust, 2006-Q04, 2A1, FRN, 2.696%, 04/25/46 †	USA	USD	62,040	0.00
59,853	Diamond Resorts Owner Trust, 2017-1A, C, 144A, 6.07%, 10/22/29	USA	USD	60,751	0.00
61,387	Deutsche Mortgage Securities Inc. Mortgage Loan Trust, 2004-4, 7AR1, FRN, 2.856%, 06/25/34 †	USA	USD	59,945	0.00
45,141	Eurosail PLC, 2007-2X, A3C, Reg S, FRN, 1.053%, 03/13/45 †	GBR	GBP	55,827	0.00
56,473	Harborview Mortgage Loan Trust, 2003-2, 1A, FRN, 3.21%, 10/19/33 †	USA	USD	54,854	0.00
49,624	Bayview Opportunity Master Fund IIIA Trust, 2017-RN8, A1, 144A, FRN, 3.351%, 11/28/32 †	USA	USD	49,533	0.00
50,873	CHL Mortgage Pass-Through Trust, 2004-HYB4, 2A1, FRN, 4.172%, 09/20/34 †	USA	USD	49,438	0.00
48,869	GCAT LLC, 2017-2, A1, 144A, 3.50%, 04/25/47	USA	USD	48,594	0.00
45,891	Alternative Loan Trust, 2003-22CB, 1A1, 5.75%, 12/25/33	USA	USD	46,550	0.00
45,922	Veros Automobile Receivables Trust, 2017-1, A, 144A, 2.84%, 04/17/23	USA	USD	45,790	0.00
45,011	Nissan Auto Receivables Owner Trust, 2016-C, A3, FRN, 1.18%, 01/15/21 †	USA	USD	44,593	0.00
44,565	GSR Mortgage Loan Trust, 2005-AR4, 4A1, FRN, 4.202%, 07/25/35 †	USA	USD	43,808	0.00
43,830	Lehman XS Trust, 2006-2N, 1A1, FRN, 2.766%, 02/25/46 †	USA	USD	40,414	0.00
38,687	Citigroup Mortgage Loan Trust Inc., 2005-3, 2A3, FRN, 4.539%, 08/25/35 †	USA	USD	38,329	0.00

The accompanying notes form an integral part of these financial statements

— Franklin K2 Alternative Strategies Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Asset-Backed Securities (continued)				
37,040	Ally Auto Receivables Trust, 2016-3, A3, 1.44%, 08/17/20	USA	USD	36,910	0.00
35,000	Ascentium Equipment Receivables Trust, 2017-2A, C, 144A, 2.87%, 08/10/22	USA	USD	34,740	0.00
32,458	Ludgate Funding PLC, 2007-1, A2B, Reg S, FRN, 0.00%, 01/01/61 †	GBR	EUR	34,652	0.00
33,228	Alternative Loan Trust, 2004-16CB, 3A1, 5.50%, 08/25/34	USA	USD	34,156	0.00
33,367	Bayview Opportunity Master Fund IVA Trust, 2018-RN1, 3.278%, 01/28/33	USA	USD	33,460	0.00
39,358	DSLA Mortgage Loan Trust, 2005-AR5, 2A1A, FRN, 2.80%, 09/19/45 †	USA	USD	32,290	0.00
31,200	Wells Fargo Mortgage Backed Securities Trust, 2005-AR12, 2A5, FRN, 4.503%, 06/25/35 †	USA	USD	32,010	0.00
31,817	CIG Auto Receivables Trust, 2017-1A, A, 144A, 2.71%, 05/15/23	USA	USD	31,630	0.00
28,752	Alternative Loan Trust, 2004-16CB, 1A1, 5.50%, 07/25/34	USA	USD	29,606	0.00
28,179	Toyota Auto Receivables Owner Trust, 2017-B, 2.515%, 01/15/20	USA	USD	28,180	0.00
25,029	Toyota Auto Receivables Owner Trust, 2016-C, A3, 1.14%, 08/17/20	USA	USD	24,866	0.00
24,567	Fifth Third Auto Trust, 2017-1, A2B, FRN, 2.605%, 04/15/20 †	USA	USD	24,569	0.00
21,935	RMAC Securities PLC, 2006-NS1X, A2C, Reg S, FRN, 0.00%, 06/12/44 †	GBR	EUR	23,516	0.00
21,732	Club Credit Trust, 2017-P1, A, 144A, 2.42%, 09/15/23	USA	USD	21,672	0.00
19,223	JPMorgan Mortgage Trust, 2005-A1, 6T1, FRN, 4.336%, 02/25/35 †	USA	USD	19,132	0.00
19,066	USAA Auto Owner Trust, 2016-1, A3, 1.20%, 06/15/20	USA	USD	19,028	0.00
18,242	Sofi Professional Loan Program LLC, 2015-A, 3.706%, 03/25/33	USA	USD	18,395	0.00
17,615	Sofi Professional Loan Program LLC, 2014-B, 3.756%, 08/25/32	USA	USD	17,755	0.00
15,733	GS Mortgage Securities Trust, 2007-GG10, AM, FRN, 5.78%, 08/10/45 †	USA	USD	16,015	0.00
15,320	Credit Suisse First Boston Mortgage Securities Corp., 2003-27, 4A4, 5.75%, 11/25/33	USA	USD	15,598	0.00
13,647	Banc of America Mortgage Trust, 2005-A, 2A1, FRN, 3.686%, 02/25/35 †	USA	USD	13,580	0.00
8,762	Wells Fargo Mortgage Backed Securities Trust, 2004-O, A1, FRN, 4.681%, 08/25/34 †	USA	USD	9,029	0.00
8,187	IndyMac Index Mortgage Loan Trust, 2005-AR11, A3, FRN, 3.909%, 08/25/35 †	USA	USD	7,329	0.00
4,583	Structured ARM Loan Trust, 2004-12, 7A3, FRN, 4.384%, 09/25/34 †	USA	USD	4,660	0.00
3,844	Wells Fargo Mortgage Backed Securities Trust, 2003-M, A1, FRN, 4.903%, 12/25/33 †	USA	USD	3,948	0.00
				61,101,828	2.66
	Corporate Bonds				
63,628,140	American Media Inc., sub. note, 144A, zero cpn., 12/01/24	USA	USD	39,767,569	1.73
30,106,000	Resolute Forest Products Inc., senior bond, 5.875%, 05/15/23	USA	USD	29,955,470	1.30
25,350,000	The McClatchy Co., senior note, 144A, 9.00%, 07/15/26	USA	USD	25,033,125	1.09
27,285,000	Harland Clarke Holdings Corp., senior note, 144A, 9.25%, 03/01/21	USA	USD	24,829,350	1.08
22,023,000	Mohegan Tribal Gaming Authority, senior note, 144A, 7.875%, 10/15/24	USA	USD	20,674,091	0.90
12,887,000	One Call Corp., senior secured note, first lien, 144A, 7.50%, 07/01/24	USA	USD	12,049,345	0.52
12,653,000	One Call Corp., secured note, second lien, 144A, 10.00%, 10/01/24	USA	USD	10,059,135	0.44
10,079,000	Dean Foods Co., senior note, 144A, 6.50%, 03/15/23	USA	USD	8,088,398	0.35
6,013,728	Postmedia Network Inc., secured note, 144A, PIK, 11.25%, 07/15/23 ‡	CAN	USD	7,058,613	0.31
4,987,000	The McClatchy Co., senior bond, 6.875%, 03/15/29	USA	USD	6,134,010	0.27
5,595,000	RR Donnelley & Sons Co., senior note, 6.50%, 11/15/23	USA	USD	5,553,038	0.24
5,378,000	RR Donnelley & Sons Co., senior bond, 6.00%, 04/01/24	USA	USD	5,310,775	0.23
5,585,000	Everi Payments Inc., senior note, 144A, 7.50%, 12/15/25	USA	USD	5,298,769	0.23
3,951,000	AHP Health Partners Inc., senior note, 144A, 9.75%, 07/15/26	USA	USD	4,020,143	0.17
3,508,252	American Media LLC, secured note, second lien, 144A, 5.50%, 09/01/21	USA	USD	3,521,408	0.15
4,084,000	Navient Corp., senior note, 6.75%, 06/15/26	USA	USD	3,399,930	0.15
3,115,000	RR Donnelley & Sons Co., senior note, 7.00%, 02/15/22	USA	USD	3,107,213	0.14
3,695,000	Hexion Inc., senior secured note, first lien, 6.625%, 04/15/20	USA	USD	2,956,000	0.13
2,549,000	Golden Nugget Inc., senior note, 144A, 8.75%, 10/01/25	USA	USD	2,459,785	0.11
2,546,000	Enterprise Development Authority, senior note, 144A, 12.00%, 07/15/24	USA	USD	2,329,590	0.10
4,836,000	Neiman Marcus Group Ltd. LLC, senior note, 144A, 8.00%, 10/15/21	USA	USD	2,019,030	0.09
1,705,000	Ionis Pharmaceuticals Inc., cvt., senior note, 1.00%, 11/15/21	USA	USD	1,833,051	0.08
1,925,000	Vertiv Intermediate Holding Corp., senior note, PIK, 144A, 11.739%, 02/15/22 ‡	USA	USD	1,778,219	0.08
2,117,000	Canopy Growth Corp., cvt., senior note, 144A, 4.25%, 07/15/23	CAN	CAD	1,748,401	0.08
1,741,000	Petrobras Global Finance BV, senior note, 4.375%, 05/20/23	BRA	USD	1,664,170	0.07
1,681,000	CCO Holdings LLC/CCO Holdings Capital Corp., senior bond, 144A, 5.125%, 05/01/27	USA	USD	1,569,886	0.07
1,563,000	Liberty Media Corp., cvt., senior bond, 144A, 2.25%, 12/01/48	USA	USD	1,550,438	0.07
1,560,000	Clear Channel Worldwide Holdings Inc., senior sub. note, 7.625%, 03/15/20	USA	USD	1,526,850	0.07
1,572,000	iQIYI Inc., cvt., senior note, 144A, 3.75%, 12/01/23	CHN	USD	1,504,574	0.07
1,344,000	Petrobras Global Finance BV, senior note, 6.25%, 03/17/24	BRA	USD	1,368,528	0.06
2,000,000	California Resources Corp., senior secured note, second lien, 144A, 8.00%, 12/15/22	USA	USD	1,360,000	0.06
1,310,000	DexCom Inc., cvt., senior note, 144A, 0.75%, 12/01/23	USA	USD	1,326,447	0.06
1,466,000	Vishay Intertechnology Inc., cvt., senior bond, 144A, 2.25%, 06/15/25	USA	USD	1,300,481	0.06
1,043,000	Five9 Inc., cvt., senior note, 144A, 0.125%, 05/01/23	USA	USD	1,276,205	0.06
1,323,000	GFL Environmental Inc., senior note, 144A, 5.625%, 05/01/22	CAN	USD	1,227,083	0.05
1,200,000	1MDB Energy Ltd., senior note, Reg S, 5.99%, 05/11/22	MYS	USD	1,217,042	0.05
1,220,000	Caterpillar Financial Services Corp., FRN, 2.796%, 05/15/20 †	USA	USD	1,215,852	0.05
1,129,000	ON Semiconductor Corp., cvt., senior note, 1.625%, 10/15/23	USA	USD	1,215,171	0.05
1,180,000	American Honda Finance Corp., 3.048%, 06/16/20	USA	USD	1,176,166	0.05
1,416,000	Chobani LLC/Chobani Finance Corp. Inc., senior note, 144A, 7.50%, 04/15/25	USA	USD	1,122,180	0.05
1,075,000	Square Inc., cvt., senior note, 144A, 0.50%, 05/15/23	USA	USD	1,121,334	0.05
775,000	Twilio Inc., cvt., senior note, 144A, 0.25%, 06/01/23	USA	USD	1,108,274	0.05
1,090,000	John Deere Capital Corp., senior note, FRN, 3.016%, 03/12/21 †	USA	USD	1,085,591	0.05
1,121,000	Refinitiv U.S. Holdings Inc., senior secured note, first lien, 144A, 6.25%, 05/15/26	USA	USD	1,083,166	0.05
1,100,000	Fugro NV, cvt., 4.00%, 10/26/21	NLD	EUR	1,053,632	0.05
931,000	Cleveland-Cliffs Inc., cvt., senior note, 1.50%, 01/15/25	USA	USD	1,038,947	0.05
750,000	MongoDB Inc., cvt., senior note, 144A, 0.75%, 06/15/24	USA	USD	1,034,179	0.05
1,147,000	KBR Inc., cvt., senior note, 144A, 2.50%, 11/01/23	USA	USD	1,025,472	0.04
413,000	Advanced Micro Devices Inc., cvt., senior note, 2.125%, 09/01/26	USA	USD	1,005,139	0.04
1,360,000	Halcon Resources Corp., senior note, 6.75%, 02/15/25	USA	USD	999,600	0.04

The accompanying notes form an integral part of these financial statements

— Franklin K2 Alternative Strategies Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Corporate Bonds (continued)				
1,015,000	Cemex SAB de CV, cvt., 3.72%, 03/15/20	MEX	USD	992,389	0.04
989,000	Pacira Pharmaceuticals Inc., cvt., senior note, 2.375%, 04/01/22	USA	USD	983,437	0.04
1,442,000	Liberty Interactive LLC, cvt., senior note, 3.75%, 02/15/30	USA	USD	958,930	0.04
1,405,000	Liberty Interactive LLC, cvt., senior bond, 4.00%, 11/15/29	USA	USD	953,644	0.04
2,127,000	Hexion Inc./Hexion Nova Scotia Finance ULC, secured bond, second lien, 9.00%, 11/15/20	USA	USD	946,515	0.04
1,141,000	Encore Capital Group Inc., cvt., senior note, 3.25%, 03/15/22	USA	USD	938,365	0.04
1,037,000	Perficient Inc., cvt., senior note, 144A, 2.375%, 09/15/23	USA	USD	924,153	0.04
915,000	Nissan Motor Acceptance Corp., senior note, 144A, FRN, 3.308%, 03/15/21 †	USA	USD	901,271	0.04
917,000	Microchip Technology Inc., cvt., 1.625%, 02/15/27	USA	USD	898,585	0.04
905,000	CVS Health Corp., senior note, FRN, 3.487%, 03/09/21 †	USA	USD	897,985	0.04
960,000	Callon Petroleum Co., senior note, 6.125%, 10/01/24	USA	USD	897,600	0.04
895,000	General Dynamics Corp., senior note, FRN, 2.998%, 05/11/21 †	USA	USD	892,273	0.04
897,000	The Medicines Co., cvt., senior note, 144A, 3.50%, 01/15/24	USA	USD	890,489	0.04
1,092,000	Western Digital Corp., cvt., senior note, 144A, 1.50%, 02/01/24	USA	USD	887,688	0.04
1,033,000	Boingo Wireless Inc., cvt., senior note, 144A, 1.00%, 10/01/23	USA	USD	877,172	0.04
878,000	Cowen Inc., cvt., senior note, 144A, 3.00%, 12/15/22	USA	USD	873,484	0.04
871,000	SSR Mining Inc., cvt., senior bond, 2.875%, 02/01/33	CAN	USD	868,823	0.04
860,000	JPMorgan Chase Bank NA, senior note, FRN, 2.868%, 02/13/20 †	USA	USD	859,002	0.04
845,000	Sumitomo Mitsui Banking Corp., FRN, 2.799%, 01/17/20 †	JPN	USD	844,386	0.04
840,000	VTB Capital SA, (VTB Bank), loan participation, sub. senior note, Reg S, 6.95%, 10/17/22	RUS	USD	836,392	0.04
822,000	Rapid7 Inc., cvt., senior note, 144A, 1.25%, 08/01/23	USA	USD	834,687	0.04
840,000	IBM Credit LLC, senior note, FRN, 2.742%, 02/05/21 †	USA	USD	831,209	0.04
825,000	New York Life Global Funding, secured note, FRN, 2.912%, 08/06/21 †	USA	USD	824,159	0.04
841,000	Forestar Group Inc., cvt., senior note, 3.75%, 03/01/20	USA	USD	822,370	0.04
810,000	USAA Capital Corp., 3.00%, 07/01/20	USA	USD	809,244	0.04
793,000	CSC Holdings LLC, senior note, 144A, 7.75%, 07/15/25	USA	USD	808,860	0.04
810,000	Walmart Inc., FRN, 3.054%, 06/23/21 †	USA	USD	807,882	0.04
780,000	Knowles Corp., cvt., senior note, 3.25%, 11/01/21	USA	USD	805,714	0.04
805,000	U.S. Bank NA, senior note, 3.009%, 11/16/21	USA	USD	802,215	0.04
937,000	Avaya Holdings Corp., cvt., senior note, 144A, 2.25%, 06/15/23	USA	USD	801,743	0.04
800,000	Mitsubishi UFJ Financial Group Inc., senior note, FRN, 3.158%, 07/26/21 †	JPN	USD	797,300	0.03
1,033,000	Radius Health Inc., cvt., senior note, 3.00%, 09/01/24	USA	USD	796,701	0.03
800,000	Nissan Motor Acceptance Corp., senior note, 144A, 3.65%, 09/21/21	USA	USD	796,399	0.03
830,000	Wyndham Worldwide Corp., 4.25%, 03/01/22	USA	USD	794,725	0.03
730,000	Innoviva Inc., cvt., sub. note, 2.125%, 01/15/23	USA	USD	790,681	0.03
790,000	Open Text Corp., senior note, 144A, 5.625%, 01/15/23	CAN	USD	790,000	0.03
795,000	HSBC Holdings PLC, senior note, FRN, 3.426%, 09/11/21 †	GBR	USD	784,790	0.03
780,000	Sabre GLBL Inc., first lien, 144A, 5.375%, 04/15/23	USA	USD	780,000	0.03
810,000	Sirius XM Radio Inc., 3.875%, 08/01/22	USA	USD	779,342	0.03
795,000	CCO Holdings LLC/CCO Holdings Capital Corp., senior bond, 5.125%, 02/15/23	USA	USD	777,113	0.03
778,000	Splunk Inc., cvt., senior note, 144A, 0.50%, 09/15/23	USA	USD	774,778	0.03
839,000	PRA Group Inc., cvt., senior note, 3.00%, 08/01/20	USA	USD	773,128	0.03
440,000	Amicus Therapeutics Inc., cvt., senior note, 144A, 3.00%, 12/15/23	USA	USD	770,550	0.03
785,000	TransDigm Inc., senior sub. note, 6.00%, 07/15/22	USA	USD	768,319	0.03
775,000	Steel Dynamics Inc., senior note, 5.25%, 04/15/23	USA	USD	767,250	0.03
745,000	CSC Holdings LLC, senior note, 6.75%, 11/15/21	USA	USD	765,488	0.03
755,000	Ashtead Capital Inc., second lien, 144A, 5.625%, 10/01/24	GBR	USD	765,381	0.03
785,000	Lennar Corp., senior note, 4.75%, 11/15/22	USA	USD	764,394	0.03
765,000	The Bank of New York Mellon, senior note, 3.036%, 12/04/20	USA	USD	763,927	0.03
750,000	GLP Capital LP/GLP Financing II Inc., 5.375%, 11/01/23	USA	USD	763,088	0.03
800,000	FMG Resources (August 2006) Pty. Ltd., senior note, 144A, 4.75%, 05/15/22	AUS	USD	763,000	0.03
750,000	Royal Bank of Scotland Group PLC, sub. note, 6.125%, 12/15/22	GBR	USD	760,715	0.03
785,000	Level 3 Financing Inc., senior note, 5.125%, 05/01/23	USA	USD	760,469	0.03
786,000	FTI Consulting Inc., cvt., senior note, 144A, 2.00%, 08/15/23	USA	USD	753,086	0.03
730,000	Wayfair Inc., cvt., senior note, 144A, 1.125%, 11/01/24	USA	USD	745,066	0.03
790,000	Bruin E&P Partners LLC, senior note, 144A, 8.875%, 08/01/23	USA	USD	706,063	0.03
831,000	PRA Group Inc., cvt., senior note, 3.50%, 06/01/23	USA	USD	703,191	0.03
727,000	Allscripts Healthcare Solutions Inc., cvt., senior note, 1.25%, 07/01/20	USA	USD	702,557	0.03
777,000	MercadoLibre Inc., cvt., senior note, 144A, 2.00%, 08/15/28	ARG	USD	701,243	0.03
760,000	Harland Clarke Holdings Corp., senior secured note, first lien, 144A, 8.375%, 08/15/22	USA	USD	696,350	0.03
908,000	EZCORP Inc., cvt., senior note, 144A, 2.375%, 05/01/25	USA	USD	691,898	0.03
748,000	CCO Holdings LLC/CCO Holdings Capital Corp., senior bond, 144A, 5.00%, 02/01/28	USA	USD	690,030	0.03
612,000	Herbalife Nutrition Ltd., cvt., senior note, 144A, 2.625%, 03/15/24	USA	USD	688,377	0.03
756,000	First Majestic Silver Corp., cvt., senior note, 144A, 1.875%, 03/01/23	CAN	USD	683,273	0.03
702,000	Cree Inc., cvt., senior note, 144A, 0.875%, 09/01/23	USA	USD	680,987	0.03
855,000	Vine Oil & Gas LP/Vine Oil & Gas Finance Corp., senior note, 144A, 8.75%, 04/15/23	USA	USD	679,725	0.03
748,000	Station Casinos LLC, senior note, 144A, 5.00%, 10/01/25	USA	USD	678,810	0.03
634,000	Benefitfocus Inc., cvt., senior note, 144A, 1.25%, 12/15/23	USA	USD	676,588	0.03
715,000	Petrobras Global Finance BV, senior bond, 5.999%, 01/27/28	BRA	USD	674,967	0.03
748,000	United Rentals North America Inc., senior note, 4.625%, 10/15/25	USA	USD	669,460	0.03
650,000	Enel SpA, sub. note, 144A, FRN, 8.75%, 09/24/73 †	ITA	USD	666,250	0.03
721,000	Akamai Technologies Inc., cvt., senior note, 144A, 0.125%, 05/01/25	USA	USD	662,996	0.03
616,000	NII Holdings Inc., cvt., senior note, 144A, 4.25%, 08/15/23	USA	USD	626,010	0.03
657,000	Colony NorthStar Inc., cvt., senior note, 3.875%, 01/15/21	USA	USD	610,240	0.03
60,000,000	Nipro Corp., cvt., senior note, Reg S, zero cpn., 01/29/21	JPN	JPY	606,979	0.03
821,000	GDS Holdings Ltd., cvt., 144A, 2.00%, 06/01/25	CHN	USD	593,994	0.03
634,000	Evolent Health Inc., cvt., senior bond, 144A, 1.50%, 10/15/25	USA	USD	585,810	0.03

The accompanying notes form an integral part of these financial statements

— Franklin K2 Alternative Strategies Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Corporate Bonds (continued)				
590,000	Nissan Motor Acceptance Corp., FRN, 2.826%, 07/13/20 †	USA	USD	585,605	0.03
580,000	PNC Bank National Assn., senior note, FRN, 3.00%, 05/19/20 †	USA	USD	578,872	0.03
580,000	BioMarin Pharmaceutical Inc., cvt., 0.599%, 08/01/24	USA	USD	578,201	0.03
646,000	Par Petroleum LLC/Par Petroleum Finance Corp., first lien, 144A, 7.75%, 12/15/25	USA	USD	578,170	0.03
620,000	Petrobras Global Finance BV, senior bond, 5.75%, 02/01/29	BRA	USD	575,050	0.03
555,000	Wright Medical Group Inc., cvt., 144A, 1.625%, 06/15/23	USA	USD	567,955	0.02
60,000,000	Kyushu Electric Power Co. Inc., cvt., secured note, Reg S, zero cpn., 03/31/20	JPN	JPY	566,721	0.02
50,000,000	MIRAIT Holdings Corp., cvt., senior note, Reg S, zero cpn., 12/30/21	JPN	JPY	566,107	0.02
561,000	Mercer International Inc., senior note, 144A, 7.375%, 01/15/25	CAN	USD	561,000	0.02
622,000	Retrophin Inc., cvt., senior note, 2.50%, 09/15/25	USA	USD	558,883	0.02
562,000	MINDBODY Inc., cvt., senior bond, 144A, 0.375%, 06/01/23	USA	USD	556,605	0.02
695,000	DISH Network Corp., cvt., senior note, 2.375%, 03/15/24	USA	USD	555,942	0.02
550,000	Capital One Financial Corp., senior note, FRN, 3.378%, 05/12/20 †	USA	USD	550,109	0.02
550,000	Amgen Inc., senior note, FRN, 3.065%, 05/11/20 †	USA	USD	549,383	0.02
550,000	Intel Corp., senior note, FRN, 2.698%, 05/11/20 †	USA	USD	548,252	0.02
675,000	Hexion Inc., senior secured note, first lien, 144A, 10.375%, 02/01/22	USA	USD	541,688	0.02
550,000	Electronics For Imaging Inc., cvt., senior note, 144A, 2.25%, 11/15/23	USA	USD	536,111	0.02
668,000	Alder Biopharmaceuticals Inc., cvt., senior note, 2.50%, 02/01/25	USA	USD	534,524	0.02
614,000	Sea Ltd., cvt., senior note, 144A, 2.25%, 07/01/23	THA	USD	533,887	0.02
545,000	General Motors Financial Co. Inc., senior note, FRN, 3.258%, 04/09/21 †	USA	USD	532,768	0.02
525,000	General Motors Financial Co. Inc., FRN, 3.366%, 04/13/20 †	USA	USD	521,815	0.02
503,000	MDC-GMTN BV, senior note, Reg S, 4.50%, 11/07/28	ARE	USD	516,518	0.02
905,000	Bellatrix Exploration Ltd., senior note, 144A, 8.50%, 05/15/20	CAN	USD	511,325	0.02
510,000	Daimler Finance North America LLC, FRN, 3.112%, 05/05/20 †	DEU	USD	508,323	0.02
499,000	PDL BioPharma Inc., cvt., senior note, 2.75%, 12/01/21	USA	USD	507,824	0.02
510,000	BMW U.S. Capital LLC, senior note, 144A, FRN, 2.788%, 04/06/20 †	DEU	USD	507,426	0.02
530,000	Finisar Corp., cvt., senior bond, 0.50%, 12/15/36	USA	USD	504,412	0.02
505,000	Apple Inc., FRN, 2.685%, 05/11/20 †	USA	USD	503,909	0.02
568,000	Karyopharm Therapeutics Inc., cvt., senior note, 3.00%, 10/15/25	USA	USD	499,386	0.02
500,000	Fugro NV, cvt., sub. note, Reg S, 4.50%, 11/02/24	NLD	EUR	492,672	0.02
552,000	Ligand Pharmaceuticals Inc., cvt., senior note, 144A, 0.75%, 05/15/23	USA	USD	490,181	0.02
667,000	Infinera Corp., cvt., senior note, 2.125%, 09/01/24	USA	USD	486,110	0.02
522,000	Ctrip.com International Ltd., cvt., senior note, 1.00%, 07/01/20	CHN	USD	484,755	0.02
495,000	First Data Corp., secured note, first lien, 144A, 5.00%, 01/15/24	USA	USD	478,294	0.02
50,000,000	Chugoku Electric power Co. Inc., cvt., zero cpn., 01/24/20	JPN	JPY	476,320	0.02
460,000	HCA Inc., senior secured note, 6.50%, 02/15/20	USA	USD	472,650	0.02
471,000	Endeavour Mining Corp., cvt., senior note, 144A, 3.00%, 02/15/23	CAN	USD	459,508	0.02
50,000,000	Mitsubishi Chemical Holdings Corp., cvt., senior note, Reg S, zero cpn., 03/30/22	JPN	JPY	458,295	0.02
565,000	DISH Network Corp., cvt., senior bond, 3.375%, 08/15/26	USA	USD	457,659	0.02
460,000	Campbell Soup Co., senior note, FRN, 3.288%, 03/16/20 †	USA	USD	455,989	0.02
460,000	BMW U.S. Capital LLC, FRN, 3.118%, 08/13/21 †	DEU	USD	455,795	0.02
500,000	iStar Inc., cvt., senior note, 3.125%, 09/15/22	USA	USD	451,770	0.02
515,000	The Medicines Co., cvt., senior note, 2.50%, 01/15/22	USA	USD	444,415	0.02
518,000	Hope Bancorp Inc., cvt., senior bond, 144A, 2.00%, 05/15/38	USA	USD	435,739	0.02
435,000	Daimler Finance North America LLC, 3.10%, 05/04/20	DEU	USD	432,648	0.02
640,000	Teekay Corp., cvt., senior note, 144A, 5.00%, 01/15/23	CAN	USD	430,268	0.02
437,000	TransDigm UK Holdings PLC, senior sub. note, 144A, 6.875%, 05/15/26	USA	USD	417,335	0.02
400,000	Wells Fargo Bank NA, senior note, 3.625%, 10/22/21	USA	USD	402,509	0.02
410,000	Uber Technologies Inc., senior note, 144A, 7.50%, 11/01/23	USA	USD	397,700	0.02
410,000	Country Garden Holdings Co. Ltd., senior secured note, first lien, Reg S, 8.00%, 01/27/24	CHN	USD	397,404	0.02
400,000	Standard Chartered PLC, senior note, 144A, FRN, 3.557%, 01/20/23 †	GBR	USD	397,161	0.02
400,000	Standard Chartered PLC, senior note, 144A, 4.247% to 01/20/22, FRN thereafter, 01/20/23	GBR	USD	396,572	0.02
370,000	RR Donnelley & Sons Co., senior bond, 8.875%, 04/15/21	USA	USD	389,425	0.02
422,000	RR Donnelley & Sons Co., senior bond, 6.625%, 04/15/29	USA	USD	389,295	0.02
400,000	Uber Technologies Inc., senior note, 144A, 8.00%, 11/01/26	USA	USD	387,000	0.02
413,000	Redwood Trust Inc., cvt., senior note, 4.75%, 08/15/23	USA	USD	379,426	0.02
378,000	Huazhu Group Ltd., cvt., senior note, 0.375%, 11/01/22	CHN	USD	370,676	0.02
370,000	China Evergrande Group, senior note, Reg S, 8.25%, 03/23/22	CHN	USD	356,357	0.02
380,000	Gran Tierra Energy International Holdings Ltd., senior note, 144A, 6.25%, 02/15/25	CAN	USD	354,350	0.02
253,000	ServiceNow Inc., cvt., zero cpn., 06/01/22	USA	USD	353,767	0.02
410,000	Eclipse Resources Corp., senior note, 8.875%, 07/15/23	USA	USD	353,625	0.02
400,000	Vine Oil & Gas LP/Vine Oil & Gas Finance Corp., senior note, 144A, 9.75%, 04/15/23	USA	USD	322,000	0.01
320,000	AIA Group Ltd., senior note, 144A, FRN, 3.312%, 09/20/21 †	HKG	USD	318,859	0.01
331,000	OSI Systems Inc., cvt., senior note, 1.25%, 09/01/22	USA	USD	308,470	0.01
300,000	Transportadora de Gas del Sur SA, senior note, 144A, 6.75%, 05/02/25	ARG	USD	273,753	0.01
270,000	Petrobras Global Finance BV, senior bond, 7.25%, 03/17/44	BRA	USD	266,931	0.01
279,000	SEACOR Holdings Inc., cvt., senior bond, 3.00%, 11/15/28	USA	USD	258,745	0.01
257,000	Cemex SAB de CV, cvt., sub. note, 3.72%, 03/15/20	MEX	USD	251,398	0.01
275,000	Qwest Capital Funding Inc., senior bond, 6.875%, 07/15/28	USA	USD	231,998	0.01
262,000	Jones Energy Holdings LLC/Jones Energy Finance Corp., first lien, 144A, 9.25%, 03/15/23	USA	USD	229,905	0.01
243,000	Meccanica Holdings USA Inc., senior bond, 144A, 6.25%, 01/15/40	ITA	USD	227,205	0.01
255,000	Teva Pharmaceutical Finance Netherlands III BV, senior note, 2.80%, 07/21/23	ISR	USD	219,832	0.01
235,000	Jagged Peak Energy LLC, senior note, 144A, 5.875%, 05/01/26	USA	USD	219,725	0.01
220,000	Virgin Media Secured Finance PLC, 5.25%, 01/15/21	GBR	USD	219,527	0.01
1,044,000	Sanchez Energy Corp., senior note, 6.125%, 01/15/23	USA	USD	193,140	0.01
209,000	HC2 Holdings Inc., cvt., senior note, 144A, 7.50%, 06/01/22	USA	USD	178,234	0.01
180,000	Lonestar Resources America Inc., senior note, 144A, 11.25%, 01/01/23	USA	USD	171,450	0.01

The accompanying notes form an integral part of these financial statements

— Franklin K2 Alternative Strategies Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Corporate Bonds (continued)				
170,000	MEG Energy Corp., senior bond, 144A, 6.375%, 01/30/23	CAN	USD	161,288	0.01
175,000	Green Plains Inc., cvt., senior note, 4.125%, 09/01/22	USA	USD	154,656	0.01
138,000	Golar LNG Ltd., cvt., senior note, 2.75%, 02/15/22	BMU	USD	127,449	0.01
103,000	Carbonite Inc., cvt., senior note, 144A, 2.50%, 04/01/22	USA	USD	122,959	0.01
155,000	Teva Pharmaceutical Finance Netherlands III BV, senior bond, 3.15%, 10/01/26	ISR	USD	118,553	0.01
4,525,000	Banco Hipotecario SA, 144A, FRN, 55.25%, 11/07/22 †	ARG	ARS	117,150	0.01
120,000	Verint Systems Inc., cvt., senior note, 1.50%, 06/01/21	USA	USD	116,686	0.01
3,530,000	Banco Hipotecario SA, senior note, 144A, FRN, 51.791%, 01/12/20 †	ARG	ARS	98,420	0.00
3,700,000	Banco Supervielle SA, senior note, 144A, FRN, 56.625%, 08/09/20 †	ARG	ARS	98,247	0.00
105,000	Tutor Perini Corp., cvt., senior note, 2.875%, 06/15/21	USA	USD	96,910	0.00
110,000	Petrobras Global Finance BV, senior bond, 5.625%, 05/20/43	BRA	USD	92,594	0.00
90,000	The Greenbrier Cos. Inc., cvt., senior note, 2.875%, 02/01/24	USA	USD	88,888	0.00
140,000	Nabors Industries Inc., cvt., 144A, 0.75%, 01/15/24	USA	USD	86,672	0.00
85,000	Chesapeake Energy Corp., cvt., senior note, 5.50%, 09/15/26	USA	USD	68,626	0.00
57,000	Great Lakes Dredge and Dock Corp., senior note, 8.00%, 05/15/22	USA	USD	58,069	0.00
70,000	Flexion Therapeutics Inc., cvt., senior note, 3.375%, 05/01/24	USA	USD	57,910	0.00
60,000	MEG Energy Corp., senior bond, 144A, 7.00%, 03/31/24	CAN	USD	57,600	0.00
60,000	Whiting Petroleum Corp., cvt., senior note, 1.25%, 04/01/20	USA	USD	56,875	0.00
50,000	Rovi Corp., cvt., senior note, 0.50%, 03/01/20	USA	USD	47,688	0.00
35,000	SM Energy Co., cvt., senior note, 1.50%, 07/01/21	USA	USD	32,708	0.00
1,840,000	Banco Macro SA, senior note, 144A, 17.50%, 05/08/22	ARG	ARS	32,246	0.00
45,000	Liberty Media Corp., cvt., senior bond, 2.25%, 09/30/46	USA	USD	21,402	0.00
				356,600,228	15.50
	Government and Municipal Bonds				
5,400,000	Government of Russia, senior bond, Reg S, 5.25%, 06/23/47	RUS	USD	5,051,986	0.22
60,481,366	Government of South Africa, R186, 10.50%, 12/21/26	ZAF	ZAR	4,577,142	0.20
3,800,000	Government of Russia, senior note, Reg S, 4.50%, 04/04/22	RUS	USD	3,852,159	0.17
42,535,000	Government of South Africa, 8.75%, 01/31/44	ZAF	ZAR	2,632,809	0.11
3,021,000	Government of Argentina, senior note, 4.625%, 01/11/23	ARG	USD	2,396,031	0.10
1,962,000	Government of Turkey, senior bond, 7.00%, 06/05/20	TUR	USD	2,006,347	0.09
2,307,000	Government of Argentina, senior note, 5.625%, 01/26/22	ARG	USD	1,955,183	0.09
29,074,931	Government of South Africa, 8.75%, 02/28/48	ZAF	ZAR	1,799,362	0.08
1,640,000	Government of South Africa, 5.50%, 03/09/20	ZAF	USD	1,665,318	0.07
1,435,000	Government of Argentina, senior note, Reg S, 3.875%, 01/15/22	ARG	EUR	1,393,122	0.06
1,399,000	Petroleos Mexicanos, senior note, 4.625%, 09/21/23	MEX	USD	1,316,459	0.06
1,339,000	Government of Saudi Arabia, senior note, Reg S, 2.375%, 10/26/21	SAU	USD	1,291,681	0.06
1,248,000	Government of Paraguay, senior note, Reg S, 4.625%, 01/25/23	PRY	USD	1,255,332	0.05
90,000,000	National Highways Authority of India, senior note, Reg S, 7.30%, 05/18/22	IND	INR	1,223,803	0.05
1,240,000	Petroleos Mexicanos, senior bond, 4.875%, 01/24/22	MEX	USD	1,210,240	0.05
1,115,000	Government of Brazil, senior bond, 4.875%, 01/22/21	BRA	USD	1,142,318	0.05
1,782,000	Government of Argentina, 2.26% to 03/31/19, 4.74% thereafter, 12/31/38	ARG	EUR	1,129,877	0.05
1,068,000	Petroleos Mexicanos, senior bond, Reg S, 6.50%, 01/23/29	MEX	USD	997,779	0.04
942,000	Government of Bahrain, senior note, Reg S, 7.00%, 01/26/26	BHR	USD	967,420	0.04
964,000	Petroleos Mexicanos, senior bond, 5.50%, 01/21/21	MEX	USD	961,841	0.04
978,000	Government of Bahrain, senior bond, Reg S, 7.50%, 09/20/47	BHR	USD	947,824	0.04
843,492	Government of the Hellenic Republic, Reg S, 3.90%, 01/30/33	GRC	EUR	881,210	0.04
932,000	Petroleos Mexicanos, senior note, 3.50%, 01/30/23	MEX	USD	845,790	0.04
800,000	Government of Russia, senior note, Reg S, 5.00%, 04/29/20	RUS	USD	813,378	0.04
30,965,000	Province of Buenos Aires, Reg S, FRN, 52.752%, 04/12/25 †	ARG	ARS	809,892	0.04
809,000	Eskom Holdings SOC Ltd., senior note, Reg S, 5.75%, 01/26/21	ZAF	USD	764,678	0.03
27,380,000	Province of Buenos Aires, 144A, FRN, 49.216%, 05/31/22 †	ARG	ARS	704,312	0.03
701,000	Government of Nigeria, senior note, Reg S, 7.625%, 11/21/25	NGA	USD	678,729	0.03
576,000	ZAR Sovereign Capital Fund Propriety Ltd., senior note, Reg S, 3.903%, 06/24/20	ZAF	USD	572,498	0.02
18,812,270	Government of Argentina, FRN, 65.508%, 06/21/20 †	ARG	ARS	550,731	0.02
670,000	Province of Buenos Aires, senior note, 144A, 6.50%, 02/15/23	ARG	USD	542,700	0.02
474,000	Government of Ecuador, senior note, Reg S, 10.75%, 03/28/22	ECU	USD	480,518	0.02
464,000	Government of Indonesia, senior note, 4.45%, 02/11/24	IDN	USD	468,031	0.02
403,000	Government of Indonesia, senior bond, 5.35%, 02/11/49	IDN	USD	416,145	0.02
350,000	Government of Turkey, senior bond, 5.625%, 03/30/21	TUR	USD	351,081	0.02
345,000	YPF Sociedad Anonima, senior note, 144A, 6.95%, 07/21/27	ARG	USD	282,469	0.01
252,000	Government of Angola, senior bond, Reg S, 9.375%, 05/08/48	AGO	USD	236,610	0.01
285,139	Government of Argentina, FRN, 2.26%, 12/31/38 †	ARG	EUR	177,894	0.01
350,000	YPF Sociedad Anonima, senior note, 144A, FRN, 47.833%, 07/07/20 †	ARG	USD	142,240	0.01
				49,492,939	2.15
	Securities Maturing Within One Year				
8,115,000	U.S. Treasury Bill, 0.00%, 03/28/19	USA	USD	8,068,771	0.35
7,800,000	U.S. Treasury Bill, 0.00%, 05/23/19	USA	USD	7,724,241	0.34
7,500,000	U.S. Treasury Bill, 0.00%, 04/25/19	USA	USD	7,442,247	0.32
7,416,200	U.S. Treasury Bill, 0.00%, 02/28/19	USA	USD	7,387,802	0.32
7,000,000	U.S. Treasury Bill, 0.00%, 06/20/19	USA	USD	6,917,842	0.30
7,000,000	U.S. Treasury Bill, 0.00%, 07/18/19	USA	USD	6,902,890	0.30
6,300,000	U.S. Treasury Bill, 0.00%, 01/03/19	USA	USD	6,299,602	0.27
4,500,000	U.S. Treasury Bill, 0.00%, 08/15/19	USA	USD	4,427,419	0.19
3,616,000	IH Merger Sub LLC, cvt., 3.00%, 07/01/19	USA	USD	4,041,252	0.18
1,650,000	EZCORP Inc., cvt., senior note, 2.125%, 06/15/19	USA	USD	1,614,489	0.07
1,443,000	Green Plains Inc., cvt., senior note, 3.25%, 10/01/19	USA	USD	1,442,711	0.06
1,235,000	RWT Holdings Inc., cvt., senior note, 5.625%, 11/15/19	USA	USD	1,243,496	0.05
1,672,000	Element Financial Corp., cvt., sub. note, 144A, 5.125%, 06/30/19	CAN	CAD	1,219,610	0.05
1,180,000	Citibank NA, senior note, FRN, 3.061%, 09/18/19 †	USA	USD	1,178,446	0.05

The accompanying notes form an integral part of these financial statements

— Franklin K2 Alternative Strategies Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Securities Maturing Within One Year (continued)				
849,000	SolarCity Corp., cvt., senior note, 1.625%, 11/01/19	USA	USD	796,861	0.04
753,000	Navistar International Corp., cvt., senior sub. note, 4.75%, 04/15/19	USA	USD	752,993	0.03
590,000	Gilead Sciences Inc., senior note, FRN, 3.012%, 03/20/19 †	USA	USD	589,889	0.03
590,000	Gilead Sciences Inc., senior note, FRN, 3.042%, 09/20/19 †	USA	USD	589,450	0.03
511,862	Motel 6 Trust, 2017-M6MZ, M, FRN, 9.382%, 08/15/19 †	USA	USD	520,522	0.02
515,000	American Express Credit Corp., senior note, FRN, 2.912%, 05/03/19 †	USA	USD	515,005	0.02
515,000	PepsiCo Inc., FRN, 2.599%, 05/02/19 †	USA	USD	514,975	0.02
12,608,000	Government of Argentina, 3.75%, 02/08/19	ARG	ARS	490,878	0.02
465,000	United Technologies Corp., FRN, 2.891%, 11/01/19 †	USA	USD	464,471	0.02
460,000	JPMorgan Chase Bank NA, senior note, FRN, 3.414%, 09/23/19 †	USA	USD	460,182	0.02
365,000	Alimentation Couche-Tard Inc., senior note, 144A, FRN, 3.279%, 12/13/19 †	CAN	USD	364,080	0.02
349,473	EP Petroecuador via Noble Sovereign Funding I Ltd., Reg S, FRN, 8.443%, 09/24/19 †	ECU	USD	350,347	0.02
254,332	Nissan Auto Lease Trust, 2017-B, A2B, FRN, 2.665%, 12/16/19 †	USA	USD	254,320	0.01
235,000	Toyota Motor Credit Corp., senior note, FRN, 2.885%, 10/18/19 †	USA	USD	235,191	0.01
230,000	PepsiCo Inc., FRN, 2.678%, 10/04/19 †	USA	USD	230,054	0.01
9,228	Honda Auto Receivables Owner Trust, 2015-4, A3, 1.23%, 09/23/19	USA	USD	9,223	0.00
				73,049,259	3.17
	TOTAL BONDS			540,244,254	23.48
	TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET			540,244,254	23.48
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET				
	SHARES				
	Diversified Financial Services				
4,830	Aergen Structured Investments Cayman Blocker LLC **	CYM	USD	5	0.00
	Food Products				
5,272	Bunge Ltd., 4.875%, cvt. pfd.	USA	USD	511,384	0.02
	Oil, Gas & Consumable Fuels				
130	Chesapeake Energy Corp., 5.75%, cvt. pfd.	USA	USD	65,650	0.01
	TOTAL SHARES			577,039	0.03
	BONDS				
	Corporate Bonds				
11,782,927	Bruce Mansfield Unit 1 2007 Pass Through Trust, secured bond, 6.85%, 06/01/34 *	USA	USD	8,601,537	0.37
11,231,000	iHeartCommunications Inc., senior secured note, first lien, 11.25%, 03/01/21 *	USA	USD	7,496,693	0.33
45,000	SunEdison Inc., cvt., senior note, 144A, 0.25%, 01/15/20 *	USA	USD	1,125	0.00
				16,099,355	0.70
	Government and Municipal Bonds				
795,000	Puerto Rico Commonwealth, 5.50%, 07/01/39 *	USA	USD	427,313	0.02
560,000	Puerto Rico Commonwealth, 5.00%, 07/01/41 *	USA	USD	299,600	0.01
265,000	Puerto Rico Commonwealth, 5.75%, 07/01/41 *	USA	USD	142,438	0.01
977,095	Petroleos de Venezuela SA, senior note, Reg S, 6.00%, 10/28/22 *	VEN	USD	121,648	0.00
				990,999	0.04
	Securities Maturing Within One Year				
180,000	TerraVia Holdings Inc., cvt., senior sub. note, 5.00%, 10/01/19 *,**	USA	USD	0	0.00
	TOTAL BONDS			17,090,354	0.74
	TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET			17,667,393	0.77
	TOTAL INVESTMENTS			1,373,244,178	59.69

† Floating Rates are indicated as at December 31, 2018
‡ Income may be received in additional securities and/or cash
** These securities are submitted to a Fair Valuation
* These Bonds are currently in default

The accompanying notes form an integral part of these financial statements

— Franklin K2 Global Macro Opportunities Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	BONDS				
	Corporate Bonds				
99,000	Petrobras Global Finance BV, senior note, 6.25%, 03/17/24	BRA	USD	100,807	0.41
67,000	Petrobras Global Finance BV, senior note, 6.125%, 01/17/22	BRA	USD	68,926	0.28
48,000	Petrobras Global Finance BV, senior note, 4.375%, 05/20/23	BRA	USD	45,882	0.19
				215,615	0.88
	Government and Municipal Bonds				
2,633,918	Government of South Africa, R186, 10.50%, 12/21/26	ZAF	ZAR	199,329	0.81
200,000	Government of Russia, senior bond, Reg S, 5.25%, 06/23/47	RUS	USD	187,111	0.76
201,000	Government of Argentina, senior note, 5.625%, 01/26/22	ARG	USD	170,348	0.70
143,000	Government of Turkey, senior bond, 7.00%, 06/05/20	TUR	USD	146,232	0.60
10,000,000	National Highways Authority of India, senior note, Reg S, 7.30%, 05/18/22	IND	INR	135,978	0.56
100,000	Government of Brazil, senior bond, 4.875%, 01/22/21	BRA	USD	102,450	0.42
100,000	Government of South Africa, 5.50%, 03/09/20	ZAF	USD	101,544	0.41
100,000	Government of Argentina, senior note, Reg S, 3.875%, 01/15/22	ARG	EUR	97,082	0.40
100,000	Government of Argentina, senior note, 4.625%, 01/11/23	ARG	USD	79,313	0.32
77,000	Petroleos Mexicanos, senior bond, 4.875%, 01/24/22	MEX	USD	75,152	0.31
902,713	Government of South Africa, 8.75%, 02/28/48	ZAF	ZAR	55,866	0.23
58,000	Petroleos Mexicanos, senior note, 3.50%, 01/30/23	MEX	USD	52,635	0.21
47,000	Petroleos Mexicanos, senior bond, Reg S, 6.50%, 01/23/29	MEX	USD	43,910	0.18
42,000	Petroleos Mexicanos, senior bond, 5.50%, 01/21/21	MEX	USD	41,906	0.17
36,700	Government of the Hellenic Republic, Reg S, 3.90%, 01/30/33	GRC	EUR	38,341	0.16
39,000	Petroleos Mexicanos, senior note, 4.625%, 09/21/23	MEX	USD	36,699	0.15
757,371	Government of Argentina, FRN, 65.508%, 06/21/20 †	ARG	ARS	22,172	0.09
				1,586,068	6.48
	Securities Maturing Within One Year				
783,000	Government of Argentina, 3.75%, 02/08/19	ARG	ARS	30,485	0.13
	TOTAL BONDS			1,832,168	7.49
	TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET			1,832,168	7.49
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET				
	BONDS				
	Government and Municipal Bonds				
40,000	Puerto Rico Commonwealth, 5.00%, 07/01/41 *	USA	USD	21,400	0.09
35,000	Puerto Rico Commonwealth, 5.50%, 07/01/39 *	USA	USD	18,813	0.07
42,594	Petroleos de Venezuela SA, senior note, Reg S, 6.00%, 10/28/22 *	VEN	USD	5,303	0.02
				45,516	0.18
	TOTAL BONDS			45,516	0.18
	TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET			45,516	0.18
	TOTAL INVESTMENTS			1,877,684	7.67

† Floating Rates are indicated as at December 31, 2018
* These Bonds are currently in default

The accompanying notes form an integral part of these financial statements

— Franklin K2 Long Short Credit Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	SHARES				
	Capital Markets				
13,595	Churchill Capital Corp.	USA	USD	137,581	0.14
3,398	Gores Holdings III Inc.	USA	USD	34,150	0.04
				171,731	0.18
	Equity Real Estate Investment Trusts (REITs)				
28,330	VICI Properties Inc.	USA	USD	532,037	0.55
9,418	Northstar Realty Europe Corp.	USA	USD	136,938	0.14
				668,975	0.69
	Independent Power and Renewable Electricity Producers				
20,810	Clearway Energy Inc., C	USA	USD	358,973	0.37
9,525	Clearway Energy Inc., A	USA	USD	161,163	0.17
				520,136	0.54
	TOTAL SHARES			1,360,842	1.41
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			1,360,842	1.41
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	BONDS				
	Asset-Backed Securities				
2,153,020	Motel 6 Trust, 2017-MTL6, E, 144A, FRN, 5.705%, 08/15/34 †	USA	USD	2,137,942	2.22
1,750,000	JPMorgan Chase Commercial Mortgage Securities Corp., 4.865%, 06/15/35	USA	USD	1,731,627	1.80
1,500,000	Carlyle Global Market Strategies CLO Ltd., 2012-4, 6.569%, 01/20/29	USA	USD	1,500,935	1.56
1,500,000	OZLM Funding III Ltd., 2013-3A, CR, FRN, 6.719%, 01/22/29 †	CYM	USD	1,500,371	1.56
1,500,000	LCM XVIII LP, 2018A, DR, 144A, FRN, 5.269%, 04/20/31 †	USA	USD	1,382,444	1.43
1,232,292	Labrador Aviation Finance Ltd., 2016-1A, A1, 4.30%, 01/15/42	USA	USD	1,256,750	1.30
1,000,000	RCO Mortgage LLC, 2017-1, A2, FRN, 5.125%, 08/25/22 †	USA	USD	1,007,547	1.04
1,000,000	Tricon American Homes Trust, 2017-SFR2, F, 5.104%, 01/17/36	USA	USD	1,007,422	1.04
1,000,000	Tricon American Homes Trust, 2017-SFR1, F, 5.151%, 09/17/34	USA	USD	996,596	1.03
982,143	Thunderbolt II Aircraft Lease Ltd., 2018-A, A, 4.147%, 09/15/38	USA	USD	992,100	1.03
1,000,000	Seasoned Credit Risk Transfer Trust, 2016-1, M2, FRN, 3.75%, 09/25/55 †	USA	USD	876,147	0.91
839,559	JPMorgan Chase Commercial Mortgage Securities Corp., 2006-LDP9, AM, 5.372%, 05/15/47	USA	USD	840,617	0.87
3,975,518	FNMA, 2011-11, SA, IO, FRN, 3.944%, 11/25/41 †	USA	USD	685,852	0.71
833,405	RAMP Series, 2005-SL1, A7, 8.00%, 05/25/32	USA	USD	670,355	0.70
700,000	FHLMC Structured Agency Credit Risk Debt Notes, 2018-SPI3, M2, FRN, 4.167%, 08/25/48 †	USA	USD	654,153	0.68
594,415	Wells Fargo Mortgage Backed Securities Trust, 2005-AR14, FRN, 4.541%, 08/25/35 †	USA	USD	604,634	0.63
595,616	Westchester CLO Ltd., 2007-1A, E, 144A, FRN, 6.841%, 08/01/22 †	USA	USD	597,862	0.62
616,639	IndyMac Home Equity Loan Asset-Backed Trust, 2001-A, AV, FRN, 3.026%, 03/25/31 †	USA	USD	597,149	0.62
500,000	KREF Ltd., 2018-FL1, D, 144A, FRN, 4.852%, 06/15/36 †	USA	USD	501,739	0.52
454,619	Credit Suisse First Boston Mortgage Securities Corp., FRN, 6.006%, 02/25/32 †	USA	USD	465,744	0.48
473,918	Bear Stearns Asset Backed Securities I Inc., FRN, 5.464%, 05/25/35 †	USA	USD	463,864	0.48
456,881	RALI Series Trust, 2007-Q03, A1, FRN, 2.666%, 03/25/47 †	USA	USD	432,168	0.45
482,880	MASTR ARM Trust, 2014-15, FRN, 2.836%, 12/25/34 †	USA	USD	423,900	0.44
425,112	RFMSI Trust, 2006-SA4, 2A1, FRN, 5.307%, 11/25/36 †	USA	USD	404,753	0.42
407,887	Wells Fargo Mortgage Backed Securities Trust, 2004-I, FRN, 4.63%, 07/25/34 †	USA	USD	403,731	0.42
397,349	Bear Stearns ARM Trust, 2004-1, 2B1, FRN, 4.113%, 04/25/34 †	USA	USD	366,731	0.38
375,910	RALI Series Trust, 2006-QS10, A4, 5.75%, 08/25/36	USA	USD	336,395	0.35
347,176	GSR Mortgage Loan Trust, 2004-14, 2A1, FRN, 2.836%, 12/25/34 †	USA	USD	326,343	0.34
380,745	Banc of America Funding Corp., 2007-1, TA1A, FRN, 2.566%, 01/25/37 †	USA	USD	322,715	0.33
324,547	Impac CMB Trust, 2004-7, M4, FRN, 4.306%, 11/25/34 †	USA	USD	320,581	0.33
333,070	RFMSI Trust, 2007-S1, A5, 6.00%, 01/25/37	USA	USD	313,224	0.33
317,412	Alternative Loan Trust, 2007-16CB, 4A7, 6.00%, 08/25/37	USA	USD	309,716	0.32
479,164	RALI Series Trust, 2006-QA5, 1A3, FRN, 2.726%, 07/25/36 †	USA	USD	307,705	0.32
300,000	TPG Real Estate Finance Issuer Ltd., 2018-FL2, D, 144A, 5.155%, 11/15/37	USA	USD	301,499	0.31
299,666	Bear Stearns ARM Trust, 2004-10, 31A1, FRN, 4.953%, 01/25/35 †	USA	USD	300,916	0.31
296,256	GSR Mortgage Loan Trust, 2005-AR6, 4A2, FRN, 4.431%, 09/25/35 †	USA	USD	299,422	0.31
299,553	BX Trust, 2018-IND, G, 144A, FRN, 4.505%, 11/15/35 †	USA	USD	296,336	0.31
301,271	Chase Mortgage Finance Trust, 2004-S2, 5.50%, 02/25/34	USA	USD	295,111	0.31
341,608	First Horizon Alternative Mortgage Securities, FRN, 4.277%, 07/25/35 †	USA	USD	290,601	0.30
311,937	RFMSI Trust, 2007-S6, 1A16, 6.00%, 06/25/37	USA	USD	290,286	0.30
289,475	Chase Mortgage Finance Trust, 2007-A1, FRN, 4.066%, 02/25/37 †	USA	USD	287,935	0.30
309,257	Bear Stearns ARM Trust, 2004-12, M1, FRN, 4.06%, 02/25/35 †	USA	USD	285,493	0.30
275,559	Home Equity Loan Trust, 2004-HS3, A, FRN, 2.771%, 09/25/29 †	USA	USD	272,920	0.28
349,794	Structured ARM Loan Trust, 3.922%, 09/25/36	USA	USD	268,023	0.28
257,757	Wells Fargo Mortgage Backed Securities Trust, 2007-10, 6.00%, 07/25/37	USA	USD	253,935	0.26
233,917	Morgan Stanley Mortgage Loan Trust, 2004-1, 5.50%, 11/25/33	USA	USD	233,514	0.24
231,920	MASTR Asset Backed Securities Trust, 2004-OPT2, FRN, 3.481%, 09/25/34 †	USA	USD	226,091	0.23
299,391	IndyMac Index Mortgage Loan Trust, 2006-AR7, FRN, 3.457%, 05/25/36 †	USA	USD	221,573	0.23
231,590	IndyMac Index Mortgage Loan Trust, 2006-AR33, FRN, 4.432%, 01/25/37 †	USA	USD	213,937	0.22
230,232	IndyMac Index Mortgage Loan Trust, 2004-AR5, FRN, 3.366%, 08/25/34 †	USA	USD	210,807	0.22
197,093	IMC Home Equity Loan Trust, 1998-5, A5, FRN, 7.08%, 12/20/29 †	USA	USD	206,022	0.21
208,031	Asset Backed Securities Corp. Home Equity Loan Trust, FRN, 5.98%, 06/15/33 †	USA	USD	202,917	0.21
265,583	JPMorgan Mortgage Acquisition Trust, 2007-CH2, AF2, FRN, 4.703%, 01/25/37 †	USA	USD	195,278	0.20
236,149	Bear Stearns ALT-A Trust, 2005-9, 26A1, FRN, 3.957%, 11/25/35 †	USA	USD	189,754	0.20
440,131	Morgan Stanley Mortgage Loan Trust, 2006-16AX, 2.676%, 11/25/36	USA	USD	187,582	0.19
182,118	RASC Trust, 2003-KS7, MI1, FRN, 5.574%, 09/25/33 †	USA	USD	181,601	0.19
227,835	GSR Mortgage Loan Trust, 2003-13, B3, FRN, 4.322%, 10/25/33 †	USA	USD	179,589	0.19

The accompanying notes form an integral part of these financial statements

— Franklin K2 Long Short Credit Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Asset-Backed Securities (continued)				
200,095	Bear Stearns ALT-A Trust, 2006-1, 21A1, FRN, 4.035%, 02/25/36 †	USA	USD	174,283	0.18
176,751	Wells Fargo Mortgage Backed Securities Trust, 2005-AR15, FRN, 4.673%, 09/25/35 †	USA	USD	170,886	0.18
168,932	Nomura Asset Acceptance Corp., FRN, 4.753%, 12/25/35 †	USA	USD	168,007	0.17
191,021	First Horizon Alternative Mortgage Securities, FRN, 3.819%, 02/25/36 †	USA	USD	155,882	0.16
205,475	Alternative Loan Trust, 2007-25, 1A2, 6.50%, 11/25/37	USA	USD	153,819	0.16
161,037	Banc of America Funding Corp., 2006-3, 5A9, 5.50%, 03/25/36	USA	USD	151,258	0.16
160,341	Provident Funding Mortgage Loan Trust, 2005-2, 2A1A, FRN, 4.214%, 10/25/35 †	USA	USD	146,573	0.15
143,742	RALI Series Trust, 2005-QS13, 2A3, 5.75%, 09/25/35	USA	USD	138,959	0.14
148,526	IndyMac Index Mortgage Loan Trust, 2006-AR2, FRN, 4.032%, 09/25/36 †	USA	USD	133,190	0.14
134,749	RBSSP Resecuritization Trust, 2009-7, 15A4, 2.715%, 01/26/46	USA	USD	132,642	0.14
147,114	First Horizon Mortgage Pass-Through Trust, 2005-AR3, FRN, 4.261%, 08/25/35 †	USA	USD	121,770	0.13
131,166	Chase Mortgage Finance Trust, 2006-A1, 4.065%, 09/25/36	USA	USD	121,728	0.13
126,693	Banc of America Funding Corp., 2006-3, 5A5, 5.50%, 03/25/36	USA	USD	119,001	0.12
127,292	Bear Stearns ALT-A Trust, 2005-3, 2A3, FRN, 4.257%, 04/25/35 †	USA	USD	118,533	0.12
111,933	Merrill Lynch Mortgage Investors Trust, FRN, 4.463%, 09/25/32 †	USA	USD	114,630	0.12
127,971	Impac CMB Trust, 2004-8, 2A2, FRN, 3.266%, 10/25/34 †	USA	USD	114,133	0.12
107,152	Banc of America Mortgage Trust, 2005-H, 2A5, FRN, 4.363%, 09/25/35 †	USA	USD	103,831	0.11
98,715	Green Tree Mortgage Loan Trust, 2005-HE1, 3.556%, 12/25/32	USA	USD	99,071	0.10
105,310	Merrill Lynch Mortgage Investors Trust, 2004-A1, M1, FRN, 4.243%, 02/25/34 †	USA	USD	98,390	0.10
102,158	GMACM Mortgage Loan Trust, 2005-AR2, 1A, FRN, 4.377%, 05/25/35 †	USA	USD	98,287	0.10
92,823	Washington Mutual MSC Mortgage Pass-through Certificates, 7.50%, 04/25/33	USA	USD	97,682	0.10
116,933	Renaissance Home Equity Loan Trust, 2007-3, 4.306%, 09/25/37	USA	USD	94,989	0.10
100,000	People's Choice Home Loan Securities Trust, FRN, 3.17%, 08/25/35 †	USA	USD	90,283	0.09
90,263	Morgan Stanley ABS Capital I Inc., 2002-HE3, M1, FRN, 4.156%, 03/25/33 †	USA	USD	90,096	0.09
94,707	GSR Mortgage Loan Trust, 2005-AR5, 1A1, FRN, 4.35%, 10/25/35 †	USA	USD	89,405	0.09
84,242	MASTR Alternative Loan Trust, 2005-3, 2A1, 6.00%, 03/25/35	USA	USD	86,137	0.09
93,594	RALI Series Trust, 2005-QA10, A41, FRN, 5.112%, 09/25/35 †	USA	USD	84,845	0.09
85,657	Ace Securities Corp. Home Equity Loan Trust, FRN, 7.756%, 07/25/34 †	USA	USD	80,130	0.08
111,074	Wells Fargo Mortgage Backed Securities Trust, 2003-I, FRN, 4.44%, 09/25/33 †	USA	USD	79,168	0.08
149,606	GSAA Home Equity Trust, 2006-6, AF4, FRN, 6.121%, 03/25/36 †	USA	USD	70,361	0.07
73,585	Morgan Stanley Mortgage Loan Trust, 2005-3AR, FRN, 4.308%, 07/25/35 †	USA	USD	70,331	0.07
85,078	Morgan Stanley Mortgage Loan Trust, 2007-14AR, FRN, 3.171%, 11/25/37 †	USA	USD	58,315	0.06
67,493	RFMSI Trust, 2007-SA1, 2A1, FRN, 4.429%, 02/25/37 †	USA	USD	55,319	0.06
62,585	Structured ARM Loan Trust, FRN, 4.119%, 10/25/35 †	USA	USD	53,608	0.06
57,570	Deutsche Alternative-A Securities, Inc. Mortgage Loan Trust, FRN, 3.738%, 10/25/35 †	USA	USD	49,883	0.05
43,339	GMACM Mortgage Loan Trust, 2005-AR4,1A, FRN, 5.119%, 07/19/35 †	USA	USD	38,706	0.04
37,905	Washington Mutual MSC Mortgage Pass-through Certificates, 2003-AR3, B1, FRN, 4.187%, 06/25/33 †	USA	USD	34,293	0.04
27,137	GSR Mortgage Loan Trust, 2003-1, A2, FRN, 3.83%, 03/25/33 †	USA	USD	26,966	0.03
8	GMACM Home Equity Loan Trust, 2003-HE2, A5, FRN, 4.59%, 04/25/33 †	USA	USD	8	0.00
				34,516,352	35.78
	Corporate Bonds				
4,416,237	American Media Inc., sub. note, 144A, zero cpn., 12/01/24	USA	USD	2,760,140	2.86
1,977,000	Resolute Forest Products Inc., senior bond, 5.875%, 05/15/23	USA	USD	1,967,115	2.04
2,042,500	Harland Clarke Holdings Corp., senior note, 144A, 9.25%, 03/01/21	USA	USD	1,858,675	1.93
1,605,000	The McClatchy Co., senior note, 144A, 9.00%, 07/15/26	USA	USD	1,584,938	1.64
1,588,000	Mohegan Tribal Gaming Authority, senior note, 144A, 7.875%, 10/15/24	USA	USD	1,490,735	1.55
1,444,000	K. Hovnanian Enterprises Inc., secured note, 144A, 10.00%, 07/15/22	USA	USD	1,270,720	1.32
1,086,000	Intelsat Jackson Holdings SA, senior secured note, first lien, 144A, 9.50%, 09/30/22	LUX	USD	1,243,470	1.29
1,229,000	JBS USA LLC/Finance Inc., senior note, 144A, 6.75%, 02/15/28	USA	USD	1,202,884	1.25
963,000	Univision Communications Inc., senior secured note, first lien, 144A, 5.125%, 02/15/25	USA	USD	847,440	0.88
901,000	One Call Corp., senior secured note, first lien, 144A, 7.50%, 07/01/24	USA	USD	842,435	0.87
1,015,000	One Call Corp., secured note, second lien, 144A, 10.00%, 10/01/24	USA	USD	806,925	0.84
742,000	Sable Permian Resources Land LLC, senior secured note, first lien, 144A, 13.00%, 11/30/20	USA	USD	779,100	0.81
582,000	The McClatchy Co., senior bond, 6.875%, 03/15/29	USA	USD	715,860	0.74
709,000	Everi Payments Inc., senior note, 144A, 7.50%, 12/15/25	USA	USD	672,664	0.70
701,000	Transocean Inc., senior note, 144A, 7.50%, 01/15/26	USA	USD	618,633	0.64
741,000	Dean Foods Co., senior note, 144A, 6.50%, 03/15/23	USA	USD	594,653	0.62
481,000	CHS/Community Health Systems Inc., senior secured note, 144A, 8.625%, 01/15/24	USA	USD	476,190	0.49
411,000	RR Donnelley & Sons Co., senior note, 6.50%, 11/15/23	USA	USD	407,918	0.42
396,000	RR Donnelley & Sons Co., senior bond, 6.00%, 04/01/24	USA	USD	391,050	0.41
435,000	Mattel Inc., senior note, 144A, 6.75%, 12/31/25	USA	USD	389,190	0.40
409,000	Carvana Co., senior note, 144A, 8.875%, 10/01/23	USA	USD	372,190	0.39
531,000	Bed Bath & Beyond Inc., senior bond, 5.165%, 08/01/44	USA	USD	356,434	0.37
347,000	Vantage Drilling International, senior secured note, first lien, 144A, 9.25%, 11/15/23	USA	USD	340,060	0.35
419,000	Project Homestake Merger Corp., senior note, 144A, 8.875%, 03/01/23	USA	USD	311,108	0.32
287,000	AHP Health Partners Inc., senior note, 144A, 9.75%, 07/15/26	USA	USD	292,023	0.30
275,000	Standard Industries Inc./NJ, senior note, 144A, 5.50%, 02/15/23	USA	USD	270,188	0.28
299,000	iStar Inc., cvt., senior note, 3.125%, 09/15/22	USA	USD	270,158	0.28
272,000	Pattern Energy Group Inc., cvt., senior note, 4.00%, 07/15/20	USA	USD	268,770	0.28
293,000	Sigma Holdco BV, senior note, 144A, 7.875%, 05/15/26	NLD	USD	254,910	0.26
285,000	Navient Corp., senior note, 6.75%, 06/15/26	USA	USD	237,263	0.25
269,000	Sable Permian Resources Land LLC, secured note, second lien, 144A, 8.00%, 06/15/20	USA	USD	234,030	0.24
196,507	Postmedia Network Inc., secured note, 144A, PIK, 11.25%, 07/15/23 ‡	CAN	USD	230,650	0.24
225,000	RR Donnelley & Sons Co., senior note, 7.00%, 02/15/22	USA	USD	224,438	0.23
290,000	PetSmart Inc., senior secured note, first lien, 144A, 5.875%, 06/01/25	USA	USD	210,975	0.22
240,000	William Lyon Homes Inc., Senior Note, 5.875%, 01/31/25	USA	USD	205,200	0.21
200,000	VTB Capital SA, (VTB Bank), loan participation, sub. senior note, Reg S, 6.95%, 10/17/22	RUS	USD	199,141	0.21
174,000	Intelsat Jackson Holdings SA, senior secured note, first lien, 144A, 8.00%, 02/15/24	LUX	USD	179,655	0.19

The accompanying notes form an integral part of these financial statements

— Franklin K2 Long Short Credit Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Corporate Bonds (continued)				
171,000	Petrobras Global Finance BV, senior note, 6.25%, 03/17/24	BRA	USD	174,121	0.18
178,000	Golden Nugget Inc., senior note, 144A, 8.75%, 10/01/25	USA	USD	171,770	0.18
177,000	Enterprise Development Authority, senior note, 144A, 12.00%, 07/15/24	USA	USD	161,955	0.17
150,000	Gannett Co. Inc., cvt., senior bond, 144A, 4.75%, 04/15/24	USA	USD	146,404	0.15
174,000	Cincinnati Bell Inc., senior note, 144A, 7.00%, 07/15/24	USA	USD	144,420	0.15
147,000	Pacific Gas and Electric Co., senior note, 144A, 4.25%, 08/01/23	USA	USD	136,933	0.14
131,000	Petrobras Global Finance BV, senior note, 6.125%, 01/17/22	BRA	USD	134,766	0.14
168,000	Beazer Homes USA Inc., senior bond, 5.875%, 10/15/27	USA	USD	133,560	0.14
139,000	Petrobras Global Finance BV, senior note, 4.375%, 05/20/23	BRA	USD	132,866	0.14
136,000	Vertiv Intermediate Holding Corp., senior note, PIK, 144A, 11.739%, 02/15/22 ‡	USA	USD	125,630	0.13
118,000	Sigma Holdco BV, 5.75%, 05/15/26	NLD	EUR	119,225	0.12
124,000	CCO Holdings LLC/CCO Holdings Capital Corp., senior bond, 144A, 5.125%, 05/01/27	USA	USD	115,804	0.12
110,000	Clearway Energy Operating LLC, senior bond, 5.00%, 09/15/26	USA	USD	99,275	0.10
127,000	Mattel Inc., senior bond, 5.45%, 11/01/41	USA	USD	90,805	0.09
96,000	Pacific Gas and Electric Co., senior bond, 6.05%, 03/01/34	USA	USD	89,480	0.09
92,000	GFL Environmental Inc., senior note, 144A, 5.625%, 05/01/22	CAN	USD	85,330	0.09
92,000	Calpine Corp., senior secured bond, 144A, 5.25%, 06/01/26	USA	USD	84,295	0.09
83,000	Sprint Communications Inc., senior note, 6.00%, 11/15/22	USA	USD	81,658	0.08
82,000	Refinitiv U.S. Holdings Inc., senior secured note, first lien, 144A, 6.25%, 05/15/26	USA	USD	79,233	0.08
83,000	Pacific Gas and Electric Co., senior bond, 4.25%, 05/15/21	USA	USD	78,908	0.08
79,000	Transocean Inc., senior note, 144A, 9.00%, 07/15/23	USA	USD	78,901	0.08
100,000	Weatherford International Ltd., senior note, 5.125%, 09/15/20	USA	USD	78,500	0.08
97,000	Chobani LLC/Chobani Finance Corp. Inc., senior note, 144A, 7.50%, 04/15/25	USA	USD	76,873	0.08
76,000	Transocean Pontus Ltd., secured note, 144A, 6.125%, 08/01/25	USA	USD	73,720	0.08
69,000	Clearway Energy Operating LLC, senior bond, 5.375%, 08/15/24	USA	USD	65,895	0.07
61,000	Pacific Gas and Electric Co., senior bond, 3.25%, 06/15/23	USA	USD	54,266	0.06
60,000	Par Petroleum LLC/Par Petroleum Finance Corp., first lien, 144A, 7.75%, 12/15/25	USA	USD	53,700	0.06
55,000	CCO Holdings LLC/CCO Holdings Capital Corp., senior bond, 144A, 5.00%, 02/01/28	USA	USD	50,738	0.05
55,000	Station Casinos LLC, senior note, 144A, 5.00%, 10/01/25	USA	USD	49,913	0.05
55,000	United Rentals North America Inc., senior note, 4.625%, 10/15/25	USA	USD	49,225	0.05
53,000	Harland Clarke Holdings Corp., senior secured note, first lien, 144A, 8.375%, 08/15/22	USA	USD	48,561	0.05
46,000	Pacific Gas and Electric Co., senior bond, 3.85%, 11/15/23	USA	USD	41,396	0.04
41,000	Mercer International Inc., senior note, 144A, 7.375%, 01/15/25	CAN	USD	41,000	0.04
40,606	American Media LLC, secured note, second lien, 144A, 5.50%, 09/01/21	USA	USD	40,758	0.04
37,000	Cincinnati Bell Inc., senior note, 144A, 8.00%, 10/15/25	USA	USD	30,710	0.03
29,000	Sprint Corp., senior bond, 7.875%, 09/15/23	USA	USD	29,834	0.03
31,000	Pacific Gas and Electric Co., senior note, 6.35%, 02/15/38	USA	USD	29,458	0.03
31,000	Pacific Gas and Electric Co., senior note, 2.45%, 08/15/22	USA	USD	27,627	0.03
28,000	RR Donnelley & Sons Co., senior bond, 6.625%, 04/15/29	USA	USD	25,830	0.03
20,000	RR Donnelley & Sons Co., senior bond, 8.875%, 04/15/21	USA	USD	21,050	0.02
21,000	Pacific Gas and Electric Co., senior note, 3.25%, 09/15/21	USA	USD	19,446	0.02
21,000	Zayo Group LLC/Zayo Capital Inc., senior note, 144A, 5.75%, 01/15/27	USA	USD	18,795	0.02
16,000	Southwestern Energy Co., senior bond, 7.75%, 10/01/27	USA	USD	15,280	0.02
15,000	Sinclair Television Group Inc., senior bond, 144A, 5.125%, 02/15/27	USA	USD	13,313	0.01
18,000	Hertz Corp., senior note, 144A, 5.50%, 10/15/24	USA	USD	13,230	0.01
8,000	The McClatchy Co., senior secured bond, 144A, 6.875%, 07/15/31	USA	USD	9,840	0.01
9,000	Great Lakes Dredge and Dock Corp., senior note, 8.00%, 05/15/22	USA	USD	9,169	0.01
5,000	Sprint Corp., senior note, 7.625%, 03/01/26	USA	USD	4,950	0.01
5,000	Altice France SA/France, senior note, first lien, 144A, 8.125%, 02/01/27	FRA	USD	4,725	0.01
				28,841,069	29.90
	Government and Municipal Bonds				
600,000	Government of Russia, senior bond, Reg S, 5.25%, 06/23/47	RUS	USD	561,332	0.58
5,381,466	Government of South Africa, R186, 10.50%, 12/21/26	ZAF	ZAR	407,261	0.42
319,000	Government of Turkey, senior bond, 7.00%, 06/05/20	TUR	USD	326,210	0.34
400,000	Government of Argentina, senior note, 4.625%, 01/11/23	ARG	USD	317,250	0.33
263,000	Government of Argentina, senior note, 5.625%, 01/26/22	ARG	USD	222,893	0.23
200,000	Government of Bahrain, senior note, Reg S, 7.00%, 01/26/26	BHR	USD	205,397	0.21
200,000	Government of Brazil, senior bond, 4.875%, 01/22/21	BRA	USD	204,900	0.21
200,000	Government of Ecuador, senior note, Reg S, 10.75%, 03/28/22	ECU	USD	202,750	0.21
200,000	Government of Russia, senior note, Reg S, 4.50%, 04/04/22	RUS	USD	202,745	0.21
200,000	Government of Paraguay, senior note, Reg S, 4.625%, 01/25/23	PRY	USD	201,175	0.21
200,000	ZAR Sovereign Capital Fund Propriety Ltd., senior note, Reg S, 3.903%, 06/24/20	ZAF	USD	198,784	0.21
200,000	Government of Saudi Arabia, senior note, Reg S, 2.375%, 10/26/21	SAU	USD	192,932	0.20
200,000	Eskom Holdings SOC Ltd., senior note, Reg S, 5.75%, 01/26/21	ZAF	USD	189,043	0.20
172,000	Petroleos Mexicanos, senior bond, 4.875%, 01/24/22	MEX	USD	167,872	0.17
10,000,000	National Highways Authority of India, senior note, Reg S, 7.30%, 05/18/22	IND	INR	135,978	0.14
129,000	Petroleos Mexicanos, senior note, 3.50%, 01/30/23	MEX	USD	117,068	0.12
1,844,435	Government of South Africa, 8.75%, 02/28/48	ZAF	ZAR	114,147	0.12
100,000	Government of Russia, senior note, Reg S, 5.00%, 04/29/20	RUS	USD	101,672	0.11
100,000	Government of South Africa, 5.50%, 03/09/20	ZAF	USD	101,544	0.11
104,000	Petroleos Mexicanos, senior bond, Reg S, 6.50%, 01/23/29	MEX	USD	97,162	0.10
100,000	Government of Argentina, senior note, Reg S, 3.875%, 01/15/22	ARG	EUR	97,082	0.10
88,000	Petroleos Mexicanos, senior bond, 5.50%, 01/21/21	MEX	USD	87,803	0.09
82,018	Government of the Hellenic Republic, Reg S, 3.90%, 01/30/33	GRC	EUR	85,686	0.09
86,000	Petroleos Mexicanos, senior note, 4.625%, 09/21/23	MEX	USD	80,926	0.08
1,629,703	Government of Argentina, FRN, 65.508%, 06/21/20 †	ARG	ARS	47,710	0.05
				4,667,322	4.84

The accompanying notes form an integral part of these financial statements

— Franklin K2 Long Short Credit Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Securities Maturing Within One Year				
728,000	Clearway Energy Inc., cvt., senior note, 144A, 3.50%, 02/01/19	USA	USD	728,000	0.76
569,000	Atlantica Yield PLC, senior note, 144A, 7.00%, 11/15/19	ESP	USD	578,958	0.60
455,000	Royal Gold Inc., cvt., senior note, 2.875%, 06/15/19	USA	USD	458,431	0.48
1,746,000	Government of Argentina, 3.75%, 02/08/19	ARG	ARS	67,979	0.07
52,632	EP Petroecuador via Noble Sovereign Funding I Ltd., Reg S, FRN, 8.443%, 09/24/19 †	ECU	USD	52,763	0.05
				1,886,131	1.96
	TOTAL BONDS			69,910,874	72.48
	TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET			69,910,874	72.48
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET				
	RIGHTS				
	Pharmaceuticals				
26,594	Sanofi, Contingent Value rts., Escrow Account, 12/31/20	FRA	USD	12,765	0.02
	TOTAL RIGHTS			12,765	0.02
	BONDS				
	Government and Municipal Bonds				
75,000	Puerto Rico Commonwealth, 5.50%, 07/01/39 *	USA	USD	40,313	0.04
70,000	Puerto Rico Commonwealth, 5.00%, 07/01/41 *	USA	USD	37,450	0.04
86,928	Petroleos de Venezuela SA, senior note, Reg S, 6.00%, 10/28/22 *	VEN	USD	10,823	0.01
				88,586	0.09
	TOTAL BONDS			88,586	0.09
	TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET			101,351	0.11
	TOTAL INVESTMENTS			71,373,067	74.00

† Floating Rates are indicated as at December 31, 2018
‡ Income may be received in additional securities and/or cash
* These Bonds are currently in default

The accompanying notes form an integral part of these financial statements

— Franklin MENA Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	SHARES				
	Air Freight & Logistics				
944,317	Agility Public Warehousing Co. KSC	KWT	KWD	2,496,266	2.44
1,833,926	Aramex PJSC	ARE	AED	2,141,906	2.09
				4,638,172	4.53
	Banks				
2,143,175	National Bank of Kuwait SAKP	KWT	KWD	5,891,453	5.76
318,050	National Commercial Bank	SAU	SAR	4,056,912	3.97
1,628,718	Abu Dhabi Commercial Bank PJSC	ARE	AED	3,618,240	3.54
151,000	JP Morgan Structured Products BV (CRTP Al Rajhi Bank)	SAU	USD	3,522,112	3.44
1,438,128	Emirates NBD PJSC	ARE	AED	3,480,652	3.40
353,820	Samba Financial Group	SAU	SAR	2,961,626	2.89
85,380	Al Rajhi Bank	SAU	SAR	1,991,510	1.95
82,769	HSBC Bank PLC (CRTP AL Rajhi Bank)	SAU	USD	1,930,607	1.89
2,318,879	Gulf Bank KSCP	KWT	KWD	1,926,094	1.88
576,159	QNB Alahli Bank SAE	EGY	EGP	1,270,702	1.24
28,790	Credit Suisse Nassau (CRTP Al Rajhi Bank)	SAU	USD	671,534	0.66
28,000	Deutsche Bank AG London (CRTP Al Rajhi Bank, 144A)	SAU	USD	653,107	0.64
127,368	Commercial International Bank Egypt SAE	EGY	EGP	533,296	0.52
				32,507,845	31.78
	Building Products				
4,763,967	National Central Cooling Co. PJSC	ARE	AED	2,243,759	2.19
	Capital Markets				
2,559,113	Egyptian Financial Group-Hermes Holding Co.	EGY	EGP	2,150,455	2.10
1,879,467	Egyptian Kuwaiti Holding Co. SAE	EGY	USD	2,018,548	1.98
				4,169,003	4.08
	Construction & Engineering				
314,968	Orascom Construction Ltd., Reg S	ARE	EGP	2,075,166	2.03
76,027	Orascom Construction Ltd.	ARE	USD	475,169	0.46
				2,550,335	2.49
	Diversified Consumer Services				
324,595	Human Soft Holding Co. KSC	KWT	KWD	3,509,251	3.43
419,840	Deutsche Bank AG London (CRTP Al Khaleej Training and Education Co., 144A)	SAU	USD	1,457,179	1.43
24,375	Credit Suisse Nassau (CRTP Al Khaleej Training and Education Co., Reg S)	SAU	USD	84,601	0.08
				5,051,031	4.94
	Diversified Financial Services				
2,924,172	CI Capital Holding Co. SAE	EGY	EGP	1,306,163	1.28
	Energy Equipment & Services				
129,884	ADES International Holding Ltd.	EGY	USD	1,776,164	1.73
1,838,898	Gulf Marine Services PLC	ARE	GBP	243,885	0.24
				2,020,049	1.97
	Food Products				
1,924,113	Agthia Group PJSC	ARE	AED	2,587,730	2.53
78,000	Deutsche Bank AG London (CRTP Saudi Dairy & Foodstuff Co., 144A)	SAU	USD	2,087,596	2.04
2,897,378	Juhayna Food Industries	EGY	EGP	1,819,961	1.78
2,748,177	Arabian Food Industries Co. DOMTY	EGY	EGP	1,657,192	1.62
767,069	Mezzan Holding Co.	KWT	KWD	1,264,163	1.24
78,500	Morgan Stanley BV (CRTP National Commercial Bank, 144A)	SAU	USD	1,001,313	0.98
				10,417,955	10.19
	Health Care Providers & Services				
97,500	Mouwasat Medical Services Co.	SAU	SAR	2,092,275	2.04
46,791	NMC Health PLC	ARE	GBP	1,632,577	1.60
6,278,137	Cleopatra Hospital	EGY	EGP	1,608,970	1.57
				5,333,822	5.21
	Insurance				
95,250	Merrill Lynch International & Co. CV (CRTP Bupa Arabia for Cooperative Insurance Co.)	SAU	USD	2,056,687	2.01
143,350	Morgan Stanley BV (CRTP Samba Financial Group, Reg S)	SAU	USD	1,199,901	1.17
217,000	Malath Cooperative Insurance Co.	SAU	SAR	706,886	0.69
7,288	Morgan Stanley BV (CRTP Bupa Arabia for Cooperative Insurance Co., 144A)	SAU	USD	157,366	0.16
5,250	Bupa Arabia for Cooperative Insurance Co.	SAU	SAR	113,361	0.11
				4,234,201	4.14
	IT Services				
664,689	Merrill Lynch International & Co. CV (CRTP Malath Cooperative Insurance Co.)	SAU	USD	2,165,249	2.12
	Metals & Mining				
1,905,484	Ezz Steel	EGY	EGP	1,922,507	1.88
	Multi-Utilities				
39,674	Qatar Electricity & Water Co. QSC	QAT	QAR	2,008,535	1.96
	Oil, Gas & Consumable Fuels				
407,026	Qatar Gas Transport Co. Ltd. (NAKILAT)	QAT	QAR	1,997,120	1.95

The accompanying notes form an integral part of these financial statements

— Franklin MENA Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Real Estate Management & Development				
4,936,892	Emaar Malls Group PJSC	ARE	AED	2,405,847	2.35
2,848,266	Talaat Moustafa Group	EGY	EGP	1,577,599	1.55
3,223,762	Cairo Investment and Real Estate Development Co. SAE	EGY	EGP	1,565,981	1.53
2,350,000	Aldar Properties PJSC	ARE	AED	1,023,645	1.00
1,120,624	Six of October Development & Investment Co.	EGY	EGP	838,434	0.82
				7,411,506	7.25
	Road & Rail				
264,000	HSBC Bank PLC (CRTP United International Transportation)	SAU	USD	1,854,397	1.81
68,000	United International Transportation Co.	SAU	SAR	477,648	0.47
				2,332,045	2.28
	Specialty Retail				
114,832	United Electronics Co.	SAU	SAR	1,959,120	1.91
96,120	HSBC Bank PLC (CRTP Saudi Co. for Hardware LLC)	SAU	USD	1,696,250	1.66
20,286	Saudi Co. for Hardware LLC	SAU	SAR	357,992	0.35
				4,013,362	3.92
	Trading Companies & Distributors				
1,392,738	ALAFCO Aviation Lease and Finance Co. KSCP	KWT	KWD	1,602,115	1.57
	Transportation Infrastructure				
172,597	DP World Ltd.	ARE	USD	2,951,409	2.89
	TOTAL SHARES			100,876,183	98.62
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			100,876,183	98.62
	TOTAL INVESTMENTS			100,876,183	98.62

The accompanying notes form an integral part of these financial statements

— Franklin Natural Resources Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	SHARES				
	Aluminium				
37,900	Alcoa Corp.	USA	USD	1,007,382	0.41
	Construction Materials				
260,700	Cemex SAB de CV, CPO, ADR	MEX	USD	1,256,574	0.52
	Diversified Chemicals				
25,000	BASF SE	DEU	EUR	1,741,416	0.72
31,000	DowDuPont Inc.	USA	USD	1,657,880	0.68
				3,399,296	1.40
	Diversified Metals & Mining				
181,610	BHP Group PLC, ADR	GBR	USD	7,607,643	3.12
1,418,232	Glencore PLC	CHE	GBP	5,269,357	2.16
437,700	Antofagasta PLC	GBR	GBP	4,371,641	1.80
172,800	Teck Resources Ltd., B	CAN	USD	3,722,112	1.53
70,400	Rio Tinto PLC, ADR	AUS	USD	3,412,992	1.40
308,500	Freeport-McMoRan Inc.	USA	USD	3,180,635	1.31
99,000	Anglo American PLC	GBR	GBP	2,206,593	0.91
418,896	Sandfire Resources NL	AUS	AUD	1,971,490	0.81
451,900	Lundin Mining Corp.	CHL	CAD	1,867,260	0.77
227,200	First Quantum Minerals Ltd.	ZMB	CAD	1,837,641	0.75
709,400	South32 Ltd.	AUS	AUD	1,674,356	0.69
112,800	Nexa Resources SA	PER	USD	1,342,320	0.55
158,800	Hudbay Minerals Inc.	CAN	CAD	751,564	0.31
213,300	Imperial Metals Corp.	CAN	CAD	242,218	0.10
1,980,698	Nautilus Minerals Inc.	CAN	CAD	72,556	0.03
				39,530,378	16.24
	Fertilizers & Agricultural Chemicals				
38,800	Nutrien Ltd.	CAN	USD	1,823,600	0.75
	Gold				
856,382	B2Gold Corp.	CAN	CAD	2,503,362	1.03
155,250	Barrick Gold Corp.	CAN	USD	2,102,085	0.86
49,300	Agnico Eagle Mines Ltd.	CAN	CAD	1,990,132	0.82
536,300	Alamos Gold Inc., A	CAN	CAD	1,929,179	0.79
141,700	Goldcorp Inc.	CAN	USD	1,388,660	0.57
87,297	Newcrest Mining Ltd.	AUS	AUD	1,340,811	0.55
872,100	Guyana Goldfields Inc.	CAN	CAD	1,022,279	0.42
279,934	OceanaGold Corp.	AUS	CAD	1,021,335	0.42
				13,297,843	5.46
	Integrated Oil & Gas				
69,600	Chevron Corp.	USA	USD	7,571,784	3.11
120,580	Occidental Petroleum Corp.	USA	USD	7,401,200	3.04
104,300	Exxon Mobil Corp.	USA	USD	7,112,217	2.92
118,567	Royal Dutch Shell PLC, A, ADR	GBR	USD	6,908,899	2.84
186,300	Suncor Energy Inc.	CAN	CAD	5,204,307	2.14
46,982	Total SA, B, ADR	FRA	USD	2,451,521	1.01
				36,649,928	15.06
	Oil & Gas Drilling				
236,900	Patterson-UTI Energy Inc.	USA	USD	2,451,915	1.01
79,780	Rowan Cos. PLC	USA	USD	669,354	0.27
519,599	Pioneer Energy Services Corp.	USA	USD	639,107	0.26
				3,760,376	1.54
	Oil & Gas Equipment & Services				
258,708	Schlumberger Ltd.	USA	USD	9,334,185	3.83
230,011	Halliburton Co.	USA	USD	6,113,692	2.51
308,940	TechnipFMC PLC	GBR	USD	6,049,045	2.48
187,248	Baker Hughes a GE Co., A	USA	USD	4,025,832	1.65
141,584	Oil States International Inc.	USA	USD	2,021,820	0.83
512,680	Superior Energy Services Inc.	USA	USD	1,717,478	0.71
53,170	Nine Energy Service Inc.	USA	USD	1,198,452	0.49
86,420	Oceaneering International Inc.	USA	USD	1,045,682	0.43
80,600	Liberty Oilfield Services Inc., A	USA	USD	1,043,770	0.43
29,460	Dril-Quip Inc.	USA	USD	884,684	0.36
12,800	Schoeller-Bleckmann Oilfield Equipment AG	AUT	EUR	839,920	0.34
61,200	C&J Energy Services Inc.	USA	USD	826,200	0.34
43,384	Mammoth Energy Services Inc.	USA	USD	780,044	0.32
123,000	Select Energy Services Inc.	USA	USD	777,360	0.32
62,500	ProPetro Holding Corp.	USA	USD	770,000	0.32
66,900	RPC Inc.	USA	USD	660,303	0.27
102,700	Hunting PLC	GBR	GBP	628,647	0.26
115,502	Ranger Energy Services Inc.	USA	USD	597,145	0.25
18,300	Cactus Inc.	USA	USD	501,603	0.21
335,400	Weatherford International PLC	USA	USD	187,489	0.08
				40,003,351	16.43

The accompanying notes form an integral part of these financial statements

— Franklin Natural Resources Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Oil & Gas Exploration & Production				
80,700	Diamondback Energy Inc.	USA	USD	7,480,890	3.07
66,420	Concho Resources Inc.	USA	USD	6,827,312	2.81
283,300	Cabot Oil & Gas Corp., A	USA	USD	6,331,755	2.60
65,100	EOG Resources Inc.	USA	USD	5,677,371	2.33
36,900	Pioneer Natural Resources Co.	USA	USD	4,853,088	1.99
234,600	Noble Energy Inc.	USA	USD	4,401,096	1.81
66,300	ConocoPhillips	USA	USD	4,133,805	1.70
93,766	Anadarko Petroleum Corp.	USA	USD	4,110,702	1.69
601,300	Callon Petroleum Co.	USA	USD	3,902,437	1.60
149,318	Canadian Natural Resources Ltd.	CAN	CAD	3,603,454	1.48
86,260	Hess Corp.	USA	USD	3,493,530	1.44
380,700	Jagged Peak Energy Inc.	USA	USD	3,471,984	1.43
165,300	EQT Corp.	USA	USD	3,122,517	1.28
1,197,800	Cairn Energy PLC	GBR	GBP	2,291,242	0.94
351,140	Ring Energy Inc.	USA	USD	1,783,791	0.73
93,112	Sanchez Energy Corp.	USA	USD	25,140	0.01
				65,510,114	26.91
	Oil & Gas Refining & Marketing				
46,200	Marathon Petroleum Corp.	USA	USD	2,726,262	1.12
29,705	Phillips 66	USA	USD	2,559,086	1.05
26,600	Valero Energy Corp.	USA	USD	1,994,202	0.82
21,200	HollyFrontier Corp.	USA	USD	1,083,744	0.45
				8,363,294	3.44
	Oil & Gas Storage & Transportation				
116,500	Targa Resources Corp.	USA	USD	4,196,330	1.72
258,000	Kinder Morgan Inc.	USA	USD	3,968,040	1.63
138,900	The Williams Cos. Inc.	USA	USD	3,062,745	1.26
49,000	ONEOK Inc.	USA	USD	2,643,550	1.09
82,809	Enbridge Inc.	CAN	USD	2,573,704	1.06
88,060	Equitrans Midstream Corp.	USA	USD	1,762,961	0.72
49,000	TransCanada Corp.	CAN	USD	1,749,300	0.72
				19,956,630	8.20
	Paper Packaging				
16,900	Packaging Corp. of America	USA	USD	1,410,474	0.58
	Pharmaceuticals				
12,000	Elanco Animal Health Inc.	USA	USD	378,360	0.15
	Specialty Chemicals				
31,600	Albemarle Corp.	USA	USD	2,435,412	1.00
22,900	Umicore SA	BEL	EUR	914,685	0.38
				3,350,097	1.38
	Trading Companies & Distributors				
55,800	Univar Inc.	USA	USD	989,892	0.41
	TOTAL SHARES			240,687,589	98.88
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			240,687,589	98.88
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	SHARES				
	Oil & Gas Exploration & Production				
41,800	Sanchez Energy Corp., 4.875%, cvt. pfd., A	USA	USD	77,330	0.03
26,500	Sanchez Energy Corp., 6.50%, cvt. pfd., B	USA	USD	54,325	0.02
				131,655	0.05
	TOTAL SHARES			131,655	0.05
	TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET			131,655	0.05
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET				
	SHARES				
	Gold				
3,900	Randgold Resources Ltd., ADR **	GBR	USD	333,349	0.14
	TOTAL SHARES			333,349	0.14
	TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET			333,349	0.14
	TOTAL INVESTMENTS			241,152,593	99.07

** These securities are submitted to a Fair Valuation

The accompanying notes form an integral part of these financial statements

— Franklin NextStep Balanced Growth Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	INVESTMENTS FUNDS				
	Diversified Financial Services				
62,985	iShares VII PLC - iShares Core S&P 500 UCITS ETF, Class USD (Acc)	USA	USD	15,452,740	8.14
2,926,550	iShares Core Global Aggregate Bond UCITS ETF, Class USD	IRL	USD	14,887,360	7.85
102,550	iShares VII PLC - iShares Core MSCI Pacific ex Japan UCITS ETF, Class USD (Acc)	IRL	USD	13,583,773	7.16
54,431	iShares PLC - iShares $ Treasury Bond 1-3yr UCITS ETF, Class USD (Dist)	USA	USD	7,138,081	3.76
75,510	UBS Irl ETF PLC - MSCI USA Value UCITS ETF, Class A (Dist)	USA	GBP	5,199,883	2.74
17,165	Robeco Capital Growth Funds - Robeco High Yield Bonds, Class IH USD	LUX	USD	4,629,847	2.44
27,956	MAN Funds PLC - MAN Japan Corealpha Equity, Class I USD	IRL	USD	3,966,384	2.09
92,334	The Jupiter Global Fund - Jupiter European Opportunities, Class I EUR Accumulation	LUX	EUR	2,618,448	1.38
36,782	Xtrackers Euro Stoxx 50 UCITS ETF, Class 1C	LUX	GBP	1,807,767	0.95
13,056	iShares III PLC - iShares Core MSCI Japan IMI UCITS ETF, Class USD (Acc)	JPN	USD	488,686	0.26
				69,772,969	36.77
	TOTAL INVESTMENTS FUNDS			69,772,969	36.77
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			69,772,969	36.77
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	INVESTMENTS FUNDS				
	Diversified Financial Services				
715,746	Investec Global Strategy Fund Ltd. - Investec Asian Equity Fund, Class I Accumulation USD	LUX	USD	19,840,478	10.46
1,457,581	FTIF Templeton Asian Bond Fund, Class Y (Mdis) USD	LUX	USD	13,876,169	7.31
698,172	FTIF Franklin Select U.S. Equity Fund, Class Y (Mdis) USD	LUX	USD	8,671,294	4.57
876,768	FTIF Franklin Global Aggregate Bond Fund, Class Y (Mdis) USD	LUX	USD	8,574,795	4.52
855,174	FTIF Franklin U.S. Low Duration Fund, Class Y (Mdis) USD	LUX	USD	8,389,260	4.42
571,497	FTIF Templeton Asian Smaller Companies Fund, Class Y (Mdis) USD	LUX	USD	7,612,335	4.01
1,000	Pioneer Funds - U.S. Fundamental Growth, Class I USD Accumulating	LUX	USD	5,474,147	2.89
222,251	Standard Life Investments Global SICAV - European Corporate Bond Fund, Class D Accumulation EUR	LUX	EUR	4,684,172	2.47
445,062	Macquarie Collective Funds PLC - Delaware Investment Corporate Bond Fund, Class F USD (Accumulating)	IRL	USD	4,673,155	2.46
126,357	Comgest Growth PLC - Comgest Growth Emerging Markets, Class I Accumulation USD	IRL	USD	4,642,356	2.45
2,794,840	J O Hambro Capital Management Umbrella Fund PLC - JOHCM Asia Ex Japan Fund, Class B USD	IRL	USD	4,083,262	2.15
366,169	FTIF Templeton Global Total Return Fund, Class Y (Mdis) USD	LUX	USD	3,518,882	1.86
21,782	SPARX Japan Fund, Class B EUR Accumulation	IRL	JPY	3,290,983	1.73
288,208	FTIF Franklin Mutual European Fund, Class Y (Mdis) EUR	LUX	EUR	3,176,807	1.67
				100,508,095	52.97
	TOTAL INVESTMENTS FUNDS			100,508,095	52.97
	TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET			100,508,095	52.97
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET				
	INVESTMENTS FUNDS				
	Diversified Financial Services				
449,465	AMUNDI MSCI EM Asia UCITS ETF, Class C USD **	LUX	USD	13,252,476	6.98
	TOTAL INVESTMENTS FUNDS			13,252,476	6.98
	TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET			13,252,476	6.98
	TOTAL INVESTMENTS			183,533,540	96.72

** These securities are submitted to a Fair Valuation

The accompanying notes form an integral part of these financial statements

— Franklin NextStep Conservative Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	INVESTMENTS FUNDS				
	Diversified Financial Services				
1,456,950	iShares Core Global Aggregate Bond UCITS ETF, Class USD	IRL	USD	7,411,505	19.40
25,215	iShares PLC - iShares $ Treasury Bond 1-3yr UCITS ETF, Class USD (Dist)	USA	USD	3,306,695	8.65
10,085	iShares VII PLC - iShares Core S&P 500 UCITS ETF, Class USD (Acc)	USA	USD	2,474,254	6.48
8,011	Robeco Capital Growth Funds - Robeco High Yield Bonds, Class IH USD	LUX	USD	2,160,645	5.66
11,885	UBS Irl ETF PLC - MSCI USA Value UCITS ETF, Class A (Dist)	USA	GBP	818,443	2.14
17,847	The Jupiter Global Fund - Jupiter European Opportunities, Class I EUR Accumulation	LUX	EUR	506,109	1.32
3,264	MAN Funds PLC - MAN Japan Corealpha Equity, Class I USD	IRL	USD	463,134	1.21
7,899	Xtrackers Euro Stoxx 50 UCITS ETF, Class 1C	LUX	GBP	388,221	1.02
10,432	iShares PLC - iShares Core MSCI Emerging Markets IMI UCITS ETF, Class USD (Acc)	IRL	USD	270,815	0.71
3,231	iShares III PLC - iShares Core MSCI Japan IMI UCITS ETF, Class USD (Acc)	JPN	USD	120,936	0.32
				17,920,757	46.91
	TOTAL INVESTMENTS FUNDS			17,920,757	46.91
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			17,920,757	46.91
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	INVESTMENTS FUNDS				
	Diversified Financial Services				
414,221	FTIF Franklin Global Aggregate Bond Fund, Class Y (Mdis) USD	LUX	USD	4,051,080	10.60
404,053	FTIF Franklin U.S. Low Duration Fund, Class Y (Mdis) USD	LUX	USD	3,963,762	10.38
243,429	FTIF Templeton Global Total Return Fund, Class Y (Mdis) USD	LUX	USD	2,339,355	6.12
208,603	Macquarie Collective Funds PLC - Delaware Investment Corporate Bond Fund, Class F USD (Accumulating)	IRL	USD	2,190,329	5.73
103,772	Standard Life Investments Global SICAV - European Corporate Bond Fund, Class D Accumulation EUR	LUX	EUR	2,187,106	5.72
110,387	FTIF Franklin Select U.S. Equity Fund, Class Y (Mdis) USD	LUX	USD	1,371,003	3.59
151	Pioneer Funds - U.S. Fundamental Growth, Class I USD Accumulating	LUX	USD	826,546	2.16
58,332	FTIF Franklin Mutual European Fund, Class Y (Mdis) EUR	LUX	EUR	642,970	1.68
13,469	Comgest Growth PLC - Comgest Growth Emerging Markets, Class I Accumulation USD	IRL	USD	494,840	1.30
2,646	SPARX Japan Fund, Class B EUR Accumulation	IRL	JPY	399,805	1.05
11,795	Investec Global Strategy Fund Ltd. - Investec Asian Equity Fund, Class I Accumulation USD	LUX	USD	326,973	0.86
				18,793,769	49.19
	TOTAL INVESTMENTS FUNDS			18,793,769	49.19
	TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET			18,793,769	49.19
	TOTAL INVESTMENTS			36,714,526	96.10

The accompanying notes form an integral part of these financial statements

— Franklin NextStep Dynamic Growth Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	INVESTMENTS FUNDS				
	Diversified Financial Services				
15,610	iShares VII PLC - iShares Core S&P 500 UCITS ETF, Class USD (Acc)	USA	USD	3,829,757	9.71
28,239	iShares VII PLC - iShares Core MSCI Pacific ex Japan UCITS ETF, Class USD (Acc)	IRL	USD	3,740,538	9.48
380,700	iShares Core Global Aggregate Bond UCITS ETF, Class USD	IRL	USD	1,936,621	4.91
18,555	UBS Irl ETF PLC - MSCI USA Value UCITS ETF, Class A (Dist)	USA	GBP	1,277,762	3.24
6,946	MAN Funds PLC - MAN Japan Corealpha Equity, Class I USD	IRL	USD	985,508	2.50
6,965	iShares PLC - iShares $ Treasury Bond 1-3yr UCITS ETF, Class USD (Dist)	USA	USD	913,390	2.31
2,147	Robeco Capital Growth Funds - Robeco High Yield Bonds, Class IH USD	LUX	USD	579,019	1.47
20,275	The Jupiter Global Fund - Jupiter European Opportunities, Class I EUR Accumulation	LUX	EUR	574,957	1.46
8,505	Xtrackers Euro Stoxx 50 UCITS ETF, Class 1C	LUX	GBP	418,005	1.06
4,158	iShares III PLC - iShares Core MSCI Japan IMI UCITS ETF, Class USD (Acc)	JPN	USD	155,634	0.39
				14,411,191	36.53
	TOTAL INVESTMENTS FUNDS			14,411,191	36.53
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			14,411,191	36.53
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	INVESTMENTS FUNDS				
	Diversified Financial Services				
195,392	Investec Global Strategy Fund Ltd. - Investec Asian Equity Fund, Class I Accumulation USD	LUX	USD	5,416,275	13.73
171,350	FTIF Franklin Select U.S. Equity Fund, Class Y (Mdis) USD	LUX	USD	2,128,167	5.39
157,245	FTIF Templeton Asian Smaller Companies Fund, Class Y (Mdis) USD	LUX	USD	2,094,501	5.31
169,270	FTIF Templeton Asian Bond Fund, Class Y (Mdis) USD	LUX	USD	1,611,454	4.08
240	Pioneer Funds - U.S. Fundamental Growth, Class I USD Accumulating	LUX	USD	1,314,490	3.33
34,049	Comgest Growth PLC - Comgest Growth Emerging Markets, Class I Accumulation USD	IRL	USD	1,250,974	3.17
752,814	J O Hambro Capital Management Umbrella Fund PLC - JOHCM Asia Ex Japan Fund, Class B USD	IRL	USD	1,099,860	2.79
112,002	FTIF Franklin Global Aggregate Bond Fund, Class Y (Mdis) USD	LUX	USD	1,095,380	2.78
109,245	FTIF Franklin U.S. Low Duration Fund, Class Y (Mdis) USD	LUX	USD	1,071,695	2.72
5,484	SPARX Japan Fund, Class B EUR Accumulation	IRL	JPY	828,547	2.10
64,679	FTIF Franklin Mutual European Fund, Class Y (Mdis) EUR	LUX	EUR	712,928	1.81
27,997	Standard Life Investments Global SICAV - European Corporate Bond Fund, Class D Accumulation EUR	LUX	EUR	590,075	1.49
55,659	Macquarie Collective Funds PLC - Delaware Investment Corporate Bond Fund, Class F USD (Accumulating)	IRL	USD	584,417	1.48
42,528	FTIF Templeton Global Total Return Fund, Class Y (Mdis) USD	LUX	USD	408,693	1.04
				20,207,456	51.22
	TOTAL INVESTMENTS FUNDS			20,207,456	51.22
	TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET			20,207,456	51.22
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET				
	INVESTMENTS FUNDS				
	Diversified Financial Services				
126,878	AMUNDI MSCI EM Asia UCITS ETF, Class C USD **	LUX	USD	3,740,998	9.48
	TOTAL INVESTMENTS FUNDS			3,740,998	9.48
	TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET			3,740,998	9.48
	TOTAL INVESTMENTS			38,359,645	97.23

** These securities are submitted to a Fair Valuation

The accompanying notes form an integral part of these financial statements

— Franklin NextStep Growth Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	INVESTMENTS FUNDS				
	Diversified Financial Services				
21,670	iShares VII PLC - iShares Core S&P 500 UCITS ETF, Class USD (Acc)	USA	USD	5,316,518	19.43
29,300	UBS Irl ETF PLC - MSCI USA Value UCITS ETF, Class A (Dist)	USA	GBP	2,017,700	7.37
304,500	iShares Core Global Aggregate Bond UCITS ETF, Class USD	IRL	USD	1,548,991	5.66
40,670	The Jupiter Global Fund - Jupiter European Opportunities, Class I EUR Accumulation	LUX	EUR	1,153,355	4.22
7,495	MAN Funds PLC - MAN Japan Corealpha Equity, Class I USD	IRL	USD	1,063,385	3.89
17,220	Xtrackers Euro Stoxx 50 UCITS ETF, Class 1C	LUX	GBP	846,331	3.09
5,425	iShares PLC - iShares $ Treasury Bond 1-3yr UCITS ETF, Class USD (Dist)	USA	USD	711,434	2.60
1,770	Robeco Capital Growth Funds - Robeco High Yield Bonds, Class IH USD	LUX	USD	477,291	1.74
17,124	iShares PLC - iShares Core MSCI Emerging Markets IMI UCITS ETF, Class USD (Acc)	IRL	USD	444,539	1.62
5,383	iShares III PLC - iShares Core MSCI Japan IMI UCITS ETF, Class USD (Acc)	JPN	USD	201,486	0.74
				13,781,030	50.36
	TOTAL INVESTMENTS FUNDS			13,781,030	50.36
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			13,781,030	50.36
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	INVESTMENTS FUNDS				
	Diversified Financial Services				
246,693	FTIF Franklin Select U.S. Equity Fund, Class Y (Mdis) USD	LUX	USD	3,063,924	11.20
344	Pioneer Funds - U.S. Fundamental Growth, Class I USD Accumulating	LUX	USD	1,883,660	6.88
130,371	FTIF Franklin Mutual European Fund, Class Y (Mdis) EUR	LUX	EUR	1,437,030	5.25
27,699	Comgest Growth PLC - Comgest Growth Emerging Markets, Class I Accumulation USD	IRL	USD	1,017,655	3.72
6,010	SPARX Japan Fund, Class B EUR Accumulation	IRL	JPY	907,944	3.32
88,823	FTIF Franklin Global Aggregate Bond Fund, Class Y (Mdis) USD	LUX	USD	868,685	3.17
86,404	FTIF Franklin U.S. Low Duration Fund, Class Y (Mdis) USD	LUX	USD	847,619	3.10
22,898	Investec Global Strategy Fund Ltd. - Investec Asian Equity Fund, Class I Accumulation USD	LUX	USD	634,745	2.32
50,898	FTIF Franklin K2 Alternative Strategies Fund, Class Y (Mdis) USD	LUX	USD	563,442	2.06
52,209	FTIF Templeton Global Total Return Fund, Class Y (Mdis) USD	LUX	USD	501,729	1.83
46,085	Macquarie Collective Funds PLC - Delaware Investment Corporate Bond Fund, Class F USD (Accumulating)	IRL	USD	483,892	1.77
22,923	Standard Life Investments Global SICAV - European Corporate Bond Fund, Class D Accumulation EUR	LUX	EUR	483,137	1.77
36,458	FTIF Templeton Emerging Markets Smaller Companies Fund, Class Y (Mdis) USD	LUX	USD	376,247	1.37
				13,069,709	47.76
	TOTAL INVESTMENTS FUNDS			13,069,709	47.76
	TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET			13,069,709	47.76
	TOTAL INVESTMENTS			26,850,739	98.12

The accompanying notes form an integral part of these financial statements

— Franklin NextStep Moderate Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	INVESTMENTS FUNDS				
	Diversified Financial Services				
49,077	iShares VII PLC - iShares Core S&P 500 UCITS ETF, Class USD (Acc)	USA	USD	12,040,551	15.95
1,433,975	iShares Core Global Aggregate Bond UCITS ETF, Class USD	IRL	USD	7,294,631	9.66
57,950	UBS Irl ETF PLC - MSCI USA Value UCITS ETF, Class A (Dist)	USA	GBP	3,990,640	5.29
25,060	iShares PLC - iShares $ Treasury Bond 1-3yr UCITS ETF, Class USD (Dist)	USA	USD	3,286,368	4.35
86,934	The Jupiter Global Fund - Jupiter European Opportunities, Class I EUR Accumulation	LUX	EUR	2,465,328	3.27
16,353	MAN Funds PLC - MAN Japan Corealpha Equity, Class I USD	IRL	USD	2,320,136	3.07
8,006	Robeco Capital Growth Funds - Robeco High Yield Bonds, Class IH USD	LUX	USD	2,159,364	2.86
38,386	Xtrackers Euro Stoxx 50 UCITS ETF, Class 1C	LUX	GBP	1,886,600	2.50
41,911	iShares PLC - iShares Core MSCI Emerging Markets IMI UCITS ETF, Class USD (Acc)	IRL	USD	1,088,009	1.44
11,602	iShares III PLC - iShares Core MSCI Japan IMI UCITS ETF, Class USD (Acc)	JPN	USD	434,263	0.57
				36,965,890	48.96
	TOTAL INVESTMENTS FUNDS			36,965,890	48.96
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			36,965,890	48.96
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	INVESTMENTS FUNDS				
	Diversified Financial Services				
536,305	FTIF Franklin Select U.S. Equity Fund, Class Y (Mdis) USD	LUX	USD	6,660,905	8.82
411,707	FTIF Franklin Global Aggregate Bond Fund, Class Y (Mdis) USD	LUX	USD	4,026,496	5.33
734	Pioneer Funds - U.S. Fundamental Growth, Class I USD Accumulating	LUX	USD	4,020,694	5.33
401,611	FTIF Franklin U.S. Low Duration Fund, Class Y (Mdis) USD	LUX	USD	3,939,802	5.22
283,827	FTIF Franklin Mutual European Fund, Class Y (Mdis) EUR	LUX	EUR	3,128,507	4.14
241,960	FTIF Templeton Global Total Return Fund, Class Y (Mdis) USD	LUX	USD	2,325,241	3.08
105,875	Standard Life Investments Global SICAV - European Corporate Bond Fund, Class D Accumulation EUR	LUX	EUR	2,231,430	2.96
207,577	Macquarie Collective Funds PLC - Delaware Investment Corporate Bond Fund, Class F USD (Accumulating)	IRL	USD	2,179,558	2.89
58,187	Comgest Growth PLC - Comgest Growth Emerging Markets, Class I Accumulation USD	IRL	USD	2,137,780	2.83
13,014	SPARX Japan Fund, Class B EUR Accumulation	IRL	JPY	1,966,211	2.60
138,331	FTIF Franklin K2 Alternative Strategies Fund, Class Y (Mdis) USD	LUX	USD	1,531,330	2.03
47,170	Investec Global Strategy Fund Ltd. - Investec Asian Equity Fund, Class I Accumulation USD	LUX	USD	1,307,544	1.73
78,670	FTIF Templeton Emerging Markets Smaller Companies Fund, Class Y (Mdis) USD	LUX	USD	811,879	1.08
				36,267,377	48.04
	TOTAL INVESTMENTS FUNDS			36,267,377	48.04
	TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET			36,267,377	48.04
	TOTAL INVESTMENTS			73,233,267	97.00

The accompanying notes form an integral part of these financial statements

— Franklin NextStep Stable Growth Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	INVESTMENTS FUNDS				
	Diversified Financial Services				
662,675	iShares Core Global Aggregate Bond UCITS ETF, Class USD	IRL	USD	3,371,028	15.63
12,110	iShares PLC - iShares $ Treasury Bond 1-3yr UCITS ETF, Class USD (Dist)	USA	USD	1,588,105	7.36
3,737	Robeco Capital Growth Funds - Robeco High Yield Bonds, Class IH USD	LUX	USD	1,007,986	4.67
5,479	iShares VII PLC - iShares Core MSCI Pacific ex Japan UCITS ETF, Class USD (Acc)	IRL	USD	725,748	3.37
2,395	iShares VII PLC - iShares Core S&P 500 UCITS ETF, Class USD (Acc)	USA	USD	587,589	2.72
2,835	UBS Irl ETF PLC - MSCI USA Value UCITS ETF, Class A (Dist)	USA	GBP	195,228	0.91
1,072	MAN Funds PLC - MAN Japan Corealpha Equity, Class I USD	IRL	USD	152,088	0.71
3,192	The Jupiter Global Fund - Jupiter European Opportunities, Class I EUR Accumulation	LUX	EUR	90,526	0.42
1,337	Xtrackers Euro Stoxx 50 UCITS ETF, Class 1C	LUX	GBP	65,711	0.30
571	iShares III PLC - iShares Core MSCI Japan IMI UCITS ETF, Class USD (Acc)	JPN	USD	21,373	0.10
				7,805,382	36.19
	TOTAL INVESTMENTS FUNDS			7,805,382	36.19
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			7,805,382	36.19
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	INVESTMENTS FUNDS				
	Diversified Financial Services				
316,577	FTIF Templeton Asian Bond Fund, Class Y (Mdis) USD	LUX	USD	3,013,813	13.97
194,941	FTIF Franklin Global Aggregate Bond Fund, Class Y (Mdis) USD	LUX	USD	1,906,521	8.84
190,155	FTIF Franklin U.S. Low Duration Fund, Class Y (Mdis) USD	LUX	USD	1,865,424	8.65
37,655	Investec Global Strategy Fund Ltd. - Investec Asian Equity Fund, Class I Accumulation USD	LUX	USD	1,043,791	4.84
97,326	Macquarie Collective Funds PLC - Delaware Investment Corporate Bond Fund, Class F USD (Accumulating)	IRL	USD	1,021,919	4.74
48,412	Standard Life Investments Global SICAV - European Corporate Bond Fund, Class D Accumulation EUR	LUX	EUR	1,020,333	4.73
79,531	FTIF Templeton Global Total Return Fund, Class Y (Mdis) USD	LUX	USD	764,296	3.54
30,378	FTIF Templeton Asian Smaller Companies Fund, Class Y (Mdis) USD	LUX	USD	404,633	1.88
26,269	FTIF Franklin Select U.S. Equity Fund, Class Y (Mdis) USD	LUX	USD	326,268	1.51
6,704	Comgest Growth PLC - Comgest Growth Emerging Markets, Class I Accumulation USD	IRL	USD	246,318	1.14
150,963	J O Hambro Capital Management Umbrella Fund PLC - JOHCM Asia Ex Japan Fund, Class B USD	IRL	USD	220,557	1.02
37	Pioneer Funds - U.S. Fundamental Growth, Class I USD Accumulating	LUX	USD	201,009	0.93
905	SPARX Japan Fund, Class B EUR Accumulation	IRL	JPY	136,691	0.64
10,238	FTIF Franklin Mutual European Fund, Class Y (Mdis) EUR	LUX	EUR	112,847	0.52
				12,284,420	56.95
	TOTAL INVESTMENTS FUNDS			12,284,420	56.95
	TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET			12,284,420	56.95
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET				
	INVESTMENTS FUNDS				
	Diversified Financial Services				
24,216	AMUNDI MSCI EM Asia UCITS ETF, Class C USD **	LUX	USD	714,009	3.31
	TOTAL INVESTMENTS FUNDS			714,009	3.31
	TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET			714,009	3.31
	TOTAL INVESTMENTS			20,803,811	96.45

** These securities are submitted to a Fair Valuation

The accompanying notes form an integral part of these financial statements

— Franklin Select U.S. Equity Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	SHARES				
	Communication Services				
11,080	Alphabet Inc., A	USA	USD	11,578,157	3.34
74,580	The Walt Disney Co.	USA	USD	8,177,697	2.36
60,210	Electronic Arts Inc.	USA	USD	4,751,171	1.37
				24,507,025	7.07
	Consumer Discretionary				
10,030	Amazon.com Inc.	USA	USD	15,064,759	4.34
105,150	NIKE Inc., B	USA	USD	7,795,821	2.25
55,430	Alibaba Group Holding Ltd., ADR	CHN	USD	7,597,790	2.19
61,160	Aptiv PLC	USA	USD	3,765,621	1.09
				34,223,991	9.87
	Consumer Staples				
95,550	Lamb Weston Holdings Inc.	USA	USD	7,028,658	2.03
33,440	Constellation Brands Inc., A	USA	USD	5,377,821	1.55
105,160	Monster Beverage Corp.	USA	USD	5,175,975	1.49
39,180	Estee Lauder Cos. Inc., A	USA	USD	5,097,318	1.47
				22,679,772	6.54
	Energy				
238,880	Cabot Oil & Gas Corp., A	USA	USD	5,338,968	1.54
40,040	Concho Resources Inc.	USA	USD	4,115,712	1.19
				9,454,680	2.73
	Financials				
214,980	The Charles Schwab Corp.	USA	USD	8,928,119	2.57
109,890	Intercontinental Exchange Inc.	USA	USD	8,278,014	2.39
21,030	BlackRock Inc.	USA	USD	8,261,005	2.38
38,700	S&P Global Inc.	USA	USD	6,576,678	1.90
				32,043,816	9.24
	Health Care				
38,700	UnitedHealth Group Inc.	USA	USD	9,640,944	2.78
213,060	AstraZeneca PLC, ADR	GBR	USD	8,092,019	2.33
28,660	Teleflex Inc.	USA	USD	7,408,037	2.14
12,410	Mettler-Toledo International Inc.	USA	USD	7,018,848	2.03
43,960	Stryker Corp.	USA	USD	6,890,730	1.99
21,030	Illumina Inc.	USA	USD	6,307,528	1.82
17,200	ABIOMED Inc.	USA	USD	5,590,688	1.61
29,610	Waters Corp.	USA	USD	5,585,926	1.61
				56,534,720	16.31
	Industrials				
119,520	Fortive Corp.	USA	USD	8,086,723	2.33
72,670	Verisk Analytics Inc.	USA	USD	7,923,937	2.29
40,620	3M Co.	USA	USD	7,739,735	2.23
47,300	Raytheon Co.	USA	USD	7,253,455	2.09
88,910	Republic Services Inc.	USA	USD	6,409,522	1.85
29,150	FedEx Corp.	USA	USD	4,702,769	1.36
91,760	BWX Technologies Inc.	USA	USD	3,507,985	1.01
				45,624,126	13.16
	Information Technology				
125,205	Microsoft Corp.	USA	USD	12,717,072	3.67
115,900	Analog Devices Inc.	USA	USD	9,947,697	2.87
51,130	Mastercard Inc., A	USA	USD	9,645,674	2.78
59,260	Salesforce.com Inc.	USA	USD	8,116,842	2.34
44,910	ServiceNow Inc.	USA	USD	7,996,226	2.31
129,030	InterXion Holding NV	NLD	USD	6,988,265	2.02
43,960	Apple Inc.	USA	USD	6,934,250	2.00
68,820	Amphenol Corp., A	USA	USD	5,575,796	1.61
25,810	Tyler Technologies Inc.	USA	USD	4,796,014	1.38
142,420	Applied Materials Inc.	USA	USD	4,662,831	1.34
114,690	Cognex Corp.	USA	USD	4,435,062	1.28
29,380	NVIDIA Corp.	USA	USD	3,922,230	1.13
1,510	Adyen NV	NLD	EUR	821,912	0.24
				86,559,871	24.97
	Materials				
50,640	Ecolab Inc.	USA	USD	7,461,804	2.15
43,380	Albemarle Corp.	USA	USD	3,343,297	0.96
				10,805,101	3.11
	Real Estate				
42,050	SBA Communications Corp., A	USA	USD	6,807,474	1.96

The accompanying notes form an integral part of these financial statements

— Franklin Select U.S. Equity Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Utilities				
56,380	NextEra Energy Inc.	USA	USD	9,799,972	2.83
	TOTAL SHARES			339,040,548	97.79
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			339,040,548	97.79
	TOTAL INVESTMENTS			339,040,548	97.79

The accompanying notes form an integral part of these financial statements

— Franklin Strategic Income Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	SHARES				
	Air Freight & Logistics				
1,420	CEVA Logistics AG	CHE	CHF	43,090	0.01
	Oil, Gas & Consumable Fuels				
206,413	Birch Permian Holdings Inc.	USA	USD	2,167,336	0.26
199,747	Halcon Resources Corp.	USA	USD	339,570	0.04
26,480	Birch Permian Holdings Inc.	USA	USD	291,280	0.04
15,157	Riviera Resources Inc.	USA	USD	239,481	0.03
15,157	Roan Resources Inc.	USA	USD	127,016	0.02
22,832	Chaparral Energy Inc., A	USA	USD	112,333	0.01
1,398	Midstates Petroleum Co. Inc.	USA	USD	10,499	0.00
179	Penn Virginia Corp.	USA	USD	9,677	0.00
				3,297,192	0.40
	Paper & Forest Products				
4,301	Verso Corp., A	USA	USD	96,342	0.01
	TOTAL SHARES			3,436,624	0.42
	WARRANTS				
	Oil, Gas & Consumable Fuels				
16,320	Halcon Resources Corp., wts., 09/09/20	USA	USD	835	0.00
	TOTAL WARRANTS			835	0.00
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			3,437,459	0.42
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	SHARES				
	Oil, Gas & Consumable Fuels				
831	Chaparral Energy Inc., A, 144A	USA	USD	4,089	0.00
	TOTAL SHARES			4,089	0.00
	WARRANTS				
	Paper & Forest Products				
452	Verso Corp., wts., 07/25/23	USA	USD	2,351	0.00
	TOTAL WARRANTS			2,351	0.00
	BONDS				
	Asset-Backed Securities				
22,564,230	FHLMC, 4.00%, 10/01/48	USA	USD	23,018,304	2.78
8,465,369	GNMA, 4.50%, 09/20/48	USA	USD	8,769,999	1.06
7,712,562	FHLMC, 4.00%, 05/01/48	USA	USD	7,867,829	0.95
6,830,000	Capital One Multi-Asset Execution Trust, 2016-A2, A2, FRN, 3.085%, 02/15/24 †	USA	USD	6,871,259	0.83
6,164,688	FNMA, 3.50%, 11/01/47	USA	USD	6,170,274	0.75
5,663,186	FNMA Connecticut Avenue Securities, 2014-C03, 1M2, FRN, 5.506%, 07/25/24 †	USA	USD	5,959,254	0.72
5,198,117	FNMA Connecticut Avenue Securities, 2015-C03, 1M2, FRN, 7.506%, 07/25/25 †	USA	USD	5,743,131	0.70
5,140,740	FNMA Connecticut Avenue Securities, 2015-C02, 1M2, FRN, 6.506%, 05/25/25 †	USA	USD	5,510,509	0.67
5,100,000	Capital One Multi-Asset Execution Trust, 2016-A1, A1, FRN, 2.905%, 02/15/22 †	USA	USD	5,104,861	0.62
5,100,000	Discover Card Execution Note Trust, 2016-A2, A2, FRN, 2.995%, 09/15/21 †	USA	USD	5,103,641	0.62
3,900,000	FHLMC Structured Agency Credit Risk Debt Notes, 2015-HQA1, M3, FRN, 7.206%, 03/25/28 †	USA	USD	4,358,771	0.53
3,220,000	FHLMC Structured Agency Credit Risk Debt Notes, 2016-DNA2, M3, FRN, 7.156%, 10/25/28 †	USA	USD	3,624,161	0.44
3,500,000	ARES L CLO Ltd., 2018-50A, B, 144A, FRN, 4.478%, 01/15/32 †	USA	USD	3,473,540	0.42
3,090,000	FNMA Connecticut Avenue Securities, 2014-C01, M2, FRN, 6.906%, 01/25/24 †	USA	USD	3,418,769	0.41
3,200,000	FHLMC Structured Agency Credit Risk Debt Notes, HQA1, M2, FRN, 6.056%, 08/25/29 †	USA	USD	3,389,716	0.41
3,600,000	Octagon Investment Partners XVI Ltd., 2013-1A, DR, 144A, FRN, 5.392%, 07/17/30 †	USA	USD	3,372,408	0.41
3,050,000	FHLMC Structured Agency Credit Risk Debt Notes, 2014-DN2, M3, FRN, 6.106%, 04/25/24 †	USA	USD	3,291,858	0.40
2,919,302	FNMA Connecticut Avenue Securities, 2013-C01, M2, FRN, 7.756%, 10/25/23 †	USA	USD	3,268,939	0.40
3,169,400	Catamaran CLO Ltd., 2014-2A, BR, 144A, FRN, 5.395%, 10/18/26 †	USA	USD	3,170,383	0.38
3,000,000	Octagon Investment Partners 28 Ltd., 16-1A, A2R, 144A, FRN, 3.869%, 10/24/30 †	USA	USD	2,979,690	0.36
2,570,000	FHLMC Structured Agency Credit Risk Debt Notes, 2015-DNA3, M3, FRN, 7.206%, 04/25/28 †	USA	USD	2,968,935	0.36
3,000,000	Voya CLO Ltd., 2017-2A, B, 144A, FRN, 4.786%, 06/07/30 †	USA	USD	2,919,270	0.35
2,900,000	Antares CLO Ltd., 2018-1A, B, 144A, FRN, 4.119%, 04/20/31 †	USA	USD	2,730,582	0.33
2,634,902	LCM XVI LP, 2016A, BR2, 144A, FRN, 4.155%, 10/15/31 †	USA	USD	2,595,747	0.31
2,539,426	FHLMC, 3.50%, 12/01/47	USA	USD	2,540,424	0.31
2,400,000	FHLMC Structured Agency Credit Risk Debt Notes, 2015-HQ1, M3, FRN, 6.306%, 03/25/25 †	USA	USD	2,529,639	0.31
2,268,416	FNMA Connecticut Avenue Securities, 2015-C02, 2M2, FRN, 6.506%, 05/25/25 †	USA	USD	2,418,956	0.29
2,363,048	FHLMC Structured Agency Credit Risk Debt Notes, 2014-DN1, M2, FRN, 4.706%, 02/25/24 †	USA	USD	2,407,531	0.29
2,400,000	Strata CLO I Ltd., 2018-1A, B, 144A, FRN, 5.129%, 01/15/31 †	USA	USD	2,392,490	0.29
2,400,000	Carlyle GMS Finance MM CLO LLC, 2015-1A, A2R, 144A, FRN, 4.636%, 10/15/31 †	USA	USD	2,307,624	0.28
2,190,000	FNMA Connecticut Avenue Securities, 2014-C02, 1M2, FRN, 5.106%, 05/25/24 †	USA	USD	2,296,245	0.28
2,053,584	FHLMC Structured Agency Credit Risk Debt Notes, 2014-DN4, M3, FRN, 7.056%, 10/25/24 †	USA	USD	2,249,155	0.27
2,200,000	Dryden 55 CLO Ltd., 2018-55A, A1, 144A, FRN, 3.456%, 04/15/31 †	USA	USD	2,165,790	0.26
2,015,000	CSAIL Commercial Mortgage Trust, 2015-C1, A4, 3.505%, 04/15/50	USA	USD	2,023,616	0.25

The accompanying notes form an integral part of these financial statements

— Franklin Strategic Income Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Asset-Backed Securities (continued)				
2,000,000	Eleven Madison Trust Mortgage Trust, 2015-11MD, A, 144A, FRN, 3.555%, 09/10/35 †	USA	USD	2,015,262	0.24
1,863,964	FNMA Connecticut Avenue Securities, 2015-C01, 2M2, FRN, 7.056%, 02/25/25 †	USA	USD	1,989,648	0.24
2,000,000	Flagship CLO VIII Ltd., 2014-8A, DR, 144A, FRN, 5.486%, 01/16/26 †	USA	USD	1,929,220	0.23
1,800,000	FNMA Connecticut Avenue Securities, 2017-C01, 1M2, FRN, 6.056%, 07/25/29 †	USA	USD	1,909,742	0.23
1,890,000	Dryden 33 Senior Loan Fund, 2014-33A, BR, 144A, FRN, 4.286%, 10/15/28 †	USA	USD	1,885,785	0.23
1,680,000	FNMA Connecticut Avenue Securities, 2016-C04, 1M2, FRN, 6.756%, 01/25/29 †	USA	USD	1,862,011	0.23
1,952,000	Commercial Mortgage Trust, 2006-GG7, AJ, FRN, 5.692%, 07/10/38 †	USA	USD	1,798,479	0.22
1,810,000	BlueMountain CLO Ltd., 2012-2A, BR2, 144A, FRN, 4.095%, 11/20/28 †	USA	USD	1,789,058	0.22
1,760,000	Carlyle Global Market Strategies CLO Ltd., 2012-4A, BR, 144A, FRN, 4.369%, 01/20/29 †	USA	USD	1,752,872	0.21
1,700,000	Carlyle Global Market Strategies CLO Ltd., 2012-4A, C1R, 144A, FRN, 5.069%, 01/20/29 †	USA	USD	1,687,573	0.20
1,710,000	JPMCC Commercial Mortgage Securities Trust, 2017-JP6, B, 3.946%, 07/15/50	USA	USD	1,676,870	0.20
1,630,000	Atrium VIII, 8A, CR, 144A, FRN, 4.977%, 10/23/24 †	USA	USD	1,619,764	0.20
1,620,000	Burnham Park CLO Ltd., 2016-1A, BR, 144A, FRN, 3.969%, 10/20/29 †	USA	USD	1,580,683	0.19
1,620,000	Burnham Park CLO Ltd., 2016-1A, CR, 144A, FRN, 4.619%, 10/20/29 †	USA	USD	1,568,419	0.19
1,638,000	Dryden 38 Senior Loan Fund, 2015-38A, CR, 144A, FRN, 4.436%, 07/15/30 †	USA	USD	1,551,039	0.19
1,430,000	COMM Mortgage Trust, 2014-CR19, B, FRN, 4.703%, 08/10/47 †	USA	USD	1,471,205	0.18
1,444,444	LCM XVI LP, 2016A, A2R, 144A, FRN, 3.855%, 10/15/31 †	USA	USD	1,434,391	0.17
1,430,000	CGRBS Commercial Mortgage Trust, 2013-VN05, C, 144A, FRN, 3.584%, 03/13/35 †	USA	USD	1,432,350	0.17
1,480,000	GS Mortgage Securities Trust, 2016-GS3, B, FRN, 3.395%, 10/10/49 †	USA	USD	1,421,223	0.17
1,430,000	GS Mortgage Securities Trust, 2017-GS6, B, 3.869%, 05/10/50	USA	USD	1,415,104	0.17
1,254,922	FHLMC Structured Agency Credit Risk Debt Notes, 2014-HQ3, M3, FRN, 7.256%, 10/25/24 †	USA	USD	1,376,400	0.17
1,378,516	BCAP LLC Trust, 2009-RR1, 2A2, 144A, FRN, 4.506%, 05/26/35 †	USA	USD	1,352,541	0.16
1,355,555	Buttermilk Park CLO Ltd., 2018-1A, C, 144A, FRN, 4.438%, 10/15/31 †	USA	USD	1,295,260	0.16
1,370,000	LCM XVIII LP, 2018A, DR, 144A, FRN, 5.269%, 04/20/31 †	USA	USD	1,268,825	0.15
1,250,000	Banc of America Commercial Mortgage Trust, 2015-UBS7, B, FRN, 4.362%, 09/15/48 †	USA	USD	1,250,307	0.15
1,300,000	HPS Loan Management Ltd., 2013A-18, C, 144A, FRN, 4.586%, 10/15/30 †	USA	USD	1,238,341	0.15
1,230,000	Burnham Park CLO Ltd., 2016-1A, A, 144A, FRN, 3.899%, 10/20/29 †	USA	USD	1,228,094	0.15
1,210,000	Atrium VIII, 8A, BR, 144A, FRN, 4.377%, 10/23/24 †	USA	USD	1,210,012	0.15
1,230,000	LCM XVII LP, 2017A, BRR, 144A, FRN, 4.026%, 10/15/31 †	USA	USD	1,199,262	0.15
1,093,646	FNMA Connecticut Avenue Securities, 2015-C03, 2M2, FRN, 7.506%, 07/25/25 †	USA	USD	1,194,899	0.15
1,200,000	Sprint Spectrum Co. LLC, senior secured bond, first lien, 144A, 5.152%, 09/20/29	USA	USD	1,182,000	0.14
1,157,054	FHLMC Structured Agency Credit Risk Debt Notes, 2014-HQ2, M2, FRN, 4.706%, 09/25/24 †	USA	USD	1,181,809	0.14
1,186,282	Octagon Investment Partners 28 Ltd., 16-1A, BR, 144A, FRN, 4.219%, 10/24/30 †	USA	USD	1,166,696	0.14
1,130,000	Banc of America Commercial Mortgage Trust, 2015-UBS7, A4, 3.705%, 09/15/48	USA	USD	1,144,533	0.14
1,200,000	Octagon Investment Partners XXIII Ltd., 2015-1A, DR, 144A, FRN, 4.986%, 07/15/27 †	USA	USD	1,119,228	0.14
1,200,000	Dryden 42 Senior Loan Fund, 2016-42A, DR, 144A, FRN, 5.366%, 07/15/30 †	USA	USD	1,118,880	0.14
1,200,000	Dryden 58 CLO Ltd., 2018-58A, D, 144A, FRN, 5.086%, 07/17/31 †	USA	USD	1,108,992	0.13
1,200,000	JPMorgan Chase Commercial Mortgage Securities Trust, 2016-NINE, B, 144A, FRN, 2.854%, 10/06/38 †	USA	USD	1,106,746	0.13
1,140,000	LCM XVII LP, 2017A, CRR, 144A, FRN, 4.526%, 10/15/31 †	USA	USD	1,081,723	0.13
1,100,000	BBC Middle Market CLO LLC, 2018-1A, A2, 144A, FRN, 4.369%, 10/20/30 †	USA	USD	1,062,391	0.13
1,000,000	Banc of America Commercial Mortgage Trust, 2015-UBS7, A3, 3.441%, 09/15/48	USA	USD	998,708	0.12
1,000,000	BlueMountain CLO Ltd., 2014-2A, CR2, 144A, FRN, 4.669%, 10/20/30 †	USA	USD	957,100	0.12
1,000,000	BlueMountain CLO Ltd., 2018-1A, D, 144A, FRN, 5.57%, 07/30/30 †	USA	USD	948,540	0.12
950,000	Cole Park CLO Ltd., 2015-1A, BR, 144A, FRN, 4.075%, 10/20/28 †	USA	USD	944,424	0.11
1,000,000	Octagon Investment Partners 38 Ltd., 2018-1A, C, 144A, FRN, 5.137%, 07/20/30 †	USA	USD	941,040	0.11
1,000,000	Voya CLO Ltd., 2018-2A, D, 144A, FRN, 5.124%, 07/15/31 †	USA	USD	938,340	0.11
950,000	Dryden 33 Senior Loan Fund, 2014-33A, CR, 144A, FRN, 4.936%, 10/15/28 †	USA	USD	933,755	0.11
855,134	FHLMC Structured Agency Credit Risk Debt Note, 2013-DN2, M2, FRN, 6.756%, 11/25/23 †	USA	USD	931,963	0.11
922,515	Thornburg Mortgage Securities Trust, 2005-1, A3, FRN, 3.718%, 04/25/45 †	USA	USD	929,471	0.11
920,000	Dryden 33 Senior Loan Fund, 2014-33A, AR, 144A, FRN, 3.866%, 10/15/28 †	USA	USD	918,868	0.11
937,000	Dryden 38 Senior Loan Fund, 2015-38A, DR, 144A, FRN, 5.436%, 07/15/30 †	USA	USD	885,156	0.11
860,000	Flagship CLO VIII Ltd., 2014-8A, ARR, 144A, FRN, 3.286%, 01/16/26 †	USA	USD	856,870	0.10
815,659	FNMA Connecticut Avenue Securities, 2014-C03, 2M2, FRN, 5.406%, 07/25/24 †	USA	USD	853,511	0.10
830,000	FNMA Connecticut Avenue Securities, 2017-C03, 2M2, FRN, 5.356%, 11/25/29 †	USA	USD	850,322	0.10
900,000	Galaxy XXVII CLO Ltd., 2018-27A, C, 144A, FRN, 5.379%, 05/16/31 †	USA	USD	829,737	0.10
830,000	Galaxy XVIII CLO Ltd., 2018-28A, C, 144A, FRN, 4.336%, 07/15/31 †	USA	USD	783,072	0.10
750,000	Atrium XIV LLC, 14A, D, 144A, FRN, 5.307%, 08/23/30 †	USA	USD	694,523	0.08
634,116	FNMA Connecticut Avenue Securities, 2015-C01, 1M2, FRN, 6.806%, 02/25/25 †	USA	USD	685,348	0.08
620,000	FHLMC Structured Agency Credit Risk Debt Notes, 2014-HQ1, M3, FRN, 6.606%, 08/25/24 †	USA	USD	666,888	0.08
662,880	Galaxy XXV CLO Ltd., 2018-25A, D, 144A, FRN, 5.437%, 10/15/31 †	USA	USD	630,114	0.08
620,000	Capital One Multi-Asset Execution Trust, 2014-A3, A3, FRN, 2.835%, 01/18/22 †	USA	USD	620,085	0.08
640,000	Octagon Investment Partners XXIII Ltd., 2015-1A, BR, 144A, FRN, 3.636%, 07/15/27 †	USA	USD	616,710	0.08
650,000	Voya CLO Ltd., 2014-1A, CR2, 144A, FRN, 5.245%, 04/18/31 †	USA	USD	612,833	0.07
633,325	Eaton Vance CLO Ltd., 2014-1RA, D, 144A, FRN, 5.384%, 07/15/30 †	USA	USD	590,474	0.07
520,000	FHLMC Structured Agency Credit Risk Debt Notes, 2015-DNA1, M3, FRN, 5.806%, 10/25/27 †	USA	USD	564,635	0.07
560,580	Dryden 70 CLO Ltd., 2018-70A, B, 144A, FRN, 4.54%, 01/16/32 †	USA	USD	559,878	0.07
510,789	FHLMC Structured Agency Credit Risk Debt Notes, 2016-HQA2, M2, FRN, 4.756%, 11/25/28 †	USA	USD	519,160	0.06

The accompanying notes form an integral part of these financial statements

— Franklin Strategic Income Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Asset-Backed Securities (continued)				
464,996	Opteum Mortgage Acceptance Corp. Trust, 2005-4, 1APT, FRN, 2.816%, 11/25/35 †	USA	USD	460,369	0.06
473,415	Eaton Vance CLO Ltd., 2014-1RA, C, 144A, FRN, 4.434%, 07/15/30 †	USA	USD	448,949	0.06
417,899	FHLMC Structured Agency Credit Risk Debt Notes, 2015-DNA3, M2, FRN, 5.356%, 04/25/28 †	USA	USD	429,474	0.05
425,925	Neuberger Berman CLO Ltd., 2016-22A, CR, 144A, FRN, 4.649%, 10/17/30 †	USA	USD	405,809	0.05
378,410	FNMA, 5.00%, 08/01/40	USA	USD	401,650	0.05
400,000	Carlyle U.S. CLO Ltd., 2017-1A, A1A, 144A, FRN, 3.769%, 04/20/31 †	USA	USD	398,200	0.05
394,604	FHLMC Structured Agency Credit Risk Debt Notes, 2016-DNA2, M2, FRN, 4.706%, 10/25/28 †	USA	USD	397,281	0.05
404,731	MortgageIT Trust, 2004-1, A2, FRN, 3.406%, 11/25/34 †	USA	USD	396,338	0.05
400,000	Dryden 64 CLO Ltd., 2018-64A, A, 144A, FRN, 3.415%, 04/18/31 †	USA	USD	391,472	0.05
392,777	Structured Asset Securities Corp., 2005-2XS, 2A2, FRN, 3.849%, 02/25/35 †	USA	USD	385,131	0.05
399,398	Citigroup Commercial Mortgage Trust, 2006-C5, AJ, 5.482%, 10/15/49	USA	USD	383,706	0.05
400,000	AMMC CLO XI Ltd., 2012-11A, DR2, 144A, FRN, 5.37%, 04/30/31 †	USA	USD	366,268	0.05
361,095	FHLMC Structured Agency Credit Risk Debt Notes, 2015-HQA1, M2, FRN, 5.156%, 03/25/28 †	USA	USD	365,790	0.05
365,443	MortgageIT Trust, 2005-5, A1, FRN, 2.766%, 12/25/35 †	USA	USD	362,741	0.04
321,201	FNMA, 4.50%, 05/01/41	USA	USD	336,105	0.04
325,276	FHLMC Structured Agency Credit Risk Debt Notes, 2016-HQA1, M2, FRN, 5.256%, 09/25/28 †	USA	USD	330,312	0.04
295,350	FNMA, 2.50%, 06/01/27	USA	USD	291,502	0.04
270,586	FHLMC Structured Agency Credit Risk Debt Notes, 2015-DN1, M3, FRN, 6.656%, 01/25/25 †	USA	USD	287,592	0.04
300,000	Dryden 64 CLO Ltd., 2018-64A, D, 144A, FRN, 5.095%, 04/18/31 †	USA	USD	274,797	0.03
262,789	Merrill Lynch Mortgage Investors Trust, 2005-A6, 2A3, FRN, 2.886%, 08/25/35 †	USA	USD	262,377	0.03
250,000	FHLMC Structured Agency Credit Risk Debt Notes, 2016-HQA3, M2, FRN, 3.856%, 03/25/29 †	USA	USD	251,366	0.03
250,000	AMMC CLO 15 Ltd., 2014-15A, BRR, 144A, FRN, 4.127%, 01/15/32 †	USA	USD	246,815	0.03
246,655	Core Industrial Trust, 2015-CALW, A, 144A, 3.04%, 02/10/34	USA	USD	245,949	0.03
214,409	FHLMC Structured Agency Credit Risk Debt Notes, 2014-DN3, M3, FRN, 6.506%, 08/25/24 †	USA	USD	230,648	0.03
198,770	FHLMC, 5.00%, 02/01/39	USA	USD	210,380	0.03
181,926	FHLMC Structured Agency Credit Risk Debt Notes, 2016-DNA1, M2, FRN, 5.406%, 07/25/28 †	USA	USD	185,148	0.02
158,892	FNMA Connecticut Avenue Securities, 2014-C04, 2M2, FRN, 7.506%, 11/25/24 †	USA	USD	175,575	0.02
142,303	FNMA, 6.00%, 02/01/37	USA	USD	155,259	0.02
142,684	FNMA, ARM, 2.268%, 09/01/34	USA	USD	142,127	0.02
126,852	GSAA Home Equity Trust, 2005-5, M3, FRN, 3.451%, 02/25/35 †	USA	USD	127,826	0.02
116,243	FHLMC, 5.00%, 05/01/41	USA	USD	123,141	0.02
106,762	FNMA, 4.50%, 12/01/40	USA	USD	111,930	0.01
108,625	FNMA, 2005-122, FN, FRN, 2.856%, 01/25/36 †	USA	USD	108,926	0.01
105,124	FHLMC Structured Agency Credit Risk Debt Notes, 2015-HQA2, M2, FRN, 5.306%, 05/25/28 †	USA	USD	107,225	0.01
94,920	FNMA Connecticut Avenue Securities, 2014-C04, 1M1, FRN, 7.406%, 11/25/24 †	USA	USD	106,031	0.01
96,943	FNMA, 5.50%, 07/01/38	USA	USD	104,413	0.01
95,312	FHLMC, 4.50%, 09/01/40	USA	USD	99,872	0.01
86,376	FHLMC, 5.50%, 09/01/35	USA	USD	91,450	0.01
90,635	FHLMC Structured Agency Credit Risk Debt Notes, 2015-HQ1, M2, FRN, 4.706%, 03/25/25 †	USA	USD	90,799	0.01
82,599	FHLMC, 4.50%, 10/01/40	USA	USD	86,551	0.01
75,662	FNMA, ARM, 5.01%, 11/01/32	USA	USD	76,971	0.01
71,291	American Home Mortgage Investment Trust, 2004-3, 4A, FRN, 4.296%, 10/25/34 †	USA	USD	70,309	0.01
68,600	Ameriquest Mortgage Securities Inc. Asset-Backed Pass-Through Certificates, 2004-R4, M1, FRN, 3.331%, 06/25/34 †	USA	USD	69,052	0.01
57,697	Wells Fargo Mortgage Backed Securities Trust, 2004-W, A9, FRN, 4.848%, 11/25/34 †	USA	USD	59,259	0.01
51,499	FNMA, 5.50%, 02/01/38	USA	USD	55,287	0.01
53,412	FNMA, 5.50%, 09/01/23	USA	USD	55,039	0.01
53,850	Argent Securities Inc. Asset-Backed Pass-Through Certificates, 2005-W2, A2C, FRN, 2.866%, 10/25/35 †	USA	USD	53,989	0.01
50,120	FNMA, 5.00%, 10/01/34	USA	USD	53,245	0.01
47,989	FNMA, 5.00%, 02/01/40	USA	USD	51,065	0.01
50,721	GE Capital Commercial Mortgage Corp. Trust, 2007-C1, AM, FRN, 5.606%, 12/10/49 †	USA	USD	50,945	0.01
48,240	FHLMC, 5.00%, 03/01/28	USA	USD	50,517	0.01
49,254	FNMA, 3.50%, 02/01/26	USA	USD	49,880	0.01
47,083	CWABS Inc. Asset-Backed Certificates Trust, 2004-6, 1A2, FRN, 3.246%, 12/25/34 †	USA	USD	47,206	0.01
34,321	Commercial Mortgage Trust, 2006-GG7, AM, FRN, 5.692%, 07/10/38 †	USA	USD	34,450	0.00
29,479	Citigroup Mortgage Loan Trust Inc., 2013-A, A, 144A, FRN, 3.00%, 05/25/42 †	USA	USD	29,145	0.00
25,889	FNMA, 6.00%, 05/01/38	USA	USD	28,143	0.00
24,817	FNMA, 6.00%, 02/01/36	USA	USD	27,085	0.00
22,817	FNMA, 6.00%, 02/01/37	USA	USD	24,505	0.00
24,286	CWABS Inc. Asset-Backed Certificates, 2004-1, M1, FRN, 3.256%, 03/25/34 †	USA	USD	24,382	0.00
23,145	FNMA, ARM, 3.744%, 02/01/34	USA	USD	24,261	0.00
23,260	CSMC, 2009-15R, 3A1, 144A, FRN, 3.971%, 03/26/36 †	USA	USD	23,375	0.00
19,984	FHLMC, 6.00%, 08/01/37	USA	USD	21,776	0.00
20,104	FNMA, 6.00%, 05/01/36	USA	USD	21,592	0.00
20,127	GNMA, SF, 5.00%, 05/15/34	USA	USD	21,346	0.00
19,283	GNMA, SF, 5.50%, 06/15/38	USA	USD	21,260	0.00

The accompanying notes form an integral part of these financial statements

— Franklin Strategic Income Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Asset-Backed Securities (continued)				
18,232	FNMA, 5.50%, 02/01/38	USA	USD	19,579	0.00
18,145	Home Equity Mortgage Trust, 2004-4, M3, FRN, 3.481%, 12/25/34 †	USA	USD	18,177	0.00
15,119	FHLMC, 7.00%, 05/01/32	USA	USD	16,437	0.00
14,383	FNMA, 6.00%, 12/01/36	USA	USD	15,447	0.00
13,990	FHLMC, 5.50%, 11/01/38	USA	USD	14,812	0.00
13,712	FNMA, 5.50%, 03/01/34	USA	USD	14,780	0.00
14,734	FHLMC, 6.00%, 11/01/37	USA	USD	16,102	0.00
12,459	FNMA, 6.00%, 11/01/37	USA	USD	13,582	0.00
12,445	FNMA, 7.50%, 02/01/30	USA	USD	12,447	0.00
10,981	FNMA, 5.50%, 04/01/35	USA	USD	11,800	0.00
10,633	FNMA, 6.00%, 11/01/36	USA	USD	11,477	0.00
11,053	Wells Fargo Mortgage Backed Securities Trust, 2007-3, 3A1, 5.50%, 04/25/22	USA	USD	11,187	0.00
10,502	GNMA, ARM, 3.75%, 09/20/29	USA	USD	10,870	0.00
9,204	FNMA, 6.00%, 10/01/34	USA	USD	10,122	0.00
9,790	FNMA, 4.50%, 05/01/24	USA	USD	10,080	0.00
9,218	FNMA, 6.00%, 12/01/37	USA	USD	9,946	0.00
9,102	FHLMC, 5.50%, 11/01/37	USA	USD	9,843	0.00
9,006	FNMA, 5.50%, 04/01/36	USA	USD	9,540	0.00
8,851	FHLMC, 6.00%, 01/01/38	USA	USD	9,524	0.00
8,773	FNMA, 5.50%, 12/01/37	USA	USD	9,422	0.00
9,281	Morgan Stanley ABS Capital I Inc. Trust, 2005-WMC, M2, FRN, 3.241%, 01/25/35 †	USA	USD	9,292	0.00
8,196	FHLMC, 5.50%, 08/01/33	USA	USD	8,832	0.00
8,056	GNMA, SF, 5.00%, 06/15/37	USA	USD	8,382	0.00
7,315	FHLMC, 6.50%, 03/01/38	USA	USD	8,318	0.00
6,978	GNMA, SF, 5.50%, 06/15/34	USA	USD	7,437	0.00
6,907	FNMA, ARM, 4.615%, 12/01/34	USA	USD	7,259	0.00
6,299	FNMA, 6.00%, 05/01/36	USA	USD	6,873	0.00
6,154	FNMA, 6.00%, 06/01/38	USA	USD	6,714	0.00
6,232	FNMA, 5.50%, 04/01/38	USA	USD	6,621	0.00
5,946	FNMA, 5.50%, 07/01/37	USA	USD	6,299	0.00
5,529	FNMA, 6.50%, 08/01/36	USA	USD	6,181	0.00
5,487	FNMA, 5.00%, 05/01/28	USA	USD	5,753	0.00
4,638	FNMA, 5.50%, 06/01/37	USA	USD	4,975	0.00
4,506	FNMA, 6.50%, 01/01/36	USA	USD	4,839	0.00
4,428	FNMA, 5.00%, 02/01/27	USA	USD	4,643	0.00
3,802	FNMA, 6.50%, 10/01/37	USA	USD	4,239	0.00
3,926	GNMA, 6.50%, 09/15/32	USA	USD	4,230	0.00
3,320	GNMA, SF, 6.50%, 11/15/32	USA	USD	3,687	0.00
3,542	FNMA, 4.50%, 09/01/24	USA	USD	3,641	0.00
3,378	FNMA, 5.50%, 06/01/38	USA	USD	3,622	0.00
3,528	FNMA, 5.00%, 07/01/23	USA	USD	3,608	0.00
3,017	FNMA, 6.50%, 11/01/36	USA	USD	3,436	0.00
3,305	FHLMC, 5.50%, 03/01/23	USA	USD	3,428	0.00
3,073	Bear Stearns ALT-A Trust, 2004-13, A2, FRN, 3.386%, 11/25/34 †	USA	USD	3,054	0.00
2,884	FNMA, ARM, 4.80%, 12/01/34	USA	USD	3,003	0.00
2,657	FHLMC, 5.50%, 05/01/37	USA	USD	2,872	0.00
2,649	FHLMC, 5.50%, 05/01/22	USA	USD	2,715	0.00
2,481	GNMA, SF, 6.00%, 03/15/33	USA	USD	2,701	0.00
2,447	FNMA, 6.00%, 05/01/38	USA	USD	2,652	0.00
2,385	FHLMC, ARM, 4.537%, 09/01/32	USA	USD	2,495	0.00
2,228	FNMA, 4.50%, 07/01/23	USA	USD	2,269	0.00
2,154	FHLMC, 5.00%, 02/01/23	USA	USD	2,201	0.00
1,791	FNMA, 5.50%, 07/01/37	USA	USD	1,929	0.00
1,650	FNMA, 6.50%, 10/01/37	USA	USD	1,846	0.00
1,705	FHLMC, 4.50%, 04/01/20	USA	USD	1,736	0.00
1,515	FHLMC, 6.00%, 02/01/39	USA	USD	1,654	0.00
1,509	FNMA, 5.00%, 04/01/20	USA	USD	1,535	0.00
1,277	FNMA, 5.00%, 12/01/23	USA	USD	1,305	0.00
1,262	GNMA, ARM, 4.00%, 08/20/20	USA	USD	1,253	0.00
1,197	FNMA, 5.00%, 01/01/24	USA	USD	1,217	0.00
1,004	FNMA, 5.50%, 11/01/36	USA	USD	1,068	0.00
1,049	Chase Funding Trust, 2003-5, 2A2, FRN, 3.106%, 07/25/33 †	USA	USD	1,020	0.00
820	GNMA, SF, 5.50%, 07/15/33	USA	USD	879	0.00
550	FHLMC, 4.50%, 03/01/20	USA	USD	561	0.00
401	FNMA, 5.00%, 11/01/22	USA	USD	410	0.00
129	FNMA, 5.00%, 01/01/20	USA	USD	131	0.00
58	GNMA, SF, 5.00%, 03/15/34	USA	USD	58	0.00
				239,801,887	29.00
	Corporate Bonds				
5,500,000	EDF SA, junior sub. note, 144A, 5.25% to 01/29/23, FRN thereafter, Perpetual	FRA	USD	5,215,210	0.63
4,400,000	Morgan Stanley, senior note, 3.875%, 01/27/26	USA	USD	4,297,620	0.52
4,000,000	Allergan Funding SCS, senior bond, 3.80%, 03/15/25	USA	USD	3,912,138	0.47
3,800,000	Bank of America Corp., senior note, 3.50%, 04/19/26	USA	USD	3,663,384	0.44
3,500,000	T-Mobile USA Inc., senior bond, 6.375%, 03/01/25	USA	USD	3,552,360	0.43
3,500,000	Netflix Inc., senior bond, 5.875%, 02/15/25	USA	USD	3,539,375	0.43
3,600,000	First Data Corp., secured note, second lien, 144A, 5.75%, 01/15/24	USA	USD	3,529,224	0.43
3,500,000	LYB International Finance BV, senior note, 4.00%, 07/15/23	USA	USD	3,495,572	0.42
3,500,000	Gaz Capital SA, (OJSC Gazprom), loan participation, senior note, 144A, 3.85%, 02/06/20	RUS	USD	3,489,692	0.42

The accompanying notes form an integral part of these financial statements

— Franklin Strategic Income Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Corporate Bonds (continued)				
3,500,000	Avantor Inc., senior secured note, first lien, 144A, 6.00%, 10/01/24	USA	USD	3,447,500	0.42
3,500,000	SunCoke Energy Partners LP/SunCoke Energy Partners Finance Corp., senior note, 144A, 7.50%, 06/15/25	USA	USD	3,325,000	0.40
3,400,000	Centene Corp., senior note, 144A, 5.375%, 06/01/26	USA	USD	3,315,000	0.40
3,300,000	Nippon Life Insurance Co., sub. bond, 144A, 5.10% to 10/16/24, FRN thereafter, 10/16/44	JPN	USD	3,311,467	0.40
3,500,000	Nexstar Broadcasting Inc., senior note, 144A, 5.625%, 08/01/24	USA	USD	3,281,250	0.40
3,500,000	American Tower Corp., senior bond, 3.375%, 10/15/26	USA	USD	3,263,302	0.39
3,400,000	The Goldman Sachs Group Inc., senior note, 3.75%, 02/25/26	USA	USD	3,221,709	0.39
3,000,000	Verizon Communications Inc., senior note, 5.15%, 09/15/23	USA	USD	3,198,043	0.39
3,200,000	Owens-Brockway Glass Container Inc., senior note, 144A, 5.00%, 01/15/22	USA	USD	3,180,000	0.38
3,200,000	Walgreens Boots Alliance Inc., senior note, 3.80%, 11/18/24	USA	USD	3,153,038	0.38
3,200,000	Sprint Communications Inc., senior note, 6.00%, 11/15/22	USA	USD	3,148,256	0.38
3,200,000	CCO Holdings LLC/CCO Holdings Capital Corp., senior bond, 144A, 5.375%, 05/01/25	USA	USD	3,076,000	0.37
3,300,000	Freeport-McMoRan Inc., senior note, 4.55%, 11/14/24	USA	USD	3,056,625	0.37
3,000,000	Talen Energy Supply LLC, senior note, 144A, 9.50%, 07/15/22	USA	USD	3,030,000	0.37
3,000,000	Tegna Inc., senior bond, 6.375%, 10/15/23	USA	USD	3,018,750	0.37
3,100,000	Imperial Brands Finance PLC, senior note, 144A, 3.50%, 02/11/23	GBR	USD	3,011,204	0.36
3,000,000	Equinix Inc., senior bond, 5.375%, 04/01/23	USA	USD	2,996,250	0.36
3,000,000	Exelon Corp., senior bond, 3.95%, 06/15/25	USA	USD	2,971,091	0.36
3,000,000	International Game Technology PLC, senior secured bond, 144A, 6.50%, 02/15/25	USA	USD	2,970,000	0.36
3,000,000	JPMorgan Chase & Co., sub. note, 3.875%, 09/10/24	USA	USD	2,959,767	0.36
3,100,000	Wells Fargo & Co., junior sub. bond, S, 5.90% to 06/15/24, FRN thereafter, Perpetual	USA	USD	2,957,400	0.36
3,300,000	Novelis Corp., senior bond, 144A, 5.875%, 09/30/26	USA	USD	2,928,750	0.35
3,000,000	Infor (U.S.) Inc., senior note, 6.50%, 05/15/22	USA	USD	2,912,700	0.35
3,000,000	Martin Midstream Partners LP/Martin Midstream Finance Corp., senior note, 7.25%, 02/15/21	USA	USD	2,865,000	0.35
3,000,000	AMC Networks Inc., senior note, 5.00%, 04/01/24	USA	USD	2,850,000	0.34
3,000,000	United Rentals North America Inc., senior bond, 5.875%, 09/15/26	USA	USD	2,838,750	0.34
3,500,000	DISH DBS Corp., senior note, 5.875%, 11/15/24	USA	USD	2,830,625	0.34
3,000,000	Terex Corp., senior note, 144A, 5.625%, 02/01/25	USA	USD	2,797,500	0.34
3,000,000	CommScope Technologies LLC, senior bond, 144A, 6.00%, 06/15/25	USA	USD	2,745,000	0.33
3,000,000	Digicel Ltd., senior note, 144A, 6.00%, 04/15/21	BMU	USD	2,712,870	0.33
3,000,000	BWAY Holding Co., senior note, 144A, 7.25%, 04/15/25	USA	USD	2,703,750	0.33
2,900,000	Hughes Satellite Systems Corp., senior bond, 6.625%, 08/01/26	USA	USD	2,664,375	0.32
2,800,000	Vertiv Group Corp., senior note, 144A, 9.25%, 10/15/24	USA	USD	2,590,000	0.31
2,500,000	Energy Transfer Partners LP/Regency Energy Finance Corp., senior note, 5.00%, 10/01/22	USA	USD	2,553,246	0.31
3,200,000	West Corp., senior note, 144A, 8.50%, 10/15/25	USA	USD	2,544,000	0.31
2,800,000	Hanesbrands Inc., senior bond, 144A, 4.875%, 05/15/26	USA	USD	2,537,500	0.31
2,800,000	ICICI Bank Ltd./Dubai, senior note, 144A, 3.80%, 12/14/27	IND	USD	2,535,593	0.31
2,500,000	Unitymedia KabelBW GmbH, senior bond, 144A, 6.125%, 01/15/25	DEU	USD	2,515,625	0.30
2,800,000	Kraft Heinz Foods Co., senior bond, 3.00%, 06/01/26	USA	USD	2,503,164	0.30
2,500,000	DAE Funding LLC, senior note, 144A, 5.00%, 08/01/24	ARE	USD	2,425,000	0.29
2,500,000	CONSOL Energy Inc., senior note, 5.875%, 04/15/22	USA	USD	2,406,250	0.29
2,700,000	Beacon Roofing Supply Inc., senior note, 144A, 4.875%, 11/01/25	USA	USD	2,382,750	0.29
2,700,000	Intelsat Jackson Holdings SA, senior bond, 5.50%, 08/01/23	LUX	USD	2,376,000	0.29
2,327,000	The Chemours Co., senior note, 6.625%, 05/15/23	USA	USD	2,358,996	0.29
2,500,000	Symantec Corp., senior note, 144A, 5.00%, 04/15/25	USA	USD	2,338,905	0.28
2,400,000	Park Aerospace Holdings Ltd., senior note, 144A, 5.50%, 02/15/24	IRL	USD	2,319,312	0.28
2,400,000	Reynolds Group Issuer Inc./Reynolds Group Issuer LLC/Reynolds Group Issuer Luxembourg SA, senior note, 144A, 7.00%, 07/15/24	USA	USD	2,290,500	0.28
2,400,000	CSC Holdings LLC, senior secured note, first lien, 144A, 5.50%, 05/15/26	USA	USD	2,268,000	0.27
2,400,000	Golden Nugget Inc., senior note, 144A, 6.75%, 10/15/24	USA	USD	2,268,000	0.27
2,400,000	Aircastle Ltd., senior note, 4.125%, 05/01/24	USA	USD	2,267,264	0.27
2,600,000	Navient Corp., senior note, 6.125%, 03/25/24	USA	USD	2,242,500	0.27
3,000,000	Endo DAC/Endo Finance LLC/Endo Finco Inc., senior bond, 144A, 6.00%, 02/01/25	USA	USD	2,167,500	0.26
2,200,000	CNOOC Finance 2015 USA LLC, senior note, 3.50%, 05/05/25	CHN	USD	2,142,393	0.26
2,200,000	State Grid Overseas Investment 2016 Ltd., senior note, 144A, 3.50%, 05/04/27	CHN	USD	2,122,065	0.26
2,200,000	Cemex SAB de CV, senior secured bond, first lien, 144A, 5.70%, 01/11/25	MEX	USD	2,118,545	0.26
2,200,000	Clearway Energy Operating LLC, senior note, 144A, 5.75%, 10/15/25	USA	USD	2,109,250	0.26
2,000,000	Sabine Pass Liquefaction LLC, senior secured note, first lien, 5.625%, 04/15/23	USA	USD	2,108,946	0.26
2,200,000	JPMorgan Chase & Co., senior bond, 3.30%, 04/01/26	USA	USD	2,098,173	0.25
2,100,000	Steel Dynamics Inc., senior bond, 5.50%, 10/01/24	USA	USD	2,084,250	0.25
2,200,000	Three Gorges Finance I Cayman Islands Ltd., senior note, 144A, 3.15%, 06/02/26	CHN	USD	2,083,026	0.25
2,200,000	Citigroup Inc., senior note, 3.40%, 05/01/26	USA	USD	2,073,702	0.25
2,200,000	The Southern Co., senior bond, 3.25%, 07/01/26	USA	USD	2,065,288	0.25
2,100,000	Lamb Weston Holdings Inc., senior note, 144A, 4.875%, 11/01/26	USA	USD	2,026,500	0.25
2,000,000	CNH Industrial NV, senior note, 4.50%, 08/15/23	GBR	USD	2,014,800	0.24
2,100,000	Jaguar Holding Co. II/Pharmaceutical Product Development LLC, senior note, 144A, 6.375%, 08/01/23	USA	USD	2,011,989	0.24
2,200,000	Sinopec Group Overseas Development 2016 Ltd., senior note, 144A, 2.75%, 09/29/26	CHN	USD	2,004,519	0.24
2,000,000	Kinder Morgan Inc., senior bond, 4.30%, 06/01/25	USA	USD	1,992,825	0.24
2,000,000	HCA Inc., senior secured note, first lien, 5.00%, 03/15/24	USA	USD	1,985,000	0.24
2,100,000	IHS Markit Ltd., senior note, 144A, 4.00%, 03/01/26	USA	USD	1,974,000	0.24
2,000,000	Sealed Air Corp., senior bond, 144A, 5.125%, 12/01/24	USA	USD	1,972,500	0.24
2,200,000	Time Warner Inc., senior bond, 2.95%, 07/15/26	USA	USD	1,971,145	0.24

The accompanying notes form an integral part of these financial statements

— Franklin Strategic Income Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Corporate Bonds (continued)				
2,100,000	Cheniere Energy Partners LP, senior secured note, first lien, 5.25%, 10/01/25	USA	USD	1,966,125	0.24
2,100,000	Capital One Financial Corp., senior note, 3.20%, 02/05/25	USA	USD	1,963,946	0.24
2,000,000	JPMorgan Chase & Co., sub. note, 3.375%, 05/01/23	USA	USD	1,957,315	0.24
2,100,000	MPT Operating Partnership LP/MPT Finance Corp., senior bond, 5.00%, 10/15/27	USA	USD	1,925,437	0.23
2,000,000	Sirius XM Radio Inc., senior bond, 144A, 5.375%, 04/15/25	USA	USD	1,902,500	0.23
2,000,000	HCA Inc., senior secured bond, first lien, 5.50%, 06/15/47	USA	USD	1,900,000	0.23
1,800,000	Energy Transfer Equity LP, senior note, first lien, 7.50%, 10/15/20	USA	USD	1,876,500	0.23
1,900,000	Clear Channel Worldwide Holdings Inc., senior sub. note, 7.625%, 03/15/20	USA	USD	1,859,625	0.23
1,900,000	HighPoint Operating Corp., senior note, 8.75%, 06/15/25	USA	USD	1,843,000	0.22
2,000,000	Calpine Corp., senior bond, 5.75%, 01/15/25	USA	USD	1,835,000	0.22
1,800,000	Fiat Chrysler Automobiles NV, senior note, 5.25%, 04/15/23	GBR	USD	1,774,692	0.21
1,800,000	Toll Brothers Finance Corp., senior bond, 5.625%, 01/15/24	USA	USD	1,773,000	0.21
1,900,000	DaVita Inc., senior bond, 5.00%, 05/01/25	USA	USD	1,731,375	0.21
1,800,000	First Quantum Minerals Ltd., senior note, 144A, 7.00%, 02/15/21	ZMB	USD	1,731,375	0.21
2,525,112	EnQuest PLC, senior note, 144A, PIK, 7.00%, 04/15/22 ‡	GBR	USD	1,713,920	0.21
1,800,000	Wynn Las Vegas LLC/Wynn Las Vegas Capital Corp., senior bond, 144A, 5.50%, 03/01/25	USA	USD	1,683,000	0.20
1,700,000	CVS Health Corp., senior bond, 4.30%, 03/25/28	USA	USD	1,667,753	0.20
1,500,000	Bausch Health Cos. Inc., senior note, 144A, 4.50%, 05/15/23	USA	EUR	1,630,135	0.20
1,700,000	Israel Electric Corp. Ltd., secured bond, 144A, 4.25%, 08/14/28	ISR	USD	1,625,174	0.20
1,700,000	The Goldman Sachs Group Inc., senior note, 3.50%, 01/23/25	USA	USD	1,613,426	0.20
1,800,000	Kroger Co., senior bond, 2.65%, 10/15/26	USA	USD	1,604,974	0.19
1,700,000	Teva Pharmaceutical Finance Netherlands IV BV, senior note, Reg S, 0.50%, 07/28/22	ISR	CHF	1,602,633	0.19
1,500,000	Cheniere Corpus Christi Holdings LLC, senior secured note, first lien, 7.00%, 06/30/24	USA	USD	1,586,250	0.19
1,500,000	Citigroup Inc., sub. bond, 5.50%, 09/13/25	USA	USD	1,576,975	0.19
1,700,000	1011778 BC ULC/New Red Finance Inc., secured note, second lien, 144A, 5.00%, 10/15/25	CAN	USD	1,568,250	0.19
1,500,000	KB Home, senior bond, 7.50%, 09/15/22	USA	USD	1,548,750	0.19
1,600,000	KFC Holding Co./Pizza Hut Holdings LLC/Taco Bell of America LLC, senior note, 144A, 5.00%, 06/01/24	USA	USD	1,548,000	0.19
1,500,000	Energy Transfer Operating LP, senior bond, 5.20%, 02/01/22	USA	USD	1,541,379	0.19
1,700,000	The Goodyear Tire & Rubber Co., senior bond, 5.00%, 05/31/26	USA	USD	1,536,375	0.19
1,500,000	KB Home, senior note, 7.00%, 12/15/21	USA	USD	1,531,875	0.19
1,600,000	Tennant Co., senior note, 5.625%, 05/01/25	USA	USD	1,516,000	0.18
1,600,000	Calpine Corp., senior note, 5.375%, 01/15/23	USA	USD	1,504,000	0.18
1,600,000	FMG Resources (August 2006) Pty. Ltd., senior note, 144A, 5.125%, 05/15/24	AUS	USD	1,496,496	0.18
1,500,000	Virgin Media Secured Finance PLC, senior secured bond, first lien, 144A, 5.50%, 01/15/25	GBR	USD	1,496,250	0.18
1,500,000	HCA Inc., senior bond, 5.375%, 02/01/25	USA	USD	1,466,250	0.18
1,500,000	Kinder Morgan Inc., senior note, 3.15%, 01/15/23	USA	USD	1,456,683	0.18
1,500,000	KFC Holding Co./Pizza Hut Holdings LLC/Taco Bell of America LLC, senior note, 144A, 5.25%, 06/01/26	USA	USD	1,455,045	0.18
1,400,000	Glencore Finance Canada Ltd., senior bond, 144A, 4.95%, 11/15/21	CHE	USD	1,430,897	0.17
1,500,000	Morgan Stanley, senior bond, 3.591% to 07/22/27, FRN thereafter, 07/22/28	USA	USD	1,419,255	0.17
1,500,000	DaVita Inc., senior bond, 5.125%, 07/15/24	USA	USD	1,410,000	0.17
1,400,000	American Homes 4 Rent LP, senior bond, 4.25%, 02/15/28	USA	USD	1,356,219	0.16
1,400,000	Bayer U.S. Finance II LLC, senior bond, 144A, 4.375%, 12/15/28	DEU	USD	1,340,137	0.16
1,300,000	Fiserv Inc., senior bond, 3.85%, 06/01/25	USA	USD	1,290,804	0.16
1,300,000	Royal Bank of Scotland Group PLC, sub. note, 5.125%, 05/28/24	GBR	USD	1,261,617	0.15
1,300,000	Crown Americas LLC/Crown Americas Capital Corp., senior note, 144A, 4.75%, 02/01/26	USA	USD	1,236,625	0.15
1,300,000	Aramark Services Inc., senior bond, 144A, 5.00%, 02/01/28	USA	USD	1,215,500	0.15
1,300,000	Transurban Finance Co. Pty. Ltd., senior secured bond, 144A, 3.375%, 03/22/27	AUS	USD	1,211,801	0.15
1,300,000	Dominion Energy Inc., senior bond, 2.85%, 08/15/26	USA	USD	1,200,573	0.15
1,200,000	Cheniere Corpus Christi Holdings LLC, senior secured note, first lien, 5.875%, 03/31/25	USA	USD	1,197,000	0.14
1,300,000	Woodside Finance Ltd., senior bond, 144A, 3.70%, 03/15/28	AUS	USD	1,196,780	0.14
1,231,407	United Airlines, senior bond, 3.45%, 01/07/30	USA	USD	1,192,182	0.14
1,300,000	Celgene Corp., senior bond, 3.45%, 11/15/27	USA	USD	1,185,898	0.14
1,175,000	CIT Group Inc., senior bond, 5.00%, 08/15/22	USA	USD	1,161,781	0.14
1,200,000	FMG Resources (August 2006) Pty. Ltd., senior note, 144A, 5.125%, 03/15/23	AUS	USD	1,133,250	0.14
1,200,000	MPH Acquisition Holdings LLC, senior note, 144A, 7.125%, 06/01/24	USA	USD	1,122,000	0.14
1,200,000	Colbun SA, senior note, 144A, 3.95%, 10/11/27	CHL	USD	1,113,180	0.13
1,618,000	California Resources Corp., senior secured note, second lien, 144A, 8.00%, 12/15/22	USA	USD	1,100,240	0.13
1,800,000	Weatherford International Ltd., senior note, 8.25%, 06/15/23	USA	USD	1,093,500	0.13
1,100,000	Stars Group Holdings BV/Stars Group U.S. Co-Borrower LLC, senior note, 144A, 7.00%, 07/15/26	CAN	USD	1,072,500	0.13
1,400,000	Weatherford International Ltd., senior note, 7.75%, 06/15/21	USA	USD	1,057,000	0.13
1,000,000	Sabine Pass Liquefaction LLC, senior secured note, first lien, 5.75%, 05/15/24	USA	USD	1,049,264	0.13
1,000,000	Sabine Pass Liquefaction LLC, senior secured note, first lien, 5.625%, 03/01/25	USA	USD	1,040,168	0.13
1,100,000	Tenet Healthcare Corp., senior note, 6.75%, 06/15/23	USA	USD	1,036,750	0.13
1,200,000	InterGen NV, secured bond, 144A, 7.00%, 06/30/23	NLD	USD	1,033,500	0.13
1,000,000	ArcelorMittal, senior note, 5.50%, 03/01/21	FRA	USD	1,031,645	0.12
1,000,000	T-Mobile USA Inc., senior bond, 6.50%, 01/15/24	USA	USD	1,030,180	0.12
1,100,000	Citigroup Inc., senior note, 3.20%, 10/21/26	USA	USD	1,016,883	0.12
900,000	Ziggo Secured Finance BV, senior secured bond, Reg S, 4.25%, 01/15/27	NLD	EUR	1,016,489	0.12
1,100,000	1011778 BC ULC/New Red Finance Inc., senior secured note, first lien, 144A, 4.25%, 05/15/24	CAN	USD	1,015,641	0.12

The accompanying notes form an integral part of these financial statements

— Franklin Strategic Income Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Corporate Bonds (continued)				
1,100,000	CNH Industrial NV, senior bond, 3.85%, 11/15/27	GBR	USD	1,011,192	0.12
1,000,000	Citigroup Inc., sub. note, 4.05%, 07/30/22	USA	USD	1,005,325	0.12
1,000,000	SABIC Capital II BV, senior note, 144A, 4.50%, 10/10/28	SAU	USD	998,775	0.12
1,011,000	Bausch Health Cos. Inc., senior note, 144A, 5.625%, 12/01/21	USA	USD	996,467	0.12
1,000,000	Glencore Funding LLC, senior note, 144A, 4.625%, 04/29/24	CHE	USD	994,735	0.12
1,300,000	New Gold Inc., senior note, 144A, 6.375%, 05/15/25	CAN	USD	994,500	0.12
1,000,000	Glencore Funding LLC, senior note, 144A, 4.125%, 05/30/23	CHE	USD	982,809	0.12
1,000,000	Cemex SAB de CV, senior secured bond, first lien, 144A, 6.125%, 05/05/25	MEX	USD	979,450	0.12
1,000,000	Sunoco LP/Sunoco Finance Corp., senior note, 4.875%, 01/15/23	USA	USD	977,500	0.12
1,000,000	Lamb Weston Holdings Inc., senior note, 144A, 4.625%, 11/01/24	USA	USD	975,000	0.12
1,000,000	MEDNAX Inc., senior note, 144A, 6.25%, 01/15/27	USA	USD	967,500	0.12
1,000,000	Altice Financing SA, secured bond, 144A, 7.50%, 05/15/26	LUX	USD	912,500	0.11
1,000,000	PulteGroup Inc., senior bond, 5.00%, 01/15/27	USA	USD	908,750	0.11
1,500,000	PetSmart Inc., senior note, 144A, 7.125%, 03/15/23	USA	USD	881,250	0.11
900,000	Navient Corp., senior note, 6.625%, 07/26/21	USA	USD	870,750	0.11
900,000	Stryker Corp., senior bond, 3.50%, 03/15/26	USA	USD	867,221	0.10
900,000	Woodside Finance Ltd., senior note, 144A, 3.70%, 09/15/26	AUS	USD	831,124	0.10
900,000	Party City Holdings Inc., senior note, 144A, 6.625%, 08/01/26	USA	USD	821,250	0.10
800,000	Tenet Healthcare Corp., senior note, 8.125%, 04/01/22	USA	USD	805,000	0.10
1,741,000	CHS/Community Health Systems Inc., senior note, 6.875%, 02/01/22	USA	USD	800,860	0.10
900,000	First Quantum Minerals Ltd., senior note, 144A, 7.25%, 04/01/23	ZMB	USD	795,375	0.10
700,000	Turkiye Vakiflar Bankasi TAO, secured note, Reg S, 2.375%, 11/04/22	TUR	EUR	770,748	0.09
800,000	Eagle Holdings Co. II LLC, senior note, 144A, PIK, 7.625%, 05/15/22 ‡	USA	USD	766,000	0.09
800,000	MPT Operating Partnership LP/MPT Finance Corp., senior bond, 5.25%, 08/01/26	USA	USD	758,000	0.09
800,000	Bank of America Corp., senior bond, 3.248%, 10/21/27	USA	USD	740,632	0.09
1,100,000	iHeartCommunications Inc., senior secured note, first lien, 9.00%, 09/15/22 *	USA	USD	737,000	0.09
1,000,000	PetSmart Inc., senior secured note, first lien, 144A, 5.875%, 06/01/25	USA	USD	727,500	0.09
700,000	Northwest Acquisitions ULC/Dominion Finco Inc., secured note, second lien, 144A, 7.125%, 11/01/22	CAN	USD	693,721	0.08
700,000	Reynolds Group Issuer Inc./Reynolds Group Issuer LLC/Reynolds Group Issuer Luxembourg SA, senior secured note, first lien, 144A, 5.125%, 07/15/23	USA	USD	667,625	0.08
800,000	Anheuser-Busch InBev Worldwide Inc., senior bond, 3.75%, 07/15/42	BEL	USD	634,126	0.08
600,000	Liberty Mutual Group Inc., senior note, 144A, 4.95%, 05/01/22	USA	USD	619,059	0.07
800,000	Endo DAC/Endo Finance LLC/Endo Finco Inc., senior note, 144A, 6.00%, 07/15/23	USA	USD	614,000	0.07
600,000	The Kroger Co., senior note, 4.00%, 02/01/24	USA	USD	605,697	0.07
600,000	JPMorgan Chase & Co., junior sub. bond, X, 6.10% to 10/01/24, FRN thereafter, Perpetual	USA	USD	597,000	0.07
700,000	Talen Energy Supply LLC, senior note, 144A, 10.50%, 01/15/26	USA	USD	595,000	0.07
600,000	Sealed Air Corp., senior bond, 144A, 5.50%, 09/15/25	USA	USD	594,000	0.07
500,000	Kinder Morgan Inc., senior secured bond, first lien, 144A, 5.625%, 11/15/23	USA	USD	529,614	0.06
500,000	Edwards Lifesciences Corp., senior note, 4.30%, 06/15/28	USA	USD	506,772	0.06
500,000	Clear Channel Worldwide Holdings Inc., senior note, 6.50%, 11/15/22	USA	USD	502,500	0.06
500,000	Sealed Air Corp., senior note, 144A, 4.875%, 12/01/22	USA	USD	496,875	0.06
500,000	Exxon Mobil Corp., senior note, 2.222%, 03/01/21	USA	USD	492,938	0.06
500,000	CNOOC Finance 2013 Ltd., senior note, 3.00%, 05/09/23	CHN	USD	485,113	0.06
500,000	JD.com Inc., senior note, 3.125%, 04/29/21	CHN	USD	484,968	0.06
500,000	Reynolds American Inc., senior note, 4.45%, 06/12/25	GBR	USD	482,991	0.06
500,000	DAE Funding LLC, senior note, 144A, 4.50%, 08/01/22	ARE	USD	480,000	0.06
500,000	Sinopec Group Overseas Development 2015 Ltd., senior note, 144A, 3.25%, 04/28/25	CHN	USD	478,119	0.06
500,000	Tech Data Corp., senior bond, 4.95%, 02/15/27	USA	USD	470,340	0.06
500,000	Morgan Stanley, senior bond, 4.30%, 01/27/45	USA	USD	469,371	0.06
500,000	Ardagh Packaging Finance PLC/Ardagh MP Holdings USA Inc., senior note, 144A, 6.00%, 02/15/25	LUX	USD	463,125	0.06
400,000	Banca Monte dei Paschi di Siena SpA, secured note, Reg S, 2.125%, 11/26/63	ITA	EUR	458,732	0.06
500,000	CHS/Community Health Systems Inc., senior secured note, first lien, 6.25%, 03/31/23	USA	USD	456,275	0.06
500,000	AT&T Inc., senior bond, 4.50%, 05/15/35	USA	USD	450,601	0.05
500,000	GE Capital International Funding Co., senior bond, 3.373%, 11/15/25	USA	USD	445,026	0.05
400,000	Lockheed Martin Corp., senior bond, 4.70%, 05/15/46	USA	USD	419,402	0.05
400,000	Dell International LLC/EMC Corp., senior note, 144A, 7.125%, 06/15/24	USA	USD	407,308	0.05
400,000	Springleaf Finance Corp., senior note, 6.00%, 06/01/20	USA	USD	402,500	0.05
400,000	Dell International LLC/EMC Corp., senior note, 144A, 5.875%, 06/15/21	USA	USD	400,554	0.05
400,000	Dominion Energy Inc., senior bond, 3.90%, 10/01/25	USA	USD	399,291	0.05
400,000	Three Gorges Finance I Cayman Islands Ltd., senior note, 144A, 3.70%, 06/10/25	CHN	USD	394,756	0.05
400,000	Royal Bank of Canada, secured note, 2.10%, 10/14/21	CAN	USD	394,481	0.05
400,000	Kookmin Bank, secured note, Reg S, 2.125%, 10/21/21	KOR	USD	392,058	0.05
400,000	Alibaba Group Holding Ltd., senior bond, 4.50%, 11/28/34	CHN	USD	387,566	0.05
400,000	Actavis Funding SCS, senior bond, 4.55%, 03/15/35	USA	USD	380,883	0.05
400,000	Citigroup Inc., senior note, 3.30%, 04/27/25	USA	USD	380,564	0.05
400,000	Amcor Finance USA Inc., senior note, 144A, 3.625%, 04/28/26	AUS	USD	378,145	0.05
400,000	Polaris Intermediate Corp., senior note, 144A, PIK, 8.50%, 12/01/22 ‡	USA	USD	366,348	0.04
300,000	Biogen Inc., senior bond, 5.20%, 09/15/45	USA	USD	310,018	0.04
300,000	Amgen Inc., senior bond, 4.95%, 10/01/41	USA	USD	307,032	0.04
300,000	Sinopec Group Overseas Development 2014 Ltd., senior note, 144A, 4.375%, 04/10/24	CHN	USD	307,014	0.04
300,000	Bausch Health Cos. Inc., senior note, first lien, 144A, 7.00%, 03/15/24	USA	USD	303,750	0.04
300,000	Maxim Integrated Products Inc., senior note, 3.375%, 03/15/23	USA	USD	299,191	0.04
300,000	Juniper Networks Inc., senior bond, 5.95%, 03/15/41	USA	USD	298,507	0.04
1,600,000	Sanchez Energy Corp., senior note, 6.125%, 01/15/23	USA	USD	296,000	0.04
300,000	Wells Fargo & Co., senior note, 2.50%, 03/04/21	USA	USD	295,266	0.04

The accompanying notes form an integral part of these financial statements

— Franklin Strategic Income Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Corporate Bonds (continued)				
300,000	American Tower Corp., senior bond, 3.50%, 01/31/23	USA	USD	295,092	0.04
300,000	State Grid Overseas Investment 2013 Ltd., senior note, 144A, 3.125%, 05/22/23	CHN	USD	294,827	0.04
300,000	Transurban Finance Co. Pty. Ltd., senior secured bond, 144A, 4.125%, 02/02/26	AUS	USD	294,600	0.04
300,000	Sunoco Logistics Partners Operations LP, senior note, 4.25%, 04/01/24	USA	USD	291,368	0.04
300,000	The Goldman Sachs Group Inc., senior note, 3.75%, 05/22/25	USA	USD	287,398	0.03
300,000	MSCI Inc., senior note, 144A, 4.75%, 08/01/26	USA	USD	285,000	0.03
300,000	Wells Fargo & Co., sub. bond, 4.65%, 11/04/44	USA	USD	283,406	0.03
300,000	Verizon Communications Inc., senior bond, 4.522%, 09/15/48	USA	USD	282,558	0.03
215,000	Virginia Electric & Power Co., senior bond, 6.35%, 11/30/37	USA	USD	265,568	0.03
300,000	Bunge Ltd. Finance Corp., senior note, 3.25%, 08/15/26	USA	USD	263,419	0.03
269,850	American Airlines Pass Through Trust, first lien, 2016-2, AA, 3.20%, 12/15/29	USA	USD	255,057	0.03
250,000	Woori Bank, sub. note, 144A, 4.75%, 04/30/24	KOR	USD	252,880	0.03
200,000	Legrand France SA, senior bond, 8.50%, 02/15/25	FRA	USD	247,040	0.03
200,000	Banca Monte dei Paschi di Siena SpA, secured note, Reg S, 2.875%, 04/16/59	ITA	EUR	238,385	0.03
300,000	Oceaneering International Inc., senior note, 4.65%, 11/15/24	USA	USD	237,804	0.03
500,000	Digicel Group Ltd., senior note, 144A, 7.125%, 04/01/22	BMU	USD	236,250	0.03
250,000	Enterprise Products Operating LLC, senior bond, 4.45%, 02/15/43	USA	USD	227,955	0.03
200,000	Telefonica Emisiones SA, senior note, 4.57%, 04/27/23	ESP	USD	205,833	0.03
200,000	Intesa Sanpaolo SpA, senior note, 144A, 6.50%, 02/24/21	ITA	USD	205,523	0.02
300,000	iHeartCommunications Inc., senior secured bond, first lien, 9.00%, 03/01/21 *	USA	USD	202,500	0.02
200,000	Reliance Steel & Aluminum Co., senior note, 4.50%, 04/15/23	USA	USD	202,238	0.02
200,000	Sydney Airport Finance Co. Pty. Ltd., senior secured bond, first lien, 144A, 3.90%, 03/22/23	AUS	USD	201,041	0.02
200,000	Aptiv Corp., senior bond, 4.15%, 03/15/24	USA	USD	200,418	0.02
200,000	American Tower Corp., senior bond, 4.40%, 02/15/26	USA	USD	200,241	0.02
200,000	Bank of America Corp., senior bond, 3.875%, 08/01/25	USA	USD	198,112	0.02
200,000	NBCUniversal Media LLC, senior bond, 4.45%, 01/15/43	USA	USD	193,453	0.02
200,000	SVB Financial Group, senior note, 3.50%, 01/29/25	USA	USD	191,887	0.02
200,000	Axalta Coating Systems LLC, senior note, 144A, 4.875%, 08/15/24	USA	USD	190,000	0.02
200,000	Republic Services Inc., senior note, 2.90%, 07/01/26	USA	USD	189,058	0.02
200,000	Valero Energy Corp., senior bond, 4.90%, 03/15/45	USA	USD	188,896	0.02
200,000	Georgia Power Co., senior bond, 4.30%, 03/15/42	USA	USD	185,122	0.02
200,000	Bausch Health Cos. Inc., senior bond, 144A, 6.125%, 04/15/25	USA	USD	175,000	0.02
200,000	EnLink Midstream Partners LP, senior bond, 5.05%, 04/01/45	USA	USD	159,395	0.02
150,000	Aviation Capital Group Corp., 144A, 6.75%, 04/06/21	USA	USD	159,261	0.02
150,000	MPLX LP, senior bond, 4.00%, 02/15/25	USA	USD	145,937	0.02
194,000	CHS/Community Health Systems Inc., secured note, Reg S, 8.125%, 06/30/24	USA	USD	142,590	0.02
100,000	Citigroup Inc., senior bond, 8.125%, 07/15/39	USA	USD	139,146	0.02
100,000	Telefonica Europe BV, junior sub. bond, 4.20% to 12/04/19, FRN thereafter, Perpetual	ESP	EUR	117,345	0.01
100,000	DP World Ltd., Reg S, 6.85%, 07/02/37	ARE	USD	111,575	0.01
100,000	Enogex LLC, senior bond, 144A, 6.25%, 03/15/20	USA	USD	102,886	0.01
100,000	Sabine Pass Liquefaction LLC, senior secured bond, first lien, 5.00%, 03/15/27	USA	USD	100,447	0.01
100,000	CNH Industrial Capital LLC, senior note, 3.875%, 10/15/21	USA	USD	99,580	0.01
100,000	Sprint Corp., senior bond, 7.125%, 06/15/24	USA	USD	99,356	0.01
100,000	First Data Corp., secured note, first lien, 144A, 5.00%, 01/15/24	USA	USD	96,625	0.01
100,000	DISH DBS Corp., senior bond, 5.00%, 03/15/23	USA	USD	83,625	0.01
100,000	Ensco PLC, senior bond, 5.75%, 10/01/44	USA	USD	56,388	0.01
100,000	Weatherford International Ltd., senior bond, 5.95%, 04/15/42	USA	USD	51,375	0.01
50,000	Enable Midstream Partners LP, senior note, 3.90%, 05/15/24	USA	USD	48,016	0.01
50,000	Enable Midstream Partners LP, senior bond, 5.00%, 05/15/44	USA	USD	41,278	0.01
302,621	K2016470260 South Africa Ltd., senior secured note, Reg S, PIK, 25.00%, 12/31/22 ‡	ZAF	USD	24,210	0.00
1,411,737	K2016470219 South Africa Ltd., senior secured note, Reg S, PIK, 3.00%, 12/31/22 ‡	ZAF	USD	1,765	0.00
				371,983,474	44.99
	Government and Municipal Bonds				
15,953,112	U.S. Treasury Note, Index Linked, 0.125%, 07/15/24	USA	USD	15,303,479	1.85
12,000,000	U.S. Treasury Note, 2.75%, 02/15/28	USA	USD	12,073,896	1.46
6,300,000	U.S. Treasury Note, 2.00%, 05/31/21	USA	USD	6,230,581	0.75
5,565,026	U.S. Treasury Bond, Index Linked, 0.625%, 01/15/24	USA	USD	5,479,955	0.66
5,075,000	Government of Serbia, senior note, Reg S, 4.875%, 02/25/20	SRB	USD	5,121,512	0.62
70,000,000,000	Government of Indonesia, senior bond, FR64, 6.125%, 05/15/28	IDN	IDR	4,294,927	0.52
6,150,000	Puerto Rico Electric Power Authority Power Revenue, Series A, 6.75%, 07/01/36 *	USA	USD	3,936,000	0.48
3,600,000	U.S. Treasury Note, 3.625%, 02/15/21	USA	USD	3,683,719	0.45
3,450,000	Port Authority of New York and New Jersey Revenue, Consolidated, One Hundred Ninety-First Series, 4.823%, 06/01/45	USA	USD	3,626,122	0.44
695,000	Government of Mexico, senior bond, M, 6.50%, 06/10/21	MEX	MXN	3,381,717	0.41
3,000,000	Government of Hungary, 5.375%, 02/21/23	HUN	USD	3,183,450	0.38
3,500	Brazil Notas do Tesouro Nacional, Index Linked, 6.00%, 05/15/23	BRA	BRL	3,041,164	0.37
2,410,000	California State GO, Various Purpose, Refunding, 5.00%, 09/01/29	USA	USD	2,842,354	0.34
2,700,000	U.S. Treasury Note, 2.375%, 05/15/27	USA	USD	2,646,245	0.32
2,800,000	The Export-Import Bank of India, senior note, 144A, 3.875%, 02/01/28	IND	USD	2,631,007	0.32
2,500,000	U.S. Treasury Bond, 3.00%, 11/15/45	USA	USD	2,500,170	0.30
2,000,000	Government of Serbia, Reg S, 7.25%, 09/28/21	SRB	USD	2,156,370	0.26
7,925	Nota Do Tesouro Nacional, 10.00%, 01/01/21	BRA	BRL	2,136,124	0.26
3,000,000	Puerto Rico Electric Power Authority Power Revenue, Series XX, 5.25%, 07/01/40 *	USA	USD	1,867,500	0.23
5,700	Nota Do Tesouro Nacional, 10.00%, 01/01/23	BRA	BRL	1,539,764	0.19
2,604,000	Government of Ukraine, Reg S, VRI, GDP Linked Security, zero cpn., 05/31/40	UKR	USD	1,500,177	0.18
1,500,000	U.S. Treasury Note, 2.125%, 06/30/21	USA	USD	1,487,740	0.18

The accompanying notes form an integral part of these financial statements

— Franklin Strategic Income Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Government and Municipal Bonds (continued)				
1,500,000	U.S. Treasury Note, 2.00%, 10/31/21	USA	USD	1,480,959	0.18
1,400,000	U.S. Treasury Note, 3.125%, 05/15/21	USA	USD	1,420,982	0.17
18,258,000,000	Government of Indonesia, senior bond, FR70, 8.375%, 03/15/24	IDN	IDR	1,290,375	0.16
750,000	U.S. Treasury Bond, 4.75%, 02/15/41	USA	USD	971,021	0.12
900,000	U.S. Treasury Note, 3.50%, 05/15/20	USA	USD	911,286	0.11
945,000	San Jose RDA Successor Agency Tax Allocation, Senior, Refunding, Series A-T, 3.25%, 08/01/29	USA	USD	910,999	0.11
750,000	New York City HDC Capital Fund Grant Program Revenue, New York City Housing Authority Program, Series B1, 5.00%, 07/01/33	USA	USD	810,660	0.10
700,000	U.S. Treasury Bond, 3.875%, 08/15/40	USA	USD	805,382	0.10
823,000	Government of Ukraine, Reg S, 7.75%, 09/01/24	UKR	USD	726,639	0.09
823,000	Government of Ukraine, Reg S, 7.75%, 09/01/25	UKR	USD	715,870	0.09
823,000	Government of Ukraine, Reg S, 7.75%, 09/01/26	UKR	USD	704,694	0.08
700,000	The Export-Import Bank of Korea, senior note, 2.25%, 01/21/20	KOR	USD	695,223	0.08
690,000	Orlando Health Obligated Group, 3.777%, 10/01/28	USA	USD	694,678	0.08
650,000	U.S. Treasury Bond, 3.00%, 11/15/44	USA	USD	650,389	0.08
600,000	U.S. Treasury Note, 2.00%, 08/31/21	USA	USD	592,619	0.07
500,000	Port Authority of New York and New Jersey Revenue, Consolidated, Refunding, One Hundred Ninety-Second Series, 4.81%, 10/15/65	USA	USD	544,865	0.07
6,470,000,000	Government of Indonesia, senior bond, FR34, 12.80%, 06/15/21	IDN	IDR	503,742	0.06
400,000	U.S. Treasury Bond, 4.375%, 05/15/40	USA	USD	491,948	0.06
5,381,000,000	Government of Indonesia, senior bond, FR40, 11.00%, 09/15/25	IDN	IDR	430,592	0.05
423,000	Government of Ukraine, Reg S, 7.75%, 09/01/27	UKR	USD	359,550	0.04
350,000	University of California Revenue, Limited Project, Refunding, Series J, 4.131%, 05/15/45	USA	USD	352,202	0.04
300,000	Industry Public Facilities Authority Tax Allocation Revenue, Transportation District, Industrial Redevelopment Project No. 2, Refunding, Series B, AGMC Insured, 4.294%, 01/01/23	USA	USD	308,715	0.04
323,000	Government of Ukraine, Reg S, 7.75%, 09/01/23	UKR	USD	291,911	0.03
265,000	Providence St. Joseph Health Obligated Group, 2.746%, 10/01/26	USA	USD	246,874	0.03
200,000	Minnesota State GO, Various Purpose, Refunding, Series F, 4.00%, 10/01/24	USA	USD	217,730	0.03
2,776,000,000	Government of Indonesia, senior bond, FR47, 10.00%, 02/15/28	IDN	IDR	216,424	0.03
200,000	Government of Serbia, senior note, 144A, 4.875%, 02/25/20	SRB	USD	201,833	0.02
165,000	U.S. Treasury Note, 2.00%, 11/30/22	USA	USD	162,041	0.02
2,126,000,000	Government of Indonesia, senior bond, FR44, 10.00%, 09/15/24	IDN	IDR	161,121	0.02
100,000	Government of Lithuania, Reg S, 7.375%, 02/11/20	LTU	USD	104,713	0.01
100,000	Government of Vietnam, Reg S, 6.75%, 01/29/20	VNM	USD	103,298	0.01
1,278,000,000	Government of Indonesia, senior bond, FR31, 11.00%, 11/15/20	IDN	IDR	95,130	0.01
80,000	U.S. Treasury Bond, 7.25%, 08/15/22	USA	USD	93,112	0.01
1,132,000,000	Government of Indonesia, senior bond, FR35, 12.90%, 06/15/22	IDN	IDR	90,654	0.01
1,000,000,000	Government of Indonesia, senior bond, FR37, 12.00%, 09/15/26	IDN	IDR	85,014	0.01
1,100,000,000	Government of Indonesia, senior bond, FR46, 9.50%, 07/15/23	IDN	IDR	81,024	0.01
55,000	California State GO, Various Purpose, 6.00%, 11/01/39	USA	USD	56,781	0.01
230,000,000	Government of Indonesia, senior bond, FR39, 11.75%, 08/15/23	IDN	IDR	18,327	0.00
5,000	Government of Hungary, senior bond, Reg S, 3.875%, 02/24/20	HUN	EUR	5,996	0.00
16,000,000	Government of Indonesia, senior bond, FR61, 7.00%, 05/15/22	IDN	IDR	1,089	0.00
				109,270,435	13.21
	Securities Maturing Within One Year				
5,000,000	INVISTA Finance LLC, senior secured note, 144A, 4.25%, 10/15/19	USA	USD	4,987,969	0.60
14,000	Nota Do Tesouro Nacional, senior note, 10.00%, 01/01/19	BRA	BRL	3,607,545	0.44
1,000,000	U.S. Treasury Note, 3.125%, 05/15/19	USA	USD	1,002,263	0.12
500,000	CSC Holdings LLC, senior bond, 8.625%, 02/15/19	USA	USD	502,500	0.06
500,000	Tenet Healthcare Corp., senior note, 5.50%, 03/01/19	USA	USD	501,750	0.06
400,000	Norddeutsche Landesbank Girozentrale, secured note, 144A, 2.00%, 02/05/19	DEU	USD	399,521	0.05
400,000	Dell International LLC/EMC Corp., senior secured note, first lien, 144A, 3.48%, 06/01/19	USA	USD	398,860	0.05
4,800,000,000	Government of Indonesia, senior bond, FR36, 11.50%, 09/15/19	IDN	IDR	345,513	0.04
300,000	Unione di Banche Italiane SpA, senior note, Reg S, 2.875%, 02/18/19	ITA	EUR	344,813	0.04
200,000	U.S. Treasury Bond, 8.125%, 08/15/19	USA	USD	206,567	0.03
60,000	Government of Hungary, 6.00%, 01/11/19	HUN	EUR	68,942	0.01
10,037	Credit Suisse First Boston Mortgage Securities Corp., 2004-6, 3A1, 5.00%, 09/25/19	USA	USD	10,351	0.00
197	FNMA, 5.50%, 09/01/19	USA	USD	198	0.00
156	FNMA, 4.50%, 04/01/19	USA	USD	159	0.00
50	FNMA, 4.50%, 04/01/19	USA	USD	51	0.00
				12,377,002	1.50
	TOTAL BONDS			733,432,798	88.70
	TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET			733,439,238	88.70
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET				
	SHARES				
	Specialty Retail				
18,079,489	K2016470219 South Africa Ltd., A **	ZAF	ZAR	12,583	0.00
1,799,161	K2016470219 South Africa Ltd., B **	ZAF	ZAR	1,252	0.00
				13,835	0.00
	TOTAL SHARES			13,835	0.00

The accompanying notes form an integral part of these financial statements

— Franklin Strategic Income Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	WARRANTS				
	Oil, Gas & Consumable Fuels				
9,910	Midstates Petroleum Co. Inc., wts., 04/21/20 **	USA	USD	25	0.00
	TOTAL WARRANTS			25	0.00
	BONDS				
	Corporate Bonds				
6,000,000	Vistra Energy Corp., Escrow Account	USA	USD	18,000	0.00
3,000,000	Midstates Petroleum Co. Inc./Midstates Petroleum Co. LLC, Escrow Account **	USA	USD	0	0.00
2,200	Motors Liquidation Co., Escrow Account, cvt. pfd., C, 6.25% **	USA	USD	0	0.00
1,550,000	NewPage Corp., Escrow Account **	USA	USD	0	0.00
5,300,000	T-Mobile USA Inc., Escrow Account **	USA	USD	0	0.00
				18,000	0.00
	TOTAL BONDS			18,000	0.00
	TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET			31,860	0.00
	TOTAL INVESTMENTS			736,908,557	89.12

† Floating Rates are indicated as at December 31, 2018
‡ Income may be received in additional securities and/or cash
* These Bonds are currently in default
** These securities are submitted to a Fair Valuation

The accompanying notes form an integral part of these financial statements

— Franklin Technology Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	SHARES				
	Automobiles				
25,200	Tesla Inc.	USA	USD	8,386,560	0.34
	Capital Markets				
400,000	Platinum Eagle Acquisition Corp.	USA	USD	4,176,000	0.17
400,000	Nebula Acquisition Corp.	USA	USD	4,044,000	0.16
				8,220,000	0.33
	Communications Equipment				
630,800	ViaSat Inc.	USA	USD	37,185,660	1.49
1,200,000	Viavi Solutions Inc.	USA	USD	12,060,000	0.49
				49,245,660	1.98
	Diversified Financial Services				
240,000	GTY Technology Holdings Inc., A	USA	USD	2,412,000	0.10
	Electrical Equipment				
158,200	Rockwell Automation Inc.	USA	USD	23,805,936	0.96
	Electronic Equipment, Instruments & Components				
451,300	Amphenol Corp., A	USA	USD	36,564,326	1.47
	Entertainment				
392,800	Electronic Arts Inc.	USA	USD	30,995,848	1.25
198,100	Spotify Technology SA	USA	USD	22,484,350	0.90
83,625	Tencent Music Entertainment Group, ADR	CHN	USD	1,105,522	0.04
				54,585,720	2.19
	Equity Real Estate Investment Trusts (REITs)				
334,300	American Tower Corp.	USA	USD	52,882,917	2.13
97,600	SBA Communications Corp., A	USA	USD	15,800,464	0.63
				68,683,381	2.76
	Health Care Equipment & Supplies				
293,800	Nevro Corp.	USA	USD	11,425,882	0.46
	Interactive Media & Services				
1,661,100	Tencent Holdings Ltd.	CHN	HKD	66,609,463	2.68
33,800	Alphabet Inc., C	USA	USD	35,003,618	1.41
188,800	Facebook Inc., A	USA	USD	24,749,792	0.99
				126,362,873	5.08
	Internet & Direct Marketing Retail				
817,000	Alibaba Group Holding Ltd., ADR	CHN	USD	111,986,190	4.50
67,900	Amazon.com Inc.	USA	USD	101,983,763	4.10
				213,969,953	8.60
	IT Services				
522,900	Visa Inc., A	USA	USD	68,991,426	2.77
361,100	Mastercard Inc., A	USA	USD	68,121,515	2.74
630,700	PayPal Holdings Inc.	USA	USD	53,035,563	2.13
579,900	Twilio Inc., A	USA	USD	51,785,070	2.08
280,800	Fidelity National Information Services Inc.	USA	USD	28,796,040	1.16
433,100	GoDaddy Inc., A	USA	USD	28,420,022	1.14
198,700	Accenture PLC, A	USA	USD	28,018,687	1.13
213,800	EPAM Systems Inc.	USA	USD	24,802,938	1.00
447,100	InterXion Holding NV	NLD	USD	24,214,936	0.97
372,600	Amdocs Ltd.	USA	USD	21,826,908	0.88
357,800	Square Inc., A	USA	USD	20,069,002	0.81
85,000	Shopify Inc., A	CAN	USD	11,768,250	0.47
				429,850,357	17.28
	Professional Services				
103,800	CoStar Group Inc.	USA	USD	35,015,892	1.40
12,000	Upwork Inc.	USA	USD	217,320	0.01
				35,233,212	1.41
	Semiconductors & Semiconductor Equipment				
611,100	Texas Instruments Inc.	USA	USD	57,748,950	2.32
660,800	Analog Devices Inc.	USA	USD	56,716,464	2.28
766,800	Microchip Technology Inc.	USA	USD	55,148,256	2.22
330,200	NVIDIA Corp.	USA	USD	44,081,700	1.77
323,400	Lam Research Corp.	USA	USD	44,037,378	1.77
1,255,900	Applied Materials Inc.	USA	USD	41,118,166	1.65
1,089,600	Taiwan Semiconductor Manufacturing Co. Ltd., ADR	TWN	USD	40,217,136	1.62
385,900	Xilinx Inc.	USA	USD	32,867,103	1.32
264,000	Monolithic Power Systems	USA	USD	30,690,000	1.23
289,600	KLA-Tencor Corp.	USA	USD	25,916,304	1.04
96,500	Broadcom Inc.	USA	USD	24,538,020	0.99
				453,079,477	18.21

The accompanying notes form an integral part of these financial statements

— Franklin Technology Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Software				
1,152,600	Microsoft Corp.	USA	USD	117,069,582	4.71
740,300	Salesforce.com Inc.	USA	USD	101,398,891	4.08
507,200	ServiceNow Inc.	USA	USD	90,306,960	3.63
561,200	Workday Inc., A	USA	USD	89,612,416	3.60
328,200	Autodesk Inc.	USA	USD	42,209,802	1.70
499,000	Synopsys Inc.	USA	USD	42,035,760	1.69
664,068	Zendesk Inc.	USA	USD	38,761,649	1.56
275,900	Hubspot Inc.	USA	USD	34,688,907	1.39
135,800	Adobe Inc.	USA	USD	30,723,392	1.24
590,300	2U Inc.	USA	USD	29,349,716	1.18
686,100	Zscaler Inc.	USA	USD	26,901,981	1.08
186,200	VMware Inc., A	USA	USD	25,533,606	1.03
303,600	Guidewire Software Inc.	USA	USD	24,357,828	0.98
953,300	Pluralsight Inc., A	USA	USD	22,450,215	0.90
95,300	Intuit Inc.	USA	USD	18,759,805	0.75
320,400	RealPage Inc.	USA	USD	15,440,076	0.62
305,000	Blackline Inc.	USA	USD	12,489,750	0.50
201,800	Alteryx Inc.	USA	USD	12,001,046	0.48
62,800	Tyler Technologies Inc.	USA	USD	11,669,496	0.47
140,800	Elastic NV	USA	USD	10,064,384	0.40
100,000	Kinaxis Inc.	CAN	CAD	4,828,016	0.19
				800,653,278	32.18
	Technology Hardware, Storage & Peripherals				
526,700	Apple Inc.	USA	USD	83,081,658	3.34
	TOTAL SHARES			2,405,560,273	96.69
	WARRANTS				
	Diversified Financial Services				
80,000	GTY Technology Holdings Inc., wts., 11/14/21	USA	USD	62,320	0.00
	TOTAL WARRANTS			62,320	0.00
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			2,405,622,593	96.69
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET				
	SHARES				
	Auto Components				
1,388,889	Tula Technology Inc., E **	USA	USD	2,561,548	0.10
	Automobiles				
919,300	Proterra Inc., pfd., 7 **	USA	USD	8,803,836	0.35
615,538	Proterra Inc., pfd., 5, 144A **	USA	USD	5,894,806	0.24
464,338	Proterra Inc., pfd., 6, 144A **	USA	USD	4,446,813	0.18
98,330	Proterra Inc. **	USA	USD	941,674	0.04
				20,087,129	0.81
	Diversified Financial Services				
1,818,182	Cloudflare Inc., pfd., D, 144A **	USA	USD	20,000,002	0.80
138,888	Tula eTechnology Inc. **	USA	USD	0	0.00
				20,000,002	0.80
	Hotels, Restaurants & Leisure				
1,309,896	DraftKings Inc. **	USA	USD	3,339,449	0.13
	Interactive Media & Services				
503,700	Tanium Inc., pfd., G **	USA	USD	4,366,454	0.18
	Semiconductors & Semiconductor Equipment				
4,950,495	eSilicon, H **	USA	USD	3,672,084	0.15
	TOTAL SHARES			54,026,666	2.17
	TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET			54,026,666	2.17
	TOTAL INVESTMENTS			2,459,649,259	98.86

** These securities are submitted to a Fair Valuation

The accompanying notes form an integral part of these financial statements

— Franklin U.S. Dollar Liquid Reserve Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	BONDS				
	Securities Maturing Within One Year				
38,300,000	U.S. Treasury Bill, 0.00%, 01/10/19	USA	USD	38,280,585	10.82
32,525,000	TVA, 0.00%, 01/02/19	USA	USD	32,525,000	9.20
21,260,000	FHLB, 0.00%, 01/11/19	USA	USD	21,247,393	6.01
20,000,000	Inter-American Development Bank, 0.00%, 01/07/19	SP	USD	19,993,420	5.65
20,000,000	International Bank for Reconstruction and Development, 0.00%, 01/14/19	SP	USD	19,984,200	5.65
20,000,000	International Bank for Reconstruction and Development, 0.00%, 01/15/19	SP	USD	19,982,880	5.65
20,000,000	TVA, 0.00%, 01/22/19	USA	USD	19,973,660	5.65
20,000,000	FHLB, 0.00%, 01/30/19	USA	USD	19,963,140	5.64
15,000,000	Exxon Mobil Corp., zero cpn., 01/03/19	USA	USD	14,997,015	4.24
15,000,000	Merck & Co. Inc., zero cpn., 01/09/19	USA	USD	14,991,195	4.24
15,000,000	Province of British Columbia, zero cpn., 01/09/19	CAN	USD	14,991,195	4.24
15,000,000	Quebec Treasury Bill, 0.00%, 01/22/19	CAN	USD	14,977,620	4.23
10,265,000	FHLB, 0.00%, 02/01/19	USA	USD	10,244,552	2.90
10,000,000	FHLB, 0.00%, 01/03/19	USA	USD	9,999,340	2.83
10,000,000	TVA, 0.00%, 01/08/19	USA	USD	9,996,050	2.83
10,000,000	Chevron Corp., zero cpn., 01/08/19	USA	USD	9,994,650	2.83
10,000,000	TVA, 0.00%, 01/15/19	USA	USD	9,991,440	2.82
10,000,000	Walmart Inc., zero cpn., 01/14/19	USA	USD	9,990,530	2.82
9,430,000	U.S. Treasury Bill, 0.00%, 01/08/19	USA	USD	9,426,425	2.67
7,240,000	U.S. Treasury Bill, 0.00%, 01/03/19	USA	USD	7,239,542	2.05
6,500,000	U.S. Treasury Bill, 0.00%, 01/02/19	USA	USD	6,500,000	1.84
5,300,000	FHLB, 0.00%, 01/08/19	USA	USD	5,297,906	1.50
1,000,000	FHLB, 0.00%, 01/04/19	USA	USD	999,868	0.28
				341,587,606	96.59
	TOTAL BONDS			341,587,606	96.59
	TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET			341,587,606	96.59
	TOTAL INVESTMENTS			341,587,606	96.59

The accompanying notes form an integral part of these financial statements

— Franklin U.S. Government Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	BONDS				
	Asset-Backed Securities				
186,887,421	GNMA II, SF, 3.50%, 09/20/47 - 08/20/48	USA	USD	188,307,532	28.96
53,242,544	GNMA, SF, 5.00%, 07/15/33 - 08/15/40	USA	USD	56,378,529	8.67
50,975,530	GNMA, SF, 4.00%, 10/15/40 - 08/15/46	USA	USD	52,564,103	8.09
47,888,813	GNMA II, SF, 4.50%, 05/20/33 - 10/20/44	USA	USD	50,257,711	7.74
45,920,781	GNMA II, SF, 4.00%, 05/20/40 - 06/20/48	USA	USD	47,336,585	7.29
40,037,659	GNMA II, SF, 3.50%, 08/20/42 - 06/20/43	USA	USD	40,564,342	6.25
29,475,861	GNMA, SF, 4.50%, 03/15/39 - 04/15/41	USA	USD	30,835,990	4.75
23,226,398	GNMA, 4.00%, 09/20/48	USA	USD	23,812,517	3.66
21,283,408	GNMA, SF, 6.00%, 10/15/23 - 01/15/38	USA	USD	23,158,414	3.56
19,787,326	GNMA, SF, 5.50%, 12/15/28 - 11/15/39	USA	USD	21,332,228	3.28
12,910,367	GNMA II, SF, 5.00%, 10/20/32 - 02/20/41	USA	USD	13,797,011	2.13
11,673,816	GNMA II, SF, 5.50%, 05/20/34 - 01/20/36	USA	USD	12,472,125	1.93
11,972,136	GNMA II, SF, 3.00%, 07/20/47 - 10/20/47	USA	USD	11,789,604	1.82
9,825,228	GNMA II, SF, 6.00%, 06/20/34 - 07/20/39	USA	USD	10,693,200	1.65
9,286,546	GNMA, SF, 6.50%, 11/15/23 - 07/15/38	USA	USD	10,268,497	1.56
4,795,850	GNMA, 3.50%, 04/20/48	USA	USD	4,832,293	0.74
3,848,299	GNMA II, SF, 6.50%, 03/20/27 - 10/20/38	USA	USD	4,385,627	0.67
3,415,289	GNMA, SF, 7.00%, 03/15/22 - 09/15/32	USA	USD	3,645,852	0.55
2,931,842	GNMA, SF, 3.50%, 04/15/43 - 05/15/43	USA	USD	2,966,262	0.46
2,078,288	GNMA II, SF, 7.00%, 05/20/26 - 03/20/33	USA	USD	2,399,146	0.36
1,345,369	GNMA, SF, 7.50%, 12/15/21 - 08/15/33	USA	USD	1,492,936	0.23
977,757	GNMA II, SF, 7.50%, 08/20/22 - 09/20/32	USA	USD	1,127,257	0.16
939,624	GNMA, SF, 8.00%, 02/15/20 - 12/15/30	USA	USD	989,697	0.15
728,566	GNMA II, 6.00%, 03/20/34	USA	USD	774,276	0.12
446,017	GNMA II, SF, 8.00%, 06/20/22 - 07/20/31	USA	USD	498,762	0.08
403,890	GNMA II, 6.50%, 04/20/34	USA	USD	433,973	0.07
205,563	GNMA, SF, 9.00%, 06/15/20 - 03/15/25	USA	USD	225,260	0.04
106,342	GNMA II, SF, 8.50%, 11/20/21 - 05/20/29	USA	USD	119,600	0.02
96,029	GNMA, SF, 8.50%, 04/15/20 - 06/15/28	USA	USD	102,227	0.01
75,815	GNMA, 7.50%, 04/15/31	USA	USD	78,087	0.01
39,453	GNMA, 8.00%, 01/15/31	USA	USD	39,839	0.01
24,706	GNMA, SF, 9.50%, 05/15/20 - 06/15/25	USA	USD	24,763	0.00
14,742	GNMA II, 8.00%, 03/20/27	USA	USD	15,864	0.00
12,721	GNMA II, SF, 9.50%, 04/20/20 - 07/20/25	USA	USD	12,794	0.00
10,948	GNMA, SF, 10.00%, 11/15/20 - 03/15/25	USA	USD	11,198	0.00
6,645	GNMA, 6.00%, 11/15/28	USA	USD	7,136	0.00
4,018	GNMA, SF, 7.80%, 02/15/20	USA	USD	4,023	0.00
1,625	GNMA I, 9.50%, 08/15/21 - 11/15/21	USA	USD	1,678	0.00
158	GNMA, SF, 10.50%, 12/15/20 - 04/15/25	USA	USD	158	0.00
5	GNMA, SF, 11.00%, 04/15/21	USA	USD	5	0.00
				617,757,101	95.02
	Government and Municipal Bonds				
6,315,000	U.S. Treasury Note, 2.375%, 05/15/27	USA	USD	6,189,273	0.95
1,800,000	U.S. Treasury Bond, 4.75%, 02/15/37	USA	USD	2,297,357	0.35
				8,486,630	1.30
	Securities Maturing Within One Year				
1,192	GNMA, SF, 9.00%, 04/15/19 - 12/15/19	USA	USD	1,193	0.00
826	GNMA, SF, 10.00%, 03/15/19 - 07/15/19	USA	USD	827	0.00
185	GNMA, SF, 8.00%, 11/15/19	USA	USD	185	0.00
163	GNMA, SF, 8.50%, 09/15/19	USA	USD	164	0.00
69	GNMA, SF, 10.50%, 06/15/19	USA	USD	69	0.00
				2,438	0.00
	TOTAL BONDS			626,246,169	96.32
	TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET			626,246,169	96.32
	TOTAL INVESTMENTS			626,246,169	96.32

The accompanying notes form an integral part of these financial statements

— Franklin U.S. Low Duration Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	SHARES				
	Oil, Gas & Consumable Fuels				
65,445	Halcon Resources Corp.	USA	USD	111,256	0.02
	TOTAL SHARES			111,256	0.02
	WARRANTS				
	Oil, Gas & Consumable Fuels				
5,835	Halcon Resources Corp., wts., 09/09/20	USA	USD	299	0.00
	TOTAL WARRANTS			299	0.00
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			111,555	0.02
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	BONDS				
	Asset-Backed Securities				
7,530,000	FHLMC Structured Agency Credit Risk Debt Notes, 2015-DNA2, M3, FRN, 6.406%, 12/25/27 †	USA	USD	8,135,526	1.10
7,350,000	American Express Credit Account Master Trust, 2017-6, A, 2.04%, 05/15/23	USA	USD	7,239,547	0.98
6,380,000	FHLMC Structured Agency Credit Risk Debt Notes, 2015-HQ1, M3, FRN, 6.306%, 03/25/25 †	USA	USD	6,724,625	0.91
6,162,106	FNMA Connecticut Avenue Securities, 2014-C03, 1M2, FRN, 5.506%, 07/25/24 †	USA	USD	6,484,257	0.88
5,500,000	FHLMC Structured Agency Credit Risk Debt Notes, 2015-HQ2, M3, FRN, 5.756%, 05/25/25 †	USA	USD	5,980,116	0.81
5,837,852	Towd Point Mortgage Trust, 2017-1, A1, 144A, FRN, 2.75%, 10/25/56 †	USA	USD	5,733,159	0.78
5,132,117	FNMA Connecticut Avenue Securities, 2015-C01, 1M2, FRN, 6.806%, 02/25/25 †	USA	USD	5,546,761	0.75
4,801,545	FHLMC Structured Agency Credit Risk Debt Notes, 2014-DN4, M3, FRN, 7.056%, 10/25/24 †	USA	USD	5,258,816	0.71
5,198,719	Core Industrial Trust, 2015-CALW, A, 144A, 3.04%, 02/10/34	USA	USD	5,183,854	0.70
5,211,462	Towd Point Mortgage Trust, 2016-5, A1, 144A, FRN, 2.50%, 10/25/56 †	USA	USD	5,078,267	0.69
5,030,345	Octagon Investment Partners XX Ltd., 2014-1A, AR, 144A, FRN, 3.748%, 08/12/26 †	USA	USD	5,030,898	0.68
5,072,681	Towd Point Mortgage Trust, 2017-4, A1, 144A, FRN, 2.75%, 06/25/57 †	USA	USD	4,957,943	0.67
5,000,000	Discover Card Execution Note Trust, 2015-A2, A, 1.90%, 10/17/22	USA	USD	4,932,546	0.67
4,294,837	FNMA Connecticut Avenue Securities, 2013-C01, M2, FRN, 7.756%, 10/25/23 †	USA	USD	4,809,219	0.65
4,241,321	FNMA Connecticut Avenue Securities, 2015-C03, 1M2, FRN, 7.506%, 07/25/25 †	USA	USD	4,686,016	0.64
4,000,000	FHLMC Structured Agency Credit Risk Debt Notes, 2015-HQA1, M3, FRN, 7.206%, 03/25/28 †	USA	USD	4,470,534	0.61
4,000,000	FNMA Connecticut Avenue Securities, 2016-C04, 1M2, FRN, 6.756%, 01/25/29 †	USA	USD	4,433,358	0.60
3,890,946	FNMA Connecticut Avenue Securities, 2014-C04, 1M1, FRN, 7.406%, 11/25/24 †	USA	USD	4,346,402	0.59
4,250,000	Neuberger Berman CLO XVIII Ltd., 2014-18A, A1BR, 144A, FRN, 3.889%, 10/21/30 †	USA	USD	4,232,745	0.57
3,700,000	FNMA Connecticut Avenue Securities, 2014-C01, M2, FRN, 6.906%, 01/25/24 †	USA	USD	4,093,671	0.56
3,795,831	FHLMC Structured Agency Credit Risk Debt Notes, 2014-DN3, M3, FRN, 6.506%, 08/25/24 †	USA	USD	4,083,329	0.55
3,714,269	FNMA Connecticut Avenue Securities, 2015-C03, 2M2, FRN, 7.506%, 07/25/25 †	USA	USD	4,058,147	0.55
4,000,000	Dryden 64 CLO Ltd., 2018-64A, A, 144A, FRN, 3.415%, 04/18/31 †	USA	USD	3,914,720	0.53
3,664,833	FNMA Connecticut Avenue Securities, 2015-C02, 2M2, FRN, 6.506%, 05/25/25 †	USA	USD	3,908,045	0.53
3,920,000	American Express Credit Account Master Trust, 2017-1, B, 2.10%, 09/15/22	USA	USD	3,884,111	0.53
3,700,000	Citibank Credit Card Issuance Trust, 2018-A1, A1, 2.49%, 01/20/23	USA	USD	3,671,617	0.50
3,700,000	Discover Card Execution Note Trust, 2017-A6, A6, 1.88%, 02/15/23	USA	USD	3,644,831	0.49
3,288,494	FNMA Connecticut Avenue Securities, 2015-C02, 1M2, FRN, 6.506%, 05/25/25 †	USA	USD	3,525,033	0.48
3,486,900	Catamaran CLO Ltd., 2014-2A, BR, 144A, FRN, 5.395%, 10/18/26 †	USA	USD	3,487,981	0.47
3,428,412	Invitation Homes Trust, 2018-SFR3, A, 144A, FRN, 3.456%, 07/17/37 †	USA	USD	3,414,956	0.46
3,476,082	Towd Point Mortgage Trust, 2018-4, A1, 144A, FRN, 3.00%, 06/25/58 †	USA	USD	3,394,622	0.46
3,352,642	Towd Point Mortgage Trust, 2018-3, A1, 144A, FRN, 3.75%, 05/25/58 †	USA	USD	3,357,601	0.46
3,090,784	FNMA Connecticut Avenue Securities, 2015-C01, 2M2, FRN, 7.056%, 02/25/25 †	USA	USD	3,299,190	0.45
3,097,000	FNMA Connecticut Avenue Securities, 2014-C02, 1M2, FRN, 5.106%, 05/25/24 †	USA	USD	3,247,246	0.44
3,000,000	FHLMC Structured Agency Credit Risk Debt Notes, HQA1, M2, FRN, 6.056%, 08/25/29 †	USA	USD	3,177,859	0.43
2,713,568	FNMA Connecticut Avenue Securities, 2016-C01, 2M2, FRN, 9.456%, 08/25/28 †	USA	USD	3,150,024	0.43
3,128,000	Capital One Multi-Asset Execution Trust, 2004-B3, B3, FRN, 3.185%, 01/18/22 †	USA	USD	3,131,453	0.43
3,161,000	Capital One Multi-Asset Execution Trust, 2017-A1, A1, 2.00%, 01/17/23	USA	USD	3,127,057	0.42
3,140,327	Towd Point Mortgage Trust, 2016-4, A1, 144A, FRN, 2.25%, 07/25/56 †	USA	USD	3,064,739	0.42
3,000,000	Atrium XIII, 2013A, C, 144A, FRN, 4.277%, 11/21/30 †	USA	USD	2,819,160	0.38
3,000,000	LCM 26 Ltd., 26A, C, 144A, FRN, 4.269%, 01/20/31 †	USA	USD	2,798,250	0.38
2,510,000	FHLMC Structured Agency Credit Risk Debt Notes, 2015-DNA1, M3, FRN, 5.806%, 10/25/27 †	USA	USD	2,725,451	0.37
2,408,798	FNMA Connecticut Avenue Securities, 2014-C04, 2M2, FRN, 7.506%, 11/25/24 †	USA	USD	2,661,710	0.36
2,750,000	BlueMountain Fuji U.S. CLO II Ltd., 2017-2A, B, 144A, FRN, 4.498%, 10/20/30 †	USA	USD	2,648,910	0.36
2,684,000	Wells Fargo Commercial Mortgage Trust, 2016-NXS6, A2, 2.399%, 11/15/49	USA	USD	2,632,514	0.36
2,661,141	Towd Point Mortgage Trust, 2017-2, A1, 144A, FRN, 2.75%, 04/25/57 †	USA	USD	2,605,663	0.35
2,470,507	FNMA Connecticut Avenue Securities, 2014-C03, 2M2, FRN, 5.406%, 07/25/24 †	USA	USD	2,585,154	0.35
2,553,073	Flagstar Mortgage Trust, 2018-6RR, 1A3, 144A, FRN, 4.00%, 10/25/48 †	USA	USD	2,573,541	0.35
2,090,000	FHLMC Structured Agency Credit Risk Debt Notes, 2016-DNA1, M3, FRN, 8.056%, 07/25/28 †	USA	USD	2,475,547	0.34
2,418,393	Invitation Homes Trust, 2018-SFR4, A, 144A, FRN, 3.556%, 01/17/38 †	USA	USD	2,443,244	0.33
2,250,000	FNMA Connecticut Avenue Securities, 2017-C01, 1M2, FRN, 6.056%, 07/25/29 †	USA	USD	2,387,177	0.32
2,400,000	Madison Park Funding XXIII Ltd., 2017-23A, B, 144A, FRN, 4.209%, 07/27/30 †	USA	USD	2,365,800	0.32
2,363,886	Towd Point Mortgage Trust, 2018-2, A1, 144A, FRN, 3.25%, 03/25/58 †	USA	USD	2,335,830	0.32
2,320,304	Merrill Lynch Mortgage Investors Trust, 2005-A10, A, FRN, 2.716%, 02/25/36 †	USA	USD	2,232,827	0.30
2,205,828	CIM Trust, 2018-INV1, A4, 144A, FRN, 4.00%, 08/25/48 †	USA	USD	2,220,362	0.30
39,492,782	GS Mortgage Securities Trust, 2017-GS5, XA, IO, FRN, 0.82%, 03/10/50 †	USA	USD	2,176,052	0.30

The accompanying notes form an integral part of these financial statements

— Franklin U.S. Low Duration Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Asset-Backed Securities (continued)				
1,820,000	FHLMC Structured Agency Credit Risk Debt Notes, 2015-DNA3, M3, FRN, 7.206%, 04/25/28 †	USA	USD	2,102,515	0.29
2,063,389	Octagon Investment Partners XIX Ltd., 2014-14, AR, 144A, FRN, 3.536%, 04/15/26 †	USA	USD	2,063,554	0.28
2,055,000	Citibank Credit Card Issuance Trust, 2017-A8, A8, 1.86%, 08/08/22	USA	USD	2,022,189	0.27
1,990,000	BAMLL Commercial Mortgage Securities Trust, 2012-PARK, A, 144A, 2.959%, 12/10/30	USA	USD	1,997,886	0.27
1,966,273	Towd Point Mortgage Trust, 2016-1, A1, 144A, FRN, 3.50%, 02/25/55 †	USA	USD	1,965,754	0.27
2,000,000	Bain Capital Credit CLO, 2018-1A, A1, 144A, FRN, 3.437%, 04/23/31 †	USA	USD	1,959,260	0.27
2,000,000	Gilbert Park CLO Ltd., 2017-1A, B, 144A, FRN, 4.036%, 10/15/30 †	USA	USD	1,953,880	0.27
2,000,000	AMMC CLO XI Ltd., 2012-11A, BR2, 144A, FRN, 4.12%, 04/30/31 †	USA	USD	1,935,040	0.26
2,000,000	TCI-Flatiron CLO Ltd., 2017-1A, C, 144A, FRN, 4.49%, 11/17/30 †	USA	USD	1,906,560	0.26
2,000,000	Long Point Park CLO Ltd., 2017-1A, B, 144A, FRN, 4.149%, 01/17/30 †	USA	USD	1,864,000	0.25
2,000,000	BlueMountain Fuji U.S. CLO III Ltd., 2017-3A, C, 144A, FRN, 4.136%, 01/15/30 †	USA	USD	1,863,800	0.25
1,700,825	FHLMC Structured Agency Credit Risk Debt Notes, 2015-DN1, M3, FRN, 6.656%, 01/25/25 †	USA	USD	1,807,721	0.25
1,797,318	BX Commercial Mortgage Trust, 2018-IND, A, 144A, FRN, 3.205%, 11/15/35 †	USA	USD	1,777,134	0.24
1,753,732	FHLMC Structured Agency Credit Risk Debt Notes, 2015-DNA1, M2, FRN, 4.356%, 10/25/27 †	USA	USD	1,776,008	0.24
1,610,000	FHLMC Structured Agency Credit Risk Debt Notes, 2014-HQ2, M3, FRN, 6.256%, 09/25/24 †	USA	USD	1,773,409	0.24
1,800,000	Carlyle Global Market Strategies CLO Ltd., 2014-4RA, A2, 144A, FRN, 4.036%, 07/15/30 †	USA	USD	1,756,584	0.24
1,710,000	Carlyle Global Market Strategies CLO Ltd., 2012-4A, AR, 144A, FRN, 3.919%, 01/20/29 †	USA	USD	1,719,456	0.23
1,740,000	West CLO Ltd., 2014-1A, A2R, 144A, FRN, 3.795%, 07/18/26 †	USA	USD	1,713,465	0.23
1,679,236	FHLMC Structured Agency Credit Risk Debt Notes, 2015-HQA1, M2, FRN, 5.156%, 03/25/28 †	USA	USD	1,701,072	0.23
1,700,000	Capital One Multi-Asset Execution Trust, 2017-A4, A4, 1.99%, 07/17/23	USA	USD	1,674,256	0.23
1,668,790	Towd Point Mortgage Trust, 2017-5, A1, 144A, FRN, 3.106%, 02/25/57 †	USA	USD	1,663,850	0.23
1,600,604	FNMA Connecticut Avenue Securities, 2014-C02, 2M2, FRN, 5.106%, 05/25/24 †	USA	USD	1,659,187	0.23
1,591,299	Wells Fargo Mortgage Backed Securities, 2018-1, A3, 144A, FRN, 3.50%, 07/25/47 †	USA	USD	1,576,638	0.21
26,149,027	JPMorgan Chase Commercial Mortgage Securities Trust, 2017-JP5, XA, IO, FRN, 1.098%, 03/15/50 †	USA	USD	1,572,856	0.21
1,512,500	Sprint Spectrum Co. LLC/Sprint Spectrum Co. II LLC, first lien, 144A, 3.36%, 03/20/23	USA	USD	1,497,375	0.20
1,500,000	Dryden 50 Senior Loan Fund, 2017-50A, A1, 144A, FRN, 3.656%, 07/15/30 †	USA	USD	1,491,165	0.20
1,500,000	Voya CLO Ltd., 2018-2A, A2, 144A, FRN, 3.624%, 07/15/31 †	USA	USD	1,489,710	0.20
1,441,655	Towd Point Mortgage Trust, 2018-5, A1A, 144A, FRN, 3.25%, 07/25/58 †	USA	USD	1,427,764	0.19
1,450,000	Dryden 50 Senior Loan Fund, 2017-50A, C, 144A, FRN, 4.686%, 07/15/30 †	USA	USD	1,402,440	0.19
1,300,000	LCM XXII Ltd., 22A, A2R, 144A, FRN, 3.952%, 10/20/28 †	USA	USD	1,262,833	0.17
20,604,234	JPMDB Commercial Mortgage Securities Trust, 2017-C5, XA, IO, FRN, 0.994%, 03/15/50 †	USA	USD	1,242,969	0.17
1,338,000	Commercial Mortgage Trust, 2006-GG7, AJ, FRN, 5.692%, 07/10/38 †	USA	USD	1,232,769	0.17
14,258,104	Bank 2017-BNK4, XA, IO, FRN, 1.441%, 05/15/50 †	USA	USD	1,194,886	0.16
1,181,250	Towd Point Mortgage Trust, 2018-3, A1A, 144A, FRN, 3.50%, 03/25/54 †	USA	USD	1,178,102	0.16
1,100,000	Ameriquest Mortgage Securities Inc. Asset-Backed Pass-Through Certificates, 2004-R9, M3, FRN, 34, 3.526%, 10/25/34 †	USA	USD	1,107,799	0.15
1,100,000	Ellington CLO III Ltd., 2018-3A, A1, 144A, FRN, 4.119%, 07/20/30 †	USA	USD	1,088,274	0.15
1,045,000	Discover Card Execution Note Trust, 2018-A4, A4, 3.11%, 01/16/24	USA	USD	1,051,679	0.14
1,004,200	FNMA Connecticut Avenue Securities, 2014-C01, M1, FRN, 4.106%, 01/25/24 †	USA	USD	1,006,910	0.14
1,021,000	Madison Park Funding XXVII Ltd., 2018-27A, A1B, 144A, FRN, 3.599%, 04/20/30 †	USA	USD	1,004,827	0.14
1,000,000	AMMC CLO 15 Ltd., 2014-15A, ARR, 144A, FRN, 3.587%, 01/15/32 †	USA	USD	996,390	0.14
1,000,000	Carlyle U.S. CLO Ltd., 2017-3A, B, 144A, FRN, 4.819%, 07/20/29 †	USA	USD	994,060	0.14
1,000,000	Octagon Investment Partners 28 Ltd., 16-1A, A2R, 144A, FRN, 3.869%, 10/24/30 †	USA	USD	993,230	0.14
1,000,000	Octagon Investment Partners 35 Ltd., 2018-1A, A1B, 144A, FRN, 3.569%, 01/20/31 †	USA	USD	989,450	0.13
1,000,000	Bain Capital Credit CLO, 2018-1A, A2, 144A, FRN, 3.627%, 04/23/31 †	USA	USD	985,520	0.13
1,000,000	Sprint Spectrum Co. LLC/Sprint Spectrum Co. II LLC, senior secured bond, first lien, 144A, 4.738%, 09/20/29	USA	USD	981,250	0.13
1,000,000	Webster Park CLO Ltd., 2015-1A, A2R, 144A, FRN, 4.069%, 07/20/30 †	USA	USD	976,150	0.13
1,000,000	Octagon Investment Partners 37 Ltd., 2018-2A, A2, 144A, FRN, 3.94%, 07/25/30 †	USA	USD	975,910	0.13
1,000,000	Octagon Investment Partners XVI Ltd., 2013-1A, BR, 144A, FRN, 3.992%, 07/17/30 †	USA	USD	974,780	0.13
1,000,000	Dryden 58 CLO Ltd., 2018-58A, B, 144A, FRN, 3.886%, 07/17/31 †	USA	USD	972,630	0.13
1,000,000	ARES CLO Ltd., 2018-48A, B, 144A, FRN, 3.919%, 07/20/30 †	USA	USD	970,140	0.13
1,000,000	Carlyle U.S. CLO Ltd., 2017-4A, B, 144A, FRN, 4.286%, 01/15/30 †	USA	USD	941,520	0.13
1,000,000	Dryden 55 CLO Ltd., 2018-55A, C, 144A, FRN, 4.336%, 04/15/31 †	USA	USD	937,730	0.13
1,000,000	Dryden 53 CLO Ltd., 2017-53A, C, 144A, FRN, 4.136%, 01/15/31 †	USA	USD	930,000	0.13
1,000,000	Neuberger Berman Loan Advisers CLO Ltd., 2018-27A, C, 144A, FRN, 4.136%, 01/15/30 †	USA	USD	924,290	0.13
922,591	American Home Mortgage Investment Trust, 2004-3, 4A, FRN, 4.296%, 10/25/34 †	USA	USD	909,877	0.12
908,201	Manufactured Housing Contract Trust Pass Through Certificates, 2001-1, IIM2, FRN, 3.92%, 04/20/32 †	USA	USD	899,348	0.12
860,714	BlueMountain CLO Ltd., 2012-2A, AR2, 144A, FRN, 3.695%, 11/20/28 †	USA	USD	856,152	0.12
840,000	Progress Residential Trust, 2018-SFR2, A, 144A, 3.712%, 08/17/35	USA	USD	842,346	0.11

The accompanying notes form an integral part of these financial statements

— Franklin U.S. Low Duration Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Asset-Backed Securities (continued)				
800,000	Neuberger Berman CLO XVI-S Ltd., 2017-16SA, C, 144A, FRN, 4.036%, 01/15/28 †	USA	USD	768,472	0.10
750,000	Madison Park Funding XXXI Ltd., 2018-31A, A2A, 144A, FRN, 4.276%, 01/23/31 †	USA	USD	745,279	0.10
715,286	FNMA, 4.00%, 04/01/25	USA	USD	732,520	0.10
744,094	Burnham Park CLO Ltd., 2016-1A, BR, 144A, FRN, 3.969%, 10/20/29 †	USA	USD	726,035	0.10
722,222	LCM XVI LP, 2016A, A2R, 144A, FRN, 3.855%, 10/15/31 †	USA	USD	717,195	0.10
680,000	Dryden 33 Senior Loan Fund, 2014-33A, AR, 144A, FRN, 3.866%, 10/15/28 †	USA	USD	679,164	0.09
657,895	Harbor Park CLO Ltd., 1A, A2, 144A, FRN, 4.239%, 01/20/31 †	USA	USD	653,586	0.09
636,978	Wells Fargo Mortgage Backed Securities Trust, 2005-AR, 1A1, FRN, 4.093%, 02/25/35 †	USA	USD	652,774	0.09
668,224	Citigroup Commercial Mortgage Trust, 2006-C5, AJ, 5.482%, 10/15/49	USA	USD	641,969	0.09
635,000	BlueMountain Fuji U.S. CLO I Ltd., 2017-1A, C, 144A, FRN, 4.819%, 07/20/29 †	USA	USD	620,382	0.08
573,791	FNMA, ARM, 4.293%, 12/01/36	USA	USD	598,236	0.08
600,000	BBC Middle Market CLO LLC, 2018-1A, A2, 144A, FRN, 4.369%, 10/20/30 †	USA	USD	579,486	0.08
567,132	FHLMC Structured Agency Credit Risk Debt Notes, 2014-DN1, M2, FRN, 4.706%, 02/25/24 †	USA	USD	577,807	0.08
560,580	Dryden 70 CLO Ltd., 2018-70A, B, 144A, FRN, 4.54%, 01/16/32 †	USA	USD	559,878	0.08
545,455	Neuberger Berman CLO XVIII Ltd., 2014-18A, A2R2, 144A, FRN, 4.189%, 10/21/30 †	USA	USD	528,628	0.07
498,472	Wells Fargo Mortgage Backed Securities Trust, 2005-AR10, 2A3, FRN, 4.513%, 06/25/35 †	USA	USD	503,001	0.07
500,000	LCM XXIII Ltd., 23A, A2, 144A, FRN, 4.319%, 10/20/29 †	USA	USD	501,080	0.07
500,000	Atrium IX, 9A, AR, 144A, FRN, 3.947%, 05/28/30 †	USA	USD	497,545	0.07
500,000	ARES L CLO Ltd., 2018-50A, B, 144A, FRN, 4.478%, 01/15/32 †	USA	USD	496,220	0.07
500,000	Madison Park Funding XXIII Ltd., 2017-23A, C, 144A, FRN, 4.859%, 07/27/30 †	USA	USD	487,785	0.07
500,000	AMMC CLO 21 Ltd., 2017-21A, C, 144A, FRN, 4.659%, 11/02/30 †	USA	USD	475,695	0.07
500,000	Octagon Investment Partners 33 Ltd., 2017-1A, B, 144A, FRN, 4.319%, 01/20/31 †	USA	USD	469,990	0.06
439,516	AMMC CLO 15 Ltd., 2014-15A, BRR, 144A, FRN, 4.127%, 01/15/32 †	USA	USD	433,917	0.06
429,998	Ameriquest Mortgage Securities Inc. Asset-Backed Pass-Through Certificates, 2004-R4, M1, FRN, 3.331%, 06/25/34 †	USA	USD	432,831	0.06
397,657	Conseco Finance Securitizations Corp., 2002-2, M1, FRN, 7.424%, 03/01/33 †	USA	USD	430,882	0.06
426,191	Towd Point Mortgage Trust, 2015-3, A1B, 144A, FRN, 3.00%, 03/25/54 †	USA	USD	422,743	0.06
404,466	Structured Asset Investment Loan Trust, 2004-8, M1, FRN, 3.406%, 09/25/34 †	USA	USD	403,191	0.06
410,000	Dryden 49 Senior Loan Fund, 2017-49A, C, 144A, FRN, 4.795%, 07/18/30 †	USA	USD	398,918	0.05
400,000	Alinea CLO Ltd., 2018-1A, B, 144A, FRN, 3.957%, 07/20/31 †	USA	USD	388,569	0.05
337,000	Argent Securities Inc. Asset-Backed Pass-Through Certificates, 2005-W2, A2C, FRN, 2.866%, 10/25/35 †	USA	USD	337,865	0.05
314,660	WaMu Mortgage Pass-Through Certificates, 2005-AR8, 1A1A, FRN, 3.086%, 07/25/45 †	USA	USD	311,761	0.04
300,000	BlueMountain CLO Ltd., 2018-3A, B, 144A, FRN, 4.206%, 10/25/30 †	USA	USD	294,732	0.04
300,000	Dryden 45 Senior Loan Fund, 2016-45A, BR, 144A, FRN, 4.136%, 10/15/30 †	USA	USD	294,534	0.04
300,000	Madison Park Funding XXIX Ltd., 2018-29A, B, 144A, FRN, 4.155%, 10/18/30 †	USA	USD	294,300	0.04
300,000	Voya CLO Ltd., 2016-3A, A3R, 144A, FRN, 4.221%, 10/18/31 †	USA	USD	291,913	0.04
7,827,852	GS Mortgage Securities Corp. II, 2015-GC30, XA, IO, FRN, 0.856%, 05/10/50 †	USA	USD	283,407	0.04
280,914	GE Capital Commercial Mortgage Corp. Trust, 2007-C1, AM, FRN, 5.606%, 12/10/49 †	USA	USD	282,158	0.04
300,000	AMMC CLO XI Ltd., 2012-11A, DR2, 144A, FRN, 5.37%, 04/30/31 †	USA	USD	274,701	0.04
269,534	TCI-Cent CLO Income Note Issuer Ltd., 2017-1A, B, 144A, FRN, 4.84%, 07/25/30 †	USA	USD	261,316	0.04
230,247	FNMA, ARM, 4.014%, 03/01/36	USA	USD	237,942	0.03
234,319	Voya CLO Ltd., 2017-3A, B, 144A, FRN, 4.819%, 07/20/30 †	USA	USD	227,988	0.03
207,487	FNMA, ARM, 4.07%, 11/01/35	USA	USD	214,530	0.03
191,791	FNMA, ARM, 3.786%, 02/01/33	USA	USD	199,871	0.03
181,349	Wells Fargo Mortgage Backed Securities Trust, 2005-AR3, 2A1, FRN, 4.567%, 03/25/35 †	USA	USD	184,470	0.03
165,774	FNMA, ARM, 4.685%, 09/01/34	USA	USD	174,558	0.02
171,603	Commercial Mortgage Trust, 2006-GG7, AM, FRN, 5.692%, 07/10/38 †	USA	USD	172,248	0.02
161,138	FNMA, ARM, 4.325%, 08/01/33	USA	USD	166,728	0.02
162,638	FHLMC Structured Agency Credit Risk Debt Notes, 2016-HQA1, M2, FRN, 5.256%, 09/25/28 †	USA	USD	165,156	0.02
170,129	Merrill Lynch Mortgage Investors Trust, 2003-A, 1A, FRN, 3.246%, 03/25/28 †	USA	USD	163,602	0.02
162,938	FNMA, 2005-122, FN, FRN, 2.856%, 01/25/36 †	USA	USD	163,389	0.02
153,486	FNMA, ARM, 4.438%, 11/01/39	USA	USD	160,068	0.02
150,941	FNMA, ARM, 4.515%, 07/01/35	USA	USD	153,360	0.02
152,654	CWABS Inc. Asset-Backed Certificates, 2004-1, M1, FRN, 3.256%, 03/25/34 †	USA	USD	153,260	0.02
144,233	FNMA, ARM, 3.674%, 03/01/35	USA	USD	151,398	0.02
144,229	GSAA Home Equity Trust, 2005-6, A3, FRN, 2.876%, 06/25/35 †	USA	USD	143,658	0.02
141,242	Madison Avenue Manufactured Housing Contract Trust, 2002-A, B1, FRN, 5.756%, 03/25/32 †	USA	USD	142,443	0.02
135,311	Credit Suisse First Boston Mortgage Securities Corp., 2001-HE8, M1, FRN, 3.556%, 02/25/31 †	USA	USD	137,804	0.02
132,661	Octagon Investment Partners 31 LLC, 2017-1A, C, 144A, FRN, 4.869%, 07/20/30 †	USA	USD	129,582	0.02
121,055	FNMA, ARM, 4.108%, 02/01/30	USA	USD	122,814	0.02
115,707	FNMA, ARM, 4.88%, 05/01/33	USA	USD	120,771	0.02
115,487	FNMA, ARM, 3.63%, 05/01/35	USA	USD	119,802	0.02
113,871	FNMA, ARM, 4.062%, 06/01/35	USA	USD	118,548	0.02
111,687	FNMA, ARM, 4.324%, 07/01/36	USA	USD	116,545	0.02
110,013	FNMA, ARM, 4.347%, 06/01/33	USA	USD	115,978	0.02
107,884	FNMA, ARM, 3.806%, 04/01/27	USA	USD	109,715	0.02

The accompanying notes form an integral part of these financial statements

— Franklin U.S. Low Duration Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Asset-Backed Securities (continued)				
102,558	FNMA, ARM, 4.089%, 09/01/34	USA	USD	106,173	0.01
95,564	FNMA, ARM, 4.106%, 01/01/35	USA	USD	100,106	0.01
94,171	FNMA, ARM, 4.145%, 04/01/36	USA	USD	97,810	0.01
92,109	FNMA, ARM, 4.071%, 03/01/38	USA	USD	97,097	0.01
88,330	FNMA, ARM, 4.227%, 12/01/34	USA	USD	92,247	0.01
91,155	FNMA, ARM, 3.77%, 03/01/31	USA	USD	92,237	0.01
85,499	FNMA, ARM, 3.845%, 03/01/33	USA	USD	89,084	0.01
84,915	FNMA, ARM, 3.665%, 01/01/33	USA	USD	88,318	0.01
83,641	FNMA, ARM, 4.468%, 09/01/33	USA	USD	86,748	0.01
79,263	FNMA, ARM, 4.486%, 11/01/35	USA	USD	83,894	0.01
82,563	FNMA, 2005-58, FC, FRN, 2.756%, 07/25/35 †	USA	USD	83,006	0.01
76,717	FNMA, ARM, 4.514%, 07/01/33	USA	USD	79,431	0.01
76,030	FNMA, ARM, 4.085%, 03/01/35	USA	USD	78,783	0.01
73,483	FNMA, ARM, 4.526%, 08/01/35	USA	USD	78,008	0.01
71,618	FNMA, ARM, 3.66%, 02/01/37	USA	USD	75,219	0.01
71,706	FNMA, ARM, 4.875%, 05/01/34	USA	USD	73,673	0.01
69,413	FNMA, ARM, 4.248%, 05/01/24	USA	USD	71,853	0.01
72,011	FNMA, ARM, 2.265%, 11/01/32	USA	USD	71,040	0.01
67,665	FNMA, ARM, 4.25%, 02/01/35	USA	USD	70,914	0.01
65,756	Morgan Stanley ABS Capital I Inc. Trust, 2004-HE6, A2, FRN, 3.186%, 08/25/34 †	USA	USD	64,966	0.01
63,942	FNMA, ARM, 3.345%, 04/01/32	USA	USD	63,982	0.01
58,095	FNMA, ARM, 4.408%, 10/01/34	USA	USD	60,594	0.01
55,945	FNMA, ARM, 4.451%, 07/01/33	USA	USD	58,646	0.01
56,725	FHLMC Structured Agency Credit Risk Debt Notes, 2014-HQ1, M2, FRN, 5.006%, 08/25/24 †	USA	USD	56,803	0.01
52,830	FNMA, ARM, 4.458%, 08/01/32	USA	USD	53,237	0.01
51,318	FNMA, ARM, 3.638%, 02/01/35	USA	USD	53,178	0.01
52,292	FNMA, ARM, 2.265%, 10/01/32	USA	USD	51,595	0.01
48,930	FNMA, ARM, 4.305%, 07/01/33	USA	USD	50,497	0.01
48,628	FNMA, ARM, 4.075%, 04/01/47	USA	USD	50,253	0.01
47,846	FNMA, ARM, 3.849%, 02/01/25	USA	USD	49,068	0.01
45,421	FNMA, ARM, 3.425%, 02/01/33	USA	USD	47,178	0.01
45,382	FNMA, ARM, 3.915%, 11/01/35	USA	USD	46,145	0.01
43,026	FNMA, ARM, 3.78%, 02/01/38	USA	USD	45,674	0.01
40,539	FNMA, ARM, 4.288%, 07/01/31	USA	USD	41,211	0.01
39,118	FNMA, ARM, 4.29%, 10/01/35	USA	USD	40,482	0.01
37,751	FNMA, ARM, 4.254%, 06/01/34	USA	USD	39,877	0.01
38,429	FNMA, ARM, 4.543%, 12/01/35	USA	USD	39,860	0.01
37,788	FNMA, ARM, 3.98%, 02/01/36	USA	USD	39,658	0.01
38,247	FNMA, ARM, 4.027%, 04/01/36	USA	USD	39,651	0.01
37,057	FNMA, ARM, 4.161%, 05/01/36	USA	USD	38,808	0.01
35,336	FNMA, ARM, 4.436%, 07/01/35	USA	USD	37,268	0.01
34,916	FNMA, ARM, 3.557%, 09/01/40	USA	USD	34,875	0.01
33,315	FNMA, ARM, 3.224%, 03/01/39	USA	USD	33,806	0.01
33,540	FNMA, ARM, 3.357%, 08/01/42	USA	USD	33,361	0.01
30,624	FNMA, ARM, 4.614%, 02/01/30	USA	USD	32,041	0.00
30,953	FNMA, ARM, 4.473%, 08/01/37	USA	USD	32,033	0.00
29,190	FNMA, ARM, 4.55%, 02/01/44	USA	USD	30,172	0.00
28,485	FNMA, ARM, 3.783%, 03/01/38	USA	USD	29,577	0.00
27,878	FNMA, ARM, 3.986%, 03/01/36	USA	USD	29,429	0.00
26,073	FNMA, ARM, 4.272%, 11/01/36	USA	USD	27,122	0.00
25,653	FNMA, ARM, 3.838%, 02/01/31	USA	USD	26,749	0.00
25,841	FNMA, ARM, 4.518%, 09/01/33	USA	USD	26,546	0.00
25,031	FNMA, ARM, 4.311%, 12/01/32	USA	USD	26,117	0.00
23,972	FNMA, ARM, 3.385%, 02/01/33	USA	USD	24,801	0.00
24,145	FNMA, ARM, 5.019%, 10/01/25	USA	USD	24,437	0.00
23,549	FNMA, ARM, 3.365%, 12/01/37	USA	USD	23,739	0.00
21,424	FNMA, ARM, 4.289%, 07/01/37	USA	USD	22,585	0.00
21,232	FNMA, ARM, 4.755%, 04/01/33	USA	USD	22,285	0.00
21,043	FNMA, ARM, 4.33%, 02/01/34	USA	USD	22,086	0.00
20,351	FNMA, ARM, 4.635%, 10/01/33	USA	USD	21,038	0.00
19,666	FNMA, ARM, 4.055%, 08/01/31	USA	USD	20,357	0.00
20,085	FNMA, ARM, 4.023%, 02/01/33	USA	USD	20,322	0.00
18,782	FNMA, ARM, 4.574%, 12/01/31	USA	USD	19,444	0.00
17,832	FNMA, ARM, 4.426%, 07/01/35	USA	USD	18,577	0.00
17,571	FNMA, ARM, 4.373%, 10/01/32	USA	USD	18,312	0.00
16,676	FNMA, ARM, 3.929%, 02/01/36	USA	USD	17,544	0.00
16,307	FNMA, ARM, 4.639%, 09/01/32	USA	USD	17,152	0.00
16,311	FNMA, ARM, 4.475%, 11/01/36	USA	USD	16,921	0.00
16,077	FNMA, ARM, 4.126%, 04/01/37	USA	USD	16,914	0.00
16,083	FNMA, ARM, 4.06%, 04/01/36	USA	USD	16,478	0.00
18,082	Argent Securities Inc., 2004-W1, AV2, FRN, 3.146%, 03/25/34 †	USA	USD	16,081	0.00
15,543	FNMA, ARM, 4.579%, 07/01/27	USA	USD	15,948	0.00
15,861	FNMA, ARM, 3.875%, 10/01/28	USA	USD	15,932	0.00
14,484	FNMA, ARM, 4.405%, 11/01/33	USA	USD	15,267	0.00
15,352	FNMA, ARM, 4.237%, 02/01/30	USA	USD	15,249	0.00
13,854	FNMA, ARM, 3.758%, 02/01/38	USA	USD	14,101	0.00
13,808	FNMA, ARM, 4.54%, 08/01/32	USA	USD	14,023	0.00
67,680	FIRSTPLUS Home Loan Owner Trust, 1998-5, M1, FRN, 7.42%, 12/10/24 †	USA	USD	13,707	0.00
13,272	FNMA, ARM, 4.585%, 12/01/39	USA	USD	13,291	0.00

The accompanying notes form an integral part of these financial statements

— Franklin U.S. Low Duration Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Asset-Backed Securities (continued)				
12,464	FNMA, ARM, 4.545%, 08/01/34	USA	USD	13,010	0.00
11,454	FNMA, ARM, 4.893%, 01/01/36	USA	USD	11,987	0.00
11,166	FNMA, ARM, 4.143%, 05/01/33	USA	USD	11,190	0.00
10,560	FNMA, ARM, 4.306%, 04/01/24	USA	USD	10,770	0.00
10,459	Structured Asset Investment Loan Trust, 2003-BC2, M3, FRN, 7.381%, 04/25/33 †	USA	USD	10,066	0.00
9,627	FNMA, ARM, 3.557%, 08/01/40	USA	USD	9,579	0.00
9,236	FNMA, ARM, 4.68%, 12/01/27	USA	USD	9,299	0.00
8,542	FNMA, ARM, 3.896%, 05/01/32	USA	USD	8,906	0.00
7,660	FNMA, ARM, 4.383%, 07/01/33	USA	USD	7,973	0.00
7,219	FNMA, ARM, 3.565%, 03/01/37	USA	USD	7,428	0.00
7,034	FNMA, ARM, 5.019%, 10/01/27	USA	USD	7,061	0.00
6,840	FNMA, ARM, 3.886%, 10/01/32	USA	USD	6,950	0.00
6,216	FNMA, ARM, 4.325%, 09/01/31	USA	USD	6,359	0.00
5,758	FNMA, ARM, 4.402%, 06/01/34	USA	USD	6,008	0.00
5,708	FNMA, ARM, 4.00%, 05/01/27	USA	USD	5,796	0.00
5,540	FNMA, ARM, 4.883%, 01/01/35	USA	USD	5,737	0.00
5,624	FNMA, ARM, 4.497%, 11/01/32	USA	USD	5,709	0.00
5,369	MASTR Alternative Loan Trust, 2003-1, 3A1, 5.00%, 06/25/23	USA	USD	5,512	0.00
5,344	MASTR Alternative Loan Trust, 2003-6, 2A1, 5.00%, 08/25/20	USA	USD	5,343	0.00
4,968	FNMA, ARM, 3.916%, 06/01/35	USA	USD	5,129	0.00
4,914	FNMA, ARM, 4.472%, 11/01/34	USA	USD	5,104	0.00
4,430	FNMA, ARM, 4.085%, 04/01/33	USA	USD	4,528	0.00
4,679	Asset-Backed Securities Corp. Home Equity Loan Trust, 2004-HE7, A4, FRN, 3.506%, 10/25/34 †	USA	USD	4,354	0.00
4,160	FNMA, ARM, 4.448%, 09/01/34	USA	USD	4,257	0.00
4,198	FNMA, ARM, 4.348%, 12/01/29	USA	USD	4,234	0.00
3,849	FNMA, ARM, 4.233%, 09/01/35	USA	USD	3,969	0.00
3,749	FNMA, ARM, 3.964%, 04/01/33	USA	USD	3,912	0.00
3,708	FNMA, ARM, 4.685%, 08/01/33	USA	USD	3,895	0.00
3,728	FNMA, ARM, 4.624%, 09/01/27	USA	USD	3,754	0.00
3,276	FNMA, ARM, 4.781%, 03/01/36	USA	USD	3,519	0.00
3,176	Countrywide Asset-Backed Certificates, 2003-BC3, A2, FRN, 3.126%, 09/25/33 †	USA	USD	3,111	0.00
2,523	FNMA, ARM, 4.271%, 05/01/36	USA	USD	2,641	0.00
2,504	FNMA, ARM, 3.671%, 02/01/34	USA	USD	2,587	0.00
2,126	FNMA, ARM, 4.268%, 06/01/33	USA	USD	2,194	0.00
2,103	FNMA, ARM, 3.551%, 04/01/37	USA	USD	2,140	0.00
2,045	FNMA, ARM, 4.945%, 09/01/25	USA	USD	2,039	0.00
1,683	FNMA, ARM, 4.323%, 06/01/36	USA	USD	1,770	0.00
1,541	Ambac LSNI LLC, senior note, first lien, 144A, FRN, 7.803%, 02/12/23 †	CYM	USD	1,549	0.00
1,466	FNMA, ARM, 4.557%, 01/01/21	USA	USD	1,491	0.00
1,453	FNMA, ARM, 4.755%, 10/01/32	USA	USD	1,463	0.00
1,289	FNMA, ARM, 4.382%, 07/01/20	USA	USD	1,290	0.00
1,348	Asset-Backed Securities Corp. Home Equity Loan Trust, 2004-HE7, A2, FRN, 3.266%, 10/25/34 †	USA	USD	1,234	0.00
1,174	FNMA, ARM, 4.083%, 03/01/35	USA	USD	1,225	0.00
872	FNMA, ARM, 4.087%, 03/01/25	USA	USD	905	0.00
356	Ambac Assurance Corp., Subordinated Note, 144A, 5.10%, 06/07/20	USA	USD	475	0.00
				323,991,198	43.93
	Corporate Bonds				
11,100,000	The Goldman Sachs Group Inc., senior note, FRN, 3.988%, 09/15/20 †	USA	USD	11,154,673	1.51
7,200,000	Morgan Stanley, senior note, FRN, 3.649%, 01/27/20 †	USA	USD	7,230,714	0.98
5,100,000	The Southern Co., senior note, 2.35%, 07/01/21	USA	USD	4,961,185	0.67
4,900,000	Deutsche Bank AG, senior note, FRN, 3.955%, 08/20/20 †	DEU	USD	4,806,410	0.65
3,800,000	Bankia SA, secured bond, Reg S, 1.00%, 09/25/25	ESP	EUR	4,387,261	0.60
4,300,000	Protective Life Global Funding, secured note, 144A, 2.262%, 04/08/20	USA	USD	4,252,999	0.58
4,200,000	Bank of New York Mellon Corp., senior note, FRN, 3.51%, 08/17/20 †	USA	USD	4,233,598	0.57
4,200,000	Fiserv Inc., senior note, 2.70%, 06/01/20	USA	USD	4,169,589	0.57
3,500,000	FedEx Corp., senior note, 0.50%, 04/09/20	USA	EUR	4,027,003	0.55
4,100,000	Kookmin Bank, secured note, Reg S, 2.125%, 10/21/21	KOR	USD	4,018,594	0.55
4,000,000	Royal Bank of Canada, secured note, 2.10%, 10/14/21	CAN	USD	3,944,814	0.54
4,000,000	Bank of America Corp., senior note, 3.004% to 12/20/22, FRN thereafter, 12/20/23	USA	USD	3,885,578	0.53
3,600,000	Kraft Heinz Foods Co., senior bond, 3.50%, 06/06/22	USA	USD	3,572,949	0.48
3,100,000	Banco BPM SpA, secured note, Reg S, 0.75%, 03/31/23	ITA	EUR	3,533,510	0.48
3,500,000	Bank of China Ltd., senior note, Reg S, 2.875%, 04/20/22	CHN	USD	3,439,852	0.47
2,800,000	Banca Monte dei Paschi di Siena SpA, secured note, Reg S, 2.125%, 11/26/63	ITA	EUR	3,211,127	0.44
3,100,000	Biogen Inc., senior note, 2.90%, 09/15/20	USA	USD	3,081,290	0.42
3,100,000	CVS Health Corp., senior note, 3.70%, 03/09/23	USA	USD	3,069,581	0.42
3,100,000	Marriott International Inc., senior note, 2.875%, 03/01/21	USA	USD	3,058,456	0.41
3,000,000	Sinopec Group Overseas Development 2015 Ltd., senior note, 144A, 2.50%, 04/28/20	CHN	USD	2,970,555	0.40
3,000,000	Bank of America Corp., senior note, 2.151%, 11/09/20	USA	USD	2,946,398	0.40
2,800,000	Kraft Heinz Foods Co., senior note, 4.00%, 06/15/23	USA	USD	2,795,313	0.38
2,800,000	Anthem Inc., senior note, 2.50%, 11/21/20	USA	USD	2,762,250	0.37
2,800,000	PSEG Power LLC, senior note, 3.00%, 06/15/21	USA	USD	2,755,326	0.37
2,700,000	Jackson National Life Global Funding, secured note, 144A, 2.25%, 04/29/21	USA	USD	2,637,166	0.36
2,600,000	Sinopec Group Overseas Development 2017 Ltd., senior note, 144A, 2.375%, 04/12/20	CHN	USD	2,571,603	0.35
2,500,000	Telefonica Emisiones SA, senior bond, 5.134%, 04/27/20	ESP	USD	2,549,200	0.35
2,600,000	Devon Energy Corp., senior bond, 3.25%, 05/15/22	USA	USD	2,535,447	0.34

The accompanying notes form an integral part of these financial statements

— Franklin U.S. Low Duration Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Corporate Bonds (continued)				
2,500,000	Metropolitan Life Global Funding I, senior secured bond, 144A, 3.875%, 04/11/22	USA	USD	2,533,126	0.34
2,400,000	Allergan Funding SCS, senior note, 3.45%, 03/15/22	USA	USD	2,364,949	0.32
2,400,000	Celgene Corp., senior note, 2.25%, 08/15/21	USA	USD	2,328,085	0.32
2,400,000	JD.com Inc., senior note, 3.125%, 04/29/21	CHN	USD	2,327,844	0.32
2,475,000	Calpine Corp., senior note, 5.375%, 01/15/23	USA	USD	2,326,500	0.32
2,300,000	Pricoa Global Funding I, secured note, 144A, 2.55%, 11/24/20	USA	USD	2,268,106	0.31
2,300,000	Capital One Financial Corp., senior note, 3.05%, 03/09/22	USA	USD	2,244,843	0.30
2,200,000	Verizon Communications Inc., senior note, 3.125%, 03/16/22	USA	USD	2,186,888	0.30
2,200,000	The Kroger Co., senior note, 2.60%, 02/01/21	USA	USD	2,158,777	0.29
2,200,000	Dexia Credit Local SA, senior note, 144A, 2.375%, 09/20/22	FRA	USD	2,158,739	0.29
2,100,000	Anheuser-Busch InBev Finance Inc., senior note, 2.65%, 02/01/21	BEL	USD	2,066,557	0.28
2,000,000	Express Scripts Holding Co., senior note, 4.75%, 11/15/21	USA	USD	2,058,537	0.28
2,100,000	Dollar Tree Inc., senior note, 3.70%, 05/15/23	USA	USD	2,055,598	0.28
2,000,000	Tencent Holdings Ltd., senior note, 144A, 2.985%, 01/19/23	CHN	USD	1,944,920	0.26
1,900,000	Woori Bank, sub. note, 144A, 4.75%, 04/30/24	KOR	USD	1,921,888	0.26
1,900,000	Pricoa Global Funding I, secured note, 144A, 3.45%, 09/01/23	USA	USD	1,902,703	0.26
1,900,000	Halfmoon Parent Inc., senior note, 144A, 3.40%, 09/17/21	USA	USD	1,896,813	0.26
1,900,000	Citigroup Inc., senior note, 2.75%, 04/25/22	USA	USD	1,843,591	0.25
1,900,000	Amazon.com Inc., senior note, 2.40%, 02/22/23	USA	USD	1,840,509	0.25
1,800,000	Citigroup Inc., senior note, 2.40%, 02/18/20	USA	USD	1,783,931	0.24
1,700,000	Bayer U.S. Finance II LLC, senior note, 144A, 3.875%, 12/15/23	DEU	USD	1,670,906	0.23
1,600,000	DowDuPont Inc., senior note, 4.205%, 11/15/23	USA	USD	1,637,744	0.22
1,650,000	Imperial Brands Finance PLC, senior note, 144A, 2.95%, 07/21/20	GBR	USD	1,627,012	0.22
1,600,000	HSBC Holdings PLC, senior note, 3.40%, 03/08/21	GBR	USD	1,596,840	0.22
1,600,000	Barclays PLC, senior note, 3.25%, 01/12/21	GBR	USD	1,571,840	0.21
1,600,000	Celgene Corp., senior note, 2.75%, 02/15/23	USA	USD	1,532,362	0.21
1,500,000	Total Capital International SA, senior note, 2.75%, 06/19/21	FRA	USD	1,489,342	0.20
1,500,000	Barclays PLC, senior note, 4.61% to 02/14/22, FRN thereafter, 02/15/23	GBR	USD	1,488,803	0.20
1,500,000	Glencore Funding LLC, senior note, 144A, 4.125%, 05/30/23	CHE	USD	1,474,213	0.20
1,500,000	Kinder Morgan Inc., senior note, 3.15%, 01/15/23	USA	USD	1,456,683	0.20
1,400,000	Crown Castle International Corp., senior note, 3.15%, 07/15/23	USA	USD	1,347,117	0.18
1,195,000	Anadarko Petroleum Corp., senior note, 4.85%, 03/15/21	USA	USD	1,224,108	0.17
1,000,000	Banca Monte dei Paschi di Siena SpA, secured note, Reg S, 2.875%, 04/16/59	ITA	EUR	1,191,924	0.16
1,200,000	Caterpillar Financial Services Corp., senior note, 1.70%, 08/09/21	USA	USD	1,152,231	0.16
1,100,000	Sabine Pass Liquefaction LLC, senior secured note, first lien, 5.625%, 02/01/21	USA	USD	1,133,585	0.15
1,100,000	Talen Energy Supply LLC, senior note, 144A, 9.50%, 07/15/22	USA	USD	1,111,000	0.15
1,100,000	DAE Funding LLC, senior note, 144A, 4.00%, 08/01/20	ARE	USD	1,075,250	0.15
1,100,000	Navient Corp., senior note, 6.625%, 07/26/21	USA	USD	1,064,250	0.14
1,200,000	Yes Bank Ifsc Banking Unit Branch, senior note, Reg S, 3.75%, 02/06/23	IND	USD	1,043,952	0.14
1,100,000	DISH DBS Corp., senior note, 5.875%, 07/15/22	USA	USD	1,016,125	0.14
1,000,000	DaVita Inc., senior note, 5.75%, 08/15/22	USA	USD	997,500	0.14
1,000,000	CNH Industrial Capital LLC, senior note, 3.875%, 10/15/21	USA	USD	995,800	0.14
1,000,000	Aptiv PLC, senior note, 3.15%, 11/19/20	USA	USD	992,953	0.13
1,000,000	Energy Transfer Operating LP, senior note, 4.20%, 09/15/23	USA	USD	986,517	0.13
1,000,000	Park Aerospace Holdings Ltd., senior note, 144A, 5.25%, 08/15/22	IRL	USD	977,620	0.13
1,000,000	GE Capital International Funding Co., senior note, 2.342%, 11/15/20	USA	USD	965,455	0.13
1,000,000	Energy Transfer Equity LP, senior secured note, first lien, 4.25%, 03/15/23	USA	USD	965,000	0.13
1,000,000	Glencore Funding LLC, senior note, 144A, 3.00%, 10/27/22	CHE	USD	954,660	0.13
1,000,000	FMG Resources (August 2006) Pty. Ltd., senior note, 144A, 4.75%, 05/15/22	AUS	USD	954,300	0.13
1,000,000	OI European Group BV, senior note, 144A, 4.00%, 03/15/23	USA	USD	937,500	0.13
900,000	Coca-Cola Femsa SAB de CV, senior note, 4.625%, 02/15/20	MEX	USD	914,823	0.12
900,000	Korea East-West Power Co. Ltd., senior note, 144A, 3.875%, 07/19/23	KOR	USD	911,696	0.12
900,000	Baidu Inc., senior note, 4.375%, 05/14/24	CHN	USD	908,186	0.12
900,000	Bunge Ltd. Finance Corp., senior note, 3.50%, 11/24/20	USA	USD	898,053	0.12
900,000	Regions Financial Corp., senior note, 3.20%, 02/08/21	USA	USD	894,726	0.12
900,000	Morgan Stanley, senior note, 2.80%, 06/16/20	USA	USD	894,332	0.12
900,000	Wells Fargo & Co., senior note, 2.50%, 03/04/21	USA	USD	885,798	0.12
900,000	JPMorgan Chase & Co., senior note, 2.40%, 06/07/21	USA	USD	880,569	0.12
900,000	Sunoco LP/Sunoco Finance Corp., senior note, 4.875%, 01/15/23	USA	USD	879,750	0.12
900,000	Standard Chartered PLC, senior note, 144A, 3.885% to 03/15/23, FRN thereafter, 03/15/24	GBR	USD	870,561	0.12
900,000	Ardagh Packaging Finance PLC/Ardagh MP Holdings USA Inc., senior note, 144A, 4.25%, 09/15/22	LUX	USD	858,375	0.12
800,000	The Williams Cos. Inc., senior note, 4.125%, 11/15/20	USA	USD	806,529	0.11
800,000	ANZ New Zealand International Ltd. of London, senior note, 144A, 2.85%, 08/06/20	NZL	USD	794,252	0.11
800,000	Amgen Inc., senior note, 1.85%, 08/19/21	USA	USD	771,852	0.10
1,000,000	CHS/Community Health Systems Inc., secured note, Reg S, 8.125%, 06/30/24	USA	USD	735,000	0.10
800,000	Altice Financing SA, secured bond, 144A, 7.50%, 05/15/26	LUX	USD	730,000	0.10
1,016,000	California Resources Corp., senior secured note, second lien, 144A, 8.00%, 12/15/22	USA	USD	690,880	0.09
600,000	Turkiye Vakiflar Bankasi TAO, secured note, Reg S, 2.375%, 11/04/22	TUR	EUR	660,641	0.09
1,100,000	PetSmart Inc., senior note, 144A, 7.125%, 03/15/23	USA	USD	646,250	0.09
600,000	Owens-Brockway Glass Container Inc., senior note, 144A, 5.00%, 01/15/22	USA	USD	596,250	0.08
500,000	HCA Inc., senior secured bond, first lien, 5.875%, 03/15/22	USA	USD	513,750	0.07
500,000	Capital One Financial Corp., senior note, 2.50%, 05/12/20	USA	USD	493,622	0.07
400,000	SF Holding Investment Ltd., senior note, Reg S, 4.125%, 07/26/23	CHN	USD	401,340	0.05
400,000	Halfmoon Parent Inc., senior secured note, 144A, 3.75%, 07/15/23	USA	USD	399,055	0.05
1,300,000	Sanchez Energy Corp., senior note, 7.75%, 06/15/21	USA	USD	312,000	0.04
300,000	Bausch Health Cos. Inc., senior secured note, first lien, 144A, 6.50%, 03/15/22	USA	USD	302,724	0.04

The accompanying notes form an integral part of these financial statements

— Franklin U.S. Low Duration Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Corporate Bonds (continued)				
300,000	Energy Transfer Operating LP, senior note, 4.15%, 10/01/20	USA	USD	301,875	0.04
100,000	Tech Data Corp., senior note, 3.70%, 02/15/22	USA	USD	98,179	0.01
206,330	K2016470260 South Africa Ltd., senior secured note, Reg S, PIK, 25.00%, 12/31/22 ‡	ZAF	USD	16,506	0.00
962,546	K2016470219 South Africa Ltd., senior secured note, Reg S, PIK, 3.00%, 12/31/22 ‡	ZAF	USD	1,203	0.00
				206,476,714	28.00
	Government and Municipal Bonds				
26,000,000	U.S. Treasury Note, 2.875%, 10/31/20	USA	USD	26,162,281	3.55
16,000,000	U.S. Treasury Note, 3.625%, 02/15/20	USA	USD	16,175,259	2.19
8,826,209	U.S. Treasury Note, Index Linked, 0.125%, 01/15/22	USA	USD	8,569,178	1.16
6,935,065	U.S. Treasury Note, Index Linked, 0.125%, 04/15/21	USA	USD	6,747,188	0.92
6,145,367	U.S. Treasury Note, Index Linked, 1.25%, 07/15/20	USA	USD	6,133,692	0.83
4,200,000	The Export-Import Bank of Korea, senior note, 2.25%, 01/21/20	KOR	USD	4,171,335	0.57
3,000,000	U.S. Treasury Note, 2.125%, 09/30/21	USA	USD	2,971,937	0.40
2,923,412	U.S. Treasury Note, Index Linked, 1.375%, 01/15/20	USA	USD	2,905,556	0.39
2,525,000	Industry Public Facilities Authority Tax Allocation Revenue, Transportation District, Industrial Redevelopment Project No. 2, Refunding, Series B, AGMC Insured, 3.389%, 01/01/20	USA	USD	2,533,383	0.34
2,300,000	Pennsylvania State GO, Refunding, Second Series, 5.00%, 01/15/20	USA	USD	2,373,071	0.32
2,215,000	San Jose RDA Successor Agency Tax Allocation, Senior, Refunding, Series A-T, 2.63%, 08/01/22	USA	USD	2,195,818	0.30
870,000	Texas State GO, Transportation Commission Highway Improvement, Series A, 5.00%, 04/01/21	USA	USD	929,752	0.13
12,000,000,000	Government of Indonesia, senior bond, FR53, 8.25%, 07/15/21	IDN	IDR	848,387	0.12
2,500	Nota Do Tesouro Nacional, 10.00%, 01/01/21	BRA	BRL	673,856	0.09
665,000	San Jose RDA Successor Agency Tax Allocation, Senior, Refunding, Series A-T, 2.48%, 08/01/21	USA	USD	660,119	0.09
600,000	Harvest Operations Corp., senior note, 144A, 4.20%, 06/01/23	KOR	USD	616,450	0.08
500,000	U.S. Treasury Note, 2.25%, 07/31/21	USA	USD	497,288	0.07
500,000	U.S. Treasury Note, 2.00%, 08/31/21	USA	USD	493,850	0.07
				85,658,400	11.62
	Securities Maturing Within One Year				
6,400,000	Bank of America Corp., senior note, FRN, 3.476%, 01/15/19 †	USA	USD	6,401,451	0.87
6,200,000	Capital One Bank USA NA, senior note, 2.30%, 06/05/19	USA	USD	6,179,675	0.84
5,500,000	JPMorgan Chase & Co., senior note, 2.20%, 10/22/19	USA	USD	5,454,582	0.74
5,000,000	CSC Holdings LLC, senior bond, 8.625%, 02/15/19	USA	USD	5,025,000	0.68
4,300,000	Norddeutsche Landesbank Girozentrale, secured note, 144A, 2.00%, 02/05/19	DEU	USD	4,294,855	0.58
4,000,000	Citigroup Inc., senior note, FRN, 3.18%, 04/08/19 †	USA	USD	4,003,564	0.54
4,000,000	Alibaba Group Holding Ltd., senior note, 2.50%, 11/28/19	CHN	USD	3,982,760	0.54
3,900,000	Enterprise Products Operating LLC, senior note, 2.55%, 10/15/19	USA	USD	3,880,122	0.53
3,300,000	The Export-Import Bank of China, senior note, 144A, 2.50%, 07/31/19	CHN	USD	3,290,199	0.45
3,050,000	Tenet Healthcare Corp., senior note, 5.50%, 03/01/19	USA	USD	3,060,675	0.42
3,000,000	U.S. Treasury Note, 3.625%, 08/15/19	USA	USD	3,019,169	0.41
3,000,000	NBCUniversal Enterprise Inc., senior note, 144A, 1.974%, 04/15/19	USA	USD	2,990,585	0.41
2,900,000	Bank of America Corp., senior note, 2.65%, 04/01/19	USA	USD	2,897,074	0.39
2,800,000	Juniper Networks Inc., senior note, 3.125%, 02/26/19	USA	USD	2,799,290	0.38
2,400,000	Amgen Inc., senior note, FRN, 3.253%, 05/22/19 †	USA	USD	2,401,518	0.33
2,300,000	Dell International LLC/EMC Corp., senior secured note, first lien, 144A, 3.48%, 06/01/19	USA	USD	2,293,443	0.31
2,200,000	ING Bank NV, senior note, 144A, FRN, 3.086%, 10/01/19 †	NLD	USD	2,204,730	0.30
1,900,000	JPMorgan Chase & Co., senior note, 1.85%, 03/22/19	USA	USD	1,894,603	0.26
1,800,000	Industrial & Commercial Bank of China Ltd., senior note, 3.231%, 11/13/19	CHN	USD	1,799,361	0.24
1,200,000	Intesa Sanpaolo SpA, senior note, 3.875%, 01/15/19	ITA	USD	1,199,652	0.16
1,200,000	Enable Midstream Partners LP, senior note, 2.40%, 05/15/19	USA	USD	1,193,310	0.16
1,100,000	Kinder Morgan Inc., senior note, 3.05%, 12/01/19	USA	USD	1,093,918	0.15
1,000,000	U.S. Treasury Note, 1.75%, 09/30/19	USA	USD	993,588	0.13
1,000,000	U.S. Treasury Note, 1.625%, 12/31/19	USA	USD	990,135	0.13
800,000	State Grid Overseas Investment 2014 Ltd., senior note, 144A, 2.75%, 05/07/19	CHN	USD	799,248	0.11
320,000	Seven and Seven Ltd., senior note, 144A, FRN, 3.542%, 09/11/19 †	KOR	USD	318,562	0.04
300,000	American Tower Corp., senior note, 3.40%, 02/15/19	USA	USD	300,178	0.04
25,731	MASTR Alternative Loan Trust, 2004-11, 2A1, FRN, 5.476%, 11/25/19 †	USA	USD	25,918	0.00
2,770	MASTR Alternative Loan Trust, 2004-4, 5A1, 5.50%, 04/25/19	USA	USD	2,772	0.00
				74,789,937	10.14
	TOTAL BONDS			690,916,249	93.69
	TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET			690,916,249	93.69
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET				
	SHARES				
	Specialty Retail				
12,326,925	K2016470219 South Africa Ltd., A **	ZAF	ZAR	8,579	0.00
1,226,701	K2016470219 South Africa Ltd., B **	ZAF	ZAR	854	0.00
				9,433	0.00
	TOTAL SHARES			9,433	0.00

The accompanying notes form an integral part of these financial statements

— Franklin U.S. Low Duration Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	BONDS				
	Asset-Backed Securities				
900,000	Bayfront Infrastructure Capital Pte Ltd., 2018, A, Reg S, FRN, 3.939%, 01/11/38 †,**	SGP	USD	889,092	0.12
	TOTAL BONDS			889,092	0.12
	TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET			898,525	0.12
	TOTAL INVESTMENTS			691,926,329	93.83

† Floating Rates are indicated as at December 31, 2018
‡ Income may be received in additional securities and/or cash
** These securities are submitted to a Fair Valuation

The accompanying notes form an integral part of these financial statements

— Franklin U.S. Opportunities Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	SHARES				
	Automobiles & Components				
298,633	Aptiv PLC	USA	USD	18,386,834	0.50
	Banks				
164,758	SVB Financial Group	USA	USD	31,290,839	0.86
	Capital Goods				
392,636	Raytheon Co.	USA	USD	60,210,730	1.65
151,032	Roper Technologies Inc.	USA	USD	40,253,049	1.10
124,016	The Boeing Co.	USA	USD	39,995,160	1.09
250,290	Honeywell International Inc.	USA	USD	33,068,315	0.90
173,827	Rockwell Automation Inc.	USA	USD	26,157,487	0.72
194,609	Stanley Black & Decker Inc.	USA	USD	23,302,482	0.64
1,024,888	Univar Inc.	USA	USD	18,181,513	0.50
				241,168,736	6.60
	Commercial & Professional Services				
195,987	CoStar Group Inc.	USA	USD	66,114,255	1.81
495,085	Verisk Analytics Inc.	USA	USD	53,984,068	1.48
741,411	IHS Markit Ltd.	USA	USD	35,565,486	0.97
				155,663,809	4.26
	Diversified Financials				
1,185,477	The Charles Schwab Corp.	USA	USD	49,232,860	1.35
310,986	MSCI Inc.	USA	USD	45,848,666	1.25
266,779	S&P Global Inc.	USA	USD	45,336,423	1.24
580,774	Intercontinental Exchange Inc.	USA	USD	43,749,706	1.20
121,936	MarketAxess Holdings Inc.	USA	USD	25,766,296	0.71
				209,933,951	5.75
	Energy				
317,263	Diamondback Energy Inc.	USA	USD	29,410,280	0.81
	Food, Beverage & Tobacco				
647,692	Lamb Weston Holdings Inc.	USA	USD	47,644,224	1.30
258,012	Constellation Brands Inc., A	USA	USD	41,493,490	1.14
660,343	Monster Beverage Corp.	USA	USD	32,502,082	0.89
1,047,325	Nomad Foods Ltd.	GBR	USD	17,511,274	0.48
				139,151,070	3.81
	Health Care Equipment & Services				
411,113	UnitedHealth Group Inc.	USA	USD	102,416,471	2.80
525,138	West Pharmaceutical Services Inc.	USA	USD	51,479,278	1.41
326,414	Edwards Lifesciences Corp.	USA	USD	49,996,832	1.37
423,624	Medtronic PLC	USA	USD	38,532,839	1.06
75,585	Intuitive Surgical Inc.	USA	USD	36,199,168	0.99
109,473	ABIOMED Inc.	USA	USD	35,583,104	0.98
290,837	Centene Corp.	USA	USD	33,533,506	0.92
360,151	Veeva Systems Inc.	USA	USD	32,168,687	0.88
480,831	Nevro Corp.	USA	USD	18,699,518	0.51
100,349	IDEXX Laboratories Inc.	USA	USD	18,666,921	0.51
359,036	Guardant Health Inc.	USA	USD	13,496,163	0.37
				430,772,487	11.80
	Insurance				
343,615	Athene Holding Ltd., A	USA	USD	13,686,185	0.37
	Materials				
222,578	Ingevity Corp.	USA	USD	18,627,553	0.51
684,269	Axalta Coating Systems Ltd.	USA	USD	16,025,580	0.44
				34,653,133	0.95
	Media & Entertainment				
142,606	Alphabet Inc., A	USA	USD	149,017,566	4.08
287,045	Facebook Inc., A	USA	USD	37,628,729	1.03
516,311	Liberty Broadband Corp., C	USA	USD	37,189,881	1.02
308,372	The Walt Disney Co.	USA	USD	33,812,990	0.93
112,659	Netflix Inc.	USA	USD	30,154,308	0.82
316,426	Electronic Arts Inc.	USA	USD	24,969,176	0.68
				312,772,650	8.56
	Pharmaceuticals, Biotechnology & Life Sciences				
130,893	Illumina Inc.	USA	USD	39,258,737	1.07
1,473,993	Heron Therapeutics Inc.	USA	USD	38,235,378	1.05
241,335	Sage Therapeutics Inc.	USA	USD	23,117,480	0.63
633,535	PTC Therapeutics Inc.	USA	USD	21,742,921	0.60
220,168	Celgene Corp.	USA	USD	14,110,567	0.39
399,350	Elanco Animal Health Inc.	USA	USD	12,591,506	0.34
				149,056,589	4.08

The accompanying notes form an integral part of these financial statements

— Franklin U.S. Opportunities Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Real Estate				
553,560	SBA Communications Corp., A	USA	USD	89,615,828	2.45
211,914	American Tower Corp.	USA	USD	33,522,676	0.92
				123,138,504	3.37
	Retailing				
175,708	Amazon.com Inc.	USA	USD	263,908,145	7.23
16,999	Booking Holdings Inc.	USA	USD	29,279,417	0.80
118,342	Alibaba Group Holding Ltd., ADR	CHN	USD	16,221,138	0.44
				309,408,700	8.47
	Semiconductors & Semiconductor Equipment				
417,157	Xilinx Inc.	USA	USD	35,529,262	0.97
303,229	Monolithic Power Systems	USA	USD	35,250,371	0.97
251,983	NVIDIA Corp.	USA	USD	33,639,730	0.92
295,272	Analog Devices Inc.	USA	USD	25,343,196	0.69
				129,762,559	3.55
	Software & Services				
965,164	Mastercard Inc., A	USA	USD	182,078,189	4.98
1,747,971	Microsoft Corp.	USA	USD	177,541,415	4.86
1,090,822	Visa Inc., A	USA	USD	143,923,055	3.94
481,868	ServiceNow Inc.	USA	USD	85,796,597	2.35
321,431	Adobe Inc.	USA	USD	72,720,549	1.99
438,757	Salesforce.com Inc.	USA	USD	60,096,546	1.65
545,951	PayPal Holdings Inc.	USA	USD	45,909,020	1.26
694,517	InterXion Holding NV	NLD	USD	37,615,041	1.03
288,404	Autodesk Inc.	USA	USD	37,091,638	1.02
618,832	Zendesk Inc.	USA	USD	36,121,224	0.99
383,304	Twilio Inc., A	USA	USD	34,229,047	0.94
681,045	2U Inc.	USA	USD	33,861,557	0.93
181,815	Tyler Technologies Inc.	USA	USD	33,784,863	0.92
396,188	Fiserv Inc.	USA	USD	29,115,856	0.80
222,432	PTC Inc.	USA	USD	18,439,613	0.50
220,681	Guidewire Software Inc.	USA	USD	17,705,237	0.48
475,325	Pluralsight Inc., A	USA	USD	11,193,904	0.31
50,100	Elastic NV	USA	USD	3,581,148	0.10
				1,060,804,499	29.05
	Technology Hardware & Equipment				
635,534	Apple Inc.	USA	USD	100,249,133	2.75
	Transportation				
8,087	Allegiant Travel Co.	USA	USD	810,479	0.02
	TOTAL SHARES			3,490,120,437	95.56
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			3,490,120,437	95.56
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET				
	SHARES				
	Automobiles & Components				
2,276,988	Proterra Inc., pfd., 5, 144A **	USA	USD	21,805,970	0.60
3,698,772	ClearMotion Inc., pfd., D, 144A **	USA	USD	10,000,000	0.27
904,744	Proterra Inc., pfd., 7 **	USA	USD	8,664,437	0.24
2,135,940	ClearMotion Inc., pfd., C **	USA	USD	6,197,609	0.17
280,835	Proterra Inc., pfd., 6, 144A **	USA	USD	2,689,465	0.07
				49,357,481	1.35
	Commercial & Professional Services				
507,078	Optoro Inc., pfd., E **	USA	USD	9,979,295	0.27
	Consumer Services				
988,690	Sweetgreen Inc., pfd., H, 144A **	USA	USD	12,892,518	0.36
314,373	DraftKings Inc. **	USA	USD	801,462	0.02
				13,693,980	0.38
	Diversified Financials				
1,624,998	Bill.com, pfd., H, 144A **	USA	USD	13,499,996	0.37
	Media & Entertainment				
2,719,500	Tanium Inc., pfd., G **	USA	USD	23,574,690	0.65
	Software & Services				
1,666,392	LegalZoom.com Inc. **	USA	USD	16,411,462	0.45
	TOTAL SHARES			126,516,904	3.47
	TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET			126,516,904	3.47
	TOTAL INVESTMENTS			3,616,637,341	99.03

** These securities are submitted to a Fair Valuation

The accompanying notes form an integral part of these financial statements

— Franklin World Perspectives Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	INVESTMENTS FUNDS				
	Diversified Financial Services				
50,727	Xtrackers MSCI Russia Capped Swap UCITS ETF, Class 1C	RUS	USD	1,318,141	0.38
322,960	Xtrackers MSCI Mexico UCITS ETF, Class 1C	MEX	USD	1,312,348	0.38
27,639	Lyxor UCITS ETF South Africa (FTSE JSE Top 40), Class C-EUR	ZAF	GBP	971,221	0.28
15,881	Lyxor UCITS ETF Eastern Europe (CECE NTR EUR), Class C-EUR	FRA	EUR	377,577	0.11
				3,979,287	1.15
	TOTAL INVESTMENTS FUNDS			3,979,287	1.15
	SHARES				
	Aerospace & Defense				
25,833	Raytheon Co.	USA	USD	3,961,491	1.14
43,147	BWX Technologies Inc.	USA	USD	1,649,510	0.48
45,000	Avon Rubber PLC	GBR	GBP	717,328	0.21
				6,328,329	1.83
	Air Freight & Logistics				
15,752	FedEx Corp.	USA	USD	2,541,270	0.73
92,652	Cia de Distribucion Integral Logista Holdings SA	ESP	EUR	2,320,672	0.67
24,000	Yamato Holdings Co. Ltd.	JPN	JPY	662,190	0.19
5,530	Hyundai Glovis Co. Ltd.	KOR	KRW	640,535	0.19
168,000	Aramex PJSC	ARE	AED	196,213	0.06
				6,360,880	1.84
	Airlines				
29,300	Japan Airlines Co. Ltd.	JPN	JPY	1,040,203	0.30
44,100	Azul SA	BRA	BRL	409,044	0.12
				1,449,247	0.42
	Auto Components				
33,166	Aptiv PLC	USA	USD	2,042,031	0.59
14,729	Denso Corp.	JPN	JPY	657,564	0.19
62,344	Dometic Group AB	SWE	SEK	389,078	0.11
				3,088,673	0.89
	Automobiles				
6,378	Hyundai Motor Co.	KOR	KRW	678,626	0.20
267,584	Tata Motors Ltd.	IND	INR	664,248	0.19
546,000	Brilliance China Automotive Holdings Ltd.	CHN	HKD	406,511	0.12
5,400	Toyota Motor Corp.	JPN	JPY	315,624	0.09
				2,065,009	0.60
	Banks				
75,713	HDFC Bank Ltd.	IND	INR	2,309,045	0.67
263,119	Sbanken ASA	NOR	NOK	2,280,317	0.66
161,182	FinecoBank Banca Fineco SpA	ITA	EUR	1,621,792	0.47
294,518	Mitsubishi UFJ Financial Group Inc.	JPN	JPY	1,445,449	0.42
60,192	Kotak Mahindra Bank Ltd.	IND	INR	1,087,124	0.31
13,450	Royal Bank of Canada	CAN	CAD	920,743	0.26
363,510	BDO Unibank Inc.	PHL	PHP	905,659	0.26
17,850	The Toronto-Dominion Bank	CAN	CAD	887,432	0.26
152,300	Kasikornbank PCL, fgn.	THA	THB	868,873	0.25
15,043	Commonwealth Bank of Australia	AUS	AUD	767,229	0.22
423,100	Bank Central Asia Tbk PT	IDN	IDR	764,993	0.22
9,325	Canadian Imperial Bank of Commerce	CAN	CAD	694,653	0.20
34,821	DBS Group Holdings Ltd.	SGP	SGD	605,194	0.17
12,726	KB Financial Group Inc.	KOR	KRW	531,340	0.15
39,820	Banco Bradesco SA, pfd.	BRA	BRL	396,533	0.11
40,173	Itau Unibanco Holding SA, pfd.	BRA	BRL	367,444	0.11
8,350	HSBC Bank PLC (CRTP AL Rajhi Bank)	SAU	USD	194,766	0.06
23,200	Samba Financial Group	SAU	SAR	194,194	0.06
78,700	Emirates NBD PJSC	ARE	AED	190,475	0.05
				17,033,255	4.91
	Beverages				
17,484	Constellation Brands Inc., A	USA	USD	2,811,777	0.81
53,397	Monster Beverage Corp.	USA	USD	2,628,200	0.76
39,700	Kirin Holdings Co. Ltd.	JPN	JPY	832,577	0.24
				6,272,554	1.81
	Biotechnology				
26,636	CSL Ltd.	AUS	AUD	3,474,785	1.00
	Building Products				
24,000	Aica Kogyo Co. Ltd.	JPN	JPY	805,839	0.23
6,410	Daikin Industries Ltd.	JPN	JPY	683,987	0.20
				1,489,826	0.43
	Capital Markets				
119,282	The Charles Schwab Corp.	USA	USD	4,953,781	1.43
11,453	BlackRock Inc.	USA	USD	4,498,967	1.30
52,650	Intercontinental Exchange Inc.	USA	USD	3,966,125	1.15
21,235	S&P Global Inc.	USA	USD	3,608,676	1.04
95,659	Banca Generali SpA	ITA	EUR	1,988,764	0.57

The accompanying notes form an integral part of these financial statements

— Franklin World Perspectives Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Capital Markets (continued)				
35,700	Brookfield Asset Management Inc., A	CAN	CAD	1,368,419	0.40
64,929	Motilal Oswal Financial Services Ltd.	IND	INR	625,444	0.18
47,100	B3 SA - Brasil Bolsa Balcao	BRA	BRL	325,347	0.09
257,000	Egyptian Financial Group-Hermes Holding Co.	EGY	EGP	215,408	0.06
				21,550,931	6.22
	Chemicals				
26,619	Ecolab Inc.	USA	USD	3,922,310	1.13
20,160	Albemarle Corp.	USA	USD	1,553,731	0.45
52,700	Taiyo Nippon Sanso Corp.	JPN	JPY	863,588	0.25
2,170	LG Chem Ltd.	KOR	KRW	676,110	0.19
145,000	Scapa Group PLC	GBR	GBP	567,677	0.16
2,079	Lotte Chemical Corp.	KOR	KRW	517,085	0.15
4,837	Nutrien Ltd.	CAN	CAD	227,223	0.07
242,248	China General Plastics Corp.	TWN	TWD	174,182	0.05
				8,501,906	2.45
	Commercial Services & Supplies				
41,674	Republic Services Inc.	USA	USD	3,004,279	0.87
37,393	ISS AS	DNK	DKK	1,046,916	0.30
135,000	Restore PLC	GBR	GBP	556,073	0.16
155,000	Clipper Logistics PLC	GBR	GBP	444,743	0.13
				5,052,011	1.46
	Construction & Engineering				
24,963	Vinci SA	FRA	EUR	2,059,959	0.59
26,900	COMSYS Holdings Corp.	JPN	JPY	658,510	0.19
11,988	Hyundai Engineering & Construction Co. Ltd.	KOR	KRW	587,716	0.17
				3,306,185	0.95
	Construction Materials				
290,000	Ibstock PLC, Reg S	GBR	GBP	734,837	0.21
809,000	Semen Indonesia (Persero) Tbk PT	IDN	IDR	646,975	0.19
313,600	Indocement Tunggal Prakarsa Tbk PT	IDN	IDR	402,359	0.12
19,400	Siam Cement PCL, fgn.	THA	THB	261,546	0.07
				2,045,717	0.59
	Containers & Packaging				
181,123	Amcor Ltd.	AUS	AUD	1,690,835	0.49
180,000	DS Smith PLC	GBR	GBP	687,028	0.20
				2,377,863	0.69
	Diversified Consumer Services				
5,030	New Oriental Education & Technology Group Inc., ADR	CHN	USD	275,694	0.08
17,350	Human Soft Holding Co. KSC	KWT	KWD	187,574	0.05
				463,268	0.13
	Diversified Financial Services				
6,025	Onex Corp.	CAN	CAD	328,187	0.10
	Diversified Telecommunication Services				
32,700	Nippon Telegraph & Telephone Corp.	JPN	JPY	1,337,239	0.39
10,775	TELUS Corp.	CAN	CAD	357,206	0.10
				1,694,445	0.49
	Electric Utilities				
28,669	NextEra Energy Inc.	USA	USD	4,983,246	1.44
133,700	Companhia Energetica de Minas Gerais	BRA	BRL	517,748	0.15
25,790	Energisa SA	BRA	BRL	246,521	0.07
				5,747,515	1.66
	Electrical Equipment				
28,230	Schneider Electric SE	FRA	EUR	1,931,699	0.56
77,430	Prysmian SpA	ITA	EUR	1,506,622	0.43
10,026	Nidec Corp.	JPN	JPY	1,141,189	0.33
				4,579,510	1.32
	Electronic Equipment, Instruments & Components				
33,753	Amphenol Corp., A	USA	USD	2,734,668	0.79
56,551	Cognex Corp.	USA	USD	2,186,827	0.63
13,800	Murata Manufacturing Co. Ltd.	JPN	JPY	1,883,020	0.54
32,052	Landis+Gyr Group AG	CHE	CHF	1,807,155	0.52
1,800	Keyence Corp.	JPN	JPY	914,453	0.27
58,500	Sunny Optical Technology Group Co. Ltd.	CHN	HKD	519,967	0.15
32,000	Gooch & Housego PLC	GBR	GBP	486,635	0.14
				10,532,725	3.04
	Energy Equipment & Services				
53,390	Tecnicas Reunidas SA	ESP	EUR	1,305,459	0.37
18,862	Schoeller-Bleckmann Oilfield Equipment AG	AUT	EUR	1,237,701	0.36
55,200	CES Energy Solutions Corp.	CAN	CAD	127,389	0.04
				2,670,549	0.77

The accompanying notes form an integral part of these financial statements

— Franklin World Perspectives Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Entertainment				
37,077	The Walt Disney Co.	USA	USD	4,065,493	1.17
31,305	Electronic Arts Inc.	USA	USD	2,470,278	0.71
2,300	Nintendo Co. Ltd.	JPN	JPY	614,557	0.18
125,900	IMAX China Holding Inc.	HKG	HKD	334,426	0.10
23	Tencent Music Entertainment Group, ADR	CHN	USD	304	0.00
				7,485,058	2.16
	Equity Real Estate Investment Trusts (REITs)				
21,922	SBA Communications Corp., A	USA	USD	3,548,953	1.02
9,702	Equinix Inc.	USA	USD	3,420,537	0.99
142,946	Merlin Properties Socimi SA	ESP	EUR	1,766,448	0.51
21,000	Derwent London PLC	GBR	GBP	764,041	0.22
				9,499,979	2.74
	Food & Staples Retailing				
11,275	Alimentation Couche-Tard Inc., B	CAN	CAD	560,962	0.16
14,025	Metro Inc., A	CAN	CAD	486,424	0.14
207,300	CP ALL PCL, fgn.	THA	THB	440,689	0.13
46,296	Pick 'N Pay Stores Ltd.	ZAF	ZAR	218,361	0.06
				1,706,436	0.49
	Food Products				
45,117	Lamb Weston Holdings Inc.	USA	USD	3,318,806	0.96
120,783	Glanbia PLC	IRL	EUR	2,268,302	0.65
101,326	Ebro Foods SA	ESP	EUR	2,024,772	0.58
28,000	Associated British Foods PLC	GBR	GBP	729,494	0.21
182,590	Universal Robina Corp.	PHL	PHP	441,694	0.13
78,000	China Mengniu Dairy Co. Ltd.	CHN	HKD	243,050	0.07
				9,026,118	2.60
	Health Care Equipment & Supplies				
15,066	Teleflex Inc.	USA	USD	3,894,260	1.12
23,872	Stryker Corp.	USA	USD	3,741,936	1.08
9,782	ABIOMED Inc.	USA	USD	3,179,541	0.92
16,110	Draegerwerk AG & Co. KGaA, pfd.	DEU	EUR	858,000	0.25
44,000	Smith & Nephew PLC	GBR	GBP	821,465	0.23
				12,495,202	3.60
	Health Care Providers & Services				
20,748	UnitedHealth Group Inc.	USA	USD	5,168,742	1.49
13,797	Ramsay Health Care Ltd.	AUS	AUD	561,174	0.16
119,026	Narayana Hrudayalaya Ltd., Reg S	IND	INR	333,793	0.10
2,400	NMC Health PLC	ARE	GBP	83,738	0.02
				6,147,447	1.77
	Hotels, Restaurants & Leisure				
843,200	Minor International PCL, fgn.	THA	THB	886,481	0.26
37,000	Compass Group PLC	GBR	GBP	778,540	0.22
13,125	Restaurant Brands International Inc.	CAN	CAD	685,794	0.20
68,000	GVC Holdings PLC	GBR	GBP	584,473	0.17
16,500	Yum China Holdings Inc.	CHN	USD	553,245	0.16
183,409	Indian Hotels Co. Ltd.	IND	INR	389,385	0.11
34,328	Gourmet Master Co. Ltd.	TWN	TWD	231,120	0.07
				4,109,038	1.19
	Household Durables				
9,523	SEB SA	FRA	EUR	1,230,812	0.35
14,400	Sony Corp.	JPN	JPY	699,766	0.20
149,275	Crompton Greaves Consumer Electricals Ltd.	IND	INR	489,323	0.14
82,000	Techtronic Industries Co. Ltd.	HKG	HKD	435,630	0.13
				2,855,531	0.82
	Household Products				
22,876	Pigeon Corp.	JPN	JPY	980,996	0.29
10,500	Reckitt Benckiser Group PLC	GBR	GBP	805,148	0.23
17,000	Lion Corp.	JPN	JPY	352,099	0.10
				2,138,243	0.62
	Industrial Conglomerates				
21,922	3M Co.	USA	USD	4,177,018	1.21
	Insurance				
359,200	AIA Group Ltd.	HKG	HKD	2,981,674	0.86
66,261	ASR Nederland NV	NLD	EUR	2,625,378	0.76
175,500	Ping An Insurance (Group) Co. of China Ltd., H	CHN	HKD	1,549,815	0.45
57,996	The Dai-ichi Life Holdings Inc.	JPN	JPY	909,098	0.26
43,000	Prudential PLC	GBR	GBP	768,797	0.22
500,000	Just Group PLC	GBR	GBP	585,021	0.17
273,000	Cathay Financial Holding Co. Ltd.	TWN	TWD	419,355	0.12
20,075	Manulife Financial Corp.	CAN	CAD	284,884	0.08
17,500	Qatar Insurance Co. SAQ	QAT	QAR	171,923	0.05
				10,295,945	2.97

The accompanying notes form an integral part of these financial statements

— Franklin World Perspectives Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Interactive Media & Services				
5,913	Alphabet Inc., C	USA	USD	6,123,562	1.77
91,900	Tencent Holdings Ltd.	CHN	HKD	3,685,154	1.06
241,400	Yahoo Japan Corp.	JPN	JPY	603,500	0.18
5,085	Naver Corp.	KOR	KRW	557,030	0.16
29,700	Kakaku.com Inc.	JPN	JPY	526,254	0.15
				11,495,500	3.32
	Internet & Direct Marketing Retail				
5,483	Amazon.com Inc.	USA	USD	8,235,302	2.37
27,463	Alibaba Group Holding Ltd., ADR	CHN	USD	3,764,353	1.09
108,984	Takkt AG	DEU	EUR	1,706,459	0.49
54,802	Ctrip.com International Ltd., ADR	CHN	USD	1,482,942	0.43
21,800	MakeMyTrip Ltd.	IND	USD	530,394	0.15
25,400	B2W Cia Digital	BRA	BRL	274,991	0.08
				15,994,441	4.61
	IT Services				
27,704	Mastercard Inc., A	USA	USD	5,226,360	1.51
77,450	Tieto OYJ	FIN	EUR	2,092,541	0.60
143,572	Atea ASA	NOR	NOK	1,846,086	0.53
11,300	Cognizant Technology Solutions Corp., A	USA	USD	717,324	0.21
65,800	Cielo SA	BRA	BRL	150,715	0.04
				10,033,026	2.89
	Life Sciences Tools & Services				
6,657	Mettler-Toledo International Inc.	USA	USD	3,765,066	1.08
11,453	Illumina Inc.	USA	USD	3,435,098	0.99
14,289	Waters Corp.	USA	USD	2,695,620	0.78
57,000	Clinigen Group PLC	GBR	GBP	548,077	0.16
				10,443,861	3.01
	Machinery				
62,123	Fortive Corp.	USA	USD	4,203,242	1.21
72,500	Bodycote PLC	GBR	GBP	671,690	0.19
40,000	Weir Group PLC	GBR	GBP	662,110	0.19
15,500	Komatsu Ltd.	JPN	JPY	334,537	0.10
				5,871,579	1.69
	Media				
3,195	Naspers Ltd., N	ZAF	ZAR	643,138	0.19
56	China Literature Ltd.	CHN	HKD	260	0.00
				643,398	0.19
	Metals & Mining				
1,840	Korea Zinc Co. Ltd.	KOR	KRW	714,549	0.21
25,606	BHP Group Ltd.	AUS	AUD	617,533	0.18
14,486	Hyundai Steel Co.	KOR	KRW	588,566	0.17
130,314	Hindalco Industries Ltd.	IND	INR	423,703	0.12
32,000	Vale SA	BRA	BRL	420,483	0.12
3,949	Rio Tinto Ltd.	AUS	AUD	218,325	0.06
200,000	Ezz Steel	EGY	EGP	201,479	0.06
				3,184,638	0.92
	Multiline Retail				
3,023	Lotte Shopping Co. Ltd.	KOR	KRW	572,728	0.16
105,291	Trent Ltd.	IND	INR	548,324	0.16
10,200	Dollarama Inc.	CAN	CAD	242,642	0.07
				1,363,694	0.39
	Multi-Utilities				
83,000	National Grid PLC	GBR	GBP	808,873	0.23
	Oil, Gas & Consumable Fuels				
128,395	Cabot Oil & Gas Corp., A	USA	USD	2,869,628	0.83
19,175	Concho Resources Inc.	USA	USD	1,970,998	0.57
38,500	Idemitsu Kosan Co. Ltd.	JPN	JPY	1,268,112	0.36
130,000	BP PLC	GBR	GBP	822,198	0.24
463,000	CNOOC Ltd.	CHN	HKD	715,446	0.21
15,625	Enbridge Inc.	CAN	CAD	485,480	0.14
79,600	Petroleo Brasileiro SA, pfd.	BRA	BRL	465,141	0.13
11,750	Keyera Corp.	CAN	CAD	222,182	0.06
8,575	Canadian Natural Resources Ltd.	CAN	CAD	206,939	0.06
31,875	Peyto Exploration & Development Corp.	CAN	CAD	165,336	0.05
12,800	Tourmaline Oil Corp.	CAN	CAD	159,232	0.05
				9,350,692	2.70
	Paper & Forest Products				
182,658	Corticeira Amorim SGPS SA	PRT	EUR	1,883,606	0.54
178,200	Oji Holdings Corp.	JPN	JPY	918,640	0.27
				2,802,246	0.81
	Personal Products				
18,588	Estee Lauder Cos. Inc., A	USA	USD	2,418,299	0.70

The accompanying notes form an integral part of these financial statements

— Franklin World Perspectives Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Pharmaceuticals				
62,223	Bristol-Myers Squibb Co.	USA	USD	3,234,352	0.93
9,546	Roche Holding AG	CHE	CHF	2,371,324	0.68
25,789	Sanofi	FRA	EUR	2,235,680	0.65
36,700	Takeda Pharmaceutical Co. Ltd.	JPN	JPY	1,240,634	0.36
10,500	AstraZeneca PLC	GBR	GBP	786,402	0.23
8,700	Eisai Co. Ltd.	JPN	JPY	674,885	0.19
34,400	Hypera SA	BRA	BRL	267,666	0.08
				10,810,943	3.12
	Professional Services				
38,351	Verisk Analytics Inc.	USA	USD	4,181,793	1.21
203,975	Applus Services SA	ESP	EUR	2,264,694	0.65
39,000	RELX PLC	GBR	GBP	803,962	0.23
110,000	RWS Holdings PLC	GBR	GBP	671,929	0.20
20,400	en-japan Inc.	JPN	JPY	635,639	0.18
				8,558,017	2.47
	Real Estate Management & Development				
41,604	Mitsui Fudosan Co. Ltd.	JPN	JPY	928,118	0.27
110,979	Oberoi Realty Ltd.	IND	INR	703,250	0.20
200,000	Urban & Civic PLC	GBR	GBP	668,231	0.19
781,000	SM Prime Holdings Inc.	PHL	PHP	532,568	0.16
				2,832,167	0.82
	Road & Rail				
4,900	Central Japan Railway Co.	JPN	JPY	1,035,662	0.30
13,325	Canadian National Railway Co.	CAN	CAD	987,062	0.28
3,700	Canadian Pacific Railway Ltd.	CAN	CAD	656,645	0.19
				2,679,369	0.77
	Semiconductors & Semiconductor Equipment				
60,676	Analog Devices Inc.	USA	USD	5,207,821	1.50
76,085	Applied Materials Inc.	USA	USD	2,491,023	0.72
15,416	NVIDIA Corp.	USA	USD	2,058,036	0.59
199,795	Taiwan Semiconductor Manufacturing Co. Ltd.	TWN	TWD	1,472,490	0.42
14,000	Silergy Corp.	CHN	TWD	207,275	0.06
42,000	Realtek Semiconductor Corp.	TWN	TWD	196,294	0.06
18,000	Globalwafers Co. Ltd.	TWN	TWD	165,016	0.05
				11,797,955	3.40
	Software				
62,382	Microsoft Corp.	USA	USD	6,336,140	1.83
30,231	Salesforce.com Inc.	USA	USD	4,140,740	1.19
22,698	ServiceNow Inc.	USA	USD	4,041,379	1.17
13,504	Tyler Technologies Inc.	USA	USD	2,509,313	0.72
4	Avaya Holdings Corp.	USA	USD	58	0.00
				17,027,630	4.91
	Specialty Retail				
65,268	Maisons du Monde SA	FRA	EUR	1,249,642	0.36
3,962,800	ACE Hardware Indonesia Tbk PT	IDN	IDR	410,610	0.12
416,500	China Yongda Automobiles Services Holdings Ltd.	CHN	HKD	253,182	0.07
35,000	Petrobras Distribuidora SA	BRA	BRL	231,755	0.07
5,550	Saudi Co. for Hardware LLC	SAU	SAR	97,942	0.03
				2,243,131	0.65
	Technology Hardware, Storage & Peripherals				
22,111	Apple Inc.	USA	USD	3,487,789	1.01
52,400	Samsung Electronics Co. Ltd.	KOR	KRW	1,820,833	0.52
				5,308,622	1.53
	Textiles, Apparel & Luxury Goods				
58,919	NIKE Inc., B	USA	USD	4,368,255	1.26
341,100	Samsonite International SA	HKG	HKD	969,220	0.28
35,000	Eclat Textile Co. Ltd.	TWN	TWD	398,078	0.11
				5,735,553	1.65
	Tobacco				
128,496	Scandinavian Tobacco Group AS	DNK	DKK	1,548,616	0.45
25,500	Imperial Brands PLC	GBR	GBP	772,974	0.22
24,000	British American Tobacco PLC	GBR	GBP	765,150	0.22
				3,086,740	0.89
	Trading Companies & Distributors				
46,900	Mitsubishi Corp.	JPN	JPY	1,292,318	0.37
145,000	Howden Joinery Group PLC	GBR	GBP	805,473	0.23
12,315	Ferguson PLC	CHE	GBP	787,905	0.23
26,000	Bunzl PLC	GBR	GBP	785,477	0.23
				3,671,173	1.06
	Transportation Infrastructure				
11,480	DP World Ltd.	ARE	USD	196,308	0.06

The accompanying notes form an integral part of these financial statements

— Franklin World Perspectives Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Wireless Telecommunication Services				
22,288	1&1 Drillisch AG	DEU	EUR	1,138,327	0.33
1,363,172	Vodafone Idea Ltd.	IND	INR	739,683	0.21
67,700	Tim Participacoes SA	BRA	BRL	206,698	0.06
				2,084,708	0.60
	TOTAL SHARES			336,791,948	97.16
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			340,771,235	98.31
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET				
	BONDS				
	Corporate Bonds				
281,000	Avaya Holdings Corp., Escrow Account **	USA	USD	0	0.00
176,000	NewPage Corp., Escrow Account **	USA	USD	0	0.00
				0	0.00
	TOTAL BONDS			0	0.00
	TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET			0	0.00
	TOTAL INVESTMENTS			340,771,235	98.31

** These securities are submitted to a Fair Valuation

The accompanying notes form an integral part of these financial statements

— Franklin Mutual European Fund —

Schedule of Investments as of December 31, 2018

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	SHARES				
	Auto Components				
208,121	Cie Generale des Etablissements Michelin SCA	FRA	EUR	18,044,091	1.94
2,171,599	Schaeffler AG, pfd.	DEU	EUR	16,145,594	1.73
				34,189,685	3.67
	Automobiles				
167,554	Volkswagen AG, pfd.	DEU	EUR	23,318,709	2.50
483,366	Peugeot SA	FRA	EUR	9,012,359	0.97
				32,331,068	3.47
	Banks				
3,667,253	Standard Chartered PLC	GBR	GBP	24,869,013	2.67
3,682,670	AIB Group PLC	IRL	EUR	13,511,406	1.45
1,432,605	ING Groep NV	NLD	EUR	13,480,813	1.44
7,994,368	Barclays PLC	GBR	GBP	13,392,599	1.44
1,146,799	UniCredit SpA	ITA	EUR	11,337,273	1.22
1,486,849	HSBC Holdings PLC	GBR	GBP	10,705,095	1.15
164,395	Societe Generale SA	FRA	EUR	4,573,469	0.49
				91,869,668	9.86
	Capital Markets				
2,180,779	Deutsche Bank AG	DEU	EUR	15,179,677	1.63
1,574,390	Credit Suisse Group AG	CHE	CHF	15,027,948	1.61
				30,207,625	3.24
	Chemicals				
239,663	BASF SE	DEU	EUR	14,569,838	1.56
	Commercial Services & Supplies				
5,836,399	G4S PLC	GBR	GBP	12,793,444	1.37
	Communications Equipment				
1,790,283	Nokia OYJ, ADR	FIN	USD	9,093,600	0.97
1,219,739	Nokia OYJ, A	FIN	EUR	6,135,287	0.66
				15,228,887	1.63
	Construction Materials				
826,136	LafargeHolcim Ltd., B	CHE	CHF	29,768,990	3.20
293,323	HeidelbergCement AG	DEU	EUR	15,692,827	1.68
				45,461,817	4.88
	Diversified Telecommunication Services				
10,397,707	Koninklijke KPN NV	NLD	EUR	26,618,130	2.86
2,569,642	Hellenic Telecommunications Organization SA	GRC	EUR	24,462,992	2.62
				51,081,122	5.48
	Electric Utilities				
6,364,842	Enel SpA	ITA	EUR	32,204,717	3.45
	Electrical Equipment				
474,944	Osram Licht AG	DEU	EUR	18,039,611	1.93
	Health Care Equipment & Supplies				
244,546	Koninklijke Philips NV	NLD	EUR	7,563,808	0.81
	Hotels, Restaurants & Leisure				
861,168	Accor SA	FRA	EUR	31,957,945	3.43
	Household Durables				
738,245	JM AB	SWE	SEK	12,625,492	1.35
1,270,964	Husqvarna AB, B	SWE	SEK	8,237,925	0.88
241,652	Neinor Homes SA, 144A	ESP	EUR	3,141,476	0.34
				24,004,893	2.57
	Insurance				
913,131	NN Group NV	NLD	EUR	31,776,959	3.41
6,558,445	Direct Line Insurance Group PLC	GBR	GBP	23,263,200	2.50
3,804,786	RSA Insurance Group PLC	GBR	GBP	21,749,124	2.33
534,460	ASR Nederland NV	NLD	EUR	18,481,627	1.98
2,536,202	Lancashire Holdings Ltd.	GBR	GBP	17,077,556	1.83
				112,348,466	12.05
	Machinery				
387,930	Vossloh AG	DEU	EUR	16,464,203	1.77
2,165,805	CNH Industrial NV	GBR	EUR	17,079,352	1.83
				33,543,555	3.60
	Marine				
11,933	A.P. Moeller-Maersk AS, B	DNK	DKK	13,101,197	1.41
	Media				
1,020,000	Liberty Global PLC, C	GBR	USD	18,373,887	1.97
	Metals & Mining				
637,895	thyssenkrupp AG	DEU	EUR	9,563,809	1.03

The accompanying notes form an integral part of these financial statements

— Franklin Mutual European Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Oil, Gas & Consumable Fuels				
3,292,805	BP PLC	GBR	GBP	18,175,670	1.95
692,254	Royal Dutch Shell PLC, A	GBR	EUR	17,759,776	1.90
7,126,798	Cairn Energy PLC	GBR	GBP	11,897,952	1.28
6,346,490	Saras SpA	ITA	EUR	10,747,197	1.15
249,163	Royal Dutch Shell PLC, A	GBR	GBP	6,398,995	0.69
				64,979,590	6.97
	Pharmaceuticals				
420,577	Novartis AG	CHE	CHF	31,455,193	3.38
1,673,963	GlaxoSmithKline PLC	GBR	GBP	27,782,304	2.98
				59,237,497	6.36
	Semiconductors & Semiconductor Equipment				
930,958	BE Semiconductor Industries NV	NLD	EUR	17,202,242	1.85
	Software				
2,377,207	Avast PLC	GBR	GBP	7,514,011	0.81
	Specialty Retail				
215,755	Dufry AG	CHE	CHF	17,945,151	1.93
172,476	Hornbach Holding AG & Co. KGaA	DEU	EUR	7,104,370	0.76
				25,049,521	2.69
	Tobacco				
517,940	British American Tobacco PLC	GBR	GBP	14,411,393	1.55
	Trading Companies & Distributors				
2,439,547	Rexel SA	FRA	EUR	22,687,787	2.43
1,903,323	Kloeckner & Co. SE	DEU	EUR	11,467,228	1.23
				34,155,015	3.66
	Wireless Telecommunication Services				
13,340,596	Vodafone Group PLC	GBR	GBP	22,702,267	2.44
	TOTAL SHARES			873,686,578	93.74
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			873,686,578	93.74
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	BONDS				
	Securities Maturing Within One Year				
11,000,000	U.S. Treasury Bill, 0.00%, 01/02/19	USA	USD	9,600,280	1.03
	TOTAL BONDS			9,600,280	1.03
	TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET			9,600,280	1.03
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET				
	SHARES				
	Road & Rail				
16,297,820	Euro Wagon LP **	JEY	EUR	0	0.00
	TOTAL SHARES			0	0.00
	TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET			0	0.00
	TOTAL INVESTMENTS			883,286,858	94.77

** These securities are submitted to a Fair Valuation

The accompanying notes form an integral part of these financial statements

— Franklin Mutual Global Discovery Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	SHARES				
	Aerospace & Defense				
843,549	BAE Systems PLC	GBR	GBP	4,939,779	0.79
	Auto Components				
176,686	Toyo Tire Corp.	JPN	JPY	2,216,635	0.35
	Automobiles				
77,378	Volkswagen AG, pfd.	DEU	EUR	12,338,887	1.97
230,350	General Motors Co.	USA	USD	7,705,208	1.23
				20,044,095	3.20
	Banks				
368,064	Citizens Financial Group Inc.	USA	USD	10,942,543	1.75
230,480	Wells Fargo & Co.	USA	USD	10,620,518	1.70
187,360	Citigroup Inc.	USA	USD	9,753,962	1.56
75,356	JPMorgan Chase & Co.	USA	USD	7,356,253	1.17
209,219	Societe Generale SA	FRA	EUR	6,669,097	1.06
124,314	BNP Paribas SA	FRA	EUR	5,622,778	0.90
540,788	Standard Chartered PLC	GBR	GBP	4,201,976	0.67
1,492,420	Barclays PLC	GBR	GBP	2,864,709	0.46
174,100	First Horizon National Corp.	USA	USD	2,291,156	0.36
				60,322,992	9.63
	Building Products				
269,300	Johnson Controls International PLC	USA	USD	7,984,745	1.27
	Capital Markets				
1,948,395	Guotai Junan Securities Co. Ltd.	CHN	HKD	3,941,329	0.63
252,673	Credit Suisse Group AG	CHE	CHF	2,763,472	0.44
264,331	Deutsche Bank AG	DEU	EUR	2,108,180	0.34
				8,812,981	1.41
	Chemicals				
120,788	BASF SE	DEU	EUR	8,413,686	1.34
	Communications Equipment				
174,150	Cisco Systems Inc.	USA	USD	7,545,920	1.21
1,285,222	Nokia OYJ, A	FIN	EUR	7,407,215	1.18
162,626	Nokia OYJ, ADR	FIN	USD	946,483	0.15
				15,899,618	2.54
	Construction Materials				
151,464	LafargeHolcim Ltd., B	CHE	CHF	6,253,610	1.00
	Consumer Finance				
95,279	Capital One Financial Corp.	USA	USD	7,202,140	1.15
161,823	Ally Financial Inc.	USA	USD	3,666,909	0.59
				10,869,049	1.74
	Containers & Packaging				
146,880	International Paper Co.	USA	USD	5,928,077	0.95
	Diversified Financial Services				
154,509	CIT Group Inc.	USA	USD	5,913,060	0.94
146,280	Voya Financial Inc.	USA	USD	5,871,679	0.94
				11,784,739	1.88
	Diversified Telecommunication Services				
3,667,267	Koninklijke KPN NV	NLD	EUR	10,757,003	1.72
184,422	AT&T Inc.	USA	USD	5,263,404	0.84
				16,020,407	2.56
	Electric Utilities				
2,317,681	Enel SpA	ITA	EUR	13,436,753	2.14
86,835	PG&E Corp.	USA	USD	2,062,331	0.33
				15,499,084	2.47
	Energy Equipment & Services				
293,010	Baker Hughes a GE Co., A	USA	USD	6,299,715	1.01
	Entertainment				
163,100	The Walt Disney Co.	USA	USD	17,883,915	2.86
	Food & Staples Retailing				
115,926	Walgreens Boots Alliance Inc.	USA	USD	7,921,224	1.26
	Health Care Equipment & Supplies				
230,025	Medtronic PLC	USA	USD	20,923,074	3.34
154,121	Koninklijke Philips NV	NLD	EUR	5,461,985	0.87
				26,385,059	4.21
	Health Care Providers & Services				
131,253	CVS Health Corp.	USA	USD	8,599,697	1.37

The accompanying notes form an integral part of these financial statements

— Franklin Mutual Global Discovery Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Hotels, Restaurants & Leisure				
222,742	Accor SA	FRA	EUR	9,471,131	1.51
1,082,000	Sands China Ltd.	MAC	HKD	4,739,493	0.76
				14,210,624	2.27
	Independent Power and Renewable Electricity Producers				
147,300	Vistra Energy Corp.	USA	USD	3,371,697	0.54
	Industrial Conglomerates				
691,700	General Electric Co.	USA	USD	5,236,169	0.84
	Insurance				
338,064	NN Group NV	NLD	EUR	13,479,909	2.15
84,399	Chubb Ltd.	USA	USD	10,902,663	1.74
228,177	The Hartford Financial Services Group Inc.	USA	USD	10,142,468	1.62
214,867	American International Group Inc.	USA	USD	8,467,908	1.35
1,996,392	China Pacific Insurance Group Co. Ltd., H	CHN	HKD	6,463,002	1.03
92,342	MetLife Inc.	USA	USD	3,791,563	0.61
308,244	T&D Holdings Inc.	JPN	JPY	3,597,117	0.57
418,190	RSA Insurance Group PLC	GBR	GBP	2,739,012	0.44
2,700	Alleghany Corp.	USA	USD	1,682,964	0.27
				61,266,606	9.78
	IT Services				
139,850	Cognizant Technology Solutions Corp., A	USA	USD	8,877,678	1.42
	Machinery				
530,622	CNH Industrial NV	GBR	EUR	4,794,530	0.77
	Media				
36,866	Charter Communications Inc., A	USA	USD	10,505,704	1.68
287,000	Liberty Global PLC, C	GBR	USD	5,923,680	0.94
182,330	DISH Network Corp., A	USA	USD	4,552,780	0.73
				20,982,164	3.35
	Metals & Mining				
93,425	Warrior Met Coal Inc.	USA	USD	2,252,477	0.36
64,087	thyssenkrupp AG	DEU	EUR	1,100,932	0.18
				3,353,409	0.54
	Oil, Gas & Consumable Fuels				
668,410	Kinder Morgan Inc.	USA	USD	10,280,146	1.64
310,000	Canadian Natural Resources Ltd.	CAN	CAD	7,481,153	1.19
245,719	Royal Dutch Shell PLC, A	GBR	GBP	7,230,624	1.15
242,574	Royal Dutch Shell PLC, A	GBR	EUR	7,130,583	1.14
977,022	BP PLC	GBR	GBP	6,179,275	0.99
277,895	The Williams Cos. Inc.	USA	USD	6,127,585	0.98
223,600	Plains GP Holdings LP, A	USA	USD	4,494,360	0.72
652,460	JXTG Holdings Inc.	JPN	JPY	3,433,154	0.55
72,900	Anadarko Petroleum Corp.	USA	USD	3,195,936	0.51
220,805	Marathon Oil Corp.	USA	USD	3,166,344	0.51
876,600	Crescent Point Energy Corp.	CAN	CAD	2,658,796	0.42
				61,377,956	9.80
	Pharmaceuticals				
247,223	Novartis AG, ADR	CHE	USD	21,214,206	3.39
786,437	GlaxoSmithKline PLC	GBR	GBP	14,955,301	2.39
127,657	Eli Lilly & Co.	USA	USD	14,772,468	2.36
174,250	Merck & Co. Inc.	USA	USD	13,314,442	2.12
				64,256,417	10.26
	Real Estate Management & Development				
1,208,696	Dolphin Capital Investors Ltd.	GRC	GBP	90,171	0.01
	Semiconductors & Semiconductor Equipment				
923,997	Renesas Electronics Corp.	JPN	JPY	4,215,315	0.67
	Software				
103,795	Check Point Software Technologies Ltd.	ISR	USD	10,654,557	1.70
400,741	Symantec Corp.	USA	USD	7,572,001	1.21
19,800	Red Hat Inc.	USA	USD	3,477,672	0.56
				21,704,230	3.47
	Specialty Retail				
44,665	Dufry AG	CHE	CHF	4,256,596	0.68
	Technology Hardware, Storage & Peripherals				
336,900	Samsung Electronics Co. Ltd.	KOR	KRW	11,706,845	1.87
409,674	Hewlett Packard Enterprise Co.	USA	USD	5,411,793	0.87
139,562	Western Digital Corp.	USA	USD	5,159,607	0.82
				22,278,245	3.56

The accompanying notes form an integral part of these financial statements

— Franklin Mutual Global Discovery Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Tobacco				
284,321	British American Tobacco PLC	GBR	GBP	9,064,509	1.45
108,991	Altria Group Inc.	USA	USD	5,383,065	0.86
84,665	British American Tobacco PLC, ADR	GBR	USD	2,697,427	0.43
				17,145,001	2.74
	TOTAL SHARES			579,495,915	92.54
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			579,495,915	92.54
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	WARRANTS				
	Software				
24,191	Avaya Holdings Corp., wts., 12/15/22	USA	USD	49,591	0.01
	TOTAL WARRANTS			49,591	0.01
	BONDS				
	Corporate Bonds				
8,222,000	Frontier Communications Corp., senior note, 10.50%, 09/15/22	USA	USD	5,755,400	0.92
6,108,000	Frontier Communications Corp., senior note, 11.00%, 09/15/25	USA	USD	3,832,465	0.61
				9,587,865	1.53
	Securities Maturing Within One Year				
20,000,000	U.S. Treasury Bill, 0.00%, 01/02/19	USA	USD	20,000,000	3.19
	TOTAL BONDS			29,587,865	4.72
	TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET			29,637,456	4.73
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET				
	SHARES				
	Auto Components				
207,777	International Automotive Components Group North America LLC **	USA	USD	24,767	0.01
	TOTAL SHARES			24,767	0.01
	BONDS				
	Corporate Bonds				
10,741,000	Avaya Holdings Corp., Escrow Account **	USA	USD	0	0.00
10,420,000	NewPage Corp., Escrow Account **	USA	USD	0	0.00
				0	0.00
	TOTAL BONDS			0	0.00
	TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET			24,767	0.01
	TOTAL INVESTMENTS			609,158,138	97.28

** These securities are submitted to a Fair Valuation

The accompanying notes form an integral part of these financial statements

— Franklin Mutual U.S. Value Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	SHARES				
	Auto Components				
89,446	The Goodyear Tire & Rubber Co.	USA	USD	1,825,593	0.46
	Automobiles				
171,619	General Motors Co.	USA	USD	5,740,656	1.46
	Banks				
106,650	JPMorgan Chase & Co.	USA	USD	10,411,173	2.64
195,425	Wells Fargo & Co.	USA	USD	9,005,184	2.29
255,661	Citizens Financial Group Inc.	USA	USD	7,600,802	1.93
132,642	Citigroup Inc.	USA	USD	6,905,342	1.75
46,896	Guaranty Bancorp	USA	USD	973,092	0.25
				34,895,593	8.86
	Building Products				
185,665	Johnson Controls International PLC	USA	USD	5,504,967	1.40
	Communications Equipment				
216,109	Cisco Systems Inc.	USA	USD	9,364,003	2.38
	Construction & Engineering				
92,033	Fluor Corp.	USA	USD	2,963,463	0.75
	Consumer Finance				
74,285	Capital One Financial Corp.	USA	USD	5,615,203	1.43
146,501	Ally Financial Inc.	USA	USD	3,319,713	0.84
				8,934,916	2.27
	Containers & Packaging				
138,263	International Paper Co.	USA	USD	5,580,295	1.42
43,424	WestRock Co.	USA	USD	1,639,690	0.41
				7,219,985	1.83
	Diversified Financial Services				
130,342	Voya Financial Inc.	USA	USD	5,231,928	1.33
105,086	CIT Group Inc.	USA	USD	4,021,641	1.02
				9,253,569	2.35
	Diversified Telecommunication Services				
180,824	AT&T Inc.	USA	USD	5,160,717	1.31
	Electric Utilities				
60,390	PG&E Corp.	USA	USD	1,434,262	0.37
	Electrical Equipment				
162,386	Sensata Technologies Holding PLC	USA	USD	7,281,388	1.85
	Energy Equipment & Services				
211,254	Baker Hughes a GE Co., A	USA	USD	4,541,961	1.15
106,487	McDermott International Inc.	USA	USD	696,425	0.18
				5,238,386	1.33
	Entertainment				
102,694	The Walt Disney Co.	USA	USD	11,260,397	2.86
	Equity Real Estate Investment Trusts (REITs)				
77,545	Vornado Realty Trust	USA	USD	4,810,116	1.22
	Food & Staples Retailing				
279,425	The Kroger Co.	USA	USD	7,684,188	1.95
90,288	Walgreens Boots Alliance Inc.	USA	USD	6,169,379	1.57
				13,853,567	3.52
	Health Care Equipment & Supplies				
191,541	Medtronic PLC	USA	USD	17,422,569	4.43
	Health Care Providers & Services				
116,678	CVS Health Corp.	USA	USD	7,644,743	1.94
	Household Durables				
336,319	Newell Brands Inc.	USA	USD	6,252,170	1.59
92,200	Lennar Corp., A	USA	USD	3,609,630	0.91
76,200	Toll Brothers Inc.	USA	USD	2,509,266	0.64
				12,371,066	3.14
	Household Products				
68,458	Energizer Holdings Inc.	USA	USD	3,090,879	0.79
	Independent Power and Renewable Electricity Producers				
116,737	Vistra Energy Corp.	USA	USD	2,672,110	0.68
	Industrial Conglomerates				
491,735	General Electric Co.	USA	USD	3,722,434	0.95

The accompanying notes form an integral part of these financial statements

— Franklin Mutual U.S. Value Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Insurance				
14,503	Alleghany Corp.	USA	USD	9,040,010	2.30
214,448	American International Group Inc.	USA	USD	8,451,396	2.15
55,882	Chubb Ltd.	USA	USD	7,218,837	1.83
143,037	The Hartford Financial Services Group Inc.	USA	USD	6,357,994	1.61
136,128	MetLife Inc.	USA	USD	5,589,416	1.42
92,000	Brighthouse Financial Inc.	USA	USD	2,804,160	0.71
				39,461,813	10.02
	IT Services				
109,869	Cognizant Technology Solutions Corp., A	USA	USD	6,974,484	1.77
	Media				
32,680	Charter Communications Inc., A	USA	USD	9,312,819	2.37
195,497	Comcast Corp., A	USA	USD	6,656,673	1.69
172,600	Discovery Inc., C	USA	USD	3,983,608	1.01
112,345	DISH Network Corp., A	USA	USD	2,805,255	0.71
				22,758,355	5.78
	Metals & Mining				
64,816	Warrior Met Coal Inc.	USA	USD	1,562,714	0.40
	Oil, Gas & Consumable Fuels				
441,791	Kinder Morgan Inc.	USA	USD	6,794,745	1.73
393,244	Marathon Oil Corp.	USA	USD	5,639,119	1.43
124,102	Anadarko Petroleum Corp.	USA	USD	5,440,632	1.38
242,273	The Williams Cos. Inc.	USA	USD	5,342,120	1.36
160,215	Plains GP Holdings LP, A	USA	USD	3,220,321	0.82
				26,436,937	6.72
	Pharmaceuticals				
150,828	Merck & Co. Inc.	USA	USD	11,524,768	2.93
93,785	Eli Lilly & Co.	USA	USD	10,852,800	2.75
				22,377,568	5.68
	Software				
360,107	Symantec Corp.	USA	USD	6,804,222	1.73
22,600	Red Hat Inc.	USA	USD	3,969,464	1.01
				10,773,686	2.74
	Technology Hardware, Storage & Peripherals				
289,924	Hewlett Packard Enterprise Co.	USA	USD	3,829,896	0.97
100,700	Western Digital Corp.	USA	USD	3,722,879	0.95
3,095	Apple Inc.	USA	USD	488,205	0.12
				8,040,980	2.04
	Tobacco				
89,744	Altria Group Inc.	USA	USD	4,432,456	1.13
	Wireless Telecommunication Services				
95,958	T-Mobile U.S. Inc.	USA	USD	6,103,888	1.55
	TOTAL SHARES			330,588,260	83.98
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			330,588,260	83.98
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	WARRANTS				
	Software				
20,978	Avaya Holdings Corp., wts., 12/15/22	USA	USD	43,005	0.01
	TOTAL WARRANTS			43,005	0.01
	BONDS				
	Corporate Bonds				
4,675,000	Frontier Communications Corp., senior note, 11.00%, 09/15/25	USA	USD	2,933,329	0.75
3,563,000	Frontier Communications Corp., senior note, 10.50%, 09/15/22	USA	USD	2,494,100	0.63
2,306,000	Banff Merger Sub Inc., senior note, 144A, 9.75%, 09/01/26	USA	USD	2,115,755	0.54
2,904,000	Veritas U.S. Inc./Veritas Bermuda Ltd., senior note, 144A, 10.50%, 02/01/24	USA	USD	1,923,900	0.49
1,377,000	McDermott Technology Americas Inc., senior note, 144A, 10.625%, 05/01/24	USA	USD	1,167,007	0.30
504,000	Veritas U.S. Inc./Veritas Bermuda Ltd., senior note, 144A, 7.50%, 02/01/23	USA	USD	413,280	0.10
				11,047,371	2.81
	Securities Maturing Within One Year				
24,000,000	U.S. Treasury Bill, 0.00%, 01/02/19	USA	USD	24,000,000	6.10
10,382,000	iHeartCommunications Inc., senior secured note, first lien, 9.00%, 12/15/19 *	USA	USD	7,007,850	1.78
5,000,000	U.S. Treasury Bill, 0.00%, 02/14/19	USA	USD	4,985,486	1.26
				35,993,336	9.14
	TOTAL BONDS			47,040,707	11.95
	TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET			47,083,712	11.96

The accompanying notes form an integral part of these financial statements

— Franklin Mutual U.S. Value Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET				
	SHARES				
	Auto Components				
9,944,392	International Automotive Components Group North America LLC **	USA	USD	1,185,372	0.30
912,806	International Automotive Components Group Brazil LLC **	BRA	USD	38,682	0.01
				1,224,054	0.31
	TOTAL SHARES			1,224,054	0.31
	BONDS				
	Corporate Bonds				
9,888,000	Avaya Holdings Corp., Escrow Account **	USA	USD	0	0.00
	TOTAL BONDS			0	0.00
	TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET			1,224,054	0.31
	TOTAL INVESTMENTS			378,896,026	96.25

* These Bonds are currently in default
** These securities are submitted to a Fair Valuation

The accompanying notes form an integral part of these financial statements

— Templeton Africa Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	SHARES				
	Banks				
775,047	Commercial International Bank Egypt SAE	EGY	EGP	3,239,631	5.29
35,736,964	Zenith Bank PLC	NGA	NGN	2,291,341	3.74
191,647	Absa Group Ltd.	ZAF	ZAR	2,158,385	3.52
271,100	MCB Group Ltd.	MUS	MUR	2,157,735	3.52
15,651,291	Guaranty Trust Bank PLC	NGA	NGN	1,499,825	2.45
3,286,550	KCB Group Ltd.	KEN	KES	1,214,314	1.98
19,351,639	Ecobank Transnational Inc.	TGO	NGN	828,971	1.35
62,500	Standard Bank Group Ltd.	ZAF	ZAR	777,797	1.27
				14,167,999	23.12
	Beverages				
1,422,392	East African Breweries Ltd.	KEN	KES	2,425,325	3.96
6,356,158	Nigerian Breweries PLC	NGA	NGN	1,511,687	2.47
				3,937,012	6.43
	Capital Markets				
740,055	Egyptian Financial Group-Hermes Holding Co.	EGY	EGP	620,286	1.01
	Diversified Financial Services				
354,000	FirstRand Ltd.	ZAF	ZAR	1,615,239	2.64
89,730	Remgro Ltd.	ZAF	ZAR	1,216,151	1.98
743,960	CI Capital Holding Co. SAE	EGY	EGP	332,052	0.54
				3,163,442	5.16
	Food & Staples Retailing				
701,184	Pick 'N Pay Stores Ltd.	ZAF	ZAR	3,307,228	5.40
181,246	Massmart Holdings Ltd.	ZAF	ZAR	1,305,832	2.13
				4,613,060	7.53
	Food Products				
4,564,445	Juhayna Food Industries	EGY	EGP	2,864,051	4.67
16,777,230	UAC of Nigeria PLC	NGA	NGN	452,682	0.74
				3,316,733	5.41
	Health Care Providers & Services				
774,587	Life Healthcare Group Holdings Ltd.	ZAF	ZAR	1,423,209	2.32
	Media				
17,509	Naspers Ltd., N	ZAF	ZAR	3,524,478	5.75
	Multiline Retail				
311,000	Woolworths Holdings Ltd.	ZAF	ZAR	1,192,416	1.95
	Real Estate Management & Development				
1,943,000	Cairo Investment and Real Estate Development Co. SAE	EGY	EGP	943,836	1.54
	Specialty Retail				
150,605	Mr. Price Group Ltd.	ZAF	ZAR	2,580,084	4.21
	Tobacco				
1,373,050	Eastern Tobacco	EGY	EGP	1,256,019	2.05
	Wireless Telecommunication Services				
634,072	MTN Group Ltd.	ZAF	ZAR	3,927,563	6.41
5,287,824	Global Telecom Holding SAE	EGY	EGP	1,081,553	1.77
4,547,100	Safaricom PLC	KEN	KES	992,865	1.62
				6,001,981	9.80
	TOTAL SHARES			46,740,555	76.28
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			46,740,555	76.28
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET				
	SHARES				
	Diversified Telecommunication Services				
20,029	Sonatel **	SEN	XOF	559,548	0.91
	TOTAL SHARES			559,548	0.91
	TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET			559,548	0.91
	TOTAL INVESTMENTS			47,300,103	77.19

** These securities are submitted to a Fair Valuation

The accompanying notes form an integral part of these financial statements

— Templeton Asian Bond Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	BONDS				
	Government and Municipal Bonds				
5,030,000,000	Government of India, senior bond, 8.20%, 02/15/22	IND	INR	74,426,937	14.87
2,700,000,000	Government of India, senior note, 7.80%, 04/11/21	IND	INR	39,395,861	7.87
2,390,000,000	Government of India, senior note, 7.16%, 05/20/23	IND	INR	34,232,962	6.84
381,047,000,000	Government of Indonesia, senior bond, FR40, 11.00%, 09/15/25	IDN	IDR	30,491,724	6.09
325,620,000,000	Government of Indonesia, senior bond, FR46, 9.50%, 07/15/23	IDN	IDR	23,984,485	4.79
24,072,300,000	Korea Treasury Bond, senior note, 1.375%, 09/10/21	KOR	KRW	21,340,809	4.26
18,717,000,000	Korea Treasury Bond, senior bond, 4.25%, 06/10/21	KOR	KRW	17,762,453	3.55
216,408,000,000	Government of Indonesia, senior bond, FR42, 10.25%, 07/15/27	IDN	IDR	17,029,708	3.40
157,890,000,000	Government of Indonesia, senior bond, FR39, 11.75%, 08/15/23	IDN	IDR	12,581,244	2.51
12,179,000,000	Korea Treasury Bond, senior note, 2.00%, 03/10/21	KOR	KRW	10,970,964	2.19
150,000,000,000	Government of Indonesia, senior bond, FR70, 8.375%, 03/15/24	IDN	IDR	10,601,175	2.12
136,574,000,000	Government of Indonesia, senior bond, FR61, 7.00%, 05/15/22	IDN	IDR	9,292,823	1.86
600,000,000	Government of India, senior note, 8.83%, 11/25/23	IND	INR	9,163,519	1.83
59,577,000,000	Government of Indonesia, senior bond, FR44, 10.00%, 09/15/24	IDN	IDR	4,515,091	0.90
57,087,000,000	Government of Indonesia, senior bond, FR59, 7.00%, 05/15/27	IDN	IDR	3,709,268	0.74
21,215,000,000	Government of Indonesia, senior bond, FR37, 12.00%, 09/15/26	IDN	IDR	1,803,570	0.36
20,491,000,000	Government of Indonesia, senior bond, FR53, 8.25%, 07/15/21	IDN	IDR	1,448,691	0.29
14,899,000,000	Government of Indonesia, senior bond, FR56, 8.375%, 09/15/26	IDN	IDR	1,053,602	0.21
13,856,000,000	Government of Indonesia, senior bond, FR63, 5.625%, 05/15/23	IDN	IDR	891,294	0.18
42,850,000	Government of the Philippines, senior note, 3.375%, 08/20/20	PHL	PHP	781,670	0.16
8,109,000,000	Government of Indonesia, senior bond, FR31, 11.00%, 11/15/20	IDN	IDR	603,607	0.12
				326,081,457	65.14
	Securities Maturing Within One Year				
2,171,000,000	Government of Thailand, senior bond, 3.875%, 06/13/19	THA	THB	67,791,388	13.54
718,996,000,000	Government of Indonesia, senior note, FR69, 7.875%, 04/15/19	IDN	IDR	50,217,197	10.03
1,021,390,000	Government of the Philippines, senior note, 7-56, 3.875%, 11/22/19	PHL	PHP	19,084,429	3.81
165,660,000	Philippine Treasury Bill, 0.00%, 03/13/19	PHL	PHP	3,129,207	0.63
120,590,000	Philippine Treasury Bill, 0.00%, 03/20/19	PHL	PHP	2,275,786	0.45
88,560,000	Government of the Philippines, senior note, 7.875%, 02/19/19	PHL	PHP	1,693,444	0.34
88,190,000	Philippine Treasury Bill, 0.00%, 03/06/19	PHL	PHP	1,667,270	0.33
				145,858,721	29.13
	TOTAL BONDS			471,940,178	94.27
	TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET			471,940,178	94.27
	TOTAL INVESTMENTS			471,940,178	94.27

The accompanying notes form an integral part of these financial statements

— Templeton Asian Growth Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	SHARES				
	Auto Components				
642,294	Hankook Tire Co. Ltd.	KOR	KRW	23,155,134	0.75
	Automobiles				
111,388,300	Brilliance China Automotive Holdings Ltd.	CHN	HKD	82,931,331	2.71
87,997,300	Astra International Tbk PT	IDN	IDR	50,332,253	1.64
				133,263,584	4.35
	Banks				
422,267,304	Bank Danamon Indonesia Tbk PT	IDN	IDR	223,173,262	7.28
4,158,590	HDFC Bank Ltd.	IND	INR	126,825,937	4.14
15,925,000	Kasikornbank PCL, fgn.	THA	THB	90,852,273	2.97
31,591,032	MCB Bank Ltd.	PAK	PKR	43,838,771	1.43
2,172,318	Kotak Mahindra Bank Ltd.	IND	INR	39,234,118	1.28
10,613,000	China Merchants Bank Co. Ltd., H	CHN	HKD	38,898,295	1.27
122,825,600	Bank Rakyat Indonesia Persero Tbk PT	IDN	IDR	31,261,592	1.02
844,420	Shinhan Financial Group Co. Ltd.	KOR	KRW	30,024,901	0.98
39,471,000	Industrial and Commercial Bank of China Ltd., H	CHN	HKD	28,177,369	0.92
3,272,455	ICICI Bank Ltd.	IND	INR	16,940,846	0.55
884,700	DBS Group Holdings Ltd.	SGP	SGD	15,376,210	0.50
3,621,900	Siam Commercial Bank PCL, fgn.	THA	THB	14,951,257	0.49
				699,554,831	22.83
	Construction & Engineering				
1,195,231	HDC Hyundai Development Co-Engineering & Construction	KOR	KRW	51,728,129	1.69
	Construction Materials				
76,995,400	Semen Indonesia (Persero) Tbk PT	IDN	IDR	61,574,903	2.01
1,291,836	Siam Cement PCL, fgn.	THA	THB	17,416,218	0.57
129,486	UltraTech Cement Ltd.	IND	INR	7,428,089	0.24
				86,419,210	2.82
	Electronic Equipment, Instruments & Components				
5,297,800	Sunny Optical Technology Group Co. Ltd.	CHN	HKD	47,088,549	1.54
	Entertainment				
1,236	Tencent Music Entertainment Group, ADR	CHN	USD	16,340	0.00
	Food & Staples Retailing				
8,936,934	Dairy Farm International Holdings Ltd.	HKG	USD	80,879,253	2.64
23,438,500	CP ALL PCL, fgn.	THA	THB	49,826,743	1.63
				130,705,996	4.27
	Food Products				
6,972,000	China Mengniu Dairy Co. Ltd.	CHN	HKD	21,724,896	0.71
	Hotels, Restaurants & Leisure				
20,090,800	Minor International PCL, fgn.	THA	THB	21,122,053	0.69
	Household Durables				
4,883,885	Crompton Greaves Consumer Electricals Ltd.	IND	INR	16,009,343	0.52
32,530,102	Samson Holding Ltd.	HKG	HKD	2,243,312	0.08
				18,252,655	0.60
	Insurance				
15,983,200	AIA Group Ltd.	HKG	HKD	132,674,542	4.33
	Interactive Media & Services				
4,824,200	Tencent Holdings Ltd.	CHN	HKD	193,448,541	6.31
	Internet & Direct Marketing Retail				
1,970,829	Alibaba Group Holding Ltd., ADR	CHN	USD	270,141,531	8.81
733,500	Ctrip.com International Ltd., ADR	CHN	USD	19,848,510	0.65
				289,990,041	9.46
	IT Services				
7,889,196	Infosys Ltd.	IND	INR	74,724,532	2.44
	Machinery				
5,378,128	Samsung Heavy Industries Co. Ltd.	KOR	KRW	35,783,039	1.17
	Media				
29,956,100	BEC World PCL, fgn.	THA	THB	4,464,700	0.15
	Metals & Mining				
19,952,939	Hindalco Industries Ltd.	IND	INR	64,875,015	2.12
27,930,400	Aluminum Corp. of China Ltd., H	CHN	HKD	8,988,520	0.29
				73,863,535	2.41

The accompanying notes form an integral part of these financial statements

— Templeton Asian Growth Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Oil, Gas & Consumable Fuels				
28,207,513	PTT Exploration and Production PCL, fgn.	THA	THB	98,996,683	3.23
77,179,823	Oil & Gas Development Co. Ltd.	PAK	PKR	70,692,964	2.31
103,780,600	PetroChina Co. Ltd., H	CHN	HKD	64,676,499	2.11
35,530,200	CNOOC Ltd.	CHN	HKD	54,902,678	1.79
10,542,463	United Tractors Tbk PT	IDN	IDR	20,051,207	0.65
				309,320,031	10.09
	Pharmaceuticals				
852,354	Dr Reddy's Laboratories Ltd.	IND	INR	32,056,695	1.05
	Real Estate Management & Development				
159,129,519	Land and Houses PCL, fgn.	THA	THB	48,713,118	1.59
6,590,533	Peninsula Land Ltd.	IND	INR	1,018,373	0.03
				49,731,491	1.62
	Semiconductors & Semiconductor Equipment				
33,518,000	Taiwan Semiconductor Manufacturing Co. Ltd.	TWN	TWD	247,027,780	8.06
	Technology Hardware, Storage & Peripherals				
7,196,295	Samsung Electronics Co. Ltd.	KOR	KRW	250,062,060	8.16
5,510,000	Catcher Technology Co. Ltd.	TWN	TWD	40,518,678	1.32
				290,580,738	9.48
	Transportation Infrastructure				
43,445,204	China Merchants Port Group Co Ltd., B	CHN	HKD	51,376,360	1.68
	Wireless Telecommunication Services				
56,782,954	Vodafone Idea Ltd.	IND	INR	30,811,507	1.00
	TOTAL SHARES			3,048,884,909	99.50
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			3,048,884,909	99.50
	TOTAL INVESTMENTS			3,048,884,909	99.50

The accompanying notes form an integral part of these financial statements

— Templeton Asian Smaller Companies Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	SHARES				
	Air Freight & Logistics				
13,220,724	Aramex PJSC	ARE	AED	15,440,945	1.04
	Auto Components				
11,822,140	Apollo Tyres Ltd.	IND	INR	40,095,356	2.70
520,840	Mando Corp.	KOR	KRW	13,538,819	0.91
318,279	Hankook Tire Co. Ltd.	KOR	KRW	11,474,173	0.77
60,227,000	Xinchen China Power Holdings Ltd.	CHN	HKD	3,345,731	0.23
				68,454,079	4.61
	Banks				
21,257,073	Federal Bank Ltd.	IND	INR	28,492,483	1.92
11,086,485	TISCO Financial Group PCL, fgn.	THA	THB	26,824,906	1.80
8,604,289	Hatton National Bank PLC	LKA	LKR	10,067,348	0.68
11,060,700	Habib Bank Ltd.	PAK	PKR	9,335,927	0.63
129,742,438	Bank Permata Tbk PT	IDN	IDR	5,639,014	0.38
8,388,200	Bank Danamon Indonesia Tbk PT	IDN	IDR	4,433,263	0.30
4,693,500	United Bank Ltd.	PAK	PKR	4,163,047	0.28
				88,955,988	5.99
	Biotechnology				
91,503	Medy-tox Inc.	KOR	KRW	47,472,425	3.19
931,777	Biocon Ltd.	IND	INR	8,425,101	0.57
				55,897,526	3.76
	Building Products				
79,376,800	Dynasty Ceramic PCL, fgn.	THA	THB	4,810,715	0.32
	Capital Markets				
504,947	Noah Holdings Ltd., ADR	CHN	USD	21,874,304	1.47
6,450,000	China Everbright Ltd.	CHN	HKD	11,432,986	0.77
459,170	Tata Investment Corp. Ltd.	IND	INR	5,884,663	0.40
				39,191,953	2.64
	Chemicals				
2,736,977	Tata Chemicals Ltd.	IND	INR	27,802,525	1.87
	Construction & Engineering				
1,869,485	Dilip Buildcon Ltd.	IND	INR	11,239,214	0.76
	Construction Materials				
11,772,338	Huaxin Cement Co. Ltd., B	CHN	USD	20,071,836	1.35
23,262,600	Asia Cement China Holdings Corp.	CHN	HKD	16,309,517	1.10
1,517,954	JK Cement Ltd.	IND	INR	15,569,011	1.05
2,040,900	Lucky Cement Ltd.	PAK	PKR	6,318,177	0.42
				58,268,541	3.92
	Consumer Finance				
7,951,332	Equitas Holdings Ltd.	IND	INR	14,303,711	0.96
	Diversified Financial Services				
1,920,947	Bajaj Holdings & Investment Ltd.	IND	INR	81,454,559	5.49
1,110,000	Hankook Tire Worldwide Co. Ltd.	KOR	KRW	16,544,702	1.11
				97,999,261	6.60
	Electronic Equipment, Instruments & Components				
12,871,643	Redington India Ltd.	IND	INR	16,401,770	1.10
1,681,000	Sunny Optical Technology Group Co. Ltd.	CHN	HKD	14,941,268	1.01
30,175,900	FIT Hon Teng Ltd.	TWN	HKD	13,063,828	0.88
5,722,753	Flytech Technology Co. Ltd.	TWN	TWD	12,718,476	0.86
5,573,000	Delta Electronics Thailand PCL, fgn.	THA	THB	11,976,608	0.81
5,347,099	FPT Corp.	VNM	VND	9,728,285	0.65
6,967,800	Synnex Technology International Corp.	TWN	TWD	8,289,307	0.56
				87,119,542	5.87
	Entertainment				
624,936	IMAX Corp.	USA	USD	11,755,046	0.79
13,577,200	Major Cineplex Group PCL, fgn.	THA	THB	8,648,433	0.58
				20,403,479	1.37
	Food & Staples Retailing				
7,057,040	Robinsons Retail Holdings Inc.	PHL	PHP	10,753,585	0.73
14,731,955	7-Eleven Malaysia Holdings Bhd.	MYS	MYR	5,347,352	0.36
				16,100,937	1.09
	Food Products				
6,542,500	Health & Happiness H&H International Holdings Ltd.	CHN	HKD	37,347,519	2.52
20,005,596	Uni-President China Holdings Ltd.	CHN	HKD	17,372,844	1.17
4,677,340	Masan Group Corp.	VNM	VND	15,628,103	1.05
				70,348,466	4.74

The accompanying notes form an integral part of these financial statements

— Templeton Asian Smaller Companies Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Health Care Equipment & Supplies				
759,200	Vieworks Co. Ltd.	KOR	KRW	22,495,623	1.51
934,800	St. Shine Optical Co. Ltd.	TWN	TWD	16,436,984	1.11
764,156	I-Sens Inc.	KOR	KRW	15,438,049	1.04
3,628,000	Pacific Hospital Supply Co. Ltd.	TWN	TWD	8,181,587	0.55
				62,552,243	4.21
	Household Products				
4,771,914	Eveready Industries India Ltd.	IND	INR	12,867,774	0.87
	Independent Power and Renewable Electricity Producers				
1,224,800	The Hub Power Co. Ltd.	PAK	PKR	752,315	0.05
	Industrial Conglomerates				
69,839,300	DMCI Holdings Inc.	PHL	PHP	17,000,881	1.15
19,519,070	Hemas Holdings PLC	LKA	LKR	9,498,071	0.64
				26,498,952	1.79
	Insurance				
837,795	Fanhua Inc., ADR	CHN	USD	18,389,600	1.24
	Internet & Direct Marketing Retail				
1,144,246	Baozun Inc., ADR	CHN	USD	33,423,426	2.25
5,407,256	PChome Online Inc.	TWN	TWD	22,355,717	1.51
52,509	GS Home Shopping Inc.	KOR	KRW	8,467,749	0.57
				64,246,892	4.33
	IT Services				
13,418,600	TravelSky Technology Ltd., H	CHN	HKD	34,358,334	2.31
22,110,500	Chinasoft International Ltd.	CHN	HKD	10,983,953	0.74
				45,342,287	3.05
	Leisure products				
986,700	Merida Industry Co. Ltd.	TWN	TWD	4,450,260	0.30
	Machinery				
4,860,000	Shin Zu Shing Co. Ltd.	TWN	TWD	13,374,252	0.90
	Media				
800,458	KT Skylife Co. Ltd.	KOR	KRW	8,265,407	0.56
	Metals & Mining				
21,260,418	Hoa Phat Group JSC	VNM	VND	28,368,611	1.91
	Personal Products				
356,788	Neopharm Co. Ltd.	KOR	KRW	14,416,195	0.97
	Pharmaceuticals				
33,144,100	Luye Pharma Group Ltd.	CHN	HKD	23,068,175	1.55
2,023,180	Glenmark Pharmaceuticals Ltd.	IND	INR	20,154,735	1.36
1,384,000	TTY Biopharm Co. Ltd.	TWN	TWD	3,460,339	0.23
				46,683,249	3.14
	Real Estate Management & Development				
12,469,360	Vincom Retail JSC	VNM	VND	14,998,713	1.01
	Semiconductors & Semiconductor Equipment				
75,537,470	Xinyi Solar Holdings Ltd.	CHN	HKD	26,528,069	1.78
4,410,000	Novatek Microelectronics Corp. Ltd.	TWN	TWD	20,466,712	1.38
402,010	Silicon Works Co. Ltd.	KOR	KRW	12,128,414	0.82
				59,123,195	3.98
	Specialty Retail				
9,888,300	Luk Fook Holdings (International) Ltd.	HKG	HKD	28,223,422	1.90
38,975,000	I.T Ltd.	HKG	HKD	20,805,248	1.40
49,158,249	Sa Sa International Holdings Ltd.	HKG	HKD	18,582,264	1.25
				67,610,934	4.55
	Technology Hardware, Storage & Peripherals				
11,219,000	Primax Electronics Ltd.	TWN	TWD	15,931,808	1.07
5,128,664	ADLINK Technology Inc.	TWN	TWD	5,305,168	0.36
				21,236,976	1.43
	Textiles, Apparel & Luxury Goods				
1,448,805	Fila Korea Ltd.	KOR	KRW	69,597,173	4.69
1,417,309	Vardhman Textiles Ltd.	IND	INR	22,694,872	1.53
36,762,500	Xtep International Holdings Ltd.	CHN	HKD	19,952,829	1.34
1,517,760	Eclat Textile Co. Ltd.	TWN	TWD	17,262,492	1.16
254,150	Youngone Corp.	KOR	KRW	8,751,517	0.59
133,174	Youngone Holdings Co. Ltd.	KOR	KRW	7,473,557	0.50
				145,732,440	9.81
	Trading Companies & Distributors				
29,533,900	Hexindo Adiperkasa Tbk PT	IDN	IDR	5,853,381	0.40

The accompanying notes form an integral part of these financial statements

— Templeton Asian Smaller Companies Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Transportation Infrastructure				
17,608,540	International Container Terminal Services Inc.	PHL	PHP	33,540,076	2.26
16,424,324	COSCO Shipping Ports Ltd.	CHN	HKD	16,150,603	1.09
				49,690,679	3.35
	TOTAL SHARES			1,386,791,237	93.39
	WARRANTS				
	Building Products				
31,750,720	Dynasty Ceramic PCL, wts., 05/07/21	THA	THB	677,427	0.04
	TOTAL WARRANTS			677,427	0.04
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			1,387,468,664	93.43
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET				
	SHARES				
	Construction Materials				
1,383,294	Odisha Cement Ltd. **	IND	INR	21,868,850	1.48
	TOTAL SHARES			21,868,850	1.48
	TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET			21,868,850	1.48
	TOTAL INVESTMENTS			1,409,337,514	94.91

** These securities are submitted to a Fair Valuation

The accompanying notes form an integral part of these financial statements

— Templeton BRIC Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	SHARES				
	Auto Components				
2,867,973	Apollo Tyres Ltd.	IND	INR	9,726,868	1.57
	Automobiles				
22,197,400	Brilliance China Automotive Holdings Ltd.	CHN	HKD	16,526,511	2.67
15,309,700	BAIC Motor Corp. Ltd., H	CHN	HKD	8,074,716	1.30
372,414	Tata Motors Ltd., A	IND	INR	495,963	0.08
				25,097,190	4.05
	Banks				
5,085,632	ICICI Bank Ltd.	IND	INR	26,327,302	4.25
2,063,061	Sberbank of Russia PJSC, ADR	RUS	USD	22,611,149	3.65
2,421,150	Itau Unibanco Holding SA, ADR, pfd.	BRA	USD	22,129,311	3.58
6,842,739	Itausa-Investimentos Itau SA, pfd.	BRA	BRL	21,297,336	3.44
2,117,215	Banco Bradesco SA, ADR, pfd.	BRA	USD	20,939,256	3.38
16,942,000	China Construction Bank Corp., H	CHN	HKD	13,976,798	2.26
9,848,678	Ping An Bank Co. Ltd., A	CHN	CNY	13,430,341	2.17
				140,711,493	22.73
	Biotechnology				
1,990,664	Biocon Ltd.	IND	INR	17,999,528	2.91
	Capital Markets				
1,109,800	B3 SA - Brasil Bolsa Balcao	BRA	BRL	7,666,019	1.24
	Construction Materials				
1,371,200	China Resources Cement Holdings Ltd.	CHN	HKD	1,234,527	0.20
	Containers & Packaging				
6,660,500	CPMC Holdings Ltd.	CHN	HKD	3,198,197	0.52
	Diversified Financial Services				
379,642	Bajaj Holdings & Investment Ltd.	IND	INR	16,098,087	2.60
	Diversified Telecommunication Services				
20,450,000	China Telecom Corp. Ltd., H	CHN	HKD	10,446,332	1.69
	Electronic Equipment, Instruments & Components				
2,012,008	Hon Hai Precision Industry Co. Ltd.	TWN	TWD	4,655,691	0.75
7,249,700	FIT Hon Teng Ltd.	TWN	HKD	3,138,558	0.51
				7,794,249	1.26
	Entertainment				
224	Tencent Music Entertainment Group, ADR	CHN	USD	2,961	0.00
	Health Care Providers & Services				
1,082,800	Shanghai Pharmaceuticals Holding Co. Ltd., H	CHN	HKD	2,201,415	0.36
	Hotels, Restaurants & Leisure				
615,600	Sands China Ltd.	MAC	HKD	2,696,517	0.44
	Insurance				
646,000	Ping An Insurance (Group) Co. of China Ltd., H	CHN	HKD	5,704,732	0.92
	Interactive Media & Services				
874,210	Tencent Holdings Ltd.	CHN	HKD	35,055,480	5.66
41,568	Baidu Inc., ADR	CHN	USD	6,592,685	1.07
61,035	Mail.Ru Group Ltd., GDR, Reg S	RUS	USD	1,431,881	0.23
				43,080,046	6.96
	Internet & Direct Marketing Retail				
373,605	Alibaba Group Holding Ltd., ADR	CHN	USD	51,210,038	8.27
102,367	JD.com Inc., ADR	CHN	USD	2,142,541	0.35
383,667	PChome Online Inc.	TWN	TWD	1,586,230	0.26
				54,938,809	8.88
	IT Services				
32,520,000	Chinasoft International Ltd.	CHN	HKD	16,155,137	2.61
2,666,800	TravelSky Technology Ltd., H	CHN	HKD	6,828,343	1.10
79,815	Cognizant Technology Solutions Corp., A	USA	USD	5,066,656	0.82
478,996	Infosys Ltd.	IND	INR	4,536,933	0.73
				32,587,069	5.26
	Media				
183,837	Naspers Ltd., N	ZAF	ZAR	37,005,508	5.98
	Metals & Mining				
5,562,800	Metalurgica Gerdau SA, pfd.	BRA	BRL	9,946,752	1.61
547,134	Maharashtra Seamless Ltd.	IND	INR	3,842,600	0.62
1,110,320	Vedanta Ltd.	IND	INR	3,227,062	0.52
				17,016,414	2.75
	Multiline Retail				
2,190,500	Lojas Americanas SA	BRA	BRL	8,482,632	1.37

The accompanying notes form an integral part of these financial statements

— Templeton BRIC Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Oil, Gas & Consumable Fuels				
414,800	LUKOIL PJSC, ADR	RUS	USD	29,649,904	4.79
9,943,000	CNOOC Ltd.	CHN	HKD	15,364,319	2.48
591,945	Reliance Industries Ltd.	IND	INR	9,540,295	1.54
12,628,451	China Petroleum & Chemical Corp., H	CHN	HKD	9,015,138	1.46
133,200	Bharat Petroleum Corp. Ltd.	IND	INR	694,528	0.11
				64,264,184	10.38
	Pharmaceuticals				
191,209	Dr Reddy's Laboratories Ltd.	IND	INR	7,191,294	1.16
392,253	Glenmark Pharmaceuticals Ltd.	IND	INR	3,907,589	0.63
				11,098,883	1.79
	Road & Rail				
612,119	Globaltrans Investment PLC, GDR, Reg S	RUS	USD	5,545,798	0.90
	Semiconductors & Semiconductor Equipment				
6,082,000	Taiwan Semiconductor Manufacturing Co. Ltd.	TWN	TWD	44,824,362	7.24
	Software				
758,900	Totvs SA	BRA	BRL	5,308,634	0.86
	Technology Hardware, Storage & Peripherals				
272,400	Primax Electronics Ltd.	TWN	TWD	386,828	0.06
	Wireless Telecommunication Services				
1,689,141	China Mobile Ltd.	CHN	HKD	16,253,978	2.63
	TOTAL SHARES			591,371,260	95.55
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			591,371,260	95.55
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	SHARES				
	Metals & Mining				
125,000	MMC Norilsk Nickel PJSC, ADR	RUS	USD	2,345,000	0.38
	Oil, Gas & Consumable Fuels				
1,572,451	Gazprom PJSC, ADR	RUS	USD	6,964,385	1.12
	TOTAL SHARES			9,309,385	1.50
	TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET			9,309,385	1.50
	TOTAL INVESTMENTS			600,680,645	97.05

The accompanying notes form an integral part of these financial statements

— Templeton China Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	SHARES				
	Auto Components				
627,228	Weifu High-Technology Co. Ltd., B	CHN	HKD	1,084,563	0.26
	Automobiles				
5,848,450	Jiangling Motors Corp. Ltd., B	CHN	HKD	5,863,014	1.41
5,582,500	Dongfeng Motor Group Co. Ltd., H	CHN	HKD	5,061,714	1.21
3,391,679	Chongqing Changan Automobile Co. Ltd., B	CHN	HKD	1,511,648	0.36
				12,436,376	2.98
	Banks				
26,486,851	China Construction Bank Corp., H	CHN	HKD	21,851,102	5.23
25,897,375	Industrial and Commercial Bank of China Ltd., H	CHN	HKD	18,487,495	4.43
224,601	Standard Chartered PLC	GBR	HKD	1,705,195	0.41
				42,043,792	10.07
	Beverages				
1,081,332	Yantai Changyu Pioneer Wine Co. Ltd., B	CHN	HKD	2,041,005	0.49
	Capital Markets				
2,742,000	China Everbright Ltd.	CHN	HKD	4,860,349	1.16
	Communications Equipment				
420,000	Hytera Communications Corp. Ltd., A	CHN	CNY	481,762	0.12
	Construction Materials				
2,205,867	Huaxin Cement Co. Ltd., B	CHN	USD	3,761,003	0.90
5,341,800	Asia Cement China Holdings Corp.	CHN	HKD	3,745,161	0.90
641,800	Anhui Conch Cement Co. Ltd., H	CHN	HKD	3,114,539	0.74
				10,620,703	2.54
	Electric Utilities				
415,800	CK Infrastructure Holdings Ltd.	HKG	HKD	3,148,833	0.75
	Entertainment				
892,067	Zhejiang Huace Film & TV Co. Ltd., A	CHN	CNY	1,162,015	0.28
505,300	Poly Culture Group Corp. Ltd., H	CHN	HKD	659,494	0.16
239	Tencent Music Entertainment Group, ADR	CHN	USD	3,159	0.00
				1,824,668	0.44
	Food & Staples Retailing				
1,402,872	Dairy Farm International Holdings Ltd.	HKG	USD	12,695,991	3.04
620,479	President Chain Store Corp.	TWN	TWD	6,306,794	1.51
				19,002,785	4.55
	Food Products				
19,531,640	Uni-President China Holdings Ltd.	CHN	HKD	16,961,261	4.06
	Health Care Equipment & Supplies				
524,000	Ginko International Co. Ltd.	TWN	TWD	3,622,120	0.87
	Health Care Providers & Services				
5,716,600	Shanghai Pharmaceuticals Holding Co. Ltd., H	CHN	HKD	11,622,281	2.79
1,392,000	Sinopharm Group Co. Ltd., H	CHN	HKD	5,848,515	1.40
				17,470,796	4.19
	Industrial Conglomerates				
971,500	Hopewell Holdings Ltd.	HKG	HKD	4,267,876	1.02
	Insurance				
2,343,600	AIA Group Ltd.	HKG	HKD	19,453,930	4.66
3,806,000	China Life Insurance Co. Ltd., H	CHN	HKD	8,087,841	1.94
318,000	Ping An Insurance (Group) Co. of China Ltd., H	CHN	HKD	2,808,212	0.67
				30,349,983	7.27
	Interactive Media & Services				
933,100	Tencent Holdings Ltd.	CHN	HKD	37,416,947	8.96
53,905	Baidu Inc., ADR	CHN	USD	8,549,333	2.05
				45,966,280	11.01
	Internet & Direct Marketing Retail				
233,690	Alibaba Group Holding Ltd., ADR	CHN	USD	32,031,888	7.67
95,300	Ctrip.com International Ltd., ADR	CHN	USD	2,578,818	0.62
				34,610,706	8.29
	IT Services				
3,773,991	TravelSky Technology Ltd., H	CHN	HKD	9,663,306	2.32
	Marine				
6,910,000	COSCO Shipping Energy Transportation Co. Ltd., H	CHN	HKD	3,450,367	0.83

The accompanying notes form an integral part of these financial statements

— Templeton China Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Oil, Gas & Consumable Fuels				
25,530,400	China Petroleum & Chemical Corp., H	CHN	HKD	18,225,520	4.37
12,362,000	PetroChina Co. Ltd., H	CHN	HKD	7,704,049	1.84
3,781,000	CNOOC Ltd.	CHN	HKD	5,842,552	1.40
				31,772,121	7.61
	Paper & Forest Products				
8,594,200	Nine Dragons Paper Holdings Ltd.	CHN	HKD	7,957,084	1.91
	Pharmaceuticals				
395,133	Jiangsu Hengrui Medicine Co. Ltd., A	CHN	CNY	3,030,205	0.73
810,000	Tong Ren Tang Technologies Co. Ltd., H	CHN	HKD	1,061,312	0.25
				4,091,517	0.98
	Real Estate Management & Development				
990,000	China Overseas Land & Investment Ltd.	CHN	HKD	3,400,932	0.81
	Semiconductors & Semiconductor Equipment				
4,875,214	Taiwan Semiconductor Manufacturing Co. Ltd.	TWN	TWD	35,930,345	8.61
	Textiles, Apparel & Luxury Goods				
5,681,106	Anta Sports Products Ltd.	CHN	HKD	27,242,900	6.53
	Transportation Infrastructure				
4,467,326	COSCO Shipping Ports Ltd.	CHN	HKD	4,392,876	1.05
12,478,000	Sichuan Expressway Co. Ltd., H	CHN	HKD	3,840,365	0.92
				8,233,241	1.97
	Wireless Telecommunication Services				
1,606,000	China Mobile Ltd.	CHN	HKD	15,453,943	3.70
	TOTAL SHARES			397,989,614	95.34
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			397,989,614	95.34
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	INVESTMENTS FUNDS				
	Diversified Financial Services				
10,150	Templeton China A Shares Fund, Class X (acc) HKD	CHN	HKD	16,320,742	3.91
	TOTAL INVESTMENTS FUNDS			16,320,742	3.91
	TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET			16,320,742	3.91
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET				
	SHARES				
	Marine				
8,169,262	Sinotrans Shipping Ltd. **	CHN	HKD	2,806,374	0.67
	TOTAL SHARES			2,806,374	0.67
	TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET			2,806,374	0.67
	TOTAL INVESTMENTS			417,116,730	99.92

** These securities are submitted to a Fair Valuation

The accompanying notes form an integral part of these financial statements

— Templeton Eastern Europe Fund —

Schedule of Investments as of December 31, 2018

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	SHARES				
	Banks				
8,717,350	Sberbank of Russia PJSC	RUS	RUB	20,331,167	9.74
625,000	Nova Ljubljanska Banka dd, GDR	SVN	EUR	8,131,250	3.89
2,253,157	Moneta Money Bank AS	CZE	CZK	6,349,599	3.04
138,600	Bank Pekao SA	POL	PLN	3,523,005	1.69
				38,335,021	18.36
	Beverages				
1,040,400	Purcari Wineries PLC	MDA	RON	3,711,098	1.78
965,841	Stock Spirits Group PLC	POL	GBP	2,235,916	1.07
236,806	Coca-Cola Icetek AS	TUR	TRY	1,205,073	0.57
				7,152,087	3.42
	Biotechnology				
152,932	Mabion SA	POL	PLN	3,088,445	1.48
	Chemicals				
346,486	Ciech SA	POL	PLN	3,579,423	1.71
	Diversified Financial Services				
1,185,162	Haci Omer Sabanci Holding AS	TUR	TRY	1,468,719	0.70
	Energy Equipment & Services				
216,452	TMK PAO, GDR, Reg S	RUS	USD	608,287	0.29
	Food & Staples Retailing				
114,473	Magnit PJSC	RUS	RUB	5,032,232	2.41
503,147	Migros Ticaret AS	TUR	TRY	1,235,448	0.59
813,075	Bizim Toptan Satis Magazalari AS	TUR	TRY	911,135	0.44
				7,178,815	3.44
	Food Products				
325,714	Kernel Holding SA	UKR	PLN	3,718,028	1.78
940,972	Ulker Biskuvi Sanayi AS	TUR	TRY	2,274,836	1.09
684,496	Pinar Sut Mamulleri Sanayii AS	TUR	TRY	746,745	0.36
				6,739,609	3.23
	Health Care Equipment & Supplies				
68,019	Medicalgorithmics SA	POL	PLN	418,753	0.20
	Health Care Providers & Services				
245,000	Georgia Healthcare Group PLC	GEO	GBP	556,266	0.27
	Health Care Technology				
245,913	Synektik SA	POL	PLN	510,382	0.24
	Hotels, Restaurants & Leisure				
327,212	OPAP SA	GRC	EUR	2,485,175	1.19
	Household Durables				
133,128	Amica SA	POL	PLN	3,563,977	1.71
	Interactive Media & Services				
336,373	Yandex NV, A	RUS	USD	8,029,151	3.85
130,707	Mail.Ru Group Ltd., GDR, Reg S	RUS	USD	2,676,197	1.28
				10,705,348	5.13
	IT Services				
76,781	Luxoft Holding Inc.	RUS	USD	2,038,469	0.97
	Metals & Mining				
53,200	MMC Norilsk Nickel PJSC	RUS	RUB	8,684,022	4.16
3,577,390	Raspadskaya OAO	RUS	RUB	5,777,247	2.77
3,304,600	Alrosa PJSC	RUS	RUB	4,079,894	1.95
171,400	Severstal PJSC	RUS	RUB	2,023,212	0.97
27,768	Polyus Gold OJSC	RUS	RUB	1,876,821	0.90
3,339,972	Magnitogorsk Iron & Steel Works	RUS	RUB	1,799,617	0.86
				24,240,813	11.61
	Oil, Gas & Consumable Fuels				
326,323	LUKOIL PJSC, ADR	RUS	USD	20,357,452	9.75
5,244,120	Gazprom PJSC	RUS	RUB	10,077,341	4.83
1,778,680	Rosneft PJSC	RUS	RUB	9,630,501	4.61
1,040,400	Tatneft PJSC, pfd., 3	RUS	RUB	6,798,856	3.26
430,000	NAC Kazatomprom JSC, GDR, Reg S	KAZ	USD	5,108,361	2.45
221,610	Tupras-Turkiye Petrol Rafinerileri AS	TUR	TRY	4,261,902	2.04
85,994	Motor Oil (Hellas) Corinth Refineries SA	GRC	EUR	1,805,874	0.86
27,763,974	OMV Petrom SA	ROU	RON	1,783,803	0.85
				59,824,090	28.65

The accompanying notes form an integral part of these financial statements

— Templeton Eastern Europe Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Road & Rail				
118,550	Globaltrans Investment PLC, GDR, Reg S	RUS	USD	937,391	0.45
309,879	Prime Car Management SA	POL	PLN	928,579	0.44
				1,865,970	0.89
	Specialty Retail				
8,190,553	Detsky Mir PJSC	RUS	RUB	9,273,395	4.44
337,675	Wittchen SA	POL	PLN	1,248,107	0.60
				10,521,502	5.04
	Textiles, Apparel & Luxury Goods				
724,254	Mavi Giyim Sanayi Ve Ticaret AS, B	TUR	TRY	3,845,561	1.84
1,571,554	Aksa Akrilik Kimya Sanayii AS	TUR	TRY	1,932,019	0.93
				5,777,580	2.77
	TOTAL SHARES			190,658,731	91.30
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			190,658,731	91.30
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET				
	SHARES				
	Textiles, Apparel & Luxury Goods				
432,670	FF Group **	GRC	EUR	0	0.00
	TOTAL SHARES			0	0.00
	TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET			0	0.00
	TOTAL INVESTMENTS			190,658,731	91.30

** These securities are submitted to a Fair Valuation

The accompanying notes form an integral part of these financial statements

— Templeton Emerging Markets Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	SHARES				
	Auto Components				
272,136	Hanon Systems	KOR	KRW	2,638,989	0.32
2,612,200	Nemak SAB de CV	MEX	MXN	1,951,457	0.24
241,600	Mahle-Metal Leve SA	BRA	BRL	1,563,669	0.19
39,400	Hankook Tire Co. Ltd.	KOR	KRW	1,420,397	0.17
640,441	Weifu High-Technology Co. Ltd., B	CHN	HKD	1,107,410	0.13
				8,681,922	1.05
	Automobiles				
31,941,745	Brilliance China Automotive Holdings Ltd.	CHN	HKD	23,781,416	2.89
18,498,000	Astra International Tbk PT	IDN	IDR	10,580,393	1.28
17,595,100	BAIC Motor Corp. Ltd., H	CHN	HKD	9,280,092	1.13
789,128	Tata Motors Ltd., A	IND	INR	1,050,923	0.13
				44,692,824	5.43
	Banks				
5,949,340	ICICI Bank Ltd.	IND	INR	30,798,545	3.74
2,024,647	Itau Unibanco Holding SA, ADR, pfd.	BRA	USD	18,505,274	2.25
2,797,401	Banco Santander Mexico SA Institucion de Banca Multiple Grupo Financiero Santander, ADR	MEX	USD	17,231,990	2.09
11,208,191	Ping An Bank Co. Ltd., A	CHN	CNY	15,284,267	1.86
1,363,112	Sberbank of Russia PJSC, ADR	RUS	USD	14,939,708	1.81
17,763,800	China Construction Bank Corp., H	CHN	HKD	14,654,766	1.78
1,480,256	Banco Bradesco SA, ADR, pfd.	BRA	USD	14,639,732	1.78
223,650	Intercorp Financial Services Inc., Reg S	PER	USD	9,393,300	1.14
1,451,400	Kasikornbank PCL, fgn.	THA	THB	8,280,251	1.01
10,936,100	Bank Danamon Indonesia Tbk PT	IDN	IDR	5,779,858	0.70
7,626,000	CTBC Financial Holding Co. Ltd.	TWN	TWD	5,034,651	0.61
1,840,700	Kiatnakin Bank PCL, fgn.	THA	THB	3,770,760	0.46
1,150,503	Moneta Money Bank AS	CZE	CZK	3,714,936	0.45
2,938,800	Habib Bank Ltd.	PAK	PKR	2,480,532	0.30
6,870,700	Equity Group Holdings PLC/Kenya	KEN	KES	2,343,050	0.28
558,600	Siam Commercial Bank PCL, fgn.	THA	THB	2,305,909	0.28
608,500	BDO Unibank Inc.	PHL	PHP	1,516,034	0.18
2,700	Security Bank Corp.	PHL	PHP	7,972	0.00
				170,681,535	20.72
	Beverages				
9,895,898	Thai Beverage PCL, fgn.	THA	SGD	4,428,669	0.53
219,870	Hite Jinro Co. Ltd.	KOR	KRW	3,277,192	0.40
304,648	Nigerian Breweries PLC	NGA	NGN	72,455	0.01
				7,778,316	0.94
	Biotechnology				
848,611	Biocon Ltd.	IND	INR	7,673,117	0.93
	Capital Markets				
1,055,100	B3 SA - Brasil Bolsa Balcao	BRA	BRL	7,288,175	0.89
	Chemicals				
386,000	Tata Chemicals Ltd.	IND	INR	3,921,032	0.48
	Construction & Engineering				
160,395	HDC Hyundai Development Co-Engineering & Construction	KOR	KRW	6,941,698	0.84
	Construction Materials				
3,684,700	Semen Indonesia (Persero) Tbk PT	IDN	IDR	2,946,735	0.36
919,800	China Resources Cement Holdings Ltd.	CHN	HKD	828,120	0.10
				3,774,855	0.46
	Distributors				
3,263,100	Dah Chong Hong Holdings Ltd.	CHN	HKD	1,129,302	0.14
	Diversified Financial Services				
128,525	Bajaj Holdings & Investment Ltd.	IND	INR	5,449,889	0.66
224,500	Hankook Tire Worldwide Co. Ltd.	KOR	KRW	3,346,203	0.41
				8,796,092	1.07
	Electronic Equipment, Instruments & Components				
3,296,848	Hon Hai Precision Industry Co. Ltd.	TWN	TWD	7,628,749	0.92
31,400	Largan Precision Co. Ltd.	TWN	TWD	3,299,376	0.40
5,263,300	FIT Hon Teng Ltd.	TWN	HKD	2,278,601	0.28
				13,206,726	1.60
	Entertainment				
359,283	IMAX Corp.	USA	USD	6,758,113	0.82
16,032	NetEase Inc., ADR	CHN	USD	3,773,452	0.46
161	Tencent Music Entertainment Group, ADR	CHN	USD	2,128	0.00
				10,533,693	1.28

The accompanying notes form an integral part of these financial statements

— Templeton Emerging Markets Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Food & Staples Retailing				
906,195	Massmart Holdings Ltd.	ZAF	ZAR	6,528,908	0.79
287,183	Dairy Farm International Holdings Ltd.	HKG	USD	2,599,006	0.32
				9,127,914	1.11
	Food Products				
6,260,500	Uni-President China Holdings Ltd.	CHN	HKD	5,436,613	0.66
256,611	M. Dias Branco SA	BRA	BRL	2,829,746	0.34
				8,266,359	1.00
	Hotels, Restaurants & Leisure				
9,148,000	NagaCorp Ltd.	KHM	HKD	9,836,685	1.20
1,074,000	Sands China Ltd.	MAC	HKD	4,704,451	0.57
1,530,000	MGM China Holdings Ltd.	HKG	HKD	2,567,422	0.31
				17,108,558	2.08
	Industrial Conglomerates				
179,025	LG Corp.	KOR	KRW	11,236,181	1.36
	Insurance				
884,892	Ping An Insurance Group Co. of China Ltd., A	CHN	CNY	7,217,045	0.88
	Interactive Media & Services				
629,100	Tencent Holdings Ltd.	CHN	HKD	25,226,665	3.06
156,860	Naver Corp.	KOR	KRW	17,183,037	2.09
314,802	Yandex NV, A	RUS	USD	8,609,835	1.04
223,628	Mail.Ru Group Ltd., GDR, Reg S	RUS	USD	5,246,313	0.64
20,632	Baidu Inc., ADR	CHN	USD	3,272,235	0.40
				59,538,085	7.23
	Internet & Direct Marketing Retail				
245,612	Alibaba Group Holding Ltd., ADR	CHN	USD	33,666,037	4.09
1,046,845	PChome Online Inc.	TWN	TWD	4,328,068	0.53
327,100	B2W Cia Digital	BRA	BRL	3,541,318	0.43
250,484	Interpark Holdings Corp.	KOR	KRW	528,537	0.06
				42,063,960	5.11
	IT Services				
661,780	Infosys Ltd.	IND	INR	6,268,218	0.76
53,065	Cognizant Technology Solutions Corp., A	USA	USD	3,368,566	0.41
				9,636,784	1.17
	Media				
263,835	Naspers Ltd., N	ZAF	ZAR	53,108,722	6.45
333,780	KT Skylife Co. Ltd.	KOR	KRW	3,446,562	0.42
				56,555,284	6.87
	Metals & Mining				
42,853	POSCO	KOR	KRW	9,350,081	1.13
562,340	Compania de Minas Buenaventura SA, ADR	PER	USD	9,121,155	1.11
				18,471,236	2.24
	Multiline Retail				
2,038,200	Lojas Americanas SA	BRA	BRL	7,892,856	0.96
	Oil, Gas & Consumable Fuels				
201,364	LUKOIL PJSC, ADR	RUS	USD	14,393,499	1.75
6,910,600	CNOOC Ltd.	CHN	HKD	10,678,534	1.30
11,449,700	China Petroleum & Chemical Corp., H	CHN	HKD	8,173,657	0.99
104,600	LUKOIL PJSC	RUS	RUB	7,497,471	0.91
1,795,710	Gazprom PJSC	RUS	RUB	3,953,833	0.48
15,877	SK Innovation Co. Ltd.	KOR	KRW	2,558,944	0.31
586,331	Coal India Ltd.	IND	INR	2,029,024	0.24
172,400	Bharat Petroleum Corp. Ltd.	IND	INR	898,924	0.11
211,500	PTT Exploration and Production PCL, fgn.	THA	THB	742,277	0.09
				50,926,163	6.18
	Personal Products				
479,858	Unilever PLC	GBR	GBP	25,141,509	3.05
	Pharmaceuticals				
911,037	Glenmark Pharmaceuticals Ltd.	IND	INR	9,075,667	1.10
333,444	Richter Gedeon Nyrt	HUN	HUF	6,462,047	0.79
				15,537,714	1.89
	Semiconductors & Semiconductor Equipment				
7,071,952	Taiwan Semiconductor Manufacturing Co. Ltd.	TWN	TWD	52,120,312	6.33
98,740	SK Hynix Inc.	KOR	KRW	5,363,847	0.65
				57,484,159	6.98
	Software				
250,800	Totvs SA	BRA	BRL	1,754,388	0.21

The accompanying notes form an integral part of these financial statements

— Templeton Emerging Markets Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Technology Hardware, Storage & Peripherals				
1,732,148	Samsung Electronics Co. Ltd.	KOR	KRW	60,189,931	7.31
616,000	Catcher Technology Co. Ltd.	TWN	TWD	4,529,856	0.55
2,136,400	Primax Electronics Ltd.	TWN	TWD	3,033,846	0.37
1,349,800	Pegatron Corp.	TWN	TWD	2,267,533	0.27
				70,021,166	8.50
	Textiles, Apparel & Luxury Goods				
230,558	Fila Korea Ltd.	KOR	KRW	11,075,462	1.35
	Transportation Infrastructure				
1,519,130	COSCO Shipping Ports Ltd.	CHN	HKD	1,493,813	0.18
	Wireless Telecommunication Services				
1,359,500	China Mobile Ltd.	CHN	HKD	13,081,965	1.59
	TOTAL SHARES			788,729,888	95.77
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			788,729,888	95.77
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	SHARES				
	Oil, Gas & Consumable Fuels				
726,832	Gazprom PJSC, ADR	RUS	USD	3,219,139	0.39
	TOTAL SHARES			3,219,139	0.39
	TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET			3,219,139	0.39
	TOTAL INVESTMENTS			791,949,027	96.16

The accompanying notes form an integral part of these financial statements

— Templeton Emerging Markets Balanced Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	SHARES				
	Communication Services				
21,078	Naspers Ltd., N	ZAF	ZAR	4,242,900	3.40
49,700	Tencent Holdings Ltd.	CHN	HKD	1,992,951	1.60
11,439	Naver Corp.	KOR	KRW	1,253,071	1.01
107,500	China Mobile Ltd.	CHN	HKD	1,034,433	0.83
29,419	Yandex NV, A	RUS	USD	804,610	0.65
29,196	IMAX Corp.	USA	USD	549,177	0.44
17,682	Mail.Ru Group Ltd., GDR, Reg S	RUS	USD	414,820	0.33
1,551	NetEase Inc., ADR	CHN	USD	365,059	0.29
1,516	Baidu Inc., ADR	CHN	USD	240,437	0.19
20,287	KT Skylife Co. Ltd.	KOR	KRW	209,480	0.17
25,800	Poly Culture Group Corp. Ltd., H	CHN	HKD	33,673	0.03
12	Tencent Music Entertainment Group, ADR	CHN	USD	159	0.00
				11,140,770	8.94
	Consumer Discretionary				
19,965	Alibaba Group Holding Ltd., ADR	CHN	USD	2,736,603	2.20
3,046,600	Brilliance China Automotive Holdings Ltd.	CHN	HKD	2,268,269	1.82
18,260	Fila Korea Ltd.	KOR	KRW	877,167	0.70
1,221,400	Astra International Tbk PT	IDN	IDR	698,610	0.56
1,284,700	BAIC Motor Corp. Ltd., H	CHN	HKD	677,583	0.54
556,000	NagaCorp Ltd.	KHM	HKD	597,857	0.48
118,600	Lojas Americanas SA	BRA	BRL	459,274	0.37
80,000	Sands China Ltd.	MAC	HKD	350,425	0.28
187,600	MGM China Holdings Ltd.	HKG	HKD	314,803	0.25
21,035	Hanon Systems	KOR	KRW	203,983	0.16
17,900	B2W Cia Digital	BRA	BRL	193,793	0.16
31,000	PChome Online Inc.	TWN	TWD	128,166	0.10
128,000	Nemak SAB de CV	MEX	MXN	95,623	0.08
52,500	Weifu High-Technology Co. Ltd., B	CHN	HKD	90,780	0.07
12,600	Mahle-Metal Leve SA	BRA	BRL	81,549	0.07
1,885	Hankook Tire Co. Ltd.	KOR	KRW	67,955	0.06
172,000	Dah Chong Hong Holdings Ltd.	CHN	HKD	59,526	0.05
38,974	Tata Motors Ltd., A	IND	INR	51,904	0.04
6,155	Interpark Holdings Corp.	KOR	KRW	12,987	0.01
				9,966,857	8.00
	Consumer Staples				
39,909	Unilever PLC	GBR	GBP	2,090,978	1.68
56,120	Massmart Holdings Ltd.	ZAF	ZAR	404,330	0.33
245,600	Uni-President China Holdings Ltd.	CHN	HKD	213,279	0.17
12,810	Hite Jinro Co. Ltd.	KOR	KRW	190,935	0.15
12,900	M. Dias Branco SA	BRA	BRL	142,253	0.11
14,800	Dairy Farm International Holdings Ltd.	HKG	USD	133,940	0.11
288,700	Thai Beverage PCL, fgn.	THA	SGD	129,201	0.10
654,400	Univanich Palm Oil PCL, fgn.	THA	THB	109,269	0.09
15,646	Nigerian Breweries PLC	NGA	NGN	3,721	0.00
				3,417,906	2.74
	Energy				
21,900	LUKOIL PJSC, ADR	RUS	USD	1,565,412	1.26
550,400	CNOOC Ltd.	CHN	HKD	850,500	0.68
870,200	China Petroleum & Chemical Corp., H	CHN	HKD	621,214	0.50
18,000	YPF Sociedad Anonima, D, ADR	ARG	USD	241,020	0.19
1,245	SK Innovation Co. Ltd.	KOR	KRW	200,660	0.16
23,600	PTT Exploration and Production PCL, fgn.	THA	THB	82,826	0.07
14,278	Bharat Petroleum Corp. Ltd.	IND	INR	74,448	0.06
4,566	Reliance Industries Ltd.	IND	INR	73,590	0.06
				3,709,670	2.98
	Financials				
477,740	ICICI Bank Ltd.	IND	INR	2,473,165	1.99
168,408	Itau Unibanco Holding SA, ADR, pfd.	BRA	USD	1,539,249	1.24
151,470	Banco Bradesco SA, ADR, pfd.	BRA	USD	1,498,038	1.20
225,989	Banco Santander Mexico SA Institucion de Banca Multiple Grupo Financiero Santander, ADR	MEX	USD	1,392,092	1.12
1,563,000	China Construction Bank Corp., H	CHN	HKD	1,289,443	1.03
97,699	Tata Investment Corp. Ltd.	IND	INR	1,252,098	1.01
111,866	Sberbank of Russia PJSC, ADR	RUS	USD	1,226,051	0.98
776,061	Ping An Bank Co. Ltd., A	CHN	CNY	1,058,291	0.85
1,611,119	Bank Danamon Indonesia Tbk PT	IDN	IDR	851,495	0.68
83,800	B3 SA - Brasil Bolsa Balcao	BRA	BRL	578,854	0.46
69,985	Ping An Insurance Group Co. of China Ltd., A	CHN	CNY	570,787	0.46
13,223	Bajaj Holdings & Investment Ltd.	IND	INR	560,699	0.45
87,200	Kasikornbank PCL, fgn.	THA	THB	497,477	0.40
11,650	Intercorp Financial Services Inc., Reg S	PER	USD	489,300	0.39
553,000	CTBC Financial Holding Co. Ltd.	TWN	TWD	365,088	0.29
99,025	Moneta Money Bank AS	CZE	CZK	319,749	0.26
15,863	Hankook Tire Worldwide Co. Ltd.	KOR	KRW	236,440	0.19
100,100	Kiatnakin Bank PCL, fgn.	THA	THB	205,060	0.16
204,000	United Bank Ltd.	PAK	PKR	180,944	0.15

The accompanying notes form an integral part of these financial statements

— Templeton Emerging Markets Balanced Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Financials (continued)				
30,400	Siam Commercial Bank PCL, fgn.	THA	THB	125,492	0.10
329,800	Equity Group Holdings PLC/Kenya	KEN	KES	112,469	0.09
2,705	DBS Group Holdings Ltd.	SGP	SGD	47,013	0.04
43,400	Habib Bank Ltd.	PAK	PKR	36,632	0.03
				16,905,926	13.57
	Health Care				
64,848	Glenmark Pharmaceuticals Ltd.	IND	INR	646,010	0.52
69,466	Biocon Ltd.	IND	INR	628,110	0.51
16,334	Richter Gedeon Nyrt	HUN	HUF	316,548	0.25
				1,590,668	1.28
	Industrials				
14,504	LG Corp.	KOR	KRW	910,318	0.73
12,653	HDC Hyundai Development Co-Engineering & Construction	KOR	KRW	547,606	0.44
170,448	COSCO Shipping Ports Ltd.	CHN	HKD	167,607	0.14
1,902	iMarketKorea Inc.	KOR	KRW	11,818	0.01
				1,637,349	1.32
	Information Technology				
140,194	Samsung Electronics Co. Ltd.	KOR	KRW	4,871,563	3.91
540,500	Taiwan Semiconductor Manufacturing Co. Ltd.	TWN	TWD	3,983,487	3.20
261,904	Hon Hai Precision Industry Co. Ltd.	TWN	TWD	606,033	0.49
8,890	SK Hynix Inc.	KOR	KRW	482,931	0.39
3,500	Largan Precision Co. Ltd.	TWN	TWD	367,765	0.29
47,000	Catcher Technology Co. Ltd.	TWN	TWD	345,622	0.28
30,616	Infosys Ltd.	IND	INR	289,987	0.23
4,321	Cognizant Technology Solutions Corp., A	USA	USD	274,297	0.22
146,900	Primax Electronics Ltd.	TWN	TWD	208,609	0.17
91,000	Pegatron Corp.	TWN	TWD	152,871	0.12
253,900	FIT Hon Teng Ltd.	TWN	HKD	109,919	0.09
11,800	Totvs SA	BRA	BRL	82,543	0.06
				11,775,627	9.45
	Materials				
54,960	Compania de Minas Buenaventura SA, ADR	PER	USD	891,451	0.72
2,756	POSCO	KOR	KRW	601,331	0.48
21,300	Tata Chemicals Ltd.	IND	INR	216,368	0.17
14,400	Siam Cement PCL, fgn.	THA	THB	194,137	0.16
215,900	Semen Indonesia (Persero) Tbk PT	IDN	IDR	172,660	0.14
75,400	China Resources Cement Holdings Ltd.	CHN	HKD	67,884	0.05
				2,143,831	1.72
	Real Estate				
845,660	Land and Houses PCL, fgn.	THA	THB	258,875	0.21
	TOTAL SHARES			62,547,479	50.21
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			62,547,479	50.21
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	SHARES				
	Energy				
61,400	Gazprom PJSC, ADR	RUS	USD	271,941	0.22
	Materials				
8,600	MMC Norilsk Nickel PJSC, ADR	RUS	USD	161,336	0.13
	TOTAL SHARES			433,277	0.35
	BONDS				
	Asset-Backed Securities				
190,000	Tanzania Government International Bond, senior note, Reg S, FRN, 8.544%, 03/09/20 †	TZA	USD	193,869	0.15
	Corporate Bonds				
380,000	Digicel Group Ltd., senior note, Reg S, 7.125%, 04/01/22	BMU	USD	179,550	0.14
118,848	K2016470260 South Africa Ltd., senior secured note, Reg S, PIK, 25.00%, 12/31/22 ‡	ZAF	USD	9,508	0.01
21,052	K2016470219 South Africa Ltd., senior secured note, Reg S, PIK, 8.00%, 12/31/22 ‡	ZAF	EUR	482	0.00
165,405	K2016470219 South Africa Ltd., senior secured note, Reg S, PIK, 3.00%, 12/31/22 ‡	ZAF	USD	207	0.00
				189,747	0.15
	Government and Municipal Bonds				
6,860,000,000	Titulos de Tesoreria, senior bond, B, 7.00%, 05/04/22	COL	COP	2,206,689	1.77
7,544	Nota Do Tesouro Nacional, 10.00%, 01/01/27	BRA	BRL	2,031,178	1.63
82,449,000	Argentine Bonos del Tesoro, 16.00%, 10/17/23	ARG	ARS	1,851,959	1.49
344,700	Government of Mexico, senior bond, M, 8.00%, 06/11/20	MEX	MXN	1,742,717	1.40
23,045,000,000	Government of Indonesia, senior bond, FR43, 10.25%, 07/15/22	IDN	IDR	1,722,206	1.38
8,340,000	Ghana Treasury Note, 16.50%, 03/16/20	GHA	GHS	1,654,688	1.33
21,545,000,000	Government of Indonesia, senior bond, FR61, 7.00%, 05/15/22	IDN	IDR	1,465,973	1.18
6,620,000	Government of Ghana, 16.50%, 02/06/23	GHA	GHS	1,223,702	0.98
240,100	Government of Mexico, senior bond, M, 6.50%, 06/10/21	MEX	MXN	1,168,274	0.94
4,263	Nota Do Tesouro Nacional, 10.00%, 01/01/25	BRA	BRL	1,148,311	0.92

The accompanying notes form an integral part of these financial statements

— Templeton Emerging Markets Balanced Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Government and Municipal Bonds (continued)				
77,000,000	Government of India, senior bond, 8.08%, 08/02/22	IND	INR	1,138,022	0.91
5,550	Letra Tesouro Nacional, Strip, 01/01/22	BRA	BRL	1,131,948	0.91
55,556,000	Argentine Bonos del Tesoro, senior note, 15.50%, 10/17/26	ARG	ARS	1,109,966	0.89
72,000,000	Government of India, senior bond, 8.13%, 09/21/22	IND	INR	1,066,711	0.86
64,400,000	Government of India, senior note, 8.83%, 11/25/23	IND	INR	983,551	0.79
66,100,000	Government of India, senior note, 7.16%, 05/20/23	IND	INR	946,778	0.76
4,300	Letra Tesouro Nacional, Strip, 07/01/21	BRA	BRL	919,579	0.74
4,112,000	Government of Ghana, senior bond, 19.75%, 03/15/32	GHA	GHS	811,332	0.65
10,600,000,000	Government of Indonesia, senior bond, FR70, 8.375%, 03/15/24	IDN	IDR	749,150	0.60
3,200,000	Government of Ghana, 19.00%, 11/02/26	GHA	GHS	605,406	0.49
2,532	Letra Tesouro Nacional, Strip, 07/01/20	BRA	BRL	590,260	0.47
40,000,000	Government of India, senior note, 7.68%, 12/15/23	IND	INR	585,586	0.47
2,700,000	Government of Ghana, senior note, 16.50%, 03/22/21	GHA	GHS	521,185	0.42
1,290	Nota Do Tesouro Nacional, 10.00%, 01/01/21	BRA	BRL	347,710	0.28
5,128,000,000	Government of Indonesia, senior bond, FR63, 5.625%, 05/15/23	IDN	IDR	329,861	0.26
330,000	Government of Senegal, senior note, Reg S, 6.25%, 07/30/24	SEN	USD	322,306	0.26
15,264,000	Argentine Bonos del Tesoro, 18.20%, 10/03/21	ARG	ARS	313,378	0.25
20,000,000	Government of India, senior bond, 8.33%, 07/09/26	IND	INR	301,647	0.24
20,000,000	Government of India, senior bond, 8.24%, 02/15/27	IND	INR	301,363	0.24
20,300,000	Government of India, senior note, 6.79%, 05/15/27	IND	INR	280,646	0.23
14,000,000	Government of India, senior note, 8.79%, 11/08/21	IND	INR	209,928	0.17
1,030,000	Government of Ghana, 18.75%, 01/24/22	GHA	GHS	205,278	0.16
3,140,000,000	Government of Indonesia, senior bond, FR59, 7.00%, 05/15/27	IDN	IDR	204,024	0.16
910,000	Government of Ghana, senior note, 24.00%, 11/23/20	GHA	GHS	197,838	0.16
342,000	Government of Ukraine, Reg S, VRI, GDP Linked Security, zero cpn., 05/31/40	UKR	USD	197,028	0.16
980,000	Government of Ghana, 19.75%, 03/25/24	GHA	GHS	192,935	0.16
664	Nota Do Tesouro Nacional, 10.00%, 01/01/23	BRA	BRL	179,369	0.14
2,230,000,000	Government of Indonesia, senior bond, FR56, 8.375%, 09/15/26	IDN	IDR	157,697	0.13
10,000,000	Government of India, senior note, 8.15%, 06/11/22	IND	INR	148,153	0.12
560,000	Government of Ghana, 24.75%, 07/19/21	GHA	GHS	125,331	0.10
7,700,000	Government of India, senior note, 7.80%, 04/11/21	IND	INR	112,351	0.09
7,000,000	Government of India, senior bond, 8.20%, 02/15/22	IND	INR	103,576	0.08
500,000	Government of Ghana, senior note, 18.25%, 09/21/20	GHA	GHS	100,147	0.08
380,000	Government of Ghana, senior note, 18.25%, 07/25/22	GHA	GHS	74,278	0.06
370,000	Government of Ghana, 16.25%, 05/17/21	GHA	GHS	70,817	0.06
4,700,000	Government of India, senior bond, 8.35%, 05/14/22	IND	INR	69,970	0.06
280,000	Ghana Treasury Note, 16.50%, 02/17/20	GHA	GHS	55,705	0.04
250,000	Ghana Treasury Note, 17.18%, 01/06/20	GHA	GHS	50,275	0.04
200,000	Government of Ghana, 24.50%, 06/21/21	GHA	GHS	44,567	0.04
1,416,000	Government of Argentina, FRN, 42.819%, 06/21/20 †	ARG	ARS	40,761	0.03
150,000	Government of Ghana, 24.75%, 03/01/21	GHA	GHS	33,273	0.03
150,000	Government of Ghana, senior note, 21.50%, 03/09/20	GHA	GHS	31,180	0.03
1,011,000	Government of Argentina, FRN, 51.542%, 04/03/22 †	ARG	ARS	25,844	0.02
120,000	Government of Ghana, 21.00%, 03/23/20	GHA	GHS	24,945	0.02
69,000,000	Titulos de Tesoreria, senior bond, B, 11.00%, 07/24/20	COL	COP	23,079	0.02
120,000	Government of Ghana, 17.60%, 11/28/22	GHA	GHS	22,797	0.02
390,000	Government of Argentina, Index Linked, 4.00%, 03/06/20	ARG	ARS	12,547	0.01
14,000,000	Government of Colombia, senior bond, 9.85%, 06/28/27	COL	COP	5,299	0.00
13,000,000	Government of Colombia, senior bond, 7.75%, 04/14/21	COL	COP	4,173	0.00
45,000,000	Government of Indonesia, senior bond, FR35, 12.90%, 06/15/22	IDN	IDR	3,604	0.00
10,000	Government of the Philippines, senior note, 3.375%, 08/20/20	PHL	PHP	182	0.00
				32,299,033	25.93
	Securities Maturing Within One Year				
306,300	Government of Mexico, senior note, M, 5.00%, 12/11/19	MEX	MXN	1,509,205	1.21
32,988,000	Argentina Treasury Bill, 0.00%, 10/31/19	ARG	ARS	960,058	0.77
24,263,000	Argentina Treasury Bill, 0.00%, 03/29/19	ARG	ARS	726,543	0.58
23,288,000	Argentina Treasury Bill, 0.00%, 09/30/19	ARG	ARS	703,273	0.56
17,096,000	Government of Argentina, Index Linked, 3.75%, 02/08/19	ARG	ARS	644,472	0.52
9,700,000	Egypt Treasury Bill, 0.00%, 02/12/19	EGY	EGP	531,168	0.43
9,300,000	Egypt Treasury Bill, 0.00%, 02/05/19	EGY	EGP	509,374	0.41
8,025,000	Egypt Treasury Bill, 0.00%, 01/22/19	EGY	EGP	442,818	0.36
789,470	Mexico Treasury Bill, 0.00%, 03/28/19	MEX	MXN	394,122	0.32
11,879,000	Argentina Treasury Bill, 0.00%, 05/31/19	ARG	ARS	347,823	0.28
675,790	Mexico Treasury Bill, 0.00%, 05/23/19	MEX	MXN	332,879	0.27
628,330	Mexico Treasury Bill, 0.00%, 02/14/19	MEX	MXN	316,277	0.25
12,970,000	Government of the Philippines, senior note, 7-56, 3.875%, 11/22/19	PHL	PHP	242,341	0.20
4,400,000	Egypt Treasury Bill, 0.00%, 02/26/19	EGY	EGP	239,812	0.19
3,900,000	Egypt Treasury Bill, 0.00%, 01/15/19	EGY	EGP	216,007	0.17
2,600,000	Egypt Treasury Bill, 0.00%, 03/05/19	EGY	EGP	141,169	0.11
279,540	Mexico Treasury Bill, 0.00%, 02/28/19	MEX	MXN	140,451	0.11
650,000	Ghana Treasury Note, 21.00%, 01/07/19	GHA	GHS	133,088	0.11
267,290	Mexico Treasury Bill, 0.00%, 07/18/19	MEX	MXN	129,761	0.10
241,690	Mexico Treasury Bill, 0.00%, 01/31/19	MEX	MXN	122,045	0.10
209,980	Mexico Treasury Bill, 0.00%, 09/12/19	MEX	MXN	100,640	0.08
1,675,000	Egypt Treasury Bill, 0.00%, 01/08/19	EGY	EGP	93,121	0.08
1,400,000	Egypt Treasury Bill, 0.00%, 01/29/19	EGY	EGP	77,191	0.06
380,000	Ghana Treasury Note, 17.24%, 11/11/19	GHA	GHS	76,708	0.06
143,640	Mexico Treasury Bill, 0.00%, 07/04/19	MEX	MXN	69,962	0.06
132,100	Mexico Treasury Bill, 0.00%, 03/14/19	MEX	MXN	66,069	0.05

The accompanying notes form an integral part of these financial statements

— Templeton Emerging Markets Balanced Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Securities Maturing Within One Year (continued)				
127,150	Mexico Treasury Bill, 0.00%, 06/06/19	MEX	MXN	62,342	0.05
75,690	Mexico Treasury Bill, 0.00%, 04/25/19	MEX	MXN	37,499	0.03
76,000,000	Titulos de Tesoreria, senior note, B, 7.00%, 09/11/19	COL	COP	23,759	0.02
47,680	Mexico Treasury Bill, 0.00%, 11/07/19	MEX	MXN	22,562	0.02
950,000	Philippine Treasury Bill, 0.00%, 03/13/19	PHL	PHP	17,945	0.01
558,000	Argentina Treasury Bill, 0.00%, 02/28/19	ARG	ARS	16,850	0.01
70,000	Ghana Treasury Note, 19.95%, 05/06/19	GHA	GHS	14,381	0.01
540,000	Philippine Treasury Bill, 0.00%, 03/20/19	PHL	PHP	10,191	0.01
410,000	Government of the Philippines, senior note, 7.875%, 02/19/19	PHL	PHP	7,840	0.01
400,000	Philippine Treasury Bill, 0.00%, 03/06/19	PHL	PHP	7,562	0.01
				9,487,308	7.62
	TOTAL BONDS			42,169,957	33.85
	TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET			42,603,234	34.20
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET				
	SHARES				
	Consumer Discretionary				
2,118,332	K2016470219 South Africa Ltd., A **	ZAF	ZAR	1,474	0.00
706,586	K2016470219 South Africa Ltd., B **	ZAF	ZAR	492	0.00
5,256	Corporacion GEO SAB de CV, B **	MEX	MXN	98	0.00
				2,064	0.00
	TOTAL SHARES			2,064	0.00
	WARRANTS				
	Consumer Discretionary				
8,223	Corporacion GEO SAB de CV, wts., 12/30/27 **	MEX	MXN	0	0.00
812,630	Edcon Holdings Ltd., wts., 02/20/49 **	ZAF	EUR	0	0.00
				0	0.00
	TOTAL WARRANTS			0	0.00
	TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET			2,064	0.00
	TOTAL INVESTMENTS			105,152,777	84.41

† Floating Rates are indicated as at December 31, 2018
‡ Income may be received in additional securities and/or cash
** These securities are submitted to a Fair Valuation

The accompanying notes form an integral part of these financial statements

— Templeton Emerging Markets Bond Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	BONDS				
	Asset-Backed Securities				
24,276,667	Tanzania Government International Bond, senior note, Reg S, FRN, 8.544%, 03/09/20 †	TZA	USD	24,770,940	0.25
3,440,000	Government of Bosnia & Herzegovina, senior bond, B, Reg S, FRN, 0.50%, 12/20/21 †	BIH	DEM	1,818,747	0.02
1,282,385	Government of Ivory Coast, Reg S, 5.75%, 12/31/32	CIV	USD	1,132,987	0.01
				27,722,674	0.28
	Corporate Bonds				
23,580,000	Digicel Group Ltd., senior note, Reg S, 7.125%, 04/01/22	BMU	USD	11,141,550	0.11
24,208,140	K2016470260 South Africa Ltd., senior secured note, Reg S, PIK, 25.00%, 12/31/22 ‡	ZAF	USD	1,936,651	0.02
8,661,191	K2016470219 South Africa Ltd., senior secured note, Reg S, PIK, 8.00%, 12/31/22 ‡	ZAF	EUR	198,480	0.00
25,793,366	K2016470219 South Africa Ltd., senior secured note, Reg S, PIK, 3.00%, 12/31/22 ‡	ZAF	USD	32,242	0.00
				13,308,923	0.13
	Government and Municipal Bonds				
1,993,470	Letra Tesouro Nacional, Strip, 07/01/21	BRA	BRL	426,314,544	4.25
1,393,012	Nota Do Tesouro Nacional, 10.00%, 01/01/27	BRA	BRL	375,060,347	3.74
14,234,500,600	Argentine Bonos del Tesoro, senior note, 15.50%, 10/17/26	ARG	ARS	284,394,381	2.83
11,207,043,400	Argentine Bonos del Tesoro, 16.00%, 10/17/23	ARG	ARS	251,731,214	2.51
755,024	Nota Do Tesouro Nacional, 10.00%, 01/01/23	BRA	BRL	203,957,733	2.03
13,734,000,000	Government of India, senior note, 7.68%, 12/15/23	IND	INR	201,060,864	2.00
2,937,663,000,000	Government of Indonesia, senior bond, FR61, 7.00%, 05/15/22	IDN	IDR	199,885,641	1.99
2,721,206,000,000	Government of Indonesia, senior bond, FR63, 5.625%, 05/15/23	IDN	IDR	175,042,937	1.74
724,374	Letra Tesouro Nacional, Strip, 07/01/20	BRA	BRL	168,866,123	1.68
10,198,000,000	Government of India, senior bond, 8.08%, 08/02/22	IND	INR	150,721,369	1.50
4,563,400,000	Bank of Thailand Bond, senior note, 1.77%, 03/27/20	THA	THB	141,189,536	1.41
410,794,000,000	Titulos de Tesoreria, B, 7.75%, 09/18/30	COL	COP	134,872,133	1.34
8,496,000,000	Government of India, senior note, 8.15%, 06/11/22	IND	INR	125,870,737	1.25
1,788,179,000,000	Government of Indonesia, senior bond, FR59, 7.00%, 05/15/27	IDN	IDR	116,188,182	1.16
312,346,000,000	Titulos de Tesoreria, senior bond, B, 10.00%, 07/24/24	COL	COP	113,264,031	1.13
7,478,000,000	Government of India, senior note, 8.79%, 11/08/21	IND	INR	112,131,304	1.12
402,689	Nota Do Tesouro Nacional, 10.00%, 01/01/25	BRA	BRL	108,471,100	1.08
401,185	Nota Do Tesouro Nacional, 10.00%, 01/01/21	BRA	BRL	108,136,395	1.08
1,519,325,000,000	Government of Indonesia, senior bond, FR56, 8.375%, 09/15/26	IDN	IDR	107,441,043	1.07
6,504,100,000	Government of India, senior note, 8.83%, 11/25/23	IND	INR	99,334,071	0.99
304,672,900,000	Titulos de Tesoreria, senior bond, B, 7.50%, 08/26/26	COL	COP	99,084,136	0.99
4,785,472,000	Argentine Bonos del Tesoro, 18.20%, 10/03/21	ARG	ARS	98,248,143	0.98
1,373,240,000,000	Government of Indonesia, senior bond, FR53, 8.25%, 07/15/21	IDN	IDR	97,086,557	0.97
1,201,120,000,000	Government of Indonesia, senior bond, FR40, 11.00%, 09/15/25	IDN	IDR	96,114,703	0.96
297,755,000,000	Titulos de Tesoreria, senior bond, B, 7.00%, 05/04/22	COL	COP	95,780,280	0.95
479,573,000	Government of Ghana, senior bond, 19.75%, 03/15/32	GHA	GHS	94,623,742	0.94
1,287,300,000,000	Government of Indonesia, senior bond, FR70, 8.375%, 03/15/24	IDN	IDR	90,979,284	0.91
6,117,000,000	Government of India, senior note, 6.84%, 12/19/22	IND	INR	86,985,024	0.87
5,726,000,000	Government of India, senior bond, 8.20%, 02/15/22	IND	INR	84,725,376	0.84
415,550,000	Government of Ghana, senior note, 18.25%, 07/25/22	GHA	GHS	81,227,101	0.81
86,241,000	Government of Argentina, senior note, 4.50%, 02/13/20	ARG	ARS	78,360,729	0.78
374,940,000	Government of Ghana, 16.50%, 02/06/23	GHA	GHS	69,307,404	0.69
70,000,000	Government of Senegal, senior note, Reg S, 6.25%, 07/30/24	SEN	USD	68,367,950	0.68
356,530,000	Government of Ghana, 19.00%, 11/02/26	GHA	GHS	67,451,671	0.67
65,400,000	Government of Ethiopia, senior note, Reg S, 6.625%, 12/11/24	ETH	USD	62,822,259	0.63
315,410,000	Government of Ghana, 16.25%, 05/17/21	GHA	GHS	60,368,411	0.60
195,545,000,000	Titulos de Tesoreria, B, 7.00%, 06/30/32	COL	COP	59,444,174	0.59
59,209,000	Government of Kenya, senior note, Reg S, 6.875%, 06/24/24	KEN	USD	55,755,043	0.56
1,760,280,000	Government of Argentina, FRN, 42.819%, 06/21/20 †	ARG	ARS	50,671,689	0.50
3,249,300,000	Government of India, senior note, 7.16%, 05/20/23	IND	INR	46,541,073	0.46
2,913,000,000	Government of India, senior bond, 8.13%, 09/21/22	IND	INR	43,157,370	0.43
195,100,000	Government of Ghana, senior note, 18.25%, 09/21/20	GHA	GHS	39,077,419	0.39
66,144,000	Government of Ukraine, Reg S, VRI, GDP Linked Security, zero cpn., 05/31/40	UKR	USD	38,105,889	0.38
120,811,100,000	Titulos de Tesoreria, senior bond, B, 6.00%, 04/28/28	COL	COP	35,349,086	0.35
2,453,200,000	Government of India, senior note, 6.79%, 05/15/27	IND	INR	33,915,305	0.34
134,760,000	Government of Ghana, 24.75%, 07/19/21	GHA	GHS	30,160,119	0.30
134,910,000	Government of Ghana, senior note, 18.50%, 06/01/20	GHA	GHS	27,197,206	0.27
1,835,700,000	Government of India, senior note, 7.80%, 04/11/21	IND	INR	26,784,808	0.27
115,410,000	Government of Ghana, 18.75%, 01/24/22	GHA	GHS	23,001,095	0.23
116,450,000	Government of Ghana, 19.75%, 03/25/24	GHA	GHS	22,925,788	0.23
68,200,000,000	Titulos de Tesoreria, senior bond, B, 11.00%, 07/24/20	COL	COP	22,811,038	0.23
3,029,500	Government of Mexico, senior bond, M, 6.50%, 06/10/21	MEX	MXN	14,740,879	0.15
280,000,000	Inter-American Development Bank, senior bond, 7.50%, 12/05/24	SP	MXN	13,336,994	0.13
63,568,000	Government of Ghana, 19.50%, 10/18/21	GHA	GHS	13,087,393	0.13
404,009,000	Argentina Treasury Bill, Strip, 04/30/20	ARG	ARS	11,803,054	0.12
643,400,000	Government of India, senior bond, 8.35%, 05/14/22	IND	INR	9,578,401	0.09
43,170,000	Ghana Treasury Note, 17.18%, 01/06/20	GHA	GHS	8,681,556	0.09
112,440,000,000	Government of Indonesia, senior bond, FR73, 8.75%, 05/15/31	IDN	IDR	8,162,065	0.08
37,450,000	Government of Ghana, senior note, 16.50%, 03/22/21	GHA	GHS	7,229,036	0.07
33,900,000	Government of Ghana, senior note, 21.50%, 03/09/20	GHA	GHS	7,046,670	0.07
33,850,000	Ghana Treasury Note, 16.50%, 02/17/20	GHA	GHS	6,734,336	0.07

The accompanying notes form an integral part of these financial statements

— Templeton Emerging Markets Bond Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Government and Municipal Bonds (continued)				
89,952,000,000	Government of Indonesia, senior bond, FR71, 9.00%, 03/15/29	IDN	IDR	6,604,087	0.07
26,430,000	Government of Ghana, 24.50%, 06/21/21	GHA	GHS	5,889,593	0.06
74,610,000,000	Government of Indonesia, senior bond, FR42, 10.25%, 07/15/27	IDN	IDR	5,871,255	0.06
66,700,000,000	Government of Indonesia, senior bond, FR34, 12.80%, 06/15/21	IDN	IDR	5,193,135	0.05
64,860,000,000	Government of Indonesia, senior bond, FR39, 11.75%, 08/15/23	IDN	IDR	5,168,278	0.05
23,063,000	Government of Ghana, 21.00%, 03/23/20	GHA	GHS	4,794,310	0.05
63,340,000,000	Government of Indonesia, senior bond, FR43, 10.25%, 07/15/22	IDN	IDR	4,733,544	0.05
61,050,000,000	Government of Indonesia, senior bond, FR46, 9.50%, 07/15/23	IDN	IDR	4,496,815	0.04
19,340,000	Government of Ghana, 24.75%, 03/01/21	GHA	GHS	4,289,991	0.04
11,116,000,000	Government of Colombia, senior bond, 7.75%, 04/14/21	COL	COP	3,567,988	0.04
18,560,000	Government of Ghana, 17.60%, 11/28/22	GHA	GHS	3,525,966	0.03
46,100,000,000	Government of Indonesia, senior bond, FR44, 10.00%, 09/15/24	IDN	IDR	3,493,725	0.03
20,170,000	Government of Ghana, senior note, 16.25%, 04/07/25	GHA	GHS	3,458,459	0.03
496,400	Government of Mexico, senior bond, M, 8.00%, 06/11/20	MEX	MXN	2,509,674	0.02
31,620,000,000	Government of Indonesia, senior bond, FR31, 11.00%, 11/15/20	IDN	IDR	2,353,688	0.02
85,176,000	Government of Argentina, FRN, 51.542%, 04/03/22 †	ARG	ARS	2,177,301	0.02
59,230,000	Government of Argentina, Index Linked, 4.00%, 03/06/20	ARG	ARS	1,905,548	0.02
8,560,000	Ghana Treasury Note, 16.50%, 03/16/20	GHA	GHS	1,698,337	0.02
1,780,000	Government of El Salvador, senior bond, Reg S, 7.65%, 06/15/35	SLV	USD	1,692,397	0.02
2,648,000,000	Government of Colombia, senior bond, 9.85%, 06/28/27	COL	COP	1,002,269	0.01
				5,665,190,301	56.43
	Securities Maturing Within One Year				
8,740,700,000	Bank of Thailand Bond, senior note, 1.49%, 08/28/19	THA	THB	269,960,330	2.69
7,799,218,237	Argentina Treasury Bill, 0.00%, 10/31/19	ARG	ARS	226,982,666	2.26
200,000,000	FHLB, 0.00%, 01/03/19	USA	USD	199,986,800	1.99
6,191,743,000	Argentina Treasury Bill, 0.00%, 09/30/19	ARG	ARS	186,983,962	1.86
343,529,360	Mexico Treasury Bill, 0.00%, 02/14/19	MEX	MXN	172,919,364	1.72
172,000,000	FHLB, 0.00%, 01/02/19	USA	USD	172,000,000	1.71
303,449,260	Mexico Treasury Bill, 0.00%, 05/23/19	MEX	MXN	149,472,368	1.49
291,974,780	Mexico Treasury Bill, 0.00%, 03/28/19	MEX	MXN	145,760,800	1.45
245,712,990	Mexico Treasury Bill, 0.00%, 02/28/19	MEX	MXN	123,455,444	1.23
228,255,830	Mexico Treasury Bill, 0.00%, 01/31/19	MEX	MXN	115,261,034	1.15
98,000,000	FHLB, 0.00%, 01/04/19	USA	USD	97,987,064	0.98
193,861,820	Mexico Treasury Bill, 0.00%, 07/18/19	MEX	MXN	94,113,819	0.94
195,354,090	Mexico Treasury Bill, 0.00%, 09/12/19	MEX	MXN	93,630,386	0.93
3,079,621,041	Argentina Treasury Bill, 0.00%, 05/31/19	ARG	ARS	90,172,953	0.90
2,962,490,000	Argentina Treasury Bill, 0.00%, 03/29/19	ARG	ARS	88,710,261	0.88
1,433,450,000	Egypt Treasury Bill, 0.00%, 02/05/19	EGY	EGP	78,512,001	0.78
14,202,600	Government of Mexico, senior note, M, 5.00%, 12/11/19	MEX	MXN	69,979,236	0.70
134,529,530	Mexico Treasury Bill, 0.00%, 07/04/19	MEX	MXN	65,524,826	0.65
1,164,175,000	Egypt Treasury Bill, 0.00%, 01/22/19	EGY	EGP	64,238,929	0.64
1,860,000,000	Government of Thailand, senior bond, 3.875%, 06/13/19	THA	THB	58,080,139	0.58
962,900,000	Egypt Treasury Bill, 0.00%, 02/12/19	EGY	EGP	52,728,049	0.53
686,098,000,000	Government of Indonesia, senior note, FR69, 7.875%, 04/15/19	IDN	IDR	47,919,486	0.48
723,700,000	Egypt Treasury Bill, 0.00%, 01/15/19	EGY	EGP	40,083,121	0.40
172,750,000	Ghana Treasury Note, 21.00%, 01/07/19	GHA	GHS	35,370,702	0.35
504,850,000	Egypt Treasury Bill, 0.00%, 01/08/19	EGY	EGP	28,066,954	0.28
49,698,390	Mexico Treasury Bill, 0.00%, 04/25/19	MEX	MXN	24,622,207	0.25
437,700,000	Egypt Treasury Bill, 0.00%, 02/26/19	EGY	EGP	23,855,823	0.24
420,700,000	Egypt Treasury Bill, 0.00%, 01/29/19	EGY	EGP	23,195,815	0.23
41,857,090	Mexico Treasury Bill, 0.00%, 03/14/19	MEX	MXN	20,934,403	0.21
69,070,000	Government of Ghana, 24.50%, 04/22/19	GHA	GHS	14,355,157	0.14
262,200,000	Egypt Treasury Bill, 0.00%, 03/05/19	EGY	EGP	14,236,303	0.14
397,313,000	Argentina Treasury Bill, 0.00%, 02/28/19	ARG	ARS	11,997,369	0.12
48,850,000	Ghana Treasury Note, 17.24%, 11/11/19	GHA	GHS	9,861,004	0.10
244,410,000	Argentina Treasury Bill, 0.00%, 04/30/19	ARG	ARS	7,351,189	0.07
13,493,910	Mexico Treasury Bill, 0.00%, 06/06/19	MEX	MXN	6,616,105	0.07
145,053,000	Government of Argentina, Index Linked, 3.75%, 02/08/19	ARG	ARS	5,468,097	0.06
24,790,000	Government of Ghana, 24.50%, 05/27/19	GHA	GHS	5,182,804	0.05
15,135,000,000	Titulos de Tesoreria, senior note, B, 7.00%, 09/11/19	COL	COP	4,731,442	0.05
22,670,000	Ghana Treasury Note, 19.95%, 05/06/19	GHA	GHS	4,657,361	0.05
5,060,220	Mexico Treasury Bill, 0.00%, 11/07/19	MEX	MXN	2,394,466	0.02
20,000,000,000	Government of Indonesia, senior bond, FR36, 11.50%, 09/15/19	IDN	IDR	1,439,638	0.01
				2,948,799,877	29.38
	TOTAL BONDS			8,655,021,775	86.22
	TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET			8,655,021,775	86.22
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET				
	SHARES				
	Household Durables				
723,784	Corporacion GEO SAB de CV, B **	MEX	MXN	13,485	0.00
	Specialty Retail				
330,332,289	K2016470219 South Africa Ltd., A **	ZAF	ZAR	229,903	0.01
143,924,136	K2016470219 South Africa Ltd., B **	ZAF	ZAR	100,168	0.00
				330,071	0.01
	TOTAL SHARES			343,556	0.01

The accompanying notes form an integral part of these financial statements

— Templeton Emerging Markets Bond Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	RIGHTS				
	Government and Municipal Bonds				
1,000,000	Banco Central Del Uruguay, rts., 02/19/21	URY	USD	0	0.00
	TOTAL RIGHTS			0	0.00
	WARRANTS				
	Household Durables				
1,132,334	Corporacion GEO SAB de CV, wts., 12/30/27 **	MEX	MXN	0	0.00
	Specialty Retail				
334,236,340	Edcon Holdings Ltd., wts., 02/20/49 **	ZAF	EUR	0	0.00
	TOTAL WARRANTS			0	0.00
	TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET			343,556	0.01
	TOTAL INVESTMENTS			8,655,365,331	86.23

† Floating Rates are indicated as at December 31, 2018
‡ Income may be received in additional securities and/or cash
** These securities are submitted to a Fair Valuation

The accompanying notes form an integral part of these financial statements

— Templeton Emerging Markets Local Currency Bond Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	BONDS				
	Government and Municipal Bonds				
6,390	Nota Do Tesouro Nacional, 10.00%, 01/01/27	BRA	BRL	1,720,470	6.76
80,100,000	Government of India, senior note, 7.59%, 01/11/26	IND	INR	1,164,115	4.57
5,520,000	Government of Ghana, 16.50%, 02/06/23	GHA	GHS	1,020,368	4.01
3,760	Nota Do Tesouro Nacional, 10.00%, 01/01/25	BRA	BRL	1,012,820	3.98
156,600	Government of Mexico, senior bond, M, 6.50%, 06/10/21	MEX	MXN	761,981	2.99
10,140,000,000	Government of Indonesia, senior bond, FR53, 8.25%, 07/15/21	IDN	IDR	716,887	2.82
10,270,000,000	Government of Indonesia, senior bond, FR61, 7.00%, 05/15/22	IDN	IDR	698,796	2.74
2,033,000,000	Titulos de Tesoreria, senior bond, B, 7.00%, 05/04/22	COL	COP	653,965	2.57
109,000	Government of Mexico, senior note, M, 7.25%, 12/09/21	MEX	MXN	536,846	2.11
2,400,000	Government of Ghana, senior note, 16.50%, 03/22/21	GHA	GHS	463,276	1.82
30,000,000	Government of India, senior note, 8.15%, 06/11/22	IND	INR	444,459	1.75
30,000,000	Government of India, senior note, 7.16%, 05/20/23	IND	INR	429,703	1.69
18,492,000	Argentine Bonos del Tesoro, 16.00%, 10/17/23	ARG	ARS	415,365	1.63
18,620,000	Argentine Bonos del Tesoro, senior note, 15.50%, 10/17/26	ARG	ARS	372,013	1.46
1,650,000	Ghana Treasury Note, 19.50%, 10/05/20	GHA	GHS	340,410	1.34
1,300	Letra Tesouro Nacional, Strip, 07/01/21	BRA	BRL	278,012	1.09
1,350	Letra Tesouro Nacional, Strip, 01/01/22	BRA	BRL	275,339	1.08
1,150	Letra Tesouro Nacional, Strip, 07/01/20	BRA	BRL	268,088	1.05
950	Nota Do Tesouro Nacional, 10.00%, 01/01/23	BRA	BRL	256,627	1.01
45,600	Government of Mexico, senior bond, M, 8.00%, 06/11/20	MEX	MXN	230,542	0.91
48,000	Government of Mexico, senior bond, 6.50%, 06/09/22	MEX	MXN	229,919	0.90
239,000	Government of Argentina, senior note, 4.50%, 02/13/20	ARG	ARS	217,161	0.85
7,249,000	Argentina Treasury Bill, Strip, 04/30/20	ARG	ARS	211,778	0.83
2,970,000,000	Government of Indonesia, senior bond, FR70, 8.375%, 03/15/24	IDN	IDR	209,903	0.82
600,000,000	Titulos de Tesoreria, senior bond, B, 11.00%, 07/24/20	COL	COP	200,684	0.79
590,000	Government of Ghana, 19.75%, 03/25/24	GHA	GHS	116,155	0.46
4,790,000	Argentine Bonos del Tesoro, 18.20%, 10/03/21	ARG	ARS	98,341	0.39
390,000	Government of Ghana, 17.60%, 11/28/22	GHA	GHS	74,091	0.29
608,000	Government of Argentina, FRN, 42.819%, 06/21/20 †	ARG	ARS	17,502	0.07
				13,435,616	52.78
	Securities Maturing Within One Year				
37,040,000	Bank of Thailand Bond, senior note, 1.49%, 08/28/19	THA	THB	1,143,997	4.49
32,199,000	Argentina Treasury Bill, 0.00%, 09/30/19	ARG	ARS	972,375	3.82
158,900	Government of Mexico, senior note, M, 5.00%, 12/11/19	MEX	MXN	782,934	3.08
1,381,440	Mexico Treasury Bill, 0.00%, 07/18/19	MEX	MXN	670,646	2.64
22,197,000	Argentina Treasury Bill, 0.00%, 10/31/19	ARG	ARS	646,005	2.54
1,271,320	Mexico Treasury Bill, 0.00%, 01/31/19	MEX	MXN	641,971	2.52
10,275,000	Egypt Treasury Bill, 0.00%, 01/08/19	EGY	EGP	571,235	2.24
8,100,000	Egypt Treasury Bill, 0.00%, 01/15/19	EGY	EGP	448,630	1.76
12,866,000	Argentina Treasury Bill, 0.00%, 05/31/19	ARG	ARS	376,723	1.48
609,530	Mexico Treasury Bill, 0.00%, 03/28/19	MEX	MXN	304,292	1.20
4,825,000	Egypt Treasury Bill, 0.00%, 02/05/19	EGY	EGP	264,272	1.04
3,210,000,000	Government of Indonesia, senior note, FR69, 7.875%, 04/15/19	IDN	IDR	224,198	0.88
3,825,000	Egypt Treasury Bill, 0.00%, 01/22/19	EGY	EGP	211,063	0.83
5,893,000	Argentina Treasury Bill, 0.00%, 04/30/19	ARG	ARS	177,245	0.70
357,490	Mexico Treasury Bill, 0.00%, 05/23/19	MEX	MXN	176,092	0.69
2,250,000	Egypt Treasury Bill, 0.00%, 01/29/19	EGY	EGP	124,056	0.49
235,760	Mexico Treasury Bill, 0.00%, 06/06/19	MEX	MXN	115,594	0.45
208,970	Mexico Treasury Bill, 0.00%, 02/14/19	MEX	MXN	105,187	0.41
129,700	Mexico Treasury Bill, 0.00%, 07/04/19	MEX	MXN	63,172	0.25
925,000	Egypt Treasury Bill, 0.00%, 02/12/19	EGY	EGP	50,653	0.20
88,410	Mexico Treasury Bill, 0.00%, 11/07/19	MEX	MXN	41,835	0.16
902,000	Argentina Treasury Bill, 0.00%, 02/28/19	ARG	ARS	27,237	0.11
400,000	Egypt Treasury Bill, 0.00%, 02/26/19	EGY	EGP	21,801	0.09
200,000	Egypt Treasury Bill, 0.00%, 03/05/19	EGY	EGP	10,859	0.04
203,000	Argentina Treasury Bill, 0.00%, 03/29/19	ARG	ARS	6,079	0.02
4,910	Mexico Treasury Bill, 0.00%, 09/12/19	MEX	MXN	2,353	0.01
				8,180,504	32.14
	TOTAL BONDS			21,616,120	84.92
	TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET			21,616,120	84.92
	TOTAL INVESTMENTS			21,616,120	84.92

† Floating Rates are indicated as at December 31, 2018

The accompanying notes form an integral part of these financial statements

— Templeton Emerging Markets Smaller Companies Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	SHARES				
	Air Freight & Logistics				
8,630,194	Aramex PJSC	ARE	AED	10,079,505	1.13
	Airlines				
270,185	Wizz Air Holdings PLC	CHE	GBP	9,654,386	1.09
	Auto Components				
6,608,096	Apollo Tyres Ltd.	IND	INR	22,411,675	2.52
404,065	Mando Corp.	KOR	KRW	10,503,346	1.18
9,385,800	Nemak SAB de CV	MEX	MXN	7,011,707	0.79
162,809	Sebang Global Battery Co. Ltd.	KOR	KRW	5,255,393	0.59
117,885	Hankook Tire Co. Ltd.	KOR	KRW	4,249,834	0.48
2,315,973	Weifu High-Technology Co. Ltd., B	CHN	HKD	4,004,632	0.45
21,562,400	Xinchen China Power Holdings Ltd.	CHN	HKD	1,197,835	0.14
				54,634,422	6.15
	Banks				
10,282,288	Federal Bank Ltd.	IND	INR	13,782,138	1.55
248,770	Intercorp Financial Services Inc., Reg S	PER	USD	10,448,340	1.18
3,952,200	TISCO Financial Group PCL, fgn.	THA	THB	9,562,760	1.08
2,651,303	Moneta Money Bank AS	CZE	CZK	8,560,970	0.96
3,021,600	Hatton National Bank PLC	LKA	LKR	3,535,388	0.40
47,988,982	Bank Permata Tbk PT	IDN	IDR	2,085,752	0.23
1,259,400	United Bank Ltd.	PAK	PKR	1,117,064	0.13
940,400	Habib Bank Ltd.	PAK	PKR	793,757	0.09
				49,886,169	5.62
	Beverages				
3,514,857	Stock Spirits Group PLC	POL	GBP	9,323,228	1.05
623,200	Embotelladora Andina SA, pfd., A	CHL	CLP	2,020,282	0.23
				11,343,510	1.28
	Biotechnology				
35,232	Medy-tox Inc.	KOR	KRW	18,278,684	2.06
2,522,100	PharmaEssentia Corp.	TWN	TWD	14,383,974	1.62
344,535	Hans Biomed Corp.	KOR	KRW	7,733,948	0.87
				40,396,606	4.55
	Building Products				
38,147,360	Dynasty Ceramic PCL, fgn.	THA	THB	2,311,961	0.26
	Capital Markets				
229,380	Noah Holdings Ltd., ADR	CHN	USD	9,936,742	1.12
3,998,000	China Everbright Ltd.	CHN	HKD	7,086,679	0.80
				17,023,421	1.92
	Chemicals				
1,770,399	Tata Chemicals Ltd.	IND	INR	17,983,915	2.02
5,220,868	Soda Sanayii AS	TUR	TRY	6,999,276	0.79
				24,983,191	2.81
	Construction Materials				
8,773,267	Huaxin Cement Co. Ltd., B	CHN	USD	14,958,420	1.68
510,451	JK Cement Ltd.	IND	INR	5,235,480	0.59
				20,193,900	2.27
	Consumer Finance				
3,541,100	Equitas Holdings Ltd.	IND	INR	6,370,112	0.72
	Diversified Consumer Services				
718,000	Ser Educacional SA, Reg S	BRA	BRL	2,876,625	0.32
	Diversified Financial Services				
886,259	Bajaj Holdings & Investment Ltd.	IND	INR	37,580,337	4.23
754,000	Hankook Tire Worldwide Co. Ltd.	KOR	KRW	11,238,473	1.27
				48,818,810	5.50
	Electronic Equipment, Instruments & Components				
5,827,400	Delta Electronics Thailand PCL, fgn.	THA	THB	12,523,324	1.41
21,129,200	FIT Hon Teng Ltd.	TWN	HKD	9,147,307	1.03
6,732,298	Redington India Ltd.	IND	INR	8,578,672	0.97
836,000	Sunny Optical Technology Group Co. Ltd.	CHN	HKD	7,430,637	0.84
2,748,362	FPT Corp.	VNM	VND	5,000,254	0.56
1,899,061	Flytech Technology Co. Ltd.	TWN	TWD	4,220,549	0.47
14,695,400	Ju Teng International Holdings Ltd.	HKG	HKD	3,959,810	0.45
3,252,900	Synnex Technology International Corp.	TWN	TWD	3,869,842	0.43
				54,730,395	6.16
	Energy Equipment & Services				
794,349	TMK PAO, GDR, Reg S	RUS	USD	2,557,804	0.29

The accompanying notes form an integral part of these financial statements

— Templeton Emerging Markets Smaller Companies Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Entertainment				
797,317	IMAX Corp.	USA	USD	14,997,533	1.69
6,652,800	Major Cineplex Group PCL, fgn.	THA	THB	4,237,714	0.47
				19,235,247	2.16
	Food & Staples Retailing				
3,069,370	Robinsons Retail Holdings Inc.	PHL	PHP	4,677,135	0.53
11,615,721	7-Eleven Malaysia Holdings Bhd.	MYS	MYR	4,216,233	0.47
970,030	Lenta Ltd., GDR, Reg S	RUS	USD	2,992,542	0.34
				11,885,910	1.34
	Food Products				
2,200,400	Health & Happiness H&H International Holdings Ltd.	CHN	HKD	12,560,868	1.41
2,761,030	Masan Group Corp.	VNM	VND	9,225,257	1.04
4,045,451	Grupo Herdez SAB de CV	MEX	MXN	8,440,675	0.95
5,015,060	Agthia Group PJSC	ARE	AED	6,744,728	0.76
21,300,250	Century Pacific Food Inc.	PHL	PHP	6,166,930	0.70
7,098,000	Uni-President China Holdings Ltd.	CHN	HKD	6,163,898	0.69
493,746	Pinar Sut Mamulleri Sanayii AS	TUR	TRY	617,182	0.07
				49,919,538	5.62
	Health Care Equipment & Supplies				
550,000	St. Shine Optical Co. Ltd.	TWN	TWD	9,670,883	1.09
171,972	Vieworks Co. Ltd.	KOR	KRW	5,095,649	0.57
200,112	Interojo Co. Ltd.	KOR	KRW	4,429,114	0.50
183,085	I-Sens Inc.	KOR	KRW	3,698,820	0.41
1,022,000	Pacific Hospital Supply Co. Ltd.	TWN	TWD	2,304,736	0.26
700,800	Hartalega Holdings Bhd.	MYS	MYR	1,041,237	0.12
				26,240,439	2.95
	Health Care Providers & Services				
397,596	HSBC Bank PLC (CRTP Mouwasat Medical Services Co.)	SAU	USD	8,532,103	0.96
867,930	HSBC Bank PLC (CRTP Middle East Healthcare Co.)	SAU	USD	7,507,885	0.84
1,862,182	Georgia Healthcare Group PLC	GEO	GBP	4,844,485	0.55
555,678	Integrated Diagnostics Holdings PLC	EGY	USD	2,311,620	0.26
				23,196,093	2.61
	Hotels, Restaurants & Leisure				
59,990	DO & CO Restaurants & Catering AG	TUR	TRY	5,423,567	0.61
	Household Durables				
103,496	Amica SA	POL	PLN	3,174,665	0.36
	Independent Power and Renewable Electricity Producers				
537,300	The Hub Power Co. Ltd.	PAK	PKR	330,028	0.04
	Industrial Conglomerates				
13,407,176	Hemas Holdings PLC	LKA	LKR	6,523,995	0.73
26,158,300	DMCI Holdings Inc.	PHL	PHP	6,367,677	0.72
				12,891,672	1.45
	Insurance				
229,756	Fanhua Inc., ADR	CHN	USD	5,043,144	0.57
1,158,928	Wiz Solucoes e Corretagem de seguros SA	BRA	BRL	2,093,162	0.23
				7,136,306	0.80
	Interactive Media & Services				
285,398	Mail.Ru Group Ltd., GDR, Reg S	RUS	USD	6,695,437	0.75
	Internet & Direct Marketing Retail				
699,927	Baozun Inc., ADR	CHN	USD	20,444,867	2.30
2,372,092	PChome Online Inc.	TWN	TWD	9,807,159	1.11
				30,252,026	3.41
	IT Services				
21,776,000	Chinasoft International Ltd.	CHN	HKD	10,817,782	1.22
3,854,600	TravelSky Technology Ltd., H	CHN	HKD	9,869,706	1.11
239,580	Luxoft Holding Inc.	RUS	USD	7,288,023	0.82
				27,975,511	3.15
	Leisure products				
3,033,300	Merida Industry Co. Ltd.	TWN	TWD	13,680,930	1.54
	Machinery				
4,242,000	Shin Zu Shing Co. Ltd.	TWN	TWD	11,673,576	1.32
3,644,767	Marcopolo SA, pfd.	BRA	BRL	3,831,407	0.43
				15,504,983	1.75
	Metals & Mining				
15,614,898	Hoa Phat Group JSC	VNM	VND	20,835,572	2.35
	Personal Products				
296,234	Cosmecca Korea Co. Ltd.	KOR	KRW	8,644,625	0.97

The accompanying notes form an integral part of these financial statements

— Templeton Emerging Markets Smaller Companies Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Pharmaceuticals				
1,441,913	Glenmark Pharmaceuticals Ltd.	IND	INR	14,364,206	1.62
465,190	Richter Gedeon Nyrt	HUN	HUF	9,015,246	1.01
11,473,000	Luye Pharma Group Ltd.	CHN	HKD	7,985,167	0.90
1,879,700	TTY Biopharm Co. Ltd.	TWN	TWD	4,699,711	0.53
543,557	Egyptian International Pharmaceuticals EIPICO	EGY	EGP	3,242,764	0.36
				39,307,094	4.42
	Real Estate Management & Development				
8,991,451	Vincom Retail JSC	VNM	VND	10,815,326	1.22
	Road & Rail				
202,987	Prime Car Management SA	POL	PLN	696,953	0.08
	Semiconductors & Semiconductor Equipment				
3,312,000	Novatek Microelectronics Corp. Ltd.	TWN	TWD	15,370,919	1.73
29,637,392	Xinyi Solar Holdings Ltd.	CHN	HKD	10,408,381	1.17
237,719	Silicon Works Co. Ltd.	KOR	KRW	7,171,847	0.81
				32,951,147	3.71
	Specialty Retail				
3,303,200	Luk Fook Holdings (International) Ltd.	HKG	HKD	9,428,072	1.06
7,832,000	I.T Ltd.	HKG	HKD	4,180,801	0.47
				13,608,873	1.53
	Technology Hardware, Storage & Peripherals				
8,462,700	Primax Electronics Ltd.	TWN	TWD	12,017,659	1.35
4,996,360	ADLINK Technology Inc.	TWN	TWD	5,168,310	0.58
				17,185,969	1.93
	Textiles, Apparel & Luxury Goods				
481,835	Fila Korea Ltd.	KOR	KRW	23,146,216	2.60
832,680	Eclat Textile Co. Ltd.	TWN	TWD	9,470,623	1.07
505,191	Vardhman Textiles Ltd.	IND	INR	8,089,446	0.91
2,335,005	Grendene SA	BRA	BRL	4,933,215	0.55
8,979,400	Xtep International Holdings Ltd.	CHN	HKD	4,873,565	0.55
647,895	Mavi Giyim Sanayi Ve Ticaret AS, B	TUR	TRY	3,941,687	0.44
197,800	Arezzo Industria e Comercio SA	BRA	BRL	2,806,021	0.32
48,467	Youngone Holdings Co. Ltd.	KOR	KRW	2,719,907	0.31
				59,980,680	6.75
	Tobacco				
6,223,230	Eastern Tobacco	EGY	EGP	5,692,797	0.64
	Trading Companies & Distributors				
9,992,800	Hexindo Adiperkasa Tbk PT	IDN	IDR	1,980,492	0.22
185,860	iMarketKorea Inc.	KOR	KRW	1,154,835	0.13
				3,135,327	0.35
	Transportation Infrastructure				
5,760,800	International Container Terminal Services Inc.	PHL	PHP	10,972,952	1.24
6,426,687	COSCO Shipping Ports Ltd.	CHN	HKD	6,319,583	0.71
				17,292,535	1.95
	Wireless Telecommunication Services				
14,678,108	Global Telecom Holding SAE	EGY	EGP	3,002,208	0.34
	TOTAL SHARES			842,552,275	94.85
	WARRANTS				
	Building Products				
15,258,944	Dynasty Ceramic PCL, wts., 05/07/21	THA	THB	325,562	0.04
	TOTAL WARRANTS			325,562	0.04
	RIGHTS				
	Machinery				
86,780	Marcopolo SA, rts., 01/18/19	BRA	BRL	19,228	0.00
	TOTAL RIGHTS			19,228	0.00
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			842,897,065	94.89
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET				
	SHARES				
	Construction Materials				
653,046	Odisha Cement Ltd. **	IND	INR	10,324,172	1.16
	TOTAL SHARES			10,324,172	1.16
	TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET			10,324,172	1.16
	TOTAL INVESTMENTS			853,221,237	96.05

** These securities are submitted to a Fair Valuation

The accompanying notes form an integral part of these financial statements

— Templeton Euroland Fund —

Schedule of Investments as of December 31, 2018

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	SHARES				
	Aerospace & Defense				
983,784	Leonardo SpA	ITA	EUR	7,564,786	1.34
	Auto Components				
90,079	Cie Generale des Etablissements Michelin SCA	FRA	EUR	7,809,849	1.38
	Banks				
1,280,754	ING Groep NV	NLD	EUR	12,051,895	2.13
1,221,811	Credit Agricole SA	FRA	EUR	11,521,678	2.04
1,116,112	UniCredit SpA	ITA	EUR	11,033,901	1.95
270,828	BNP Paribas SA	FRA	EUR	10,690,935	1.89
1,713,548	Bank of Ireland Group PLC	IRL	EUR	8,321,365	1.47
189,431	Societe Generale SA	FRA	EUR	5,269,970	0.93
				58,889,744	10.41
	Building Products				
258,838	Compagnie de Saint-Gobain	FRA	EUR	7,549,010	1.33
	Capital Markets				
381,791	Flow Traders	NLD	EUR	10,629,061	1.88
727,675	Azimut Holding SpA	ITA	EUR	6,955,442	1.23
				17,584,503	3.11
	Chemicals				
138,045	Akzo Nobel NV	NLD	EUR	9,718,368	1.72
116,096	Koninklijke DSM NV	NLD	EUR	8,293,898	1.46
175,752	LANXESS AG	DEU	EUR	7,052,541	1.25
				25,064,807	4.43
	Construction Materials				
467,985	CRH PLC	IRL	EUR	10,818,615	1.91
	Containers & Packaging				
261,366	Huhtamaki OYJ	FIN	EUR	7,075,178	1.25
	Diversified Telecommunication Services				
2,203,424	Telefonica Deutschland Holding AG	DEU	EUR	7,569,276	1.34
	Electric Utilities				
237,881	Orsted AS	DNK	DKK	13,893,305	2.46
	Electrical Equipment				
1,116,036	Siemens Gamesa Renewable Energy SA	ESP	EUR	11,874,623	2.10
403,227	Signify NV	NLD	EUR	8,254,057	1.46
				20,128,680	3.56
	Electronic Equipment, Instruments & Components				
332,142	Jenoptik AG	DEU	EUR	7,558,727	1.33
171,200	Oxford Instruments PLC	GBR	GBP	1,733,930	0.31
				9,292,657	1.64
	Energy Equipment & Services				
691,745	Tenaris SA	ITA	EUR	6,488,959	1.14
214,340	Tecnicas Reunidas SA	ESP	EUR	4,574,016	0.81
				11,062,975	1.95
	Food Products				
662,893	Ebro Foods SA	ESP	EUR	11,560,854	2.04
	Health Care Equipment & Supplies				
98,696	Draegerwerk AG & Co. KGaA, pfd.	DEU	EUR	4,587,569	0.81
52,357	LivaNova PLC	GBR	USD	4,179,695	0.74
				8,767,264	1.55
	Health Care Providers & Services				
117,324	Fresenius Medical Care AG & Co. KGaA	DEU	EUR	6,637,649	1.17
	Hotels, Restaurants & Leisure				
134,517	Sodexo SA	FRA	EUR	12,039,271	2.13
866,238	Melia Hotels International SA	ESP	EUR	7,111,814	1.25
				19,151,085	3.38
	Industrial Conglomerates				
123,876	Siemens AG	DEU	EUR	12,066,121	2.13
	Insurance				
662,611	AXA SA	FRA	EUR	12,495,518	2.21
310,975	ASR Nederland NV	NLD	EUR	10,753,516	1.90
2,280,865	Aegon NV	NLD	EUR	9,303,648	1.65
210,256	NN Group NV	NLD	EUR	7,316,909	1.29
				39,869,591	7.05

The accompanying notes form an integral part of these financial statements

— Templeton Euroland Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Internet & Direct Marketing Retail				
685,734	Takkt AG	DEU	EUR	9,370,875	1.66
58,816	zooplus AG	DEU	EUR	7,035,881	1.24
				16,406,756	2.90
	IT Services				
123,231	Capgemini SE	FRA	EUR	10,696,451	1.89
	Leisure products				
307,049	Amer Sports OYJ	FIN	EUR	11,781,470	2.08
	Life Sciences Tools & Services				
411,347	QIAGEN NV	NLD	EUR	12,267,979	2.17
124,853	MorphoSys AG	DEU	EUR	11,124,987	1.97
146,367	Gerresheimer AG	DEU	EUR	8,394,435	1.48
				31,787,401	5.62
	Multi-Utilities				
528,236	Veolia Environnement SA	FRA	EUR	9,484,477	1.67
243,589	Innogy SE	DEU	EUR	9,048,217	1.60
1,024,070	E.ON SE	DEU	EUR	8,822,973	1.56
				27,355,667	4.83
	Oil, Gas & Consumable Fuels				
334,420	Total SA	FRA	EUR	15,443,516	2.73
588,887	Royal Dutch Shell PLC, A	GBR	EUR	15,107,896	2.67
1,088,470	Eni SpA	ITA	EUR	15,007,442	2.65
646,196	Galp Energia SGPS SA, B	PRT	EUR	8,914,274	1.58
				54,473,128	9.63
	Personal Products				
755,117	Ontex Group NV	BEL	EUR	13,516,594	2.39
	Pharmaceuticals				
193,512	Merck KGaA	DEU	EUR	17,384,838	3.07
217,034	Sanofi	FRA	EUR	16,420,792	2.90
216,149	UCB SA	BEL	EUR	15,411,424	2.73
168,979	Bayer AG	DEU	EUR	10,257,284	1.81
				59,474,338	10.51
	Professional Services				
556,824	Intertrust NV	NLD	EUR	8,179,745	1.45
	Semiconductors & Semiconductor Equipment				
604,121	Infineon Technologies AG	DEU	EUR	10,556,851	1.87
143,341	NXP Semiconductors NV	NLD	EUR	9,180,335	1.62
				19,737,186	3.49
	Software				
92,436	SAP SE	DEU	EUR	8,007,193	1.41
	TOTAL SHARES			563,771,878	99.63
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			563,771,878	99.63
	TOTAL INVESTMENTS			563,771,878	99.63

The accompanying notes form an integral part of these financial statements

— Templeton Frontier Markets Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	SHARES				
	Air Freight & Logistics				
11,794,477	Aramex PJSC	ARE	AED	13,775,181	2.61
2,399,446	Agility Public Warehousing Co. KSC	KWT	KWD	6,342,845	1.20
				20,118,026	3.81
	Automobiles				
224,414	Indus Motor Co. Ltd.	PAK	PKR	1,910,248	0.36
	Banks				
12,408,984	National Bank of Kuwait SAKP	KWT	KWD	34,111,515	6.47
496,842	Grupo Financiero Galicia SA, ADR	ARG	USD	13,697,934	2.60
8,014,394	Metropolitan Bank & Trust Co.	PHL	PHP	12,357,432	2.34
1,073,531	BBVA Banco Frances SA, ADR	ARG	USD	12,163,106	2.31
4,812,650	BDO Unibank Inc.	PHL	PHP	11,990,374	2.27
30,729,360	KCB Group Ltd.	KEN	KES	11,353,880	2.15
50,979	Credicorp Ltd.	PER	USD	11,300,515	2.14
458,243	Al Rajhi Bank	SAU	SAR	10,688,631	2.03
12,252,591	Brac Bank Ltd.	BGD	BDT	10,551,209	2.00
1,085,111	Banco Davivienda SA, pfd.	COL	COP	10,331,526	1.96
2,402,500	Commercial International Bank Egypt SAE	EGY	EGP	10,042,248	1.90
207,523	Intercorp Financial Services Inc., Reg S	PER	USD	8,715,966	1.65
88,400,280	Guaranty Trust Bank PLC	NGA	NGN	8,471,181	1.61
7,090,595	Hatton National Bank PLC	LKA	LKR	8,296,268	1.57
205,100	Bancolombia SA, ADR, pfd.	COL	USD	7,814,310	1.48
6,726,000	Vietnam Technological and Commercial Joint Stock Bank	VNM	VND	7,495,887	1.42
7,010,860	Hatton National Bank PLC	LKA	LKR	6,458,884	1.23
6,396,235	United Bank Ltd.	PAK	PKR	5,673,342	1.08
651,833	HSBC Bank PLC (CRTP Samba Financial Group, 144A)	SAU	USD	5,456,124	1.03
646,521	Samba Financial Group	SAU	SAR	5,411,660	1.03
413,928	National Commercial Bank	SAU	SAR	5,279,891	1.00
81,787,110	Zenith Bank PLC	NGA	NGN	5,243,930	0.99
66,658,032	Ecobank Transnational Inc.	TGO	NGN	2,855,448	0.54
24,700	Saudi British Bank	SAU	SAR	214,980	0.04
				225,976,241	42.84
	Beverages				
3,541,443	East African Breweries Ltd.	KEN	KES	6,038,525	1.15
19,528,506	Nigerian Breweries PLC	NGA	NGN	4,644,471	0.88
659,600	Purcari Wineries PLC	MDA	RON	2,695,824	0.51
				13,378,820	2.54
	Building Products				
6,588,922	Binh Minh Plastics JSC	VNM	VND	14,941,897	2.83
	Diversified Consumer Services				
1,518,525	Human Soft Holding Co. KSC	KWT	KWD	16,417,028	3.11
	Diversified Financial Services				
311,150	Ayala Corp.	PHL	PHP	5,334,000	1.01
	Electronic Equipment, Instruments & Components				
826,873	FPT Corp.	VNM	VND	1,504,378	0.29
	Food & Staples Retailing				
510,898	InRetail Peru Corp., Reg S	PER	USD	14,458,413	2.74
13,682,860	Puregold Price Club Inc.	PHL	PHP	11,206,914	2.13
6,343,220	Robinsons Retail Holdings Inc.	PHL	PHP	9,665,859	1.83
				35,331,186	6.70
	Food Products				
1,699,100	Grupo Nutresa SA	COL	COP	12,295,258	2.33
797,293	MHP SE, GDR, Reg S	UKR	USD	8,251,982	1.56
1,926,615	Alicorp SA	PER	PEN	5,690,907	1.08
210,449	Deutsche Bank AG London (CRTP Saudi Dairy & Foodstuff Co., 144A)	SAU	USD	5,632,469	1.07
2,269,526	Mezzan Holding Co.	KWT	KWD	3,740,278	0.71
714,868	Vietnam Dairy Products JSC	VNM	VND	3,698,390	0.70
95,481,864	UAC of Nigeria PLC	NGA	NGN	2,576,284	0.49
				41,885,568	7.94
	Health Care Providers & Services				
357,491	HSBC Bank PLC (CRTP Mouwasat Medical Services Co.)	SAU	USD	7,671,481	1.45
95,233	Mouwasat Medical Services Co.	SAU	SAR	2,043,626	0.39
				9,715,107	1.84
	Industrial Conglomerates				
34,427,900	DMCI Holdings Inc.	PHL	PHP	8,380,735	1.59
6,840,563	Hemas Holdings PLC	LKA	LKR	3,328,650	0.63
				11,709,385	2.22
	Insurance				
76,500	Old Mutual Ltd.	ZAF	USD	119,262	0.02

The accompanying notes form an integral part of these financial statements

— Templeton Frontier Markets Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Marine				
1,796,375	Vietnam Container Shipping JSC	VNM	VND	3,140,462	0.60
	Metals & Mining				
4,394,850	Hoa Phat Group JSC	VNM	VND	5,864,221	1.11
	Oil, Gas & Consumable Fuels				
1,371,497	YPF Sociedad Anonima, D, ADR	ARG	USD	18,364,345	3.48
76,387,691	OMV Petrom SA	ROU	RON	5,623,380	1.07
				23,987,725	4.55
	Pharmaceuticals				
3,605,199	DHG Pharmaceutical JSC	VNM	VND	12,278,971	2.33
987,738	Egyptian International Pharmaceuticals EIPICO	EGY	EGP	5,892,669	1.12
5,348,000	Beximco Pharmaceuticals Ltd.	BGD	BDT	5,078,713	0.96
1,730,579	Imexpharm Pharmaceutical JSC	VNM	VND	4,543,749	0.86
				27,794,102	5.27
	Specialty Retail				
2,361,200	Wilcon Depot Inc.	PHL	PHP	566,688	0.11
	Transportation Infrastructure				
5,703,300	International Container Terminal Services Inc.	PHL	PHP	10,863,428	2.06
	Wireless Telecommunication Services				
73,617,887	Global Telecom Holding SAE	EGY	EGP	15,057,539	2.86
24,870,587	Safaricom PLC	KEN	KES	5,430,525	1.03
				20,488,064	3.89
	TOTAL SHARES			491,045,836	93.10
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			491,045,836	93.10
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET				
	SHARES				
	Beverages				
21,678,198	Delta Corp. Ltd. **	ZWE	USD	12,528,763	2.37
	Diversified Telecommunication Services				
290,095	Sonatel **	SEN	XOF	8,104,344	1.54
	TOTAL SHARES			20,633,107	3.91
	TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET			20,633,107	3.91
	TOTAL INVESTMENTS			511,678,943	97.01

** These securities are submitted to a Fair Valuation

The accompanying notes form an integral part of these financial statements

— Templeton Global Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	SHARES				
	Aerospace & Defense				
6,310,983	Cobham PLC	GBR	GBP	7,864,584	0.83
727,438	BAE Systems PLC	GBR	GBP	4,259,839	0.45
				12,124,423	1.28
	Air Freight & Logistics				
169,900	United Parcel Service Inc., B	USA	USD	16,570,347	1.75
	Auto Components				
356,800	Sumitomo Rubber Industries Ltd.	JPN	JPY	4,232,117	0.45
	Banks				
2,583,000	Standard Chartered PLC	GBR	GBP	20,070,163	2.12
343,767	BNP Paribas SA	FRA	EUR	15,548,737	1.64
1,206,375	ING Groep NV	NLD	EUR	13,007,108	1.37
230,929	Citigroup Inc.	USA	USD	12,022,164	1.27
1,640,500	Bangkok Bank PCL, NVDR	THA	THB	10,297,511	1.09
1,200,273	HSBC Holdings PLC	GBR	GBP	9,901,763	1.05
1,696,292	Bank of Ireland Group PLC	IRL	EUR	9,438,602	1.00
203,900	Wells Fargo & Co.	USA	USD	9,395,712	0.99
285,189	Hana Financial Group Inc.	KOR	KRW	9,282,579	0.98
200,000	KB Financial Group Inc., ADR	KOR	USD	8,396,000	0.89
583,896	Credit Agricole SA	FRA	EUR	6,308,934	0.67
154,600	Bangkok Bank PCL, fgn.	THA	THB	989,555	0.10
				124,658,828	13.17
	Beverages				
275,400	Suntory Beverage & Food Ltd.	JPN	JPY	12,463,358	1.32
	Biotechnology				
260,098	Shire PLC	IRL	GBP	15,158,231	1.60
212,040	Gilead Sciences Inc.	USA	USD	13,263,102	1.40
50,315	Amgen Inc.	USA	USD	9,794,821	1.04
106,160	Celgene Corp.	USA	USD	6,803,795	0.72
				45,019,949	4.76
	Capital Markets				
1,171,094	UBS Group AG	CHE	CHF	14,614,760	1.54
2,391,598	Man Group PLC	GBR	GBP	4,056,347	0.43
				18,671,107	1.97
	Chemicals				
232,686	Yara International ASA	NOR	NOK	8,968,648	0.95
126,231	Johnson Matthey PLC	GBR	GBP	4,505,720	0.47
				13,474,368	1.42
	Construction Materials				
358,450	CRH PLC	IRL	EUR	9,494,610	1.00
229,700	Taiheiyo Cement Corp.	JPN	JPY	7,115,251	0.75
				16,609,861	1.75
	Consumer Finance				
202,020	Capital One Financial Corp.	USA	USD	15,270,692	1.61
	Diversified Telecommunication Services				
31,112,330	China Telecom Corp. Ltd., H	CHN	HKD	15,892,896	1.68
6,405,790	Singapore Telecommunications Ltd.	SGP	SGD	13,769,828	1.45
				29,662,724	3.13
	Electrical Equipment				
181,232	Vestas Wind Systems AS	DNK	DKK	13,719,429	1.45
	Electronic Equipment, Instruments & Components				
79,402	Landis+Gyr Group AG	CHE	CHF	4,476,842	0.47
111,442	Knowles Corp.	USA	USD	1,483,293	0.16
				5,960,135	0.63
	Food & Staples Retailing				
410,700	Seven & i Holdings Co. Ltd.	JPN	JPY	17,923,158	1.89
208,200	Walgreens Boots Alliance Inc.	USA	USD	14,226,306	1.50
511,500	The Kroger Co.	USA	USD	14,066,250	1.49
				46,215,714	4.88
	Food Products				
187,100	Kellogg Co.	USA	USD	10,666,571	1.13
	Health Care Providers & Services				
114,019	Fresenius Medical Care AG & Co. KGaA	DEU	EUR	7,391,175	0.78
	Household Durables				
1,505,900	Panasonic Corp.	JPN	JPY	13,610,808	1.44

The accompanying notes form an integral part of these financial statements

— Templeton Global Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Industrial Conglomerates				
109,364	Siemens AG	DEU	EUR	12,205,728	1.29
1,191,500	CK Hutchison Holdings Ltd.	HKG	HKD	11,442,539	1.21
				23,648,267	2.50
	Insurance				
473,039	AXA SA	FRA	EUR	10,221,188	1.08
4,556,000	China Life Insurance Co. Ltd., H	CHN	HKD	9,681,609	1.02
441,658	Prudential PLC	GBR	GBP	7,896,405	0.84
				27,799,202	2.94
	Interactive Media & Services				
67,180	Baidu Inc., ADR	CHN	USD	10,654,748	1.13
4,620	Alphabet Inc., A	USA	USD	4,827,715	0.51
				15,482,463	1.64
	Leisure products				
878,400	Mattel Inc.	USA	USD	8,775,216	0.93
	Life Sciences Tools & Services				
143,746	QIAGEN NV	NLD	EUR	4,912,123	0.52
	Marine				
7,473	A.P. Moeller-Maersk AS, B	DNK	DKK	9,400,807	0.99
	Media				
655,599	SES SA, IDR	LUX	EUR	12,552,306	1.32
352,360	Comcast Corp., A	USA	USD	11,997,858	1.27
				24,550,164	2.59
	Metals & Mining				
602,200	Wheaton Precious Metals Corp.	CAN	CAD	11,757,669	1.24
488,900	Goldcorp Inc.	CAN	CAD	4,788,888	0.51
				16,546,557	1.75
	Multi-Utilities				
740,177	Veolia Environnement SA	FRA	EUR	15,227,542	1.61
1,084,326	E.ON SE	DEU	EUR	10,704,193	1.13
				25,931,735	2.74
	Oil, Gas & Consumable Fuels				
3,746,019	BP PLC	GBR	GBP	23,692,080	2.50
1,045,351	Eni SpA	ITA	EUR	16,514,338	1.74
271,421	Total SA	FRA	EUR	14,361,711	1.52
205,700	Exxon Mobil Corp.	USA	USD	14,026,683	1.48
401,439	Royal Dutch Shell PLC, A	GBR	EUR	11,800,499	1.25
298,354	Royal Dutch Shell PLC, B	GBR	GBP	8,903,137	0.94
226,090	Apache Corp.	USA	USD	5,934,862	0.63
521,500	Husky Energy Inc.	CAN	CAD	5,390,941	0.57
4,102,000	Kunlun Energy Co. Ltd.	CHN	HKD	4,347,947	0.46
				104,972,198	11.09
	Personal Products				
1,065,500	Coty Inc., A	USA	USD	6,989,680	0.74
	Pharmaceuticals				
78,474	Roche Holding AG	CHE	CHF	19,493,746	2.06
223,317	Sanofi	FRA	EUR	19,359,624	2.05
899,962	Teva Pharmaceutical Industries Ltd., ADR	ISR	USD	13,877,414	1.47
95,504	Allergan PLC	USA	USD	12,765,065	1.35
107,577	Merck KGaA	DEU	EUR	11,073,654	1.17
149,911	Bayer AG	DEU	EUR	10,426,581	1.10
77,830	Eli Lilly & Co.	USA	USD	9,006,488	0.95
106,254	UCB SA	BEL	EUR	8,680,477	0.92
147,160	Perrigo Co. PLC	USA	USD	5,702,450	0.60
149,200	Takeda Pharmaceutical Co. Ltd.	JPN	JPY	5,043,668	0.53
				115,429,167	12.20
	Real Estate Management & Development				
495,000	Mitsui Fudosan Co. Ltd.	JPN	JPY	11,042,655	1.17
48,000	Jones Lang LaSalle Inc.	USA	USD	6,076,800	0.64
				17,119,455	1.81
	Software				
510,290	Oracle Corp.	USA	USD	23,039,593	2.43
	Specialty Retail				
3,558,320	Kingfisher PLC	GBR	GBP	9,415,826	0.99
	Technology Hardware, Storage & Peripherals				
465,379	Samsung Electronics Co. Ltd.	KOR	KRW	16,171,326	1.71
	Textiles, Apparel & Luxury Goods				
224,800	Tapestry Inc.	USA	USD	7,587,000	0.80

The accompanying notes form an integral part of these financial statements

— Templeton Global Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Wireless Telecommunication Services				
1,806,500	China Mobile Ltd.	CHN	HKD	17,383,280	1.84
6,611,256	Vodafone Group PLC	GBR	GBP	12,891,005	1.36
				30,274,285	3.20
	TOTAL SHARES			894,366,670	94.49
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			894,366,670	94.49
	TOTAL INVESTMENTS			894,366,670	94.49

The accompanying notes form an integral part of these financial statements

— Templeton Global Balanced Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	SHARES				
	Aerospace & Defense				
708,437	BAE Systems PLC	GBR	GBP	4,148,570	0.51
	Air Freight & Logistics				
64,650	United Parcel Service Inc., B	USA	USD	6,305,314	0.77
	Auto Components				
31,617	Cie Generale des Etablissements Michelin SCA	FRA	EUR	3,140,860	0.38
	Banks				
1,406,214	Standard Chartered PLC	GBR	GBP	10,926,421	1.34
237,696	BNP Paribas SA	FRA	EUR	10,751,098	1.32
203,568	Citigroup Inc.	USA	USD	10,597,750	1.30
164,988	Wells Fargo & Co.	USA	USD	7,602,647	0.93
704,765	ING Groep NV	NLD	EUR	7,598,760	0.93
2,821,977	Barclays PLC	GBR	GBP	5,416,802	0.66
771,836	Bank of Ireland Group PLC	IRL	EUR	4,294,693	0.52
490,520	HSBC Holdings PLC	GBR	HKD	4,059,217	0.50
351,792	UniCredit SpA	ITA	EUR	3,984,887	0.49
84,992	Hana Financial Group Inc.	KOR	KRW	2,766,393	0.34
65,792	KB Financial Group Inc.	KOR	KRW	2,746,970	0.34
222,479	Credit Agricole SA	FRA	EUR	2,403,862	0.29
312,826	Bangkok Bank PCL, fgn.	THA	THB	2,002,319	0.24
				75,151,819	9.20
	Beverages				
192,961	Suntory Beverage & Food Ltd.	JPN	JPY	8,732,542	1.07
	Biotechnology				
155,551	Shire PLC	IRL	GBP	9,065,345	1.11
125,142	Gilead Sciences Inc.	USA	USD	7,827,632	0.96
32,929	Amgen Inc.	USA	USD	6,410,289	0.78
96,227	Celgene Corp.	USA	USD	6,167,188	0.76
				29,470,454	3.61
	Building Products				
155,801	Compagnie de Saint-Gobain	FRA	EUR	5,206,442	0.64
	Capital Markets				
798,674	UBS Group AG	CHE	CHF	9,967,115	1.22
	Chemicals				
69,158	LyondellBasell Industries NV, A	USA	USD	5,751,179	0.70
34,283	Eastman Chemical Co.	USA	USD	2,506,430	0.31
				8,257,609	1.01
	Communications Equipment				
276,987	CommScope Holding Co. Inc.	USA	USD	4,539,817	0.55
	Construction Materials				
330,312	CRH PLC	IRL	EUR	8,749,292	1.07
156,593	Taiheiyo Cement Corp.	JPN	JPY	4,850,668	0.59
				13,599,960	1.66
	Consumer Finance				
102,966	Capital One Financial Corp.	USA	USD	7,783,200	0.95
202,193	Ally Financial Inc.	USA	USD	4,581,693	0.56
				12,364,893	1.51
	Diversified Financial Services				
94,222	Voya Financial Inc.	USA	USD	3,782,071	0.46
	Diversified Telecommunication Services				
5,355,269	Singapore Telecommunications Ltd.	SGP	SGD	11,511,638	1.41
16,016,274	China Telecom Corp. Ltd., H	CHN	HKD	8,181,482	1.00
				19,693,120	2.41
	Electrical Equipment				
96,686	Vestas Wind Systems AS	DNK	DKK	7,319,219	0.90
	Electronic Equipment, Instruments & Components				
79,531	Omron Corp.	JPN	JPY	2,902,591	0.35
	Energy Equipment & Services				
244,120	SBM Offshore NV	NLD	EUR	3,615,286	0.44
	Food & Staples Retailing				
103,091	Walgreens Boots Alliance Inc.	USA	USD	7,044,208	0.86
81,900	Seven & i Holdings Co. Ltd.	JPN	JPY	3,574,158	0.44
				10,618,366	1.30

The accompanying notes form an integral part of these financial statements

— Templeton Global Balanced Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Health Care Equipment & Supplies				
59,130	Medtronic PLC	USA	USD	5,378,465	0.66
388,189	Getinge AB, B	SWE	SEK	3,511,538	0.43
				8,890,003	1.09
	Household Durables				
532,102	Panasonic Corp.	JPN	JPY	4,809,309	0.59
	Industrial Conglomerates				
111,460	Siemens AG	DEU	EUR	12,439,655	1.52
629,500	CK Hutchison Holdings Ltd.	HKG	HKD	6,045,387	0.74
				18,485,042	2.26
	Insurance				
461,490	AXA SA	FRA	EUR	9,971,643	1.22
3,148,150	China Life Insurance Co. Ltd., H	CHN	HKD	6,689,894	0.82
				16,661,537	2.04
	Interactive Media & Services				
7,270	Alphabet Inc., A	USA	USD	7,596,859	0.93
30,046	Baidu Inc., ADR	CHN	USD	4,765,296	0.58
				12,362,155	1.51
	Leisure products				
365,274	Mattel Inc.	USA	USD	3,649,087	0.45
	Life Sciences Tools & Services				
14,282	QIAGEN NV	NLD	EUR	488,048	0.06
	Marine				
5,569	A.P. Moeller-Maersk AS, B	DNK	DKK	7,005,633	0.86
	Media				
242,954	Comcast Corp., A	USA	USD	8,272,584	1.01
	Metals & Mining				
459,069	Wheaton Precious Metals Corp.	CAN	CAD	8,963,104	1.10
	Multi-Utilities				
539,161	Veolia Environnement SA	FRA	EUR	11,092,072	1.36
	Oil, Gas & Consumable Fuels				
2,203,981	BP PLC	GBR	GBP	13,939,303	1.71
443,109	Royal Dutch Shell PLC, B	GBR	GBP	13,222,749	1.62
506,632	Eni SpA	ITA	EUR	8,003,715	0.98
4,904,329	Kunlun Energy Co. Ltd.	CHN	HKD	5,198,382	0.64
74,246	Exxon Mobil Corp.	USA	USD	5,062,835	0.62
94,859	Total SA	FRA	EUR	5,019,278	0.61
175,131	Apache Corp.	USA	USD	4,597,189	0.56
271,734	Husky Energy Inc.	CAN	CAD	2,809,016	0.34
7,376	Royal Dutch Shell PLC, A	GBR	GBP	217,049	0.03
				58,069,516	7.11
	Personal Products				
523,342	Coty Inc., A	USA	USD	3,433,123	0.42
	Pharmaceuticals				
41,253	Roche Holding AG	CHE	CHF	10,247,668	1.25
74,839	Allergan PLC	USA	USD	10,002,981	1.22
113,411	Sanofi	FRA	EUR	9,831,738	1.20
533,416	Teva Pharmaceutical Industries Ltd., ADR	ISR	USD	8,225,275	1.01
99,210	Bayer AG	DEU	EUR	6,900,235	0.85
52,231	Eli Lilly & Co.	USA	USD	6,044,171	0.74
126,919	Takeda Pharmaceutical Co. Ltd.	JPN	JPY	4,290,464	0.53
34,237	Perrigo Co. PLC	USA	USD	1,326,684	0.16
				56,869,216	6.96
	Real Estate Management & Development				
64,056	Jones Lang LaSalle Inc.	USA	USD	8,109,489	0.99
243,500	Mitsui Fudosan Co. Ltd.	JPN	JPY	5,432,094	0.67
				13,541,583	1.66
	Semiconductors & Semiconductor Equipment				
89,981	NXP Semiconductors NV	NLD	USD	6,593,808	0.81
	Software				
276,298	Oracle Corp.	USA	USD	12,474,855	1.53
	Specialty Retail				
2,317,738	Kingfisher PLC	GBR	GBP	6,133,068	0.75
	Technology Hardware, Storage & Peripherals				
315,266	Samsung Electronics Co. Ltd.	KOR	KRW	10,955,091	1.34

The accompanying notes form an integral part of these financial statements

— Templeton Global Balanced Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Wireless Telecommunication Services				
5,192,544	Vodafone Group PLC	GBR	GBP	10,124,719	1.24
874,182	China Mobile Ltd.	CHN	HKD	8,411,930	1.03
1,822,322	Bharti Airtel Ltd.	IND	INR	8,185,649	1.00
103,444	SoftBank Group Corp.	JPN	JPY	6,894,694	0.84
				33,616,992	4.11
	TOTAL SHARES			531,181,874	65.01
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			531,181,874	65.01
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	BONDS				
	Government and Municipal Bonds				
57,670	Nota Do Tesouro Nacional, 10.00%, 01/01/21	BRA	BRL	15,544,514	1.90
688,200,000	Government of India, senior note, 8.83%, 11/25/23	IND	INR	10,510,556	1.29
34,410	Nota Do Tesouro Nacional, 10.00%, 01/01/25	BRA	BRL	9,268,916	1.13
22,273,000,000	Titulos de Tesoreria, B, 7.75%, 09/18/30	COL	COP	7,312,685	0.90
491,700,000	Government of India, senior note, 6.79%, 05/15/27	IND	INR	6,797,715	0.83
6,188,500,000	Korea Treasury Bond, senior note, 1.375%, 09/10/21	KOR	KRW	5,486,289	0.67
367,900,000	Government of India, senior note, 7.80%, 04/11/21	IND	INR	5,368,051	0.66
5,428,400,000	Korea Treasury Bond, senior bond, 4.25%, 06/10/21	KOR	KRW	5,151,558	0.63
5,290,540,000	Korea Treasury Bond, senior note, 2.00%, 03/10/21	KOR	KRW	4,765,771	0.58
92,000,000	Inter-American Development Bank, senior bond, 7.50%, 12/05/24	SP	MXN	4,382,155	0.54
762,700	Government of Mexico, senior bond, M, 8.00%, 06/11/20	MEX	MXN	3,856,020	0.47
215,000,000	Government of India, senior note, 7.68%, 12/15/23	IND	INR	3,147,523	0.39
11,470	Nota Do Tesouro Nacional, 10.00%, 01/01/23	BRA	BRL	3,098,438	0.38
207,000,000	Government of India, senior bond, 8.08%, 08/02/22	IND	INR	3,059,357	0.37
9,323,000,000	Titulos de Tesoreria, senior bond, B, 7.50%, 08/26/26	COL	COP	3,031,978	0.37
505,300	Government of Mexico, senior bond, M, 6.50%, 06/10/21	MEX	MXN	2,458,678	0.30
94,150,000	Argentine Bonos del Tesoro, 16.00%, 10/17/23	ARG	ARS	2,114,786	0.26
2,144,290,000	Korea Monetary Stabilization Bond, senior note, 2.16%, 02/02/20	KOR	KRW	1,931,927	0.24
2,004,400,000	Korea Treasury Bond, senior note, 3.00%, 09/10/24	KOR	KRW	1,901,222	0.23
91,823,000	Argentine Bonos del Tesoro, senior note, 15.50%, 10/17/26	ARG	ARS	1,834,553	0.22
101,000,000	Government of India, senior bond, 8.20%, 02/15/22	IND	INR	1,494,457	0.18
67,086,000	Argentine Bonos del Tesoro, 18.20%, 10/03/21	ARG	ARS	1,377,309	0.17
5,200	Letra Tesouro Nacional, Strip, 07/01/20	BRA	BRL	1,212,224	0.15
81,000,000	Government of India, senior bond, 8.35%, 05/14/22	IND	INR	1,205,860	0.15
2,762,000,000	Titulos de Tesoreria, senior bond, B, 10.00%, 07/24/24	COL	COP	1,001,566	0.12
67,000,000	Government of India, senior note, 6.84%, 12/19/22	IND	INR	952,754	0.12
1,040,000,000	Korea Monetary Stabilization Bond, senior note, 2.05%, 10/05/20	KOR	KRW	936,843	0.11
51,000,000	Government of India, senior note, 7.16%, 05/20/23	IND	INR	730,494	0.09
1,926,000,000	Titulos de Tesoreria, senior bond, B, 11.00%, 07/24/20	COL	COP	644,195	0.08
18,591,000	Government of Argentina, FRN, 51.542%, 04/03/22 †	ARG	ARS	475,230	0.06
1,237,000,000	Titulos de Tesoreria, senior bond, B, 7.00%, 05/04/22	COL	COP	397,912	0.05
12,035,000	Argentina Treasury Bill, Strip, 04/30/20	ARG	ARS	351,601	0.04
994,000,000	Titulos de Tesoreria, senior bond, B, 6.00%, 04/28/28	COL	COP	290,842	0.04
1,070,000	Government of Ghana, senior bond, 19.75%, 03/15/32	GHA	GHS	211,120	0.03
1,070,000	Government of Ghana, 19.00%, 11/02/26	GHA	GHS	202,433	0.02
360,000	Government of Ghana, 18.75%, 01/24/22	GHA	GHS	71,748	0.01
360,000	Government of Ghana, 19.75%, 03/25/24	GHA	GHS	70,874	0.01
				112,650,154	13.79
	Securities Maturing Within One Year				
2,816,200	Government of Mexico, senior note, M, 5.00%, 12/11/19	MEX	MXN	13,876,017	1.70
20,479,810	Mexico Treasury Bill, 0.00%, 05/23/19	MEX	MXN	10,087,900	1.24
18,385,330	Mexico Treasury Bill, 0.00%, 03/28/19	MEX	MXN	9,178,397	1.12
11,256,660	Mexico Treasury Bill, 0.00%, 02/14/19	MEX	MXN	5,666,166	0.69
10,980,600	Mexico Treasury Bill, 0.00%, 07/18/19	MEX	MXN	5,330,736	0.65
5,130,000,000	Korea Treasury Bond, senior note, 1.25%, 12/10/19	KOR	KRW	4,584,881	0.56
7,699,450	Mexico Treasury Bill, 0.00%, 04/25/19	MEX	MXN	3,814,559	0.47
165,160,000	Government of the Philippines, senior note, 7-56, 3.875%, 11/22/19	PHL	PHP	3,085,975	0.38
6,219,520	Mexico Treasury Bill, 0.00%, 07/04/19	MEX	MXN	3,029,320	0.37
5,897,410	Mexico Treasury Bill, 0.00%, 09/12/19	MEX	MXN	2,826,543	0.35
5,064,680	Mexico Treasury Bill, 0.00%, 01/31/19	MEX	MXN	2,557,482	0.31
4,372,550	Mexico Treasury Bill, 0.00%, 02/28/19	MEX	MXN	2,196,934	0.27
2,035,100,000	Korea Treasury Bond, senior note, 1.50%, 06/10/19	KOR	KRW	1,825,321	0.22
2,015,000,000	Korea Monetary Stabilization Bond, senior note, 2.06%, 12/02/19	KOR	KRW	1,812,939	0.22
2,016,000,000	Korea Monetary Stabilization Bond, senior note, 1.80%, 09/09/19	KOR	KRW	1,810,986	0.22
48,104,000	Argentina Treasury Bill, 0.00%, 09/30/19	ARG	ARS	1,452,689	0.18
1,520,000,000	Korea Monetary Stabilization Bond, senior note, 1.87%, 11/09/19	KOR	KRW	1,365,198	0.17
1,020,000,000	Korea Monetary Stabilization Bond, 0.00%, 03/12/19	KOR	KRW	912,817	0.11
1,832,140	Mexico Treasury Bill, 0.00%, 06/06/19	MEX	MXN	898,304	0.11
1,045,930	Mexico Treasury Bill, 0.00%, 03/14/19	MEX	MXN	523,111	0.06
14,746,000	Argentina Treasury Bill, 0.00%, 05/31/19	ARG	ARS	431,771	0.05
11,436,000	Argentina Treasury Bill, 0.00%, 04/30/19	ARG	ARS	343,964	0.04
687,050	Mexico Treasury Bill, 0.00%, 11/07/19	MEX	MXN	325,108	0.04
11,830,000	Philippine Treasury Bill, 0.00%, 03/13/19	PHL	PHP	223,461	0.03
6,750,000	Philippine Treasury Bill, 0.00%, 03/20/19	PHL	PHP	127,387	0.02
5,020,000	Government of the Philippines, senior note, 7.875%, 02/19/19	PHL	PHP	95,992	0.01
302,000,000	Titulos de Tesoreria, senior note, B, 7.00%, 09/11/19	COL	COP	94,410	0.01
4,930,000	Philippine Treasury Bill, 0.00%, 03/06/19	PHL	PHP	93,204	0.01

The accompanying notes form an integral part of these financial statements

— Templeton Global Balanced Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Securities Maturing Within One Year (continued)				
1,289,000	Argentina Treasury Bill, 0.00%, 10/31/19	ARG	ARS	37,514	0.01
				78,609,086	9.62
	TOTAL BONDS			191,259,240	23.41
	TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET			191,259,240	23.41
	TOTAL INVESTMENTS			722,441,114	88.42

† Floating Rates are indicated as at December 31, 2018

The accompanying notes form an integral part of these financial statements

— Templeton Global Bond Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	BONDS				
	Corporate Bonds				
2,450,000,000	Mahanagar Telephone Nigam Ltd., 8.24%, 11/19/24	IND	INR	35,913,612	0.25
2,250,000,000	Mahanagar Telephone Nigam Ltd., 8.29%, 11/28/24	IND	INR	32,365,557	0.22
1,550,000,000	Food Corp. of India, secured note, 6, 9.95%, 03/07/22	IND	INR	23,192,429	0.16
				91,471,598	0.63
	Government and Municipal Bonds				
795,407,720,000	Korea Treasury Bond, senior note, 2.00%, 03/10/21	KOR	KRW	716,511,149	4.95
1,658,919	Nota Do Tesouro Nacional, 10.00%, 01/01/23	BRA	BRL	448,130,601	3.10
407,303,000,000	Korea Treasury Bond, senior note, 1.375%, 09/10/21	KOR	KRW	361,086,206	2.50
4,916,246,000,000	Government of Indonesia, senior bond, FR56, 8.375%, 09/15/26	IDN	IDR	347,658,727	2.40
344,550,300,000	Korea Treasury Bond, senior bond, 4.25%, 06/10/21	KOR	KRW	326,978,614	2.26
314,530,000,000	Korea Treasury Bond, senior note, 1.75%, 06/10/20	KOR	KRW	282,174,393	1.95
3,639,789,000,000	Government of Indonesia, senior bond, FR53, 8.25%, 07/15/21	IDN	IDR	257,329,079	1.78
952,328	Nota Do Tesouro Nacional, 10.00%, 01/01/25	BRA	BRL	256,525,670	1.77
931,710	Nota Do Tesouro Nacional, 10.00%, 01/01/27	BRA	BRL	250,857,477	1.73
17,094,000,000	Government of India, senior note, 7.68%, 12/15/23	IND	INR	250,250,066	1.73
692,328,700,000	Titulos de Tesoreria, B, 7.75%, 09/18/30	COL	COP	227,305,774	1.57
43,992,100	Government of Mexico, senior bond, M, 8.00%, 06/11/20	MEX	MXN	222,413,025	1.54
944,953	Letra Tesouro Nacional, Strip, 07/01/20	BRA	BRL	220,287,516	1.52
2,310,430,000,000	Government of Indonesia, senior bond, FR46, 9.50%, 07/15/23	IDN	IDR	170,181,422	1.18
590,250	Nota Do Tesouro Nacional, 10.00%, 01/01/21	BRA	BRL	159,097,441	1.10
7,882,350,000	Argentine Bonos del Tesoro, senior note, 15.50%, 10/17/26	ARG	ARS	157,483,295	1.09
9,658,000,000	Government of India, senior note, 8.83%, 11/25/23	IND	INR	147,502,107	1.02
9,881,000,000	Government of India, senior bond, 8.20%, 02/15/22	IND	INR	146,205,281	1.01
1,646,800,000,000	Government of Indonesia, senior bond, FR40, 11.00%, 09/15/25	IDN	IDR	131,778,418	0.91
26,924,300	Government of Mexico, senior bond, M, 6.50%, 06/10/21	MEX	MXN	131,007,707	0.91
8,513,700,000	Government of India, senior note, 7.80%, 04/11/21	IND	INR	124,223,902	0.86
1,654,103,000,000	Government of Indonesia, senior bond, FR70, 8.375%, 03/15/24	IDN	IDR	116,902,903	0.81
7,795,000,000	Government of India, senior bond, 8.13%, 09/21/22	IND	INR	115,486,337	0.80
126,638,930,000	Korea Monetary Stabilization Bond, senior note, 2.16%, 02/02/20	KOR	KRW	114,097,041	0.79
7,915,400,000	Government of India, senior note, 6.79%, 05/15/27	IND	INR	109,429,807	0.76
4,715,255,000	Argentine Bonos del Tesoro, 16.00%, 10/17/23	ARG	ARS	105,913,471	0.73
113,130,000,000	Korea Treasury Bond, senior note, 2.00%, 03/10/20	KOR	KRW	101,849,095	0.70
4,910,100,000	Argentine Bonos del Tesoro, 18.20%, 10/03/21	ARG	ARS	100,806,819	0.70
6,975,100,000	Government of India, senior note, 7.16%, 05/20/23	IND	INR	99,907,254	0.69
166,399,000	Government of Ukraine, Reg S, VRI, GDP Linked Security, zero cpn., 05/31/40	UKR	USD	95,863,296	0.66
468,790,000	Government of Ghana, senior bond, 19.75%, 03/15/32	GHA	GHS	92,496,166	0.64
247,187,000,000	Titulos de Tesoreria, senior bond, B, 10.00%, 07/24/24	COL	COP	89,635,840	0.62
468,790,000	Government of Ghana, 19.00%, 11/02/26	GHA	GHS	88,690,065	0.61
300,488,600,000	Titulos de Tesoreria, senior bond, B, 6.00%, 04/28/28	COL	COP	87,922,363	0.61
1,800,600,000	Inter-American Development Bank, senior bond, 7.50%, 12/05/24	SP	MXN	85,766,398	0.59
394,870	Letra Tesouro Nacional, Strip, 07/01/21	BRA	BRL	84,445,125	0.58
1,066,194,000,000	Government of Indonesia, senior bond, FR71, 9.00%, 03/15/29	IDN	IDR	78,277,724	0.54
80,970,000,000	Korea Monetary Stabilization Bond, senior note, 2.05%, 10/05/20	KOR	KRW	72,938,651	0.50
975,674,000,000	Government of Indonesia, senior bond, FR31, 11.00%, 11/15/20	IDN	IDR	72,625,953	0.50
216,527,700,000	Titulos de Tesoreria, senior bond, B, 7.50%, 08/26/26	COL	COP	70,418,013	0.49
930,100,000,000	Government of Indonesia, senior bond, FR68, 8.375%, 03/15/34	IDN	IDR	65,110,255	0.45
4,317,000,000	Government of India, senior bond, 8.08%, 08/02/22	IND	INR	63,803,113	0.44
4,151,400,000	Government of India, senior bond, 8.35%, 05/14/22	IND	INR	61,802,573	0.43
639,990,000,000	Government of Indonesia, senior bond, FR42, 10.25%, 07/15/27	IDN	IDR	50,362,477	0.35
3,415,000,000	Government of India, senior note, 8.27%, 06/09/20	IND	INR	49,956,095	0.35
629,973,000,000	Government of Indonesia, senior bond, FR47, 10.00%, 02/15/28	IDN	IDR	49,114,207	0.34
601,537,000,000	Government of Indonesia, senior bond, FR34, 12.80%, 06/15/21	IDN	IDR	46,834,528	0.32
2,898,000,000	Government of India, senior bond, 9.15%, 11/14/24	IND	INR	45,275,783	0.31
456,738,000,000	Government of Indonesia, senior bond, FR35, 12.90%, 06/15/22	IDN	IDR	36,577,132	0.25
2,385,000,000	Government of India, senior note, 8.79%, 11/08/21	IND	INR	35,762,659	0.25
156,260,000	Government of Ghana, 18.75%, 01/24/22	GHA	GHS	31,142,458	0.22
156,260,000	Government of Ghana, 19.75%, 03/25/24	GHA	GHS	30,763,277	0.21
33,017,000	Government of Argentina, senior note, 4.50%, 02/13/20	ARG	ARS	30,000,072	0.21
436,318,000,000	Government of Indonesia, senior bond, FR61, 7.00%, 05/15/22	IDN	IDR	29,688,124	0.21
1,789,000,000	Government of India, senior note, 8.15%, 06/11/22	IND	INR	26,504,561	0.18
68,795,000,000	Titulos de Tesoreria, senior bond, B, 11.00%, 07/24/20	COL	COP	23,010,049	0.16
357,293,000,000	Government of Indonesia, senior bond, FR63, 5.625%, 05/15/23	IDN	IDR	22,983,051	0.16
69,274,000,000	Titulos de Tesoreria, senior bond, B, 7.00%, 05/04/22	COL	COP	22,283,700	0.15
740,182,000	Argentina Treasury Bill, Strip, 04/30/20	ARG	ARS	21,624,291	0.15
4,081,058	Mexican Udibonos, Index Linked, 2.50%, 12/10/20	MEX	MXN	20,062,513	0.14
1,023,000,000	Government of India, senior note, 6.84%, 12/19/22	IND	INR	14,547,275	0.10
181,396,000,000	Government of Indonesia, senior bond, FR43, 10.25%, 07/15/22	IDN	IDR	13,556,140	0.09
132,795,000,000	Government of Indonesia, senior bond, FR39, 11.75%, 08/15/23	IDN	IDR	10,581,584	0.07
126,260,000,000	Government of Indonesia, senior bond, FR44, 10.00%, 09/15/24	IDN	IDR	9,568,715	0.07
367,385,000	Government of Argentina, FRN, 51.542%, 04/03/22 †	ARG	ARS	9,391,232	0.07
101,450,000,000	Government of Indonesia, FR45, 9.75%, 05/15/37	IDN	IDR	7,909,286	0.05
17,991,000,000	Government of Colombia, senior bond, 7.75%, 04/14/21	COL	COP	5,774,710	0.04
18,442,000,000	Titulos de Tesoreria, B, 7.00%, 06/30/32	COL	COP	5,606,226	0.04
81,992,000,000	Government of Indonesia, senior bond, FR64, 6.125%, 05/15/28	IDN	IDR	5,030,709	0.04
58,658,000,000	Government of Indonesia, senior bond, FR73, 8.75%, 05/15/31	IDN	IDR	4,258,008	0.03
96,540,000	Government of the Philippines, senior note, 3.375%, 08/20/20	PHL	PHP	1,761,083	0.01

The accompanying notes form an integral part of these financial statements

— Templeton Global Bond Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Government and Municipal Bonds (continued)				
4,346,000,000	Government of Colombia, senior bond, 9.85%, 06/28/27	COL	COP	1,644,963	0.01
56,450,000	Government of Argentina, FRN, 42.819%, 06/21/20 †	ARG	ARS	1,624,978	0.01
4,920,000	Government of Ghana, 16.25%, 05/17/21	GHA	GHS	941,671	0.01
2,728,000,000	Government of Colombia, senior bond, 4.375%, 03/21/23	COL	COP	798,458	0.01
3,530,000	Government of Ghana, senior note, 21.50%, 03/09/20	GHA	GHS	733,768	0.01
21,275,000	Government of Argentina, Index Linked, 4.00%, 03/06/20	ARG	ARS	684,459	0.00
4,760,000,000	Government of Indonesia, senior bond, FR52, 10.50%, 08/15/30	IDN	IDR	386,659	0.00
1,220,000	Government of Ghana, 24.75%, 07/19/21	GHA	GHS	273,044	0.00
1,170,000	Government of Ghana, senior note, 16.50%, 03/22/21	GHA	GHS	225,847	0.00
870,000	Government of Ghana, 24.75%, 03/01/21	GHA	GHS	192,983	0.00
460,000	Government of Ghana, 24.50%, 06/21/21	GHA	GHS	102,505	0.00
340,000	Government of Ghana, senior note, 18.50%, 06/01/20	GHA	GHS	68,542	0.00
320,000	Government of Ghana, senior note, 18.25%, 09/21/20	GHA	GHS	64,094	0.00
250,000	Government of Ghana, 17.60%, 11/28/22	GHA	GHS	47,494	0.00
				7,976,895,542	55.14
	Securities Maturing Within One Year				
126,133,900	Government of Mexico, senior note, M, 5.00%, 12/11/19	MEX	MXN	621,488,598	4.30
958,751,650	Mexico Treasury Bill, 0.00%, 05/23/19	MEX	MXN	472,259,776	3.26
689,534,610	Mexico Treasury Bill, 0.00%, 03/28/19	MEX	MXN	344,232,184	2.38
1,196,910	Letra Tesouro Nacional, Strip, 01/01/19	BRA	BRL	308,306,253	2.13
574,786,040	Mexico Treasury Bill, 0.00%, 04/25/19	MEX	MXN	284,767,792	1.97
1,133,170	Letra Tesouro Nacional, Strip, 07/01/19	BRA	BRL	283,242,516	1.96
244,900,000	FHLB, 0.00%, 01/04/19	USA	USD	244,867,673	1.69
209,300,000	FHLB, 0.00%, 01/09/19	USA	USD	209,203,513	1.45
208,000,000	FHLB, 0.00%, 01/11/19	USA	USD	207,876,656	1.44
231,126,800,000	Korea Treasury Bond, senior note, 1.50%, 06/10/19	KOR	KRW	207,302,088	1.43
405,838,350	Mexico Treasury Bill, 0.00%, 07/18/19	MEX	MXN	197,021,761	1.36
204,621,000,000	Korea Treasury Bond, senior note, 1.25%, 12/10/19	KOR	KRW	182,877,747	1.26
159,000,000	FHLB, 0.00%, 01/02/19	USA	USD	159,000,000	1.10
306,269,750	Mexico Treasury Bill, 0.00%, 09/12/19	MEX	MXN	146,790,655	1.01
290,449,780	Mexico Treasury Bill, 0.00%, 07/04/19	MEX	MXN	141,468,354	0.98
274,216,590	Mexico Treasury Bill, 0.00%, 02/14/19	MEX	MXN	138,030,002	0.95
123,620,000	FHLB, 0.00%, 01/14/19	USA	USD	123,522,340	0.85
110,000,000	FHLB, 0.00%, 01/03/19	USA	USD	109,992,740	0.76
3,513,175,000	Argentina Treasury Bill, 0.00%, 09/30/19	ARG	ARS	106,094,097	0.73
117,460,000,000	Korea Monetary Stabilization Bond, senior note, 1.87%, 11/09/19	KOR	KRW	105,497,474	0.73
202,567,110	Mexico Treasury Bill, 0.00%, 01/31/19	MEX	MXN	102,289,149	0.71
78,310,000,000	Korea Monetary Stabilization Bond, 0.00%, 03/12/19	KOR	KRW	70,081,091	0.48
2,095,106,000	Argentina Treasury Bill, 0.00%, 10/31/19	ARG	ARS	60,974,412	0.42
67,338,000,000	Korea Monetary Stabilization Bond, senior note, 2.06%, 12/02/19	KOR	KRW	60,585,460	0.42
67,356,000,000	Korea Monetary Stabilization Bond, senior note, 1.80%, 09/09/19	KOR	KRW	60,506,333	0.42
104,408,550	Mexico Treasury Bill, 0.00%, 02/28/19	MEX	MXN	52,458,781	0.36
669,481,000,000	Government of Indonesia, senior note, FR69, 7.875%, 04/15/19	IDN	IDR	46,758,896	0.32
1,544,120,000	Argentina Treasury Bill, 0.00%, 05/31/19	ARG	ARS	45,212,660	0.31
2,266,170,000	Government of the Philippines, senior note, 7-56, 3.875%, 11/22/19	PHL	PHP	42,342,847	0.29
161,570	Nota Do Tesouro Nacional, senior note, 10.00%, 01/01/19	BRA	BRL	41,633,649	0.29
453,515,000,000	Government of Indonesia, senior bond, FR36, 11.50%, 09/15/19	IDN	IDR	32,644,871	0.23
28,720,000	FHLB, 0.00%, 01/08/19	USA	USD	28,708,656	0.20
5,173,023	Mexican Udibonos, Index Linked, 4.00%, 06/13/19	MEX	MXN	26,055,445	0.18
47,999,200	Mexico Treasury Bill, 0.00%, 03/14/19	MEX	MXN	24,006,317	0.17
47,125,970	Mexico Treasury Bill, 0.00%, 06/06/19	MEX	MXN	23,106,007	0.16
21,000,000	FHLB, 0.00%, 01/10/19	USA	USD	20,988,933	0.14
515,193,000	Argentina Treasury Bill, 0.00%, 04/30/19	ARG	ARS	15,495,606	0.11
10,967,000,000	Korea Treasury Bond, senior note, 2.75%, 09/10/19	KOR	KRW	9,914,081	0.07
30,528,000,000	Titulos de Tesoreria, senior note, B, 7.00%, 09/11/19	COL	COP	9,543,538	0.07
17,672,240	Mexico Treasury Bill, 0.00%, 11/07/19	MEX	MXN	8,362,399	0.06
166,880,000	Government of Argentina, Index Linked, 3.75%, 02/08/19	ARG	ARS	6,290,915	0.04
271,500,000	Philippine Treasury Bill, 0.00%, 03/13/19	PHL	PHP	5,128,454	0.04
177,230,000	Philippine Treasury Bill, 0.00%, 03/20/19	PHL	PHP	3,344,701	0.02
109,111,000	Argentina Treasury Bill, 0.00%, 03/29/19	ARG	ARS	3,267,273	0.02
130,820,000	Government of the Philippines, senior note, 7.875%, 02/19/19	PHL	PHP	2,501,540	0.02
129,520,000	Philippine Treasury Bill, 0.00%, 03/06/19	PHL	PHP	2,448,631	0.02
				5,398,492,864	37.31
	TOTAL BONDS			13,466,860,004	93.08
	TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET			13,466,860,004	93.08
	TOTAL INVESTMENTS			13,466,860,004	93.08

† Floating Rates are indicated as at December 31, 2018

The accompanying notes form an integral part of these financial statements

— Templeton Global Bond (Euro) Fund —

Schedule of Investments as of December 31, 2018

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	BONDS				
	Asset-Backed Securities				
62,500	Government of Bosnia & Herzegovina, senior bond, B, Reg S, FRN, 0.50%, 12/20/21 †	BIH	DEM	28,839	0.01
	Government and Municipal Bonds				
95,230	Nota Do Tesouro Nacional, 10.00%, 01/01/25	BRA	BRL	22,387,689	7.06
18,800,000,000	Korea Treasury Bond, senior bond, 4.25%, 06/10/21	KOR	KRW	15,570,974	4.91
213,400,000,000	Government of Indonesia, senior bond, FR70, 8.375%, 03/15/24	IDN	IDR	13,162,811	4.15
16,663,400,000	Korea Treasury Bond, senior note, 1.375%, 09/10/21	KOR	KRW	12,892,826	4.07
159,000,000,000	Government of Indonesia, senior bond, FR40, 11.00%, 09/15/25	IDN	IDR	11,104,306	3.50
32,700,000,000	Titulos de Tesoreria, B, 7.75%, 09/18/30	COL	COP	9,369,946	2.96
37,788	Nota Do Tesouro Nacional, 10.00%, 01/01/27	BRA	BRL	8,879,559	2.80
8,674,100,000	Korea Treasury Bond, senior note, 2.00%, 03/10/21	KOR	KRW	6,819,441	2.15
28,760	Nota Do Tesouro Nacional, 10.00%, 01/01/23	BRA	BRL	6,780,465	2.14
395,000,000	Government of India, senior note, 8.83%, 11/25/23	IND	INR	5,265,012	1.66
379,000,000	Government of India, senior note, 7.68%, 12/15/23	IND	INR	4,842,403	1.53
277,163,000	Argentine Bonos del Tesoro, senior note, 15.50%, 10/17/26	ARG	ARS	4,832,871	1.53
8,720,000	Government of Ukraine, Reg S, VRI, GDP Linked Security, zero cpn., 05/31/40	UKR	USD	4,384,391	1.38
105,000,000	Inter-American Development Bank, senior bond, 7.50%, 12/05/24	SP	MXN	4,364,962	1.38
823,400	Government of Mexico, senior bond, M, 8.00%, 06/11/20	MEX	MXN	3,633,186	1.15
282,100,000	Government of India, senior note, 6.79%, 05/15/27	IND	INR	3,403,745	1.07
55,368,000,000	Government of Indonesia, senior bond, FR61, 7.00%, 05/15/22	IDN	IDR	3,287,984	1.04
211,200,000	Government of India, senior note, 7.80%, 04/11/21	IND	INR	2,689,502	0.85
133,330,000	Argentine Bonos del Tesoro, 16.00%, 10/17/23	ARG	ARS	2,613,756	0.82
8,273,000,000	Titulos de Tesoreria, senior bond, B, 6.00%, 04/28/28	COL	COP	2,112,641	0.67
458,900	Government of Mexico, senior bond, M, 6.50%, 06/10/21	MEX	MXN	1,948,775	0.62
134,000,000	Government of India, senior bond, 8.08%, 08/02/22	IND	INR	1,728,446	0.55
9,210,000	Government of Ghana, senior bond, 19.75%, 03/15/32	GHA	GHS	1,585,975	0.50
9,210,000	Government of Ghana, 19.00%, 11/02/26	GHA	GHS	1,520,714	0.48
100,000,000	Government of India, senior note, 8.79%, 11/08/21	IND	INR	1,308,677	0.41
98,000,000	Government of India, senior bond, 8.20%, 02/15/22	IND	INR	1,265,550	0.40
17,973,000,000	Government of Indonesia, senior bond, FR35, 12.90%, 06/15/22	IDN	IDR	1,256,187	0.40
92,000,000	Government of India, senior bond, 8.13%, 09/21/22	IND	INR	1,189,580	0.38
5,770	Letra Tesouro Nacional, Strip, 07/01/21	BRA	BRL	1,076,930	0.34
75,000,000	Government of India, senior note, 8.15%, 06/11/22	IND	INR	969,757	0.31
72,200,000	Government of India, senior note, 7.16%, 05/20/23	IND	INR	902,558	0.29
66,500,000	Government of India, senior bond, 8.35%, 05/14/22	IND	INR	864,022	0.27
37,803,000	Argentine Bonos del Tesoro, 18.20%, 10/03/21	ARG	ARS	677,356	0.21
3,070,000	Government of Ghana, 18.75%, 01/24/22	GHA	GHS	533,992	0.17
3,070,000	Government of Ghana, 19.75%, 03/25/24	GHA	GHS	527,490	0.17
2,195	Nota Do Tesouro Nacional, 10.00%, 01/01/21	BRA	BRL	516,360	0.16
7,618,000,000	Government of Indonesia, senior bond, FR53, 8.25%, 07/15/21	IDN	IDR	470,050	0.15
16,959,000	Argentina Treasury Bill, Strip, 04/30/20	ARG	ARS	432,409	0.14
28,000,000	Government of India, senior note, 6.84%, 12/19/22	IND	INR	347,500	0.11
380,000,000	Korea Monetary Stabilization Bond, senior note, 2.05%, 10/05/20	KOR	KRW	298,750	0.09
13,146,000	Government of Argentina, FRN, 51.542%, 04/03/22 †	ARG	ARS	293,282	0.09
3,990,000,000	Government of Indonesia, senior bond, FR44, 10.00%, 09/15/24	IDN	IDR	263,908	0.08
2,092,000,000	Government of Indonesia, senior bond, FR63, 5.625%, 05/15/23	IDN	IDR	117,445	0.04
96,000,000	Korea Treasury Bond, senior note, 3.00%, 09/10/24	KOR	KRW	79,471	0.03
673,000,000	Government of Indonesia, senior bond, FR43, 10.25%, 07/15/22	IDN	IDR	43,895	0.01
1,110,000	Government of Argentina, FRN, 42.819%, 06/21/20 †	ARG	ARS	27,887	0.01
33,480,000	Korea Monetary Stabilization Bond, senior note, 2.16%, 02/02/20	KOR	KRW	26,326	0.01
42,000,000	Titulos de Tesoreria, senior bond, B, 7.00%, 05/04/22	COL	COP	11,791	0.00
44,000,000	Titulos de Tesoreria, B, 7.00%, 06/30/32	COL	COP	11,674	0.00
415,000	Government of Argentina, Index Linked, 4.00%, 03/06/20	ARG	ARS	11,653	0.00
50,000	Government of Ghana, 24.75%, 07/19/21	GHA	GHS	9,766	0.00
50,000	Government of Ghana, 24.50%, 06/21/21	GHA	GHS	9,724	0.00
50,000	Government of Ghana, 24.75%, 03/01/21	GHA	GHS	9,680	0.00
50,000	Government of Ghana, senior note, 21.50%, 03/09/20	GHA	GHS	9,071	0.00
				168,745,121	53.24
	Securities Maturing Within One Year				
33,000,000	U.S. Treasury Bill, 0.00%, 01/15/19	USA	USD	28,776,894	9.08
23,905,280	Mexico Treasury Bill, 0.00%, 05/23/19	MEX	MXN	10,276,846	3.24
2,181,600	Government of Mexico, senior note, M, 5.00%, 12/11/19	MEX	MXN	9,381,400	2.96
19,658,520	Mexico Treasury Bill, 0.00%, 03/28/19	MEX	MXN	8,565,198	2.70
14,892,630	Mexico Treasury Bill, 0.00%, 04/25/19	MEX	MXN	6,439,428	2.03
14,089,510	Mexico Treasury Bill, 0.00%, 07/18/19	MEX	MXN	5,969,641	1.88
11,029,960	Mexico Treasury Bill, 0.00%, 02/14/19	MEX	MXN	4,845,570	1.53
8,266,680	Mexico Treasury Bill, 0.00%, 09/12/19	MEX	MXN	3,457,933	1.09
7,816,000	Mexico Treasury Bill, 0.00%, 07/04/19	MEX	MXN	3,322,492	1.05
5,593,300	Mexico Treasury Bill, 0.00%, 01/31/19	MEX	MXN	2,465,017	0.78
85,286,000	Argentina Treasury Bill, 0.00%, 09/30/19	ARG	ARS	2,247,814	0.71
2,540,600,000	Korea Treasury Bond, senior note, 1.50%, 06/10/19	KOR	KRW	1,988,753	0.63
2,479,570	Mexico Treasury Bill, 0.00%, 02/28/19	MEX	MXN	1,087,301	0.34
42,205,000	Argentina Treasury Bill, 0.00%, 10/31/19	ARG	ARS	1,072,005	0.34
32,857,000	Argentina Treasury Bill, 0.00%, 05/31/19	ARG	ARS	839,650	0.27
13,335,000,000	Government of Indonesia, senior note, FR69, 7.875%, 04/15/19	IDN	IDR	812,850	0.26
1,643,990	Mexico Treasury Bill, 0.00%, 06/06/19	MEX	MXN	703,485	0.22

The accompanying notes form an integral part of these financial statements

— Templeton Global Bond (Euro) Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Securities Maturing Within One Year (continued)				
1,074,050	Mexico Treasury Bill, 0.00%, 03/14/19	MEX	MXN	468,821	0.15
17,212,000	Argentina Treasury Bill, 0.00%, 04/30/19	ARG	ARS	451,816	0.14
550,000,000	Korea Monetary Stabilization Bond, senior note, 1.87%, 11/09/19	KOR	KRW	431,128	0.14
379,000,000	Korea Treasury Bond, senior note, 1.25%, 12/10/19	KOR	KRW	295,625	0.09
370,000,000	Korea Monetary Stabilization Bond, 0.00%, 03/12/19	KOR	KRW	288,986	0.09
616,500	Mexico Treasury Bill, 0.00%, 11/07/19	MEX	MXN	254,603	0.08
139,000,000	Korea Monetary Stabilization Bond, senior note, 2.06%, 12/02/19	KOR	KRW	109,148	0.04
139,000,000	Korea Monetary Stabilization Bond, senior note, 1.80%, 09/09/19	KOR	KRW	108,976	0.03
1,016,000	Government of Argentina, Index Linked, 3.75%, 02/08/19	ARG	ARS	33,427	0.01
				94,694,807	29.88
	TOTAL BONDS			263,468,767	83.13
	TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET			263,468,767	83.13
	TOTAL INVESTMENTS			263,468,767	83.13

† Floating Rates are indicated as at December 31, 2018

The accompanying notes form an integral part of these financial statements

— Templeton Global Climate Change Fund —

Schedule of Investments as of December 31, 2018

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	SHARES				
	Auto Components				
117,065	Cie Generale des Etablissements Michelin SCA	FRA	EUR	10,149,536	1.81
	Banks				
1,633,374	Standard Chartered PLC	GBR	GBP	11,076,520	1.98
268,548	BNP Paribas SA	FRA	EUR	10,600,932	1.89
1,405,200	HSBC Holdings PLC	GBR	HKD	10,148,804	1.81
1,017,340	ING Groep NV	NLD	EUR	9,573,169	1.71
166,580	Citigroup Inc.	USA	USD	7,568,646	1.35
				48,968,071	8.74
	Beverages				
187,400	Suntory Beverage & Food Ltd.	JPN	JPY	7,401,707	1.32
	Biotechnology				
252,791	Shire PLC	IRL	GBP	12,857,731	2.29
45,427	Amgen Inc.	USA	USD	7,717,991	1.38
90,910	Celgene Corp.	USA	USD	5,085,025	0.91
				25,660,747	4.58
	Building Products				
176,905	Compagnie de Saint-Gobain	FRA	EUR	5,159,434	0.92
	Capital Markets				
713,103	UBS Group AG	CHE	CHF	7,766,823	1.39
	Chemicals				
404,300	Johnson Matthey PLC	GBR	GBP	12,594,854	2.25
161,952	Novozymes AS	DNK	DKK	6,315,785	1.12
71,636	Akzo Nobel NV	NLD	EUR	5,043,175	0.90
				23,953,814	4.27
	Construction & Engineering				
858,725	Arcadis NV	NLD	EUR	9,154,009	1.63
	Containers & Packaging				
612,127	Billerudkorsnas AB	SWE	SEK	6,383,793	1.14
	Diversified Telecommunication Services				
5,912,982	Singapore Telecommunications Ltd.	SGP	SGD	11,093,117	1.98
	Electric Utilities				
283,348	Orsted AS	DNK	DKK	16,548,780	2.95
	Electrical Equipment				
279,076	Vestas Wind Systems AS	DNK	DKK	18,438,044	3.29
813,563	Signify NV	NLD	EUR	16,653,635	2.97
1,405,493	Siemens Gamesa Renewable Energy SA	ESP	EUR	14,954,445	2.67
770,503	Prysmian SpA	ITA	EUR	13,084,604	2.33
311,357	ABB Ltd.	CHE	CHF	5,192,133	0.93
				68,322,861	12.19
	Electronic Equipment, Instruments & Components				
278,766	Landis+Gyr Group AG	CHE	CHF	13,717,384	2.45
98,300	Murata Manufacturing Co. Ltd.	JPN	JPY	11,706,325	2.09
182,300	Omron Corp.	JPN	JPY	5,806,672	1.03
				31,230,381	5.57
	Equity Real Estate Investment Trusts (REITs)				
90,900	Simon Property Group Inc.	USA	USD	13,327,187	2.38
	Food Products				
195,300	Kellogg Co.	USA	USD	9,717,274	1.73
880,816	Scandi Standard AB	SWE	SEK	5,356,980	0.96
				15,074,254	2.69
	Health Care Equipment & Supplies				
738,379	Getinge AB, B	SWE	SEK	5,829,412	1.04
	Hotels, Restaurants & Leisure				
78,486	Sodexo SA	FRA	EUR	7,024,497	1.25
	Household Durables				
1,365,600	Panasonic Corp.	JPN	JPY	10,772,152	1.92
	Household Products				
170,600	The Procter & Gamble Co.	USA	USD	13,686,116	2.44
	Independent Power and Renewable Electricity Producers				
787,922	Azure Power Global Ltd.	IND	USD	6,223,332	1.11
	Industrial Conglomerates				
154,476	Siemens AG	DEU	EUR	15,046,709	2.68

The accompanying notes form an integral part of these financial statements

— Templeton Global Climate Change Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Insurance				
486,239	AXA SA	FRA	EUR	9,169,495	1.64
	Interactive Media & Services				
6,420	Alphabet Inc., A	USA	USD	5,854,986	1.05
	Leisure products				
604,500	Giant Manufacturing Co. Ltd.	TWN	TWD	2,491,589	0.45
162,618	Mattel Inc.	USA	USD	1,417,834	0.25
				3,909,423	0.70
	Multi-Utilities				
1,409,849	E.ON SE	DEU	EUR	12,146,688	2.17
575,576	Veolia Environnement SA	FRA	EUR	10,334,467	1.84
				22,481,155	4.01
	Pharmaceuticals				
177,868	Sanofi	FRA	EUR	13,457,493	2.40
100,888	Merck KGaA	DEU	EUR	9,063,632	1.62
611,361	Teva Pharmaceutical Industries Ltd., ADR	ISR	USD	8,227,602	1.47
615,800	Astellas Pharma Inc.	JPN	JPY	6,872,479	1.23
186,538	Perrigo Co. PLC	USA	USD	6,308,560	1.12
201,400	Takeda Pharmaceutical Co. Ltd.	JPN	JPY	5,941,941	1.06
				49,871,707	8.90
	Semiconductors & Semiconductor Equipment				
396,500	Taiwan Semiconductor Manufacturing Co. Ltd., ADR	TWN	USD	12,772,574	2.28
594,539	Infineon Technologies AG	DEU	EUR	10,389,408	1.85
				23,161,982	4.13
	Software				
388,640	Oracle Corp.	USA	USD	15,314,275	2.73
	Specialty Retail				
4,689,517	Kingfisher PLC	GBR	GBP	10,830,107	1.93
	Technology Hardware, Storage & Peripherals				
360,600	Samsung Electronics Co. Ltd.	KOR	KRW	10,935,931	1.95
40,530	Apple Inc.	USA	USD	5,579,684	1.00
				16,515,615	2.95
	Textiles, Apparel & Luxury Goods				
584,600	Asics Corp.	JPN	JPY	6,540,573	1.17
	Wireless Telecommunication Services				
1,797,000	China Mobile Ltd.	CHN	HKD	15,091,522	2.69
6,328,862	Vodafone Group PLC	GBR	GBP	10,770,097	1.92
				25,861,619	4.61
	TOTAL SHARES			548,287,669	97.82
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			548,287,669	97.82
	TOTAL INVESTMENTS			548,287,669	97.82

The accompanying notes form an integral part of these financial statements

— Templeton Global Currency Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	BONDS				
	Government and Municipal Bonds				
1,915,000	Argentina Treasury Bill, Strip, 04/30/20	ARG	ARS	55,946	0.49
	Securities Maturing Within One Year				
9,200,000,000	Government of Indonesia, senior bond, FR36, 11.50%, 09/15/19	IDN	IDR	662,234	5.80
1,236,680	Mexico Treasury Bill, 0.00%, 03/28/19	MEX	MXN	617,380	5.40
18,250,000	Government of Thailand, senior bond, 5.625%, 01/12/19	THA	THB	564,878	4.94
2,045	Letra Tesouro Nacional, Strip, 10/01/19	BRA	BRL	502,464	4.40
500,000	U.S. Treasury Bill, 0.00%, 02/05/19	USA	USD	498,855	4.37
1,490,000,000	Titulos de Tesoreria, senior note, B, 7.00%, 09/11/19	COL	COP	465,798	4.08
934,230	Mexico Treasury Bill, 0.00%, 05/23/19	MEX	MXN	460,181	4.03
14,549,000	Argentina Treasury Bill, 0.00%, 09/30/19	ARG	ARS	439,364	3.85
1,700	Letra Tesouro Nacional, Strip, 04/01/19	BRA	BRL	431,504	3.78
5,800,000,000	Government of Indonesia, senior note, FR69, 7.875%, 04/15/19	IDN	IDR	405,092	3.55
683,450	Mexico Treasury Bill, 0.00%, 01/31/19	MEX	MXN	345,118	3.02
545,850	Mexico Treasury Bill, 0.00%, 02/14/19	MEX	MXN	274,760	2.40
559,890	Mexico Treasury Bill, 0.00%, 07/18/19	MEX	MXN	271,809	2.38
1,040	Letra Tesouro Nacional, Strip, 07/01/19	BRA	BRL	259,954	2.28
970	Letra Tesouro Nacional, Strip, 01/01/19	BRA	BRL	249,858	2.19
250,000	U.S. Treasury Bill, 0.00%, 01/15/19	USA	USD	249,792	2.19
1,168,000	Government of Ghana, 24.50%, 04/22/19	GHA	GHS	242,751	2.12
388,570	Mexico Treasury Bill, 0.00%, 04/25/19	MEX	MXN	192,510	1.68
292,970	Mexico Treasury Bill, 0.00%, 07/04/19	MEX	MXN	142,696	1.25
243,380	Mexico Treasury Bill, 0.00%, 09/12/19	MEX	MXN	116,649	1.02
237,660	Mexico Treasury Bill, 0.00%, 06/06/19	MEX	MXN	116,525	1.02
138,410	Mexico Treasury Bill, 0.00%, 02/28/19	MEX	MXN	69,542	0.61
2,307,000	Argentina Treasury Bill, 0.00%, 05/31/19	ARG	ARS	67,550	0.59
89,120	Mexico Treasury Bill, 0.00%, 11/07/19	MEX	MXN	42,171	0.37
700,000	Argentina Treasury Bill, 0.00%, 04/30/19	ARG	ARS	21,054	0.18
20,100	Mexico Treasury Bill, 0.00%, 03/14/19	MEX	MXN	10,053	0.09
				7,720,542	67.59
	TOTAL BONDS			7,776,488	68.08
	TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET			7,776,488	68.08
	TOTAL INVESTMENTS			7,776,488	68.08

The accompanying notes form an integral part of these financial statements

— Templeton Global Equity Income Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	SHARES				
	Aerospace & Defense				
120,369	BAE Systems PLC	GBR	GBP	704,875	0.70
	Air Freight & Logistics				
17,859	United Parcel Service Inc., B	USA	USD	1,741,788	1.74
	Banks				
52,304	BNP Paribas SA	FRA	EUR	2,365,734	2.36
21,793	JPMorgan Chase & Co.	USA	USD	2,127,433	2.12
147,322	Credit Agricole SA	FRA	EUR	1,591,799	1.59
765,838	Barclays PLC	GBR	GBP	1,470,031	1.46
175,606	HSBC Holdings PLC	GBR	GBP	1,448,678	1.44
124,050	UniCredit SpA	ITA	EUR	1,405,163	1.40
23,958	Citigroup Inc.	USA	USD	1,247,253	1.24
35,972	Sumitomo Mitsui Financial Group Inc.	JPN	JPY	1,196,332	1.19
174,870	Bangkok Bank PCL, fgn.	THA	THB	1,119,298	1.12
32,974	Hana Financial Group Inc.	KOR	KRW	1,073,266	1.07
186,840	Bank of Ireland Group PLC	IRL	EUR	1,039,625	1.04
80,597	ING Groep NV	NLD	EUR	868,995	0.87
11,806	Wells Fargo & Co.	USA	USD	544,020	0.54
				17,497,627	17.44
	Biotechnology				
12,983	Amgen Inc.	USA	USD	2,527,400	2.52
25,967	Gilead Sciences Inc.	USA	USD	1,624,236	1.62
				4,151,636	4.14
	Building Products				
52,342	Compagnie de Saint-Gobain	FRA	EUR	1,749,126	1.74
	Capital Markets				
138,914	UBS Group AG	CHE	CHF	1,733,588	1.73
22,699	Amundi SA	FRA	EUR	1,200,553	1.20
33,950	Flow Traders	NLD	EUR	1,082,973	1.08
39,143	AllianceBernstein Holding LP	USA	USD	1,069,387	1.06
577,012	Man Group PLC	GBR	GBP	978,660	0.97
				6,065,161	6.04
	Chemicals				
17,813	LyondellBasell Industries NV, A	USA	USD	1,481,329	1.47
618,298	PTT Global Chemical PCL, fgn.	THA	THB	1,362,206	1.36
				2,843,535	2.83
	Construction & Engineering				
66,059	Arcadis NV	NLD	EUR	806,860	0.81
	Construction Materials				
65,231	CRH PLC	IRL	EUR	1,727,836	1.72
	Diversified Telecommunication Services				
1,077,821	Singapore Telecommunications Ltd.	SGP	SGD	2,316,875	2.31
445,954	Telefonica Deutschland Holding AG	DEU	EUR	1,755,315	1.75
				4,072,190	4.06
	Household Durables				
149,155	Panasonic Corp.	JPN	JPY	1,348,111	1.34
	Industrial Conglomerates				
20,610	Siemens AG	DEU	EUR	2,300,209	2.29
	Insurance				
91,113	AXA SA	FRA	EUR	1,968,724	1.96
	Media				
1,339,269	Sky Network Television Ltd.	NZL	NZD	1,663,245	1.66
50,488	SES SA, IDR	LUX	EUR	966,659	0.96
				2,629,904	2.62
	Multi-Utilities				
115,734	Veolia Environnement SA	FRA	EUR	2,380,977	2.37
	Oil, Gas & Consumable Fuels				
119,311	Royal Dutch Shell PLC, A	GBR	EUR	3,507,206	3.50
550,452	BP PLC	GBR	GBP	3,481,390	3.47
58,476	Total SA	FRA	EUR	3,094,143	3.08
185,419	Eni SpA	ITA	EUR	2,929,228	2.92
1,164,911	Kunlun Energy Co. Ltd.	CHN	HKD	1,234,757	1.23
13,143	Exxon Mobil Corp.	USA	USD	896,221	0.89
				15,142,945	15.09
	Personal Products				
24,279	Coty Inc., A	USA	USD	159,270	0.16

The accompanying notes form an integral part of these financial statements

— Templeton Global Equity Income Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Pharmaceuticals				
13,058	Roche Holding AG	CHE	CHF	3,243,741	3.23
30,579	Sanofi	FRA	EUR	2,650,931	2.64
19,494	Novartis AG	CHE	CHF	1,670,539	1.67
48,125	Takeda Pharmaceutical Co. Ltd.	JPN	JPY	1,626,853	1.62
105,432	Teva Pharmaceutical Industries Ltd., ADR	ISR	USD	1,625,761	1.62
25,555	Pfizer Inc.	USA	USD	1,115,476	1.11
				11,933,301	11.89
	Semiconductors & Semiconductor Equipment				
51,763	Taiwan Semiconductor Manufacturing Co. Ltd., ADR	TWN	USD	1,910,572	1.91
	Specialty Retail				
615,983	Kingfisher PLC	GBR	GBP	1,629,980	1.63
	Technology Hardware, Storage & Peripherals				
974,000	Quanta Computer Inc.	TWN	TWD	1,677,609	1.67
	Wireless Telecommunication Services				
278,036	China Mobile Ltd.	CHN	HKD	2,675,438	2.66
1,290,267	Vodafone Group PLC	GBR	GBP	2,515,836	2.51
				5,191,274	5.17
	TOTAL SHARES			89,633,510	89.32
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			89,633,510	89.32
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	SHARES				
	Banks				
2,145,000	Royal Bank of Canada into Citigroup Inc., 4.50%, cvt. pfd., 144A	USA	USD	1,429,520	1.42
1,590,000	Royal Bank of Canada into Standard Chartered PLC, 3.48%, cvt. pfd., 144A	GBR	USD	1,184,387	1.18
				2,613,907	2.60
	Electronic Equipment, Instruments & Components				
1,478,000	Royal Bank of Canada into Knowles Corp., 5.00%, cvt. pfd., 144A	USA	USD	1,282,243	1.28
	Leisure products				
125,675	Credit Suisse AG/London into Mattel Inc., 5.25%, cvt. pfd., 144A	USA	USD	1,294,366	1.29
	Personal Products				
100,493	Credit Suisse AG/London into Coty Inc., 8.70%, cvt. pfd., 144A	USA	USD	676,976	0.67
	Pharmaceuticals				
9,962	Credit Suisse AG/London into Allergan PLC, 4.00%, cvt. pfd., 144A	USA	USD	1,351,673	1.35
	Semiconductors & Semiconductor Equipment				
43,530	Credit Suisse AG/London into CommScope Holding Co. Inc., 4.00%, cvt. pfd., 144A	USA	USD	745,464	0.74
	Wireless Telecommunication Services				
21,097	Credit Suisse AG/London into SoftBank Group Corp., 4.00%, cvt. pfd., 144A	JPN	USD	1,485,495	1.48
	TOTAL SHARES			9,450,124	9.41
	TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET			9,450,124	9.41
	TOTAL INVESTMENTS			99,083,634	98.73

The accompanying notes form an integral part of these financial statements

— Templeton Global High Yield Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	SHARES				
	Oil, Gas & Consumable Fuels				
29,488	Birch Permian Holdings Inc.	USA	USD	309,624	0.25
16,149	Goodrich Petroleum Corp.	USA	USD	218,012	0.17
32,703	Halcon Resources Corp.	USA	USD	55,595	0.05
3,783	Birch Permian Holdings Inc.	USA	USD	41,613	0.03
232	Midstates Petroleum Co. Inc.	USA	USD	1,742	0.00
				626,586	0.50
	Paper & Forest Products				
1,942	Verso Corp., A	USA	USD	43,501	0.03
	Pharmaceuticals				
438	Advanz Pharma Corp.	CAN	USD	8,322	0.01
	TOTAL SHARES			678,409	0.54
	WARRANTS				
	Oil, Gas & Consumable Fuels				
2,912	Halcon Resources Corp., wts., 09/09/20	USA	USD	149	0.00
	TOTAL WARRANTS			149	0.00
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			678,558	0.54
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	WARRANTS				
	Paper & Forest Products				
204	Verso Corp., wts., 07/25/23	USA	USD	1,061	0.00
	TOTAL WARRANTS			1,061	0.00
	BONDS				
	Corporate Bonds				
1,000,000	Valeant Pharmaceuticals International, senior note, 144A, 9.25%, 04/01/26	USA	USD	1,002,500	0.79
1,000,000	Sprint Communications Inc., senior note, 6.00%, 11/15/22	USA	USD	983,830	0.78
800,000	Tenet Healthcare Corp., senior note, 8.125%, 04/01/22	USA	USD	805,000	0.64
800,000	Clear Channel Worldwide Holdings Inc., senior sub. note, 7.625%, 03/15/20	USA	USD	783,000	0.62
800,000	Centene Corp., senior note, 144A, 5.375%, 06/01/26	USA	USD	780,000	0.62
800,000	Infor (U.S.) Inc., senior note, 6.50%, 05/15/22	USA	USD	776,720	0.62
800,000	HighPoint Operating Corp., senior note, 8.75%, 06/15/25	USA	USD	776,000	0.62
800,000	Allison Transmission Inc., senior note, 144A, 5.00%, 10/01/24	USA	USD	771,000	0.61
800,000	Martin Midstream Partners LP/Martin Midstream Finance Corp., senior note, 7.25%, 02/15/21	USA	USD	764,000	0.61
800,000	AMC Networks Inc., senior note, 5.00%, 04/01/24	USA	USD	760,000	0.60
800,000	SunCoke Energy Partners LP/SunCoke Energy Partners Finance Corp., senior note, 144A, 7.50%, 06/15/25	USA	USD	760,000	0.60
800,000	24 Hour Holdings III LLC, senior note, 144A, 8.00%, 06/01/22	USA	USD	758,000	0.60
800,000	Tennant Co., senior note, 5.625%, 05/01/25	USA	USD	758,000	0.60
800,000	Cott Holdings Inc., senior note, 144A, 5.50%, 04/01/25	CAN	USD	757,000	0.60
800,000	United Rentals North America Inc., senior bond, 5.875%, 09/15/26	USA	USD	757,000	0.60
800,000	CSC Holdings LLC, senior secured note, first lien, 144A, 5.50%, 05/15/26	USA	USD	756,000	0.60
800,000	Sirius XM Radio Inc., senior bond, 144A, 5.375%, 07/15/26	USA	USD	751,000	0.60
800,000	Symantec Corp., senior note, 144A, 5.00%, 04/15/25	USA	USD	748,450	0.59
800,000	Tullow Oil PLC, senior note, 144A, 7.00%, 03/01/25	GHA	USD	745,172	0.59
800,000	Tempo Acquisition LLC/Tempo Acquisition Finance Corp., senior note, 144A, 6.75%, 06/01/25	USA	USD	744,000	0.59
800,000	Vertiv Group Corp., senior note, 144A, 9.25%, 10/15/24	USA	USD	740,000	0.59
800,000	Citigroup Inc., junior sub. bond, M, 6.30% to 05/15/24, FRN thereafter, Perpetual	USA	USD	739,000	0.59
800,000	Itron Inc., senior note, 144A, 5.00%, 01/15/26	USA	USD	734,000	0.58
800,000	BWAY Holding Co., senior note, 144A, 7.25%, 04/15/25	USA	USD	721,000	0.57
714,000	WMG Acquisition Corp., senior note, 144A, 5.625%, 04/15/22	USA	USD	714,892	0.57
700,000	MEDNAX Inc., senior note, 144A, 6.25%, 01/15/27	USA	USD	677,250	0.54
700,000	WellCare Health Plans Inc., senior note, 5.25%, 04/01/25	USA	USD	676,375	0.54
800,000	DISH DBS Corp., senior bond, 5.00%, 03/15/23	USA	USD	669,000	0.53
700,000	Catalent Pharma Solutions Inc., senior note, 144A, 4.875%, 01/15/26	USA	USD	666,750	0.53
700,000	Hanesbrands Inc., senior note, 144A, 4.625%, 05/15/24	USA	USD	659,750	0.52
700,000	Platform Specialty Products Corp., senior note, 144A, 5.875%, 12/01/25	USA	USD	658,000	0.52
700,000	Terex Corp., senior note, 144A, 5.625%, 02/01/25	USA	USD	652,750	0.52
700,000	Altice Luxembourg SA, senior secured note, 144A, 7.75%, 05/15/22	LUX	USD	639,625	0.51
600,000	Summit Materials LLC/Summit Materials Finance Corp., senior note, 8.50%, 04/15/22	USA	USD	629,250	0.50
600,000	Boyne USA Inc., secured note, second lien, 144A, 7.25%, 05/01/25	USA	USD	622,500	0.49
700,000	Ashton Woods USA LLC, senior note, 144A, 6.75%, 08/01/25	USA	USD	612,500	0.49
600,000	Lincoln Finance Ltd., senior secured note, 144A, 7.375%, 04/15/21	NLD	USD	609,750	0.48
600,000	HCA Inc., senior bond, 5.875%, 05/01/23	USA	USD	609,000	0.48
700,000	Chesapeake Energy Corp., senior note, 7.50%, 10/01/26	USA	USD	602,000	0.48
600,000	Aker BP ASA, senior note, 144A, 5.875%, 03/31/25	NOR	USD	600,492	0.48
600,000	Cemex Finance LLC, senior secured note, first lien, 144A, 6.00%, 04/01/24	MEX	USD	599,040	0.47
600,000	Stevens Holding Co. Inc., senior note, 144A, 6.125%, 10/01/26	USA	USD	594,000	0.47
600,000	St. Marys Cement Inc., senior bond, 144A, 5.75%, 01/28/27	BRA	USD	591,750	0.47
600,000	Horizon Pharma USA Inc., senior note, 6.625%, 05/01/23	USA	USD	582,000	0.46
600,000	FirstCash Inc., senior note, 144A, 5.375%, 06/01/24	USA	USD	580,500	0.46
600,000	Eagle Holdings Co. II LLC, senior note, 144A, PIK, 7.625%, 05/15/22 ‡	USA	USD	574,500	0.46
600,000	Aircastle Ltd., senior note, 4.125%, 05/01/24	USA	USD	566,816	0.45

The accompanying notes form an integral part of these financial statements

— Templeton Global High Yield Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Corporate Bonds (continued)				
600,000	Novelis Corp., senior note, 144A, 6.25%, 08/15/24	USA	USD	565,500	0.45
600,000	Cheniere Energy Partners LP, senior secured note, first lien, 5.25%, 10/01/25	USA	USD	561,750	0.45
600,000	Petra Diamonds U.S. Treasury PLC, secured note, second lien, 144A, 7.25%, 05/01/22	ZAF	USD	561,000	0.44
600,000	Virgin Media Secured Finance PLC, senior secured bond, first lien, 144A, 5.50%, 08/15/26	GBR	USD	556,500	0.44
700,000	West Corp., senior note, 144A, 8.50%, 10/15/25	USA	USD	556,500	0.44
600,000	Multi-Color Corp., senior note, 144A, 4.875%, 11/01/25	USA	USD	514,500	0.41
500,000	Sprint Corp., senior bond, 7.875%, 09/15/23	USA	USD	514,375	0.41
500,000	HCA Inc., senior secured bond, first lien, 5.875%, 03/15/22	USA	USD	513,750	0.41
700,000	Talen Energy Supply LLC, senior note, 6.50%, 06/01/25	USA	USD	500,500	0.40
500,000	Cheniere Corpus Christi Holdings LLC, senior secured note, first lien, 5.875%, 03/31/25	USA	USD	498,750	0.40
727,000	Blackboard Inc., secured note, Reg S, 9.75%, 10/15/21	USA	USD	497,995	0.39
500,000	CCO Holdings LLC/CCO Holdings Capital Corp., senior bond, 5.25%, 09/30/22	USA	USD	496,563	0.39
500,000	T-Mobile USA Inc., senior note, 5.125%, 04/15/25	USA	USD	487,500	0.39
500,000	Five Point Operating Co. LP/Five Point Capital Corp., senior note, 144A, 7.875%, 11/15/25	USA	USD	483,750	0.38
500,000	Lamb Weston Holdings Inc., senior note, 144A, 4.875%, 11/01/26	USA	USD	482,500	0.38
500,000	Ascend Learning LLC, senior note, 144A, 6.875%, 08/01/25	USA	USD	481,250	0.38
500,000	Qorvo Inc., senior note, 144A, 5.50%, 07/15/26	USA	USD	478,750	0.38
500,000	Clearway Energy Operating LLC, senior bond, 5.375%, 08/15/24	USA	USD	473,750	0.38
500,000	Golden Nugget Inc., senior note, 144A, 6.75%, 10/15/24	USA	USD	472,500	0.37
500,000	Nexstar Broadcasting Inc., senior note, 144A, 5.625%, 08/01/24	USA	USD	468,750	0.37
500,000	Callon Petroleum Co., senior note, 6.375%, 07/01/26	USA	USD	467,500	0.37
688,666	EnQuest PLC, senior note, 144A, PIK, 7.00%, 04/15/22 ‡	GBR	USD	467,432	0.37
600,000	Calumet Specialty Products Partners LP/Calumet Finance Corp., senior note, 7.75%, 04/15/23	USA	USD	466,500	0.37
500,000	Crestwood Midstream Partners LP/Crestwood Midstream Finance Corp., senior note, 5.75%, 04/01/25	USA	USD	466,250	0.37
600,000	Endo DAC/Endo Finance LLC/Endo Finco Inc., senior note, 144A, 6.00%, 07/15/23	USA	USD	460,500	0.36
500,000	Hughes Satellite Systems Corp., senior bond, 6.625%, 08/01/26	USA	USD	459,375	0.36
500,000	Calpine Corp., senior bond, 5.75%, 01/15/25	USA	USD	458,750	0.36
500,000	Post Holdings Inc., senior bond, 144A, 5.00%, 08/15/26	USA	USD	457,500	0.36
500,000	Eldorado Gold Corp., senior note, 144A, 6.125%, 12/15/20	CAN	USD	456,250	0.36
500,000	PulteGroup Inc., senior bond, 5.00%, 01/15/27	USA	USD	454,375	0.36
500,000	The Goodyear Tire & Rubber Co., senior bond, 5.00%, 05/31/26	USA	USD	451,875	0.36
600,000	PetSmart Inc., senior secured note, first lien, 144A, 5.875%, 06/01/25	USA	USD	436,500	0.35
400,000	MPT Operating Partnership LP/MPT Finance Corp., senior note, 6.375%, 03/01/24	USA	USD	412,000	0.33
500,000	Ferrellgas LP/Ferrellgas Finance Corp., senior note, 6.75%, 06/15/23	USA	USD	410,000	0.32
400,000	DKT Finance ApS, senior secured note, first lien, 144A, 9.375%, 06/17/23	DNK	USD	407,726	0.32
400,000	Netflix Inc., senior bond, 5.875%, 02/15/25	USA	USD	404,500	0.32
500,000	Oceaneering International Inc., senior note, 6.00%, 02/01/28	USA	USD	404,040	0.32
400,000	Owens-Brockway Glass Container Inc., senior note, 144A, 5.875%, 08/15/23	USA	USD	402,500	0.32
400,000	Taylor Morrison Communities Inc./Taylor Morrison Holdings II Inc., senior note, 144A, 5.25%, 04/15/21	USA	USD	397,500	0.32
400,000	Avantor Inc., senior secured note, first lien, 144A, 6.00%, 10/01/24	USA	USD	394,000	0.31
400,000	Calpine Corp., senior secured bond, first lien, 144A, 5.875%, 01/15/24	USA	USD	393,000	0.31
400,000	Sunoco LP/Sunoco Finance Corp., senior note, 4.875%, 01/15/23	USA	USD	391,000	0.31
400,000	DAE Funding LLC, senior note, 144A, 5.00%, 08/01/24	ARE	USD	388,000	0.31
400,000	Diamondback Energy Inc., senior note, 144A, 4.75%, 11/01/24	USA	USD	388,000	0.31
400,000	Prestige Brands Inc., senior note, 144A, 6.375%, 03/01/24	USA	USD	388,000	0.31
400,000	FMG Resources (August 2006) Pty. Ltd., senior note, 144A, 5.125%, 05/15/24	AUS	USD	374,124	0.30
400,000	Wynn Las Vegas LLC/Wynn Las Vegas Capital Corp., senior bond, 144A, 5.50%, 03/01/25	USA	USD	374,000	0.30
400,000	CSC Holdings LLC, senior bond, 144A, 5.50%, 04/15/27	USA	USD	373,000	0.30
400,000	Ardagh Packaging Finance PLC/Ardagh MP Holdings USA Inc., senior note, 144A, 6.00%, 02/15/25	LUX	USD	370,500	0.29
400,000	Navient Corp., senior note, 7.25%, 09/25/23	USA	USD	368,500	0.29
400,000	NCI Building Systems Inc., senior secured note, 144A, 8.00%, 04/15/26	USA	USD	367,500	0.29
400,000	New Enterprise Stone & Lime Co., senior note, 144A, 6.25%, 03/15/26	USA	USD	365,000	0.29
400,000	Digicel Ltd., senior note, 144A, 6.00%, 04/15/21	BMU	USD	361,716	0.29
400,000	New Gold Inc., senior note, 144A, 6.375%, 05/15/25	CAN	USD	306,000	0.24
300,000	T-Mobile USA Inc., senior bond, 6.375%, 03/01/25	USA	USD	304,488	0.24
300,000	T-Mobile USA Inc., senior note, 6.00%, 04/15/24	USA	USD	300,750	0.24
300,000	Gray Escrow Inc., senior note, 144A, 7.00%, 05/15/27	USA	USD	293,226	0.23
300,000	Stars Group Holdings BV/Stars Group U.S. Co-Borrower LLC, senior note, 144A, 7.00%, 07/15/26	CAN	USD	292,500	0.23
300,000	KFC Holding Co./Pizza Hut Holdings LLC/Taco Bell of America LLC, senior note, 144A, 5.25%, 06/01/26	USA	USD	291,009	0.23
300,000	Crestwood Midstream Partners LP/Crestwood Midstream Finance Corp., senior note, 6.25%, 04/01/23	USA	USD	290,250	0.23
300,000	KFC Holding Co./Pizza Hut Holdings LLC/Taco Bell of America LLC, senior note, 144A, 5.00%, 06/01/24	USA	USD	290,250	0.23
300,000	Park Aerospace Holdings Ltd., senior note, 144A, 5.50%, 02/15/24	IRL	USD	289,914	0.23
300,000	Cemex SAB de CV, senior secured bond, first lien, 144A, 5.70%, 01/11/25	MEX	USD	288,893	0.23
300,000	DAE Funding LLC, senior note, 144A, 4.50%, 08/01/22	ARE	USD	288,000	0.23
300,000	Jaguar Holding Co. II/Pharmaceutical Product Development LLC, senior note, 144A, 6.375%, 08/01/23	USA	USD	287,427	0.23
300,000	Crown Americas LLC/Crown Americas Capital Corp., senior note, 144A, 4.75%, 02/01/26	USA	USD	285,375	0.23
300,000	FMG Resources (August 2006) Pty. Ltd., senior note, 144A, 5.125%, 03/15/23	AUS	USD	283,313	0.22

The accompanying notes form an integral part of these financial statements

— Templeton Global High Yield Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Corporate Bonds (continued)				
300,000	Aramark Services Inc., senior bond, 144A, 5.00%, 02/01/28	USA	USD	280,500	0.22
300,000	CHS/Community Health Systems Inc., senior secured note, first lien, 6.25%, 03/31/23	USA	USD	273,765	0.22
300,000	ARD Finance SA, secured note, PIK, 7.125%, 09/15/23 ‡	LUX	USD	273,000	0.22
400,000	Digicel Group Ltd., senior note, 144A, 8.25%, 09/30/20	BMU	USD	272,800	0.22
300,000	Clearway Energy Operating LLC, senior bond, 5.00%, 09/15/26	USA	USD	270,750	0.21
300,000	Novelis Corp., senior bond, 144A, 5.875%, 09/30/26	USA	USD	266,250	0.21
300,000	Beacon Roofing Supply Inc., senior note, 144A, 4.875%, 11/01/25	USA	USD	264,750	0.21
523,000	CHS/Community Health Systems Inc., senior note, 6.875%, 02/01/22	USA	USD	240,580	0.19
300,000	Ferrellgas Partners LP/Ferrellgas Partners Finance Corp., senior note, 8.625%, 06/15/20	USA	USD	217,500	0.17
316,000	California Resources Corp., senior secured note, second lien, 144A, 8.00%, 12/15/22	USA	USD	214,880	0.17
200,000	T-Mobile USA Inc., senior bond, 6.50%, 01/15/24	USA	USD	206,036	0.16
373,268	Murray Energy Corp., secured note, 1.5 lien, 144A, PIK, 12.00%, 04/15/24 ‡	USA	USD	203,431	0.16
200,000	Northwest Acquisitions ULC/Dominion Finco Inc., secured note, second lien, 144A, 7.125%, 11/01/22	CAN	USD	198,206	0.16
200,000	Navient Corp., senior note, 5.00%, 10/26/20	USA	USD	192,000	0.15
200,000	MPT Operating Partnership LP/MPT Finance Corp., senior bond, 5.25%, 08/01/26	USA	USD	189,500	0.15
200,000	Cheniere Energy Partners LP, senior note, 144A, 5.625%, 10/01/26	USA	USD	187,500	0.15
200,000	Navient Corp., senior note, 6.50%, 06/15/22	USA	USD	186,608	0.15
193,000	Advanz Pharma Corp., senior secured note, first lien, 8.00%, 09/06/24	CAN	USD	183,350	0.15
200,000	Party City Holdings Inc., senior note, 144A, 6.625%, 08/01/26	USA	USD	182,500	0.14
300,000	Weatherford International Ltd., senior note, 8.25%, 06/15/23	USA	USD	182,250	0.14
200,000	The Chemours Co., senior note, 5.375%, 05/15/27	USA	USD	181,000	0.14
200,000	Jeld-Wen Inc., senior note, 144A, 4.625%, 12/15/25	USA	USD	177,000	0.14
200,000	First Quantum Minerals Ltd., senior note, 144A, 7.25%, 04/01/23	ZMB	USD	176,750	0.14
200,000	Navient Corp., senior note, 6.125%, 03/25/24	USA	USD	172,500	0.14
200,000	InterGen NV, secured bond, 144A, 7.00%, 06/30/23	NLD	USD	172,250	0.14
200,000	Jeld-Wen Inc., senior bond, 144A, 4.875%, 12/15/27	USA	USD	169,500	0.13
200,000	Weatherford International Ltd., senior note, 5.125%, 09/15/20	USA	USD	157,000	0.12
200,000	Weatherford International Ltd., senior note, 7.75%, 06/15/21	USA	USD	151,000	0.12
200,000	Endo DAC/Endo Finance LLC/Endo Finco Inc., senior bond, 144A, 6.00%, 02/01/25	USA	USD	144,500	0.11
200,000	Blackboard Inc., secured note, second lien, 144A, 9.75%, 10/15/21	USA	USD	137,000	0.11
100,000	Horizon Pharma USA Inc., senior note, 144A, 8.75%, 11/01/24	USA	USD	102,000	0.08
100,000	Dell International LLC/EMC Corp., senior note, 144A, 7.125%, 06/15/24	USA	USD	101,827	0.08
100,000	Block Communications Inc., senior note, 144A, 6.875%, 02/15/25	USA	USD	100,750	0.08
100,000	Dell International LLC/EMC Corp., senior note, 144A, 5.875%, 06/15/21	USA	USD	100,138	0.08
100,000	Sprint Corp., senior bond, 7.125%, 06/15/24	USA	USD	99,356	0.08
100,000	MPH Acquisition Holdings LLC, senior note, 144A, 7.125%, 06/01/24	USA	USD	93,500	0.07
500,000	Sanchez Energy Corp., senior note, 6.125%, 01/15/23	USA	USD	92,500	0.07
100,000	DISH DBS Corp., senior note, 5.875%, 11/15/24	USA	USD	80,875	0.06
100,000	Weatherford International Ltd., senior note, 4.50%, 04/15/22	USA	USD	59,000	0.05
57,000	CHS/Community Health Systems Inc., senior note, 144A, 8.125%, 06/30/24	USA	USD	41,895	0.03
25,000	California Resources Corp., senior bond, 6.00%, 11/15/24	USA	USD	15,500	0.01
137,553	K2016470260 South Africa Ltd., senior secured note, Reg S, PIK, 25.00%, 12/31/22 ‡	ZAF	USD	11,004	0.01
641,698	K2016470219 South Africa Ltd., senior secured note, Reg S, PIK, 3.00%, 12/31/22 ‡	ZAF	USD	802	0.00
				67,978,206	53.88
	Government and Municipal Bonds				
365,000,000	Government of India, senior bond, 8.20%, 02/15/22	IND	INR	5,400,762	4.28
67,000,000,000	Government of Indonesia, senior bond, FR56, 8.375%, 09/15/26	IDN	IDR	4,737,992	3.76
15,312	Letra Tesouro Nacional, Strip, 07/01/20	BRA	BRL	3,569,535	2.83
13,207	Nota Do Tesouro Nacional, 10.00%, 01/01/27	BRA	BRL	3,555,908	2.82
7,150	Nota Do Tesouro Nacional, 10.00%, 01/01/21	BRA	BRL	1,927,229	1.53
77,799,000	Argentine Bonos del Tesoro, 18.20%, 10/03/21	ARG	ARS	1,597,252	1.27
5,014	Nota Do Tesouro Nacional, 10.00%, 01/01/23	BRA	BRL	1,354,452	1.07
82,000,000	Government of India, senior note, 7.68%, 12/15/23	IND	INR	1,200,451	0.95
76,000,000	Government of India, senior bond, 8.08%, 08/02/22	IND	INR	1,123,242	0.89
5,034,000	Government of Ghana, 19.50%, 10/18/21	GHA	GHS	1,036,401	0.82
1,587,000	Government of Ukraine, Reg S, VRI, GDP Linked Security, zero cpn., 05/31/40	UKR	USD	914,279	0.72
2,778,000,000	Titulos de Tesoreria, senior bond, B, 7.50%, 08/26/26	COL	COP	903,447	0.72
2,418,000,000	Titulos de Tesoreria, senior bond, B, 10.00%, 07/24/24	COL	COP	876,824	0.69
4,610,000	Government of Ghana, 19.00%, 11/02/26	GHA	GHS	872,163	0.69
38,318,000	Argentine Bonos del Tesoro, 16.00%, 10/17/23	ARG	ARS	860,694	0.68
4,320,000	Government of Ghana, senior bond, 19.75%, 03/15/32	GHA	GHS	852,372	0.68
41,954,000	Argentine Bonos del Tesoro, senior note, 15.50%, 10/17/26	ARG	ARS	838,209	0.66
2,246,000,000	Titulos de Tesoreria, senior bond, B, 7.00%, 05/04/22	COL	COP	722,482	0.57
3,190,000	Government of Ghana, senior note, 18.50%, 06/01/20	GHA	GHS	643,089	0.51
1,740,000,000	Titulos de Tesoreria, senior bond, B, 11.00%, 07/24/20	COL	COP	581,982	0.46
7,200,000,000	Government of Indonesia, senior bond, FR47, 10.00%, 02/15/28	IDN	IDR	561,329	0.44
2,430,000	Government of Ghana, senior note, 18.25%, 07/25/22	GHA	GHS	474,989	0.38
6,150,000,000	Government of Indonesia, senior bond, FR44, 10.00%, 09/15/24	IDN	IDR	466,083	0.37
5,280,000,000	Government of Indonesia, senior bond, FR34, 12.80%, 06/15/21	IDN	IDR	411,091	0.33
1,870,000	Ghana Treasury Note, 16.50%, 02/17/20	GHA	GHS	372,030	0.29
4,400,000,000	Government of Indonesia, senior bond, FR35, 12.90%, 06/15/22	IDN	IDR	352,367	0.28
24,000,000	Government of India, senior note, 6.84%, 12/19/22	IND	INR	341,285	0.27
1,550	Letra Tesouro Nacional, Strip, 07/01/21	BRA	BRL	331,476	0.26

The accompanying notes form an integral part of these financial statements

— Templeton Global High Yield Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Government and Municipal Bonds (continued)				
12,912,000	Government of Argentina, FRN, 51.542%, 04/03/22 †	ARG	ARS	330,061	0.26
1,580,000	Government of Ghana, 18.75%, 01/24/22	GHA	GHS	314,892	0.25
1,540,000	Government of Ghana, 19.75%, 03/25/24	GHA	GHS	303,183	0.24
1,020,000	Government of Ghana, 24.75%, 07/19/21	GHA	GHS	228,282	0.18
860,000	Government of Ghana, 16.50%, 02/06/23	GHA	GHS	158,970	0.13
1,810,000,000	Government of Indonesia, senior bond, FR42, 10.25%, 07/15/27	IDN	IDR	142,434	0.11
9,000,000	Government of India, senior note, 8.15%, 06/11/22	IND	INR	133,338	0.11
367	Nota Do Tesouro Nacional, 10.00%, 01/01/25	BRA	BRL	98,858	0.08
470,000	Ghana Treasury Note, 16.50%, 03/16/20	GHA	GHS	93,250	0.07
6,000,000	Government of India, senior note, 8.83%, 11/25/23	IND	INR	91,635	0.07
900,000,000	Government of Indonesia, senior bond, FR40, 11.00%, 09/15/25	IDN	IDR	72,019	0.06
320,000	Government of Ghana, 24.50%, 06/21/21	GHA	GHS	71,308	0.06
900,000,000	Government of Indonesia, FR45, 9.75%, 05/15/37	IDN	IDR	70,166	0.05
2,343,000	Government of Argentina, FRN, 42.819%, 06/21/20 †	ARG	ARS	67,446	0.05
963,000,000	Government of Indonesia, senior bond, FR61, 7.00%, 05/15/22	IDN	IDR	65,525	0.05
790,000,000	Government of Indonesia, senior bond, FR46, 9.50%, 07/15/23	IDN	IDR	58,190	0.05
240,000	Government of Ghana, senior note, 21.50%, 03/09/20	GHA	GHS	49,888	0.04
240,000	Government of Ghana, senior note, 18.25%, 09/21/20	GHA	GHS	48,071	0.04
3,000,000	Government of India, senior note, 8.79%, 11/08/21	IND	INR	44,984	0.04
109,000,000	Government of Colombia, senior bond, 7.75%, 04/14/21	COL	COP	34,987	0.03
394,000,000	Government of Indonesia, senior bond, FR63, 5.625%, 05/15/23	IDN	IDR	25,344	0.02
120,000	Ghana Treasury Note, 17.18%, 01/06/20	GHA	GHS	24,132	0.02
321,000,000	Government of Indonesia, senior bond, FR53, 8.25%, 07/15/21	IDN	IDR	22,694	0.02
130,000	Government of Ghana, senior note, 16.25%, 04/07/25	GHA	GHS	22,290	0.02
100,000	Government of Ghana, 24.75%, 03/01/21	GHA	GHS	22,182	0.02
4,200	Government of Mexico, senior bond, M, 8.00%, 06/11/20	MEX	MXN	21,234	0.02
100,000	Government of Ghana, 21.00%, 03/23/20	GHA	GHS	20,788	0.02
3,000	Government of Mexico, senior bond, M, 6.50%, 06/10/21	MEX	MXN	14,597	0.01
27,000,000	Government of Colombia, senior bond, 9.85%, 06/28/27	COL	COP	10,219	0.01
50,000	Government of Ghana, senior note, 16.50%, 03/22/21	GHA	GHS	9,652	0.01
50,000	Government of Ghana, 17.60%, 11/28/22	GHA	GHS	9,499	0.01
127,000,000	Government of Indonesia, senior bond, FR31, 11.00%, 11/15/20	IDN	IDR	9,453	0.01
17,000,000	Government of Colombia, senior bond, 4.375%, 03/21/23	COL	COP	4,976	0.00
137,000	Government of Argentina, Index Linked, 4.00%, 03/06/20	ARG	ARS	4,407	0.00
50,000,000	Government of Indonesia, senior bond, FR43, 10.25%, 07/15/22	IDN	IDR	3,737	0.00
				39,582,106	31.38
	Securities Maturing Within One Year				
412,600	Government of Mexico, senior note, M, 5.00%, 12/11/19	MEX	MXN	2,032,968	1.61
17,200,000	Egypt Treasury Bill, 0.00%, 01/15/19	EGY	EGP	952,646	0.76
17,125,000	Egypt Treasury Bill, 0.00%, 01/08/19	EGY	EGP	952,058	0.75
29,882,000	Argentina Treasury Bill, 0.00%, 10/31/19	ARG	ARS	869,664	0.69
11,825,000	Egypt Treasury Bill, 0.00%, 01/22/19	EGY	EGP	652,501	0.52
5,575,000	Egypt Treasury Bill, 0.00%, 02/05/19	EGY	EGP	305,350	0.24
1,420,000	Ghana Treasury Note, 21.00%, 01/07/19	GHA	GHS	290,746	0.23
8,393,000	Argentina Treasury Bill, 0.00%, 09/30/19	ARG	ARS	253,459	0.20
493,600	Mexico Treasury Bill, 0.00%, 05/23/19	MEX	MXN	243,136	0.19
8,162,000	Argentina Treasury Bill, 0.00%, 05/31/19	ARG	ARS	238,988	0.19
940,000	Government of Ghana, 24.50%, 04/22/19	GHA	GHS	195,365	0.16
348,720	Mexico Treasury Bill, 0.00%, 07/04/19	MEX	MXN	169,850	0.13
800,000	Government of Ghana, 24.50%, 05/27/19	GHA	GHS	167,255	0.13
2,625,000	Egypt Treasury Bill, 0.00%, 01/29/19	EGY	EGP	144,733	0.11
243,010	Mexico Treasury Bill, 0.00%, 03/28/19	MEX	MXN	121,316	0.10
3,655,000	Argentina Treasury Bill, 0.00%, 03/29/19	ARG	ARS	109,447	0.09
1,400,000,000	Government of Indonesia, senior note, FR69, 7.875%, 04/15/19	IDN	IDR	97,781	0.08
440,000	Ghana Treasury Note, 19.95%, 05/06/19	GHA	GHS	90,394	0.07
2,941,000	Argentina Treasury Bill, 0.00%, 02/28/19	ARG	ARS	88,807	0.07
1,075,000	Egypt Treasury Bill, 0.00%, 02/12/19	EGY	EGP	58,867	0.05
139,000,000	Titulos de Tesoreria, senior note, B, 7.00%, 09/11/19	COL	COP	43,454	0.03
69,310	Mexico Treasury Bill, 0.00%, 01/31/19	MEX	MXN	34,999	0.03
500,000	Egypt Treasury Bill, 0.00%, 02/26/19	EGY	EGP	27,251	0.02
39,590	Mexico Treasury Bill, 0.00%, 06/06/19	MEX	MXN	19,411	0.02
300,000	Egypt Treasury Bill, 0.00%, 03/05/19	EGY	EGP	16,289	0.01
336,000	Government of Argentina, Index Linked, 3.75%, 02/08/19	ARG	ARS	12,666	0.01
50,000	Ghana Treasury Note, 17.24%, 11/11/19	GHA	GHS	10,093	0.01
14,850	Mexico Treasury Bill, 0.00%, 11/07/19	MEX	MXN	7,027	0.01
1,930	Mexico Treasury Bill, 0.00%, 07/18/19	MEX	MXN	937	0.00
				8,207,458	6.51
	TOTAL BONDS			115,767,770	91.77
	TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET			115,768,831	91.77
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET				
	SHARES				
	Specialty Retail				
8,217,950	K2016470219 South Africa Ltd., A **	ZAF	ZAR	5,720	0.01
817,800	K2016470219 South Africa Ltd., B **	ZAF	ZAR	569	0.00
				6,289	0.01
	TOTAL SHARES			6,289	0.01

The accompanying notes form an integral part of these financial statements

— Templeton Global High Yield Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	WARRANTS				
	Oil, Gas & Consumable Fuels				
1,651	Midstates Petroleum Co. Inc., wts., 04/21/20 **	USA	USD	4	0.00
	TOTAL WARRANTS			4	0.00
	BONDS				
	Corporate Bonds				
1,000,000	Vistra Energy Corp., Escrow Account	USA	USD	3,000	0.00
500,000	Midstates Petroleum Co. Inc./Midstates Petroleum Co. LLC, Escrow Account **	USA	USD	0	0.00
700,000	NewPage Corp., Escrow Account **	USA	USD	0	0.00
1,300,000	T-Mobile USA Inc., Escrow Account **	USA	USD	0	0.00
				3,000	0.00
	TOTAL BONDS			3,000	0.00
	TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET			9,293	0.01
	TOTAL INVESTMENTS			116,456,682	92.32

‡ Income may be received in additional securities and/or cash
† Floating Rates are indicated as at December 31, 2018
** These securities are submitted to a Fair Valuation

The accompanying notes form an integral part of these financial statements

— Templeton Global Income Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	SHARES				
	Aerospace & Defense				
3,680,275	Cobham PLC	GBR	GBP	4,586,264	0.61
	Air Freight & Logistics				
108,100	United Parcel Service Inc., B	USA	USD	10,542,993	1.40
2,885	CEVA Logistics AG	CHE	CHF	87,544	0.01
				10,630,537	1.41
	Banks				
970,984	ING Groep NV	NLD	EUR	10,469,128	1.39
1,161,173	Standard Chartered PLC	GBR	GBP	9,022,428	1.20
180,559	BNP Paribas SA	FRA	EUR	8,166,765	1.09
1,129,200	Bangkok Bank PCL, fgn.	THA	THB	7,227,718	0.96
126,300	Wells Fargo & Co.	USA	USD	5,819,904	0.77
175,531	Hana Financial Group Inc.	KOR	KRW	5,713,335	0.76
164,800	Sumitomo Mitsui Financial Group Inc.	JPN	JPY	5,480,803	0.73
102,729	KB Financial Group Inc., ADR	KOR	USD	4,312,563	0.57
507,678	HSBC Holdings PLC	GBR	HKD	4,201,205	0.56
343,100	Credit Agricole SA	FRA	EUR	3,707,159	0.49
64,195	Citigroup Inc.	USA	USD	3,341,992	0.44
				67,463,000	8.96
	Beverages				
156,600	Suntory Beverage & Food Ltd.	JPN	JPY	7,087,007	0.94
	Biotechnology				
39,390	Amgen Inc.	USA	USD	7,668,052	1.02
107,160	Gilead Sciences Inc.	USA	USD	6,702,858	0.89
				14,370,910	1.91
	Capital Markets				
192,476	Flow Traders	NLD	EUR	6,139,806	0.82
1,749,394	Man Group PLC	GBR	GBP	2,967,116	0.39
				9,106,922	1.21
	Chemicals				
107,620	Yara International ASA	NOR	NOK	4,148,105	0.55
	Diversified Telecommunication Services				
5,266,903	Singapore Telecommunications Ltd.	SGP	SGD	11,321,687	1.50
20,894,000	China Telecom Corp. Ltd., H	CHN	HKD	10,673,137	1.42
1,261,949	Telefonica Deutschland Holding AG	DEU	EUR	4,967,146	0.66
				26,961,970	3.58
	Electrical Equipment				
106,566	Vestas Wind Systems AS	DNK	DKK	8,067,144	1.07
	Electronic Equipment, Instruments & Components				
106,465	Landis+Gyr Group AG	CHE	CHF	6,002,707	0.80
	Food & Staples Retailing				
146,400	Walgreens Boots Alliance Inc.	USA	USD	10,003,512	1.33
237,300	The Kroger Co.	USA	USD	6,525,750	0.87
67,900	Seven & i Holdings Co. Ltd.	JPN	JPY	2,963,191	0.39
				19,492,453	2.59
	Food Products				
120,700	Kellogg Co.	USA	USD	6,881,107	0.91
108,000	Ezaki Glico Co. Ltd.	JPN	JPY	5,498,540	0.73
				12,379,647	1.64
	Household Durables				
1,222,500	Panasonic Corp.	JPN	JPY	11,049,348	1.47
	Industrial Conglomerates				
1,123,952	CK Hutchison Holdings Ltd.	HKG	HKD	10,793,843	1.43
	Insurance				
335,781	AXA SA	FRA	EUR	7,255,386	0.96
	Interactive Media & Services				
32,300	Baidu Inc., ADR	CHN	USD	5,122,780	0.68
	Marine				
3,195	A.P. Moeller-Maersk AS, B	DNK	DKK	4,019,213	0.53
	Media				
209,300	Comcast Corp., A	USA	USD	7,126,665	0.95
363,518	SES SA, IDR	LUX	EUR	6,960,031	0.92
				14,086,696	1.87

The accompanying notes form an integral part of these financial statements

— Templeton Global Income Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Multi-Utilities				
481,663	Veolia Environnement SA	FRA	EUR	9,909,175	1.32
963,871	E.ON SE	DEU	EUR	9,515,092	1.26
				19,424,267	2.58
	Oil, Gas & Consumable Fuels				
929,763	Eni SpA	ITA	EUR	14,688,291	1.95
2,294,815	BP PLC	GBR	GBP	14,513,792	1.93
482,295	Royal Dutch Shell PLC, B	GBR	GBP	14,392,092	1.91
116,600	Exxon Mobil Corp.	USA	USD	7,950,954	1.05
355,900	Husky Energy Inc.	CAN	CAD	3,679,072	0.49
979,500	Kunlun Energy Co. Ltd.	CHN	HKD	1,038,229	0.14
				56,262,430	7.47
	Personal Products				
553,983	Coty Inc., A	USA	USD	3,634,128	0.48
	Pharmaceuticals				
167,953	Sanofi	FRA	EUR	14,560,051	1.93
47,774	Roche Holding AG	CHE	CHF	11,867,551	1.58
108,886	Merck KGaA	DEU	EUR	11,208,399	1.49
547,447	Teva Pharmaceutical Industries Ltd., ADR	ISR	USD	8,441,633	1.12
243,600	Takeda Pharmaceutical Co. Ltd.	JPN	JPY	8,234,836	1.09
90,702	Bayer AG	DEU	EUR	6,308,488	0.84
44,600	Eli Lilly & Co.	USA	USD	5,161,112	0.68
80,190	Perrigo Co. PLC	USA	USD	3,107,363	0.41
4,500	Allergan PLC	USA	USD	601,470	0.08
				69,490,903	9.22
	Real Estate Management & Development				
1,073,000	Swire Pacific Ltd., A	HKG	HKD	11,332,239	1.50
	Semiconductors & Semiconductor Equipment				
887,000	Taiwan Semiconductor Manufacturing Co. Ltd.	TWN	TWD	6,537,193	0.87
48,200	NXP Semiconductors NV	NLD	USD	3,532,096	0.47
				10,069,289	1.34
	Software				
337,030	Oracle Corp.	USA	USD	15,216,905	2.02
	Specialty Retail				
2,663,098	Kingfisher PLC	GBR	GBP	7,046,940	0.94
	Technology Hardware, Storage & Peripherals				
231,928	Samsung Electronics Co. Ltd.	KOR	KRW	8,059,202	1.07
	Wireless Telecommunication Services				
1,205,000	China Mobile Ltd.	CHN	HKD	11,595,269	1.54
5,700,131	Vodafone Group PLC	GBR	GBP	11,114,441	1.47
				22,709,710	3.01
	TOTAL SHARES			465,869,945	61.84
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			465,869,945	61.84
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	SHARES				
	Banks				
9,693,000	Royal Bank of Canada into Citigroup Inc., 4.50%, cvt. pfd., 144A	USA	USD	6,459,833	0.86
7,137,000	Royal Bank of Canada into Standard Chartered PLC, 3.48%, cvt. pfd., 144A	GBR	USD	5,316,331	0.70
				11,776,164	1.56
	Electronic Equipment, Instruments & Components				
9,896,000	Royal Bank of Canada into Knowles Corp., 5.00%, cvt. pfd., 144A	USA	USD	8,585,300	1.14
	Personal Products				
495,000	Credit Suisse AG/London into Coty Inc., 8.70%, cvt. pfd., 144A	USA	USD	3,334,592	0.44
	Pharmaceuticals				
55,982	Credit Suisse AG/London into Allergan PLC, 4.00%, cvt. pfd., 144A	USA	USD	7,595,798	1.01
	Wireless Telecommunication Services				
88,681	Credit Suisse AG/London into SoftBank Group Corp., 4.00%, cvt. pfd., 144A	JPN	USD	6,244,262	0.83
	TOTAL SHARES			37,536,116	4.98
	BONDS				
	Corporate Bonds				
336,927	K2016470219 South Africa Ltd., senior secured note, Reg S, PIK, 8.00%, 12/31/22 ‡	ZAF	EUR	7,721	0.00
72,624	K2016470260 South Africa Ltd., senior secured note, Reg S, PIK, 25.00%, 12/31/22 ‡	ZAF	USD	5,810	0.00
175,798	K2016470219 South Africa Ltd., senior secured note, Reg S, PIK, 3.00%, 12/31/22 ‡	ZAF	USD	219	0.00
				13,750	0.00

The accompanying notes form an integral part of these financial statements

— Templeton Global Income Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Government and Municipal Bonds				
70,245	Nota Do Tesouro Nacional, 10.00%, 01/01/21	BRA	BRL	18,934,011	2.51
207,282,000,000	Government of Indonesia, senior bond, FR53, 8.25%, 07/15/21	IDN	IDR	14,654,609	1.95
948,400,000	Government of India, senior note, 8.83%, 11/25/23	IND	INR	14,484,469	1.92
677,600,000	Government of India, senior note, 6.79%, 05/15/27	IND	INR	9,367,769	1.24
31,854	Nota Do Tesouro Nacional, 10.00%, 01/01/25	BRA	BRL	8,580,414	1.14
507,000,000	Government of India, senior note, 7.80%, 04/11/21	IND	INR	7,397,667	0.98
233,554,000	Argentine Bonos del Tesoro, 16.00%, 10/17/23	ARG	ARS	5,246,061	0.70
17,060	Nota Do Tesouro Nacional, 10.00%, 01/01/23	BRA	BRL	4,608,488	0.61
223,026,000	Argentine Bonos del Tesoro, senior note, 15.50%, 10/17/26	ARG	ARS	4,455,888	0.59
62,079,000,000	Government of Indonesia, senior bond, FR56, 8.375%, 09/15/26	IDN	IDR	4,389,997	0.58
12,758,000,000	Titulos de Tesoreria, B, 7.75%, 09/18/30	COL	COP	4,188,714	0.56
4,349,000	Government of Kenya, senior note, Reg S, 6.875%, 06/24/24	KEN	USD	4,095,301	0.54
55,747,000,000	Government of Indonesia, senior bond, FR71, 9.00%, 03/15/29	IDN	IDR	4,092,828	0.54
667,200	Government of Mexico, senior bond, M, 8.00%, 06/11/20	MEX	MXN	3,373,196	0.45
15,660,000	Government of Ghana, 19.00%, 11/02/26	GHA	GHS	2,962,705	0.39
8,249,000,000	Titulos de Tesoreria, B, 7.00%, 06/30/32	COL	COP	2,507,632	0.33
12,500,000	Government of Ghana, senior bond, 19.75%, 03/15/32	GHA	GHS	2,466,354	0.33
33,965,000,000	Government of Indonesia, senior bond, FR70, 8.375%, 03/15/24	IDN	IDR	2,400,459	0.32
10,780,000	Government of Ghana, senior note, 24.00%, 11/23/20	GHA	GHS	2,343,626	0.31
2,569,100,000	Korea Treasury Bond, senior note, 2.00%, 03/10/21	KOR	KRW	2,314,271	0.31
466,300	Government of Mexico, senior bond, M, 6.50%, 06/10/21	MEX	MXN	2,268,913	0.30
3,387,000	Government of Ukraine, Reg S, VRI, GDP Linked Security, zero cpn., 05/31/40	UKR	USD	1,951,268	0.26
111,700,000	Government of India, senior bond, 8.35%, 05/14/22	IND	INR	1,662,896	0.22
7,630	Letra Tesouro Nacional, Strip, 07/01/21	BRA	BRL	1,631,718	0.22
3,448,000,000	Titulos de Tesoreria, senior bond, B, 7.50%, 08/26/26	COL	COP	1,121,341	0.15
1,226,000	Government of Argentina, senior note, 4.50%, 02/13/20	ARG	ARS	1,113,974	0.15
70,200,000	Government of India, senior note, 7.16%, 05/20/23	IND	INR	1,005,504	0.13
4,310,000	Government of Ghana, 19.75%, 03/25/24	GHA	GHS	848,520	0.11
4,240,000	Government of Ghana, 18.75%, 01/24/22	GHA	GHS	845,028	0.11
31,348,000	Government of Argentina, FRN, 51.542%, 04/03/22 †	ARG	ARS	801,329	0.11
9,362,000,000	Government of Indonesia, senior bond, FR35, 12.90%, 06/15/22	IDN	IDR	749,741	0.10
3,540,000	Government of Ghana, senior note, 18.25%, 07/25/22	GHA	GHS	691,960	0.09
3,090,000	Government of Ghana, 24.75%, 07/19/21	GHA	GHS	691,561	0.09
36,100,000	Government of the Philippines, senior note, 3.375%, 08/20/20	PHL	PHP	658,536	0.09
1,762,000,000	Titulos de Tesoreria, senior bond, B, 10.00%, 07/24/24	COL	COP	638,943	0.09
659,500,000	Korea Treasury Bond, senior note, 1.375%, 09/10/21	KOR	KRW	584,666	0.08
2,500	Letra Tesouro Nacional, Strip, 07/01/20	BRA	BRL	582,800	0.08
16,959,000	Argentina Treasury Bill, Strip, 04/30/20	ARG	ARS	495,454	0.07
2,370,000	Government of Ghana, senior note, 18.25%, 09/21/20	GHA	GHS	474,697	0.06
5,295,000,000	Government of Indonesia, senior bond, FR31, 11.00%, 11/15/20	IDN	IDR	394,142	0.05
1,215,000,000	Titulos de Tesoreria, senior bond, B, 7.00%, 05/04/22	COL	COP	390,835	0.05
3,655,000,000	Government of Indonesia, senior bond, FR61, 7.00%, 05/15/22	IDN	IDR	248,695	0.03
10,649,000	Argentine Bonos del Tesoro, 18.20%, 10/03/21	ARG	ARS	218,629	0.03
676,000,000	Titulos de Tesoreria, senior bond, B, 6.00%, 04/28/28	COL	COP	197,796	0.03
2,816,000,000	Government of Indonesia, senior bond, FR63, 5.625%, 05/15/23	IDN	IDR	181,141	0.03
466,000,000	Titulos de Tesoreria, senior bond, B, 11.00%, 07/24/20	COL	COP	155,864	0.02
476,000,000	Government of Colombia, senior bond, 7.75%, 04/14/21	COL	COP	152,785	0.02
460,000	Government of Ghana, senior note, 18.50%, 06/01/20	GHA	GHS	92,734	0.01
1,046,000,000	Government of Indonesia, senior bond, FR64, 6.125%, 05/15/28	IDN	IDR	64,178	0.01
270,000	Government of Ghana, 24.50%, 06/21/21	GHA	GHS	60,166	0.01
349,000,000	Government of Indonesia, senior bond, FR47, 10.00%, 02/15/28	IDN	IDR	27,209	0.01
25,000	Government of El Salvador, senior bond, Reg S, 7.65%, 06/15/35	SLV	USD	23,770	0.00
56,000,000	Government of Colombia, senior bond, 9.85%, 06/28/27	COL	COP	21,196	0.00
60,000	Government of Ghana, senior note, 21.50%, 03/09/20	GHA	GHS	12,472	0.00
50,000	Government of Ghana, 24.75%, 03/01/21	GHA	GHS	11,091	0.00
36,000,000	Government of Colombia, senior bond, 4.375%, 03/21/23	COL	COP	10,537	0.00
50,000	Government of Ghana, senior note, 16.50%, 03/22/21	GHA	GHS	9,652	0.00
70,000	Government of Argentina, FRN, 42.819%, 06/21/20 †	ARG	ARS	2,015	0.00
27,000	Government of Argentina, Index Linked, 4.00%, 03/06/20	ARG	ARS	869	0.00
				143,959,084	19.11
	Securities Maturing Within One Year				
15,856,960	Mexico Treasury Bill, 0.00%, 04/25/19	MEX	MXN	7,856,056	1.04
1,341,600	Government of Mexico, senior note, M, 5.00%, 12/11/19	MEX	MXN	6,610,349	0.88
11,359,210	Mexico Treasury Bill, 0.00%, 05/23/19	MEX	MXN	5,595,295	0.74
8,092,880	Mexico Treasury Bill, 0.00%, 03/28/19	MEX	MXN	4,040,159	0.54
4,329,000,000	Korea Treasury Bond, senior note, 1.50%, 06/10/19	KOR	KRW	3,882,764	0.52
7,411,120	Mexico Treasury Bill, 0.00%, 07/18/19	MEX	MXN	3,597,866	0.48
5,387,120	Mexico Treasury Bill, 0.00%, 09/12/19	MEX	MXN	2,581,969	0.34
80,869,000	Argentina Treasury Bill, 0.00%, 09/30/19	ARG	ARS	2,442,157	0.32
66,987,000	Argentina Treasury Bill, 0.00%, 10/31/19	ARG	ARS	1,949,540	0.26
64,130,000	Philippine Treasury Bill, 0.00%, 03/13/19	PHL	PHP	1,211,373	0.16
2,305,380	Mexico Treasury Bill, 0.00%, 07/04/19	MEX	MXN	1,122,873	0.15
38,156,000	Argentina Treasury Bill, 0.00%, 05/31/19	ARG	ARS	1,117,228	0.15
2,142,570	Mexico Treasury Bill, 0.00%, 01/31/19	MEX	MXN	1,081,921	0.14
49,280,000	Philippine Treasury Bill, 0.00%, 03/20/19	PHL	PHP	930,017	0.12
36,100,000	Government of the Philippines, senior note, 7.875%, 02/19/19	PHL	PHP	690,304	0.09
22,774,000	Argentina Treasury Bill, 0.00%, 03/29/19	ARG	ARS	681,956	0.09
36,050,000	Philippine Treasury Bill, 0.00%, 03/06/19	PHL	PHP	681,541	0.09
1,111,590	Mexico Treasury Bill, 0.00%, 02/14/19	MEX	MXN	559,531	0.08

The accompanying notes form an integral part of these financial statements

— Templeton Global Income Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Securities Maturing Within One Year (continued)				
2,490,000	Government of Ghana, 24.50%, 04/22/19	GHA	GHS	517,509	0.07
15,170,000	Argentina Treasury Bill, 0.00%, 04/30/19	ARG	ARS	456,272	0.06
713,870	Mexico Treasury Bill, 0.00%, 02/28/19	MEX	MXN	358,675	0.05
683,150	Mexico Treasury Bill, 0.00%, 06/06/19	MEX	MXN	334,951	0.05
17,260,000	Government of the Philippines, senior note, 7-56, 3.875%, 11/22/19	PHL	PHP	322,499	0.04
2,099,000,000	Government of Indonesia, senior note, FR69, 7.875%, 04/15/19	IDN	IDR	146,601	0.02
256,180	Mexico Treasury Bill, 0.00%, 11/07/19	MEX	MXN	121,223	0.02
331,000,000	Titulos de Tesoreria, senior note, B, 7.00%, 09/11/19	COL	COP	103,476	0.01
900,000	Egypt Treasury Bill, 0.00%, 01/22/19	EGY	EGP	49,662	0.01
120,000	Government of Ghana, 24.50%, 05/27/19	GHA	GHS	25,088	0.00
67,000	Government of Argentina, Index Linked, 3.75%, 02/08/19	ARG	ARS	2,526	0.00
				49,071,381	6.52
	TOTAL BONDS			193,044,215	25.63
	TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET			230,580,331	30.61
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET				
	SHARES				
	Specialty Retail				
2,251,354	K2016470219 South Africa Ltd., A **	ZAF	ZAR	1,567	0.00
431,767	K2016470219 South Africa Ltd., B **	ZAF	ZAR	300	0.00
				1,867	0.00
	TOTAL SHARES			1,867	0.00
	WARRANTS				
	Specialty Retail				
13,002,143	Edcon Holdings Ltd., wts., 02/20/49 **	ZAF	EUR	0	0.00
	TOTAL WARRANTS			0	0.00
	BONDS				
	Corporate Bonds				
400,000	NewPage Corp., Escrow Account **	USA	USD	0	0.00
	TOTAL BONDS			0	0.00
	TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET			1,867	0.00
	TOTAL INVESTMENTS			696,452,143	92.45

‡ Income may be received in additional securities and/or cash
† Floating Rates are indicated as at December 31, 2018
** These securities are submitted to a Fair Valuation

The accompanying notes form an integral part of these financial statements

— Templeton Global Smaller Companies Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	INVESTMENTS FUNDS				
	Diversified Financial Services				
36,396	SPDR Russel 2000 U.S. Small Cap UCITS ETF	USA	USD	1,334,277	1.39
	TOTAL INVESTMENTS FUNDS			1,334,277	1.39
	SHARES				
	Air Freight & Logistics				
404,674	PostNL NV	NLD	EUR	925,960	0.96
	Auto Components				
150,335	Dometic Group AB	SWE	SEK	938,215	0.98
12,730	LCI Industries	USA	USD	850,364	0.88
				1,788,579	1.86
	Automobiles				
23,930	Winnebago Industries Inc.	USA	USD	579,345	0.60
	Banks				
128,690	Huntington Bancshares Inc.	USA	USD	1,533,985	1.59
151,849	BNK Financial Group Inc.	KOR	KRW	999,410	1.04
112,948	DGB Financial Group Inc.	KOR	KRW	842,767	0.88
252,866	DCB Bank Ltd.	IND	INR	615,173	0.64
25,200	Canadian Western Bank	CAN	CAD	480,756	0.50
9,240	Texas Capital Bancshares Inc.	USA	USD	472,071	0.49
				4,944,162	5.14
	Building Products				
18,280	Simpson Manufacturing Co. Inc.	USA	USD	989,496	1.03
91,900	Bunka Shutter Co. Ltd.	JPN	JPY	598,692	0.62
16,360	Patrick Industries Inc.	USA	USD	484,420	0.51
				2,072,608	2.16
	Capital Markets				
67,686	AllianceBernstein Holding LP	USA	USD	1,849,182	1.92
56,009	Janus Henderson Group PLC	GBR	USD	1,160,506	1.21
252,700	Canaccord Genuity Group Inc.	CAN	CAD	1,068,229	1.11
547,972	Man Group PLC	GBR	GBP	929,406	0.97
1,002,300	Value Partners Group Ltd.	HKG	HKD	695,037	0.72
				5,702,360	5.93
	Chemicals				
97,140	Ferro Corp.	USA	USD	1,523,155	1.59
253,600	Agrofresh Solutions Inc.	USA	USD	961,144	1.00
45,000	Nihon Parkerizing Co. Ltd.	JPN	JPY	522,263	0.54
				3,006,562	3.13
	Communications Equipment				
28,900	CommScope Holding Co. Inc.	USA	USD	473,671	0.49
	Construction & Engineering				
58,700	Badger Daylighting Ltd.	CAN	CAD	1,386,919	1.44
75,600	Tutor Perini Corp.	USA	USD	1,207,332	1.26
51,270	Arcadis NV	NLD	EUR	626,223	0.65
				3,220,474	3.35
	Containers & Packaging				
53,738	Huhtamaki OYJ	FIN	EUR	1,666,781	1.74
43,644	Billerudkorsnas AB	SWE	SEK	521,520	0.54
				2,188,301	2.28
	Electrical Equipment				
44,900	Idec Corp.	JPN	JPY	772,231	0.80
376,500	Johnson Electric Holdings Ltd.	HKG	HKD	767,376	0.80
				1,539,607	1.60
	Electronic Equipment, Instruments & Components				
116,160	Knowles Corp.	USA	USD	1,546,090	1.61
468,000	Tripod Technology Corp.	TWN	TWD	1,220,590	1.27
42,075	Jenoptik AG	DEU	EUR	1,097,129	1.14
80,061	Oxford Instruments PLC	GBR	GBP	929,090	0.97
				4,792,899	4.99
	Energy Equipment & Services				
94,700	Mullen Group Ltd.	CAN	CAD	847,128	0.88
37,600	Shawcor Ltd.	CAN	CAD	456,726	0.48
				1,303,854	1.36
	Equity Real Estate Investment Trusts (REITs)				
32,000	STORE Capital Corp.	USA	USD	905,920	0.94
	Food & Staples Retailing				
47,030	SpartanNash Co.	USA	USD	807,975	0.84
30,900	The North West Co. Inc.	CAN	CAD	711,292	0.74
				1,519,267	1.58

The accompanying notes form an integral part of these financial statements

— Templeton Global Smaller Companies Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Food Products				
52,600	Freshpet Inc.	USA	USD	1,691,616	1.76
612,500	Camil Alimentos SA	BRA	BRL	1,112,560	1.16
19,300	Ezaki Glico Co. Ltd.	JPN	JPY	982,610	1.02
79,100	M. Dias Branco SA	BRA	BRL	872,265	0.91
204,996	Cloetta AB, B	SWE	SEK	560,268	0.58
				5,219,319	5.43
	Household Durables				
348,500	Techtronic Industries Co. Ltd.	HKG	HKD	1,851,427	1.93
51,100	Zojirushi Corp.	JPN	JPY	449,922	0.47
12,899	Bellway PLC	GBR	GBP	413,704	0.43
33,445	Bovis Homes Group PLC	GBR	GBP	367,564	0.38
				3,082,617	3.21
	Insurance				
73,530	United Insurance Holdings Corp.	USA	USD	1,222,069	1.27
	Internet & Direct Marketing Retail				
7,328	zooplus AG	DEU	EUR	1,004,424	1.05
39,400	Duluth Holdings Inc.	USA	USD	994,062	1.03
				1,998,486	2.08
	IT Services				
18,900	Luxoft Holding Inc.	RUS	USD	574,938	0.60
	Leisure products				
61,169	Amer Sports OYJ	FIN	EUR	2,689,255	2.80
178,138	Technogym SpA	ITA	EUR	1,911,268	1.99
95,240	The Thule Group AB, Reg S	SWE	SEK	1,743,750	1.81
171,000	Giant Manufacturing Co. Ltd.	TWN	TWD	807,579	0.84
143,000	Merida Industry Co. Ltd.	TWN	TWD	644,965	0.67
				7,796,817	8.11
	Life Sciences Tools & Services				
20,957	Gerresheimer AG	DEU	EUR	1,377,166	1.43
4,034	Tecan Group AG	CHE	CHF	785,515	0.82
				2,162,681	2.25
	Machinery				
67,080	Interpump Group SpA	ITA	EUR	2,001,264	2.08
42,140	Hillenbrand Inc.	USA	USD	1,598,370	1.66
20,130	Alamo Group Inc.	USA	USD	1,556,452	1.62
52,310	Trimas Corp.	USA	USD	1,427,540	1.49
27,679	Construcciones y Auxiliar de Ferrocarriles SA	ESP	EUR	1,148,068	1.19
18,210	Hyster-Yale Materials Handling Inc.	USA	USD	1,128,292	1.17
3,959	Bucher Industries AG	CHE	CHF	1,068,295	1.11
1,209	Rational AG	DEU	EUR	687,050	0.72
32,900	Morita Holdings Corp.	JPN	JPY	539,128	0.56
13,310	Nilfisk Holding AS	DNK	DKK	473,181	0.49
14,060	Aalberts Industries NV	NLD	EUR	467,994	0.49
				12,095,634	12.58
	Metals & Mining				
37,600	Dowa Holdings Co. Ltd.	JPN	JPY	1,132,117	1.18
	Oil, Gas & Consumable Fuels				
305,000	Gran Tierra Energy Inc.	COL	CAD	665,885	0.69
	Personal Products				
15,522	Kobayashi Pharmaceutical Co. Ltd.	JPN	JPY	1,057,932	1.10
24,000	Ontex Group NV	BEL	EUR	492,236	0.51
				1,550,168	1.61
	Pharmaceuticals				
64,600	Tsumura & Co.	JPN	JPY	1,800,666	1.87
	Professional Services				
11,500	MEITEC Corp.	JPN	JPY	468,499	0.49
9,500	TechnoPro Holdings Inc.	JPN	JPY	392,222	0.41
				860,721	0.90
	Real Estate Management & Development				
10,340	Jones Lang LaSalle Inc.	USA	USD	1,309,044	1.36
58,480	Grand City Properties SA	DEU	EUR	1,271,118	1.32
				2,580,162	2.68
	Semiconductors & Semiconductor Equipment				
1,880,000	King Yuan Electronics Co. Ltd.	TWN	TWD	1,428,571	1.49
	Specialty Retail				
162,500	IDOM Inc.	JPN	JPY	541,173	0.56
126,998	XXL ASA	NOR	NOK	384,488	0.40
22,740	Hibbett Sports Inc.	USA	USD	325,182	0.34
15,436	Matas AS	DNK	DKK	137,592	0.14
				1,388,435	1.44

The accompanying notes form an integral part of these financial statements

— Templeton Global Smaller Companies Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Technology Hardware, Storage & Peripherals				
561,580	Chicony Electronics Co. Ltd.	TWN	TWD	1,148,966	1.19
30,030	Logitech International SA	CHE	USD	939,338	0.98
				2,088,304	2.17
	Textiles, Apparel & Luxury Goods				
21,920	Columbia Sportswear Co.	USA	USD	1,843,253	1.92
100,200	Asics Corp.	JPN	JPY	1,284,498	1.34
234,000	Alpargatas SA, pfd.	BRA	BRL	1,026,133	1.07
18,092	CCC SA	POL	PLN	934,439	0.97
12,419	Tod's SpA	ITA	EUR	587,964	0.61
10,400	Canada Goose Holdings Inc.	CAN	CAD	454,722	0.47
211,473	Welspun India Ltd.	IND	INR	181,775	0.19
				6,312,784	6.57
	Thrifts & Mortgage Finance				
130,139	Dewan Housing Finance Corp. Ltd.	IND	INR	466,533	0.49
	Trading Companies & Distributors				
337,983	SIG PLC	GBR	GBP	473,252	0.49
	TOTAL SHARES			89,863,728	93.48
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			91,198,005	94.87
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET				
	SHARES				
	Metals & Mining				
896,000	Sakari Resources Ltd. **	IDN	SGD	407,579	0.42
	TOTAL SHARES			407,579	0.42
	TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET			407,579	0.42
	TOTAL INVESTMENTS			91,605,584	95.29

** These securities are submitted to a Fair Valuation

The accompanying notes form an integral part of these financial statements

— Templeton Global Total Return Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	SHARES				
	Air Freight & Logistics				
167,771	CEVA Logistics AG	CHE	CHF	5,090,957	0.03
	TOTAL SHARES			5,090,957	0.03
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			5,090,957	0.03
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	SHARES				
	Diversified Telecommunication Services				
679	Centaur Funding Corp., pfd., 144A, 9.08%, 04/21/20	CYM	USD	719,911	0.01
	TOTAL SHARES			719,911	0.01
	BONDS				
	Asset-Backed Securities				
742,100	Government of Ivory Coast, Reg S, 5.75%, 12/31/32	CIV	USD	655,645	0.00
	Corporate Bonds				
10,637,228	K2016470260 South Africa Ltd., senior secured note, Reg S, PIK, 25.00%, 12/31/22 ‡	ZAF	USD	850,978	0.01
4,083,789	K2016470219 South Africa Ltd., senior secured note, Reg S, PIK, 8.00%, 12/31/22 ‡	ZAF	EUR	93,584	0.00
47,647,396	K2016470219 South Africa Ltd., senior secured note, Reg S, PIK, 3.00%, 12/31/22 ‡	ZAF	USD	59,560	0.00
				1,004,122	0.01
	Government and Municipal Bonds				
843,134,630,000	Korea Treasury Bond, senior note, 2.00%, 03/10/21	KOR	KRW	759,504,022	4.72
35,753,000,000	Government of India, senior note, 7.68%, 12/15/23	IND	INR	523,411,174	3.25
1,658,218	Letra Tesouro Nacional, Strip, 07/01/20	BRA	BRL	386,563,908	2.40
1,359,720	Nota Do Tesouro Nacional, 10.00%, 01/01/21	BRA	BRL	366,502,283	2.28
374,271,340,000	Korea Monetary Stabilization Bond, senior note, 2.16%, 02/02/20	KOR	KRW	337,204,779	2.10
1,210,186	Nota Do Tesouro Nacional, 10.00%, 01/01/23	BRA	BRL	326,912,514	2.03
4,487,967,000,000	Government of Indonesia, senior bond, FR53, 8.25%, 07/15/21	IDN	IDR	317,294,330	1.97
4,438,261,000,000	Government of Indonesia, senior bond, FR70, 8.375%, 03/15/24	IDN	IDR	313,671,877	1.95
4,422,642,000,000	Government of Indonesia, senior bond, FR56, 8.375%, 09/15/26	IDN	IDR	312,752,878	1.94
871,365,000,000	Titulos de Tesoreria, B, 7.75%, 09/18/30	COL	COP	286,087,080	1.78
14,163,407,100	Argentine Bonos del Tesoro, senior note, 15.50%, 10/17/26	ARG	ARS	282,973,988	1.76
1,040,844	Nota Do Tesouro Nacional, 10.00%, 01/01/25	BRA	BRL	280,368,954	1.74
15,432,000,000	Government of India, senior bond, 8.08%, 08/02/22	IND	INR	228,077,286	1.42
9,130,654,900	Argentine Bonos del Tesoro, 16.00%, 10/17/23	ARG	ARS	205,091,634	1.27
36,316,300	Government of Mexico, senior bond, M, 8.00%, 06/11/20	MEX	MXN	183,606,105	1.14
2,512,700,000,000	Government of Indonesia, senior bond, FR68, 8.375%, 03/15/34	IDN	IDR	175,897,794	1.09
195,710,000,000	Korea Treasury Bond, senior note, 1.75%, 06/10/20	KOR	KRW	175,577,371	1.09
11,670,000,000	Government of India, senior bond, 8.20%, 02/15/22	IND	INR	172,676,412	1.07
186,187,000,000	Korea Treasury Bond, senior note, 1.375%, 09/10/21	KOR	KRW	165,060,305	1.03
10,792,600,000	Government of India, senior note, 8.83%, 11/25/23	IND	INR	164,830,321	1.02
10,724,000,000	Government of India, senior bond, 8.13%, 09/21/22	IND	INR	158,880,754	0.99
2,303,079,000,000	Government of Indonesia, senior bond, FR59, 7.00%, 05/15/27	IDN	IDR	149,644,170	0.93
9,057,600,000	Government of India, senior note, 7.16%, 05/20/23	IND	INR	129,735,766	0.81
8,635,000,000	Government of India, senior note, 8.79%, 11/08/21	IND	INR	129,480,317	0.80
6,275,278,000	Argentine Bonos del Tesoro, 18.20%, 10/03/21	ARG	ARS	128,834,609	0.80
24,650,800	Government of Mexico, senior bond, M, 6.50%, 06/10/21	MEX	MXN	119,945,357	0.75
8,040,400,000	Government of India, senior note, 7.80%, 04/11/21	IND	INR	117,317,954	0.73
1,571,916,000,000	Government of Indonesia, senior bond, FR71, 9.00%, 03/15/29	IDN	IDR	115,406,772	0.72
550,964,000	Government of Ghana, senior bond, 19.75%, 03/15/32	GHA	GHS	108,709,780	0.68
572,580,000	Government of Ghana, 19.00%, 11/02/26	GHA	GHS	108,326,025	0.67
112,805,900,000	Korea Treasury Bond, senior bond, 4.25%, 06/10/21	KOR	KRW	107,052,923	0.67
321,198,000,000	Titulos de Tesoreria, senior bond, B, 7.50%, 08/26/26	COL	COP	104,458,343	0.65
7,283,000,000	Government of India, senior note, 6.79%, 05/15/27	IND	INR	100,686,925	0.63
357,490	Nota Do Tesouro Nacional, 10.00%, 01/01/27	BRA	BRL	96,252,095	0.60
6,477,000,000	Government of India, senior note, 8.15%, 06/11/22	IND	INR	95,958,659	0.60
100,496,000	Government of Argentina, senior note, 4.50%, 02/13/20	ARG	ARS	91,313,178	0.57
155,271,000	Government of Ukraine, Reg S, VRI, GDP Linked Security, zero cpn., 05/31/40	UKR	USD	89,452,399	0.56
242,266,000,000	Titulos de Tesoreria, senior bond, B, 10.00%, 07/24/24	COL	COP	87,851,369	0.55
277,326,000,000	Titulos de Tesoreria, senior bond, B, 6.00%, 04/28/28	COL	COP	81,145,033	0.50
951,650,000,000	Government of Indonesia, senior bond, FR40, 11.00%, 09/15/25	IDN	IDR	76,151,890	0.47
77,010,000	Government of Kenya, senior note, Reg S, 6.875%, 06/24/24	KEN	USD	72,517,622	0.45
883,426,000,000	Government of Indonesia, senior bond, FR73, 8.75%, 05/15/31	IDN	IDR	64,128,247	0.40
70,400,000,000	Korea Treasury Bond, senior note, 2.00%, 03/10/20	KOR	KRW	63,379,973	0.39
4,046,200,000	Government of India, senior bond, 8.35%, 05/14/22	IND	INR	60,236,443	0.37
773,830,000,000	Government of Indonesia, senior bond, FR46, 9.50%, 07/15/23	IDN	IDR	56,998,693	0.35
231,430,000	Government of Ghana, 24.75%, 07/19/21	GHA	GHS	51,795,461	0.32
3,415,000,000	Government of India, senior note, 8.27%, 06/09/20	IND	INR	49,956,095	0.31
212,180	Letra Tesouro Nacional, Strip, 07/01/21	BRA	BRL	45,375,862	0.28
2,898,000,000	Government of India, senior bond, 9.15%, 11/14/24	IND	INR	45,275,783	0.28
113,925,000,000	Titulos de Tesoreria, senior bond, B, 7.00%, 05/04/22	COL	COP	36,646,802	0.23
39,650,000,000	Korea Monetary Stabilization Bond, senior note, 2.05%, 10/05/20	KOR	KRW	35,717,148	0.22
164,170,000	Government of Ghana, 18.75%, 01/24/22	GHA	GHS	32,718,913	0.20
96,525,000,000	Titulos de Tesoreria, senior bond, B, 11.00%, 07/24/20	COL	COP	32,284,977	0.20
2,217,000,000	Government of India, senior note, 6.84%, 12/19/22	IND	INR	31,526,205	0.20

The accompanying notes form an integral part of these financial statements

— Templeton Global Total Return Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Government and Municipal Bonds (continued)				
158,840,000	Government of Ghana, 19.75%, 03/25/24	GHA	GHS	31,271,208	0.19
157,160,000	Government of Ghana, senior note, 18.25%, 07/25/22	GHA	GHS	30,719,892	0.19
152,000,000	Government of Ghana, senior note, 18.50%, 06/01/20	GHA	GHS	30,642,468	0.19
117,410,000	Government of Ghana, 24.50%, 06/21/21	GHA	GHS	26,163,340	0.16
310,220,000,000	Government of Indonesia, senior bond, FR42, 10.25%, 07/15/27	IDN	IDR	24,412,018	0.15
349,652,000,000	Government of Indonesia, senior bond, FR61, 7.00%, 05/15/22	IDN	IDR	23,791,161	0.15
490,784,000	Inter-American Development Bank, senior bond, 7.50%, 12/05/24	SP	MXN	23,377,083	0.15
273,500,000,000	Government of Indonesia, senior bond, FR47, 10.00%, 02/15/28	IDN	IDR	21,322,716	0.13
104,540,000	Government of Ghana, senior note, 18.25%, 09/21/20	GHA	GHS	20,938,767	0.13
253,817,000,000	Government of Indonesia, senior bond, FR35, 12.90%, 06/15/22	IDN	IDR	20,326,528	0.13
101,730,000	Ghana Treasury Note, 16.50%, 02/17/20	GHA	GHS	20,238,820	0.13
244,640,000,000	Government of Indonesia, senior bond, FR43, 10.25%, 07/15/22	IDN	IDR	18,282,510	0.11
220,584,000,000	Government of Indonesia, senior bond, FR34, 12.80%, 06/15/21	IDN	IDR	17,174,251	0.11
225,837,000,000	Government of Indonesia, senior bond, FR63, 5.625%, 05/15/23	IDN	IDR	14,527,078	0.09
43,631,000,000	Government of Colombia, senior bond, 7.75%, 04/14/21	COL	COP	14,004,578	0.09
160,863,000,000	Government of Indonesia, senior bond, FR31, 11.00%, 11/15/20	IDN	IDR	11,974,111	0.07
2,269,732	Mexican Udibonos, Index Linked, 2.50%, 12/10/20	MEX	MXN	11,158,017	0.07
379,117,000	Argentina Treasury Bill, Strip, 04/30/20	ARG	ARS	11,075,839	0.07
30,240,000,000	Titulos de Tesoreria, B, 7.00%, 06/30/32	COL	COP	9,192,727	0.06
46,550,000	Government of Ghana, 16.50%, 02/06/23	GHA	GHS	8,604,736	0.05
39,220,000	Ghana Treasury Note, 17.18%, 01/06/20	GHA	GHS	7,887,205	0.05
31,760,000	Government of Ghana, senior note, 21.50%, 03/09/20	GHA	GHS	6,601,836	0.04
76,180,000,000	Government of Indonesia, senior bond, FR39, 11.75%, 08/15/23	IDN	IDR	6,070,297	0.04
27,701,000	Government of Ghana, 21.00%, 03/23/20	GHA	GHS	5,758,452	0.04
177,300,000	Government of Argentina, FRN, 42.819%, 06/21/20 †	ARG	ARS	5,103,785	0.03
25,680,000	Ghana Treasury Note, 16.50%, 03/16/20	GHA	GHS	5,095,009	0.03
52,080,000,000	Government of Indonesia, senior bond, FR52, 10.50%, 08/15/30	IDN	IDR	4,230,505	0.03
10,539,000,000	Government of Colombia, senior bond, 9.85%, 06/28/27	COL	COP	3,989,016	0.03
40,850,000,000	Government of Indonesia, senior bond, FR44, 10.00%, 09/15/24	IDN	IDR	3,095,850	0.02
44,881,000,000	Government of Indonesia, senior bond, FR64, 6.125%, 05/15/28	IDN	IDR	2,753,723	0.02
34,325,000,000	Government of Indonesia, FR45, 9.75%, 05/15/37	IDN	IDR	2,676,059	0.02
66,855,000	Government of Argentina, Index Linked, 4.00%, 03/06/20	ARG	ARS	2,150,859	0.01
6,616,000,000	Government of Colombia, senior bond, 4.375%, 03/21/23	COL	COP	1,936,436	0.01
10,090,000	Government of Ghana, 17.60%, 11/28/22	GHA	GHS	1,916,864	0.01
7,230,000	Government of Ghana, 24.75%, 03/01/21	GHA	GHS	1,603,756	0.01
83,270,000	Government of the Philippines, senior note, 3.375%, 08/20/20	PHL	PHP	1,519,011	0.01
418,000	Government of El Salvador, senior bond, Reg S, 7.65%, 06/15/35	SLV	USD	397,428	0.00
1,340,000	Government of Ghana, senior note, 16.50%, 03/22/21	GHA	GHS	258,662	0.00
				9,291,470,158	57.75
	Securities Maturing Within One Year				
2,567,920	Letra Tesouro Nacional, Strip, 07/01/19	BRA	BRL	641,866,730	3.99
101,774,800	Government of Mexico, senior note, M, 5.00%, 12/11/19	MEX	MXN	501,466,122	3.12
969,168,800	Mexico Treasury Bill, 0.00%, 05/23/19	MEX	MXN	477,391,032	2.97
11,561,899,000	Argentina Treasury Bill, 0.00%, 09/30/19	ARG	ARS	349,156,883	2.17
672,645,290	Mexico Treasury Bill, 0.00%, 03/28/19	MEX	MXN	335,800,631	2.09
1,233,300	Letra Tesouro Nacional, Strip, 01/01/19	BRA	BRL	317,679,777	1.97
532,189,260	Mexico Treasury Bill, 0.00%, 04/25/19	MEX	MXN	263,663,955	1.64
513,159,740	Mexico Treasury Bill, 0.00%, 07/18/19	MEX	MXN	249,122,922	1.55
470,382,490	Mexico Treasury Bill, 0.00%, 02/14/19	MEX	MXN	236,772,312	1.47
10,628,970,000	Government of the Philippines, senior note, 7-56, 3.875%, 11/22/19	PHL	PHP	198,599,774	1.23
390,629,750	Mexico Treasury Bill, 0.00%, 09/12/19	MEX	MXN	187,223,181	1.16
172,000,000	FHLB, 0.00%, 01/04/19	USA	USD	171,977,296	1.07
5,799,263,000	Argentina Treasury Bill, 0.00%, 10/31/19	ARG	ARS	168,777,451	1.05
167,073,000	FHLB, 0.00%, 01/11/19	USA	USD	166,973,926	1.04
160,018,000	FHLB, 0.00%, 01/09/19	USA	USD	159,944,232	0.99
323,721,850	Mexico Treasury Bill, 0.00%, 07/04/19	MEX	MXN	157,674,064	0.98
258,854,860	Mexico Treasury Bill, 0.00%, 02/28/19	MEX	MXN	130,058,414	0.81
129,250,000	FHLB, 0.00%, 01/02/19	USA	USD	129,250,000	0.80
127,750,700,000	Korea Treasury Bond, senior note, 1.50%, 06/10/19	KOR	KRW	114,582,068	0.71
105,000,000	FHLB, 0.00%, 01/14/19	USA	USD	104,917,050	0.65
187,140,140	Mexico Treasury Bill, 0.00%, 01/31/19	MEX	MXN	94,499,080	0.59
90,000,000	FHLB, 0.00%, 01/03/19	USA	USD	89,994,060	0.56
2,414,881,000	Argentina Treasury Bill, 0.00%, 05/31/19	ARG	ARS	70,709,009	0.44
1,568,905,000	Government of Argentina, Index Linked, 3.75%, 02/08/19	ARG	ARS	59,143,381	0.37
57,520,000,000	Korea Monetary Stabilization Bond, senior note, 1.87%, 11/09/19	KOR	KRW	51,661,968	0.32
1,577,195,000	Argentina Treasury Bill, 0.00%, 03/29/19	ARG	ARS	47,228,305	0.29
214,490,000	Ghana Treasury Note, 21.00%, 01/07/19	GHA	GHS	43,917,001	0.27
40,404,000,000	Korea Treasury Bond, senior note, 1.25%, 12/10/19	KOR	KRW	36,110,626	0.22
136,000	Nota Do Tesouro Nacional, senior note, 10.00%, 01/01/19	BRA	BRL	35,044,725	0.22
38,350,000,000	Korea Monetary Stabilization Bond, 0.00%, 03/12/19	KOR	KRW	34,320,136	0.21
65,343,270	Mexico Treasury Bill, 0.00%, 03/14/19	MEX	MXN	32,680,779	0.20
903,776,000	Argentina Treasury Bill, 0.00%, 04/30/19	ARG	ARS	27,183,128	0.17
353,348,000,000	Government of Indonesia, senior note, FR69, 7.875%, 04/15/19	IDN	IDR	24,679,061	0.15
49,783,070	Mexico Treasury Bill, 0.00%, 06/06/19	MEX	MXN	24,408,791	0.15
22,500,000	FHLB, 0.00%, 01/08/19	USA	USD	22,491,112	0.14
94,360,000	Government of Ghana, 24.50%, 05/27/19	GHA	GHS	19,727,688	0.12
63,003,000,000	Titulos de Tesoreria, senior note, B, 7.00%, 09/11/19	COL	COP	19,695,740	0.12
918,610,000	Philippine Treasury Bill, 0.00%, 03/13/19	PHL	PHP	17,351,930	0.11
15,836,000	FHLB, 0.00%, 01/10/19	USA	USD	15,827,654	0.10

The accompanying notes form an integral part of these financial statements

— Templeton Global Total Return Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Securities Maturing Within One Year (continued)				
16,891,000,000	Korea Treasury Bond, senior note, 2.75%, 09/10/19	KOR	KRW	15,269,331	0.10
2,878,509	Mexican Udibonos, Index Linked, 4.00%, 06/13/19	MEX	MXN	14,498,455	0.09
55,000,000	Ghana Treasury Note, 19.95%, 05/06/19	GHA	GHS	11,299,289	0.07
561,700,000	Philippine Treasury Bill, 0.00%, 03/20/19	PHL	PHP	10,600,456	0.07
45,400,000	Government of Ghana, 24.50%, 04/22/19	GHA	GHS	9,435,705	0.06
18,668,650	Mexico Treasury Bill, 0.00%, 11/07/19	MEX	MXN	8,833,894	0.06
416,020,000	Government of the Philippines, senior note, 7.875%, 02/19/19	PHL	PHP	7,955,134	0.05
410,360,000	Philippine Treasury Bill, 0.00%, 03/06/19	PHL	PHP	7,758,032	0.05
36,340,000	Ghana Treasury Note, 17.24%, 11/11/19	GHA	GHS	7,335,699	0.05
127,500,000	Egypt Treasury Bill, 0.00%, 01/22/19	EGY	EGP	7,035,423	0.04
63,998,000,000	Government of Indonesia, senior bond, FR36, 11.50%, 09/15/19	IDN	IDR	4,606,698	0.03
				5,934,200,110	36.88
	TOTAL BONDS			15,227,330,035	94.64
	TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET			15,228,049,946	94.65
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET				
	SHARES				
	Specialty Retail				
610,224,365	K2016470219 South Africa Ltd., A **	ZAF	ZAR	424,702	0.00
63,241,285	K2016470219 South Africa Ltd., B **	ZAF	ZAR	44,014	0.00
				468,716	0.00
	TOTAL SHARES			468,716	0.00
	WARRANTS				
	Specialty Retail				
157,594,096	Edcon Holdings Ltd., wts., 02/20/49 **	ZAF	EUR	0	0.00
	TOTAL WARRANTS			0	0.00
	BONDS				
	Corporate Bonds				
15,000,000	NewPage Corp., Escrow Account **	USA	USD	0	0.00
	TOTAL BONDS			0	0.00
	TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET			468,716	0.00
	TOTAL INVESTMENTS			15,233,609,619	94.68

‡ Income may be received in additional securities and/or cash
† Floating Rates are indicated as at December 31, 2018
** These securities are submitted to a Fair Valuation

The accompanying notes form an integral part of these financial statements

— Templeton Growth (Euro) Fund —

Schedule of Investments as of December 31, 2018

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	SHARES				
	Air Freight & Logistics				
926,850	United Parcel Service Inc., B	USA	USD	78,893,071	1.23
	Banks				
2,615,430	Citigroup Inc.	USA	USD	118,833,379	1.85
17,380,759	Standard Chartered PLC	GBR	GBP	117,865,425	1.83
9,074,609	ING Groep NV	NLD	EUR	85,392,071	1.33
2,217,740	KB Financial Group Inc., ADR	KOR	USD	81,253,906	1.26
10,833,979	HSBC Holdings PLC	GBR	HKD	78,246,461	1.22
1,839,527	BNP Paribas SA	FRA	EUR	72,615,328	1.13
830,420	JPMorgan Chase & Co.	USA	USD	70,750,218	1.10
12,116,600	Bangkok Bank PCL, fgn.	THA	THB	67,686,538	1.05
6,502,736	Credit Agricole SA	FRA	EUR	61,320,800	0.95
5,279,521	Bank of Ireland Group PLC	IRL	EUR	25,638,511	0.40
3,862,500	Bangkok Bank PCL, NVDR	THA	THB	21,160,003	0.33
				800,762,640	12.45
	Beverages				
1,532,000	Suntory Beverage & Food Ltd.	JPN	JPY	60,509,155	0.94
	Biotechnology				
1,737,820	Gilead Sciences Inc.	USA	USD	94,868,774	1.47
846,190	Celgene Corp.	USA	USD	47,331,399	0.74
259,914	Amgen Inc.	USA	USD	44,159,066	0.69
				186,359,239	2.90
	Building Products				
1,258,372	Compagnie de Saint-Gobain	FRA	EUR	36,700,419	0.57
	Capital Markets				
7,199,717	UBS Group AG	CHE	CHF	78,416,337	1.22
14,125,074	Man Group PLC	GBR	GBP	20,908,789	0.32
12,224,000	Value Partners Group Ltd.	HKG	HKD	7,398,009	0.12
				106,723,135	1.66
	Chemicals				
970,515	Akzo Nobel NV	NLD	EUR	68,324,256	1.06
	Communications Equipment				
2,895,500	CommScope Holding Co. Inc.	USA	USD	41,418,437	0.65
198,905	NetScout Systems Inc.	USA	USD	4,102,047	0.06
				45,520,484	0.71
	Construction Materials				
1,288,700	Taiheiyo Cement Corp.	JPN	JPY	34,839,527	0.54
	Consumer Finance				
1,179,160	Capital One Financial Corp.	USA	USD	77,790,805	1.21
720,970	Ally Financial Inc.	USA	USD	14,258,318	0.22
				92,049,123	1.43
	Diversified Financial Services				
720,042	Voya Financial Inc.	USA	USD	25,224,722	0.39
	Diversified Telecommunication Services				
69,560,800	Singapore Telecommunications Ltd.	SGP	SGD	130,500,330	2.03
196,610,000	China Telecom Corp. Ltd., H	CHN	HKD	87,653,104	1.36
8,937,915	Telefonica SA	ESP	EUR	65,595,358	1.02
				283,748,792	4.41
	Electrical Equipment				
1,331,473	Vestas Wind Systems AS	DNK	DKK	87,968,000	1.37
	Food & Staples Retailing				
1,888,965	Walgreens Boots Alliance Inc.	USA	USD	112,648,786	1.75
3,032,700	The Kroger Co.	USA	USD	72,786,917	1.13
1,556,600	Seven & i Holdings Co. Ltd.	JPN	JPY	59,286,806	0.92
				244,722,509	3.80
	Food Products				
1,706,700	Kellogg Co.	USA	USD	84,917,932	1.32
	Health Care Equipment & Supplies				
5,511,946	Getinge AB, B	SWE	SEK	43,516,143	0.68
	Health Care Providers & Services				
1,065,810	AmerisourceBergen Corp.	USA	USD	69,206,025	1.08
1,310,360	Cardinal Health Inc.	USA	USD	51,005,460	0.79
				120,211,485	1.87
	Household Durables				
9,953,000	Panasonic Corp.	JPN	JPY	78,511,446	1.22

The accompanying notes form an integral part of these financial statements

— Templeton Growth (Euro) Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Industrial Conglomerates				
1,022,776	Siemens AG	DEU	EUR	99,623,324	1.55
9,711,500	CK Hutchison Holdings Ltd.	HKG	HKD	81,396,525	1.26
				181,019,849	2.81
	Insurance				
46,586,000	China Life Insurance Co. Ltd., H	CHN	HKD	86,399,345	1.34
3,511,613	AXA SA	FRA	EUR	66,221,998	1.03
15,637,428	Aegon NV	NLD	EUR	63,785,069	0.99
				216,406,412	3.36
	Interactive Media & Services				
577,520	Baidu Inc., ADR	CHN	USD	79,939,494	1.24
76,644	Alphabet Inc., A	USA	USD	69,898,686	1.09
				149,838,180	2.33
	Leisure products				
6,101,900	Mattel Inc.	USA	USD	53,201,240	0.83
	Machinery				
2,292,370	Navistar International Corp.	USA	USD	51,917,439	0.81
	Marine				
60,483	A.P. Moeller-Maersk AS, B	DNK	DKK	66,404,065	1.03
	Media				
8,499,795	SES SA, IDR	LUX	EUR	142,031,575	2.21
2,824,060	Comcast Corp., A	USA	USD	83,923,235	1.30
				225,954,810	3.51
	Metals & Mining				
4,229,103	Wheaton Precious Metals Corp.	CAN	CAD	72,064,262	1.12
2,785,930	Barrick Gold Corp.	CAN	USD	32,921,533	0.51
				104,985,795	1.63
	Multiline Retail				
73,622,800	Matahari Department Store Tbk PT	IDN	IDR	25,022,614	0.39
	Multi-Utilities				
5,698,716	Veolia Environnement SA	FRA	EUR	102,320,446	1.59
7,996,319	E.ON SE	DEU	EUR	68,893,047	1.07
				171,213,493	2.66
	Oil, Gas & Consumable Fuels				
6,003,577	Royal Dutch Shell PLC, B	GBR	GBP	156,355,245	2.43
23,714,017	BP PLC	GBR	GBP	130,896,951	2.03
7,961,700	Eni SpA	ITA	EUR	109,773,127	1.71
93,780,700	Kunlun Energy Co. Ltd.	CHN	HKD	86,754,751	1.35
1,299,500	Exxon Mobil Corp.	USA	USD	77,337,149	1.20
2,689,400	Apache Corp.	USA	USD	61,613,501	0.96
4,433,100	Husky Energy Inc.	CAN	CAD	39,995,305	0.62
				662,726,029	10.30
	Personal Products				
10,590,500	Coty Inc., A	USA	USD	60,633,339	0.94
	Pharmaceuticals				
575,020	Roche Holding AG	CHE	CHF	124,664,749	1.94
1,537,324	Sanofi	FRA	EUR	116,313,934	1.81
971,737	Allergan PLC	USA	USD	113,355,182	1.76
1,672,729	Bayer AG	DEU	EUR	101,537,207	1.58
1,108,900	Merck KGaA	DEU	EUR	99,621,970	1.55
3,355,440	Takeda Pharmaceutical Co. Ltd.	JPN	JPY	98,996,157	1.54
7,015,170	Teva Pharmaceutical Industries Ltd., ADR	ISR	USD	94,409,078	1.47
671,300	Eli Lilly & Co.	USA	USD	67,797,902	1.05
1,181,330	Perrigo Co. PLC	USA	USD	39,951,595	0.62
286,037	Novartis AG	CHE	CHF	21,392,870	0.33
				878,040,644	13.65
	Real Estate Management & Development				
3,539,400	Mitsui Fudosan Co. Ltd.	JPN	JPY	68,911,096	1.07
	Software				
3,926,500	Oracle Corp.	USA	USD	154,722,879	2.40
	Specialty Retail				
37,137,801	Kingfisher PLC	GBR	GBP	85,767,114	1.34
272,821	Advance Auto Parts Inc.	USA	USD	37,492,053	0.58
				123,259,167	1.92
	Technology Hardware, Storage & Peripherals				
4,178,100	Samsung Electronics Co. Ltd.	KOR	KRW	126,709,413	1.97
2,754,000	Catcher Technology Co. Ltd.	TWN	TWD	17,674,975	0.27
				144,384,388	2.24

The accompanying notes form an integral part of these financial statements

— Templeton Growth (Euro) Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Wireless Telecommunication Services				
47,300,207	Vodafone Group PLC	GBR	GBP	80,492,801	1.25
9,493,000	China Mobile Ltd.	CHN	HKD	79,723,883	1.24
15,984,449	Bharti Airtel Ltd.	IND	INR	62,663,824	0.98
291,300	SoftBank Group Corp.	JPN	JPY	16,944,991	0.26
				239,825,499	3.73
	TOTAL SHARES			6,057,969,016	94.16
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			6,057,969,016	94.16
	TOTAL INVESTMENTS			6,057,969,016	94.16

The accompanying notes form an integral part of these financial statements

— Templeton Latin America Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	SHARES				
	Auto Components				
24,146,003	Nemak SAB de CV	MEX	MXN	18,038,387	1.89
	Banks				
30,035,386	Itausa-Investimentos Itau SA, pfd.	BRA	BRL	93,482,116	9.80
6,562,577	Banco Bradesco SA, ADR, pfd.	BRA	USD	64,903,887	6.80
10,229,268	Grupo Financiero Banorte SAB de CV	MEX	MXN	49,937,339	5.24
4,273,875	Itau Unibanco Holding SA, ADR, pfd.	BRA	USD	39,063,217	4.10
923,077	Intercorp Financial Services Inc., Reg S	PER	USD	38,769,234	4.06
160,664	Credicorp Ltd.	PER	USD	35,614,389	3.73
				321,770,182	33.73
	Beverages				
8,576,747	Ambev SA	BRA	BRL	33,986,568	3.56
1,086,581	Cia Cervecerias Unidas SA, ADR	CHL	USD	27,305,781	2.86
8,342,829	Embotelladora Andina SA, pfd., A	CHL	CLP	27,045,672	2.84
				88,338,021	9.26
	Capital Markets				
8,667,800	B3 SA - Brasil Bolsa Balcao	BRA	BRL	59,873,422	6.27
26,455,091	Bolsa Mexicana de Valores SAB de CV	MEX	MXN	45,100,407	4.73
				104,973,829	11.00
	Chemicals				
215,588	Sociedad Quimica y Minera de Chile SA, ADR, pfd., B	CHL	USD	8,257,020	0.87
	Diversified Consumer Services				
1,961,700	Ser Educacional SA, Reg S	BRA	BRL	7,859,436	0.82
	Energy Equipment & Services				
718,739	Tenaris SA, ADR	ARG	USD	15,323,516	1.61
	Food & Staples Retailing				
14,055,123	Wal-Mart de Mexico SAB de CV, V	MEX	MXN	35,748,457	3.75
1,333,100	Atacadao Distribuicao Comercio e Industria Ltd.	BRA	BRL	6,213,405	0.65
				41,961,862	4.40
	Food Products				
3,500,400	BRF SA	BRA	BRL	19,778,106	2.07
2,200,316	Grupo Herdez SAB de CV	MEX	MXN	4,590,873	0.48
				24,368,979	2.55
	Household Products				
11,664,298	Kimberly-Clark de Mexico SAB de CV, A	MEX	MXN	18,579,300	1.95
	Insurance				
934,779	Wiz Solucoes e Corretagem de seguros SA	BRA	BRL	1,688,322	0.18
	Metals & Mining				
1,322,581	Ternium SA, ADR	ARG	USD	35,841,945	3.76
16,552,000	Grupo Mexico SAB de CV, B	MEX	MXN	34,172,903	3.58
1,423,800	Vale SA	BRA	BRL	18,708,870	1.96
				88,723,718	9.30
	Multiline Retail				
12,697,680	Lojas Americanas SA	BRA	BRL	49,171,306	5.15
	Oil, Gas & Consumable Fuels				
6,331,300	Petroleo Brasileiro SA, pfd.	BRA	BRL	36,996,814	3.88
	Paper & Forest Products				
6,114,000	Duratex SA	BRA	BRL	18,635,393	1.95
	Real Estate Management & Development				
736,499	Iguatemi Empresa de Shopping Centers SA	BRA	BRL	7,893,941	0.83
	Road & Rail				
8,241,000	Rumo SA	BRA	BRL	36,095,845	3.79
4,023,720	Localiza Rent a Car SA	BRA	BRL	30,842,041	3.23
				66,937,886	7.02
	Software				
2,229,750	Totvs SA	BRA	BRL	15,597,478	1.63
	TOTAL SHARES			935,115,390	98.02
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			935,115,390	98.02
	TOTAL INVESTMENTS			935,115,390	98.02

The accompanying notes form an integral part of these financial statements

— Templeton Thailand Fund —

Schedule of Investments as of December 31, 2018

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	SHARES				
	Air Freight & Logistics				
5,246,460	JWD Infologistics PCL, fgn.	THA	THB	1,135,597	0.75
	Banks				
1,012,100	Bangkok Bank PCL, fgn.	THA	THB	6,478,191	4.27
961,900	Bangkok Bank PCL, NVDR	THA	THB	6,037,900	3.98
874,300	Kasikornbank PCL, fgn.	THA	THB	4,987,890	3.28
673,600	Kasikornbank PCL, NVDR	THA	THB	3,853,309	2.54
280,400	Siam Commercial Bank PCL, fgn.	THA	THB	1,157,495	0.76
8,861,000	TMB Bank PCL, fgn.	THA	THB	602,789	0.40
133,483	TISCO Financial Group PCL, fgn.	THA	THB	322,976	0.21
				23,440,550	15.44
	Beverages				
20,118,800	Thai Beverage PCL, fgn.	THA	SGD	9,003,681	5.93
6,287,000	Osotspa PCL, fgn.	THA	THB	4,762,879	3.14
				13,766,560	9.07
	Building Products				
49,897,560	Dynasty Ceramic PCL, fgn.	THA	THB	3,024,095	1.99
	Chemicals				
1,641,800	PTT Global Chemical PCL, fgn.	THA	THB	3,617,138	2.38
	Construction & Engineering				
4,301,600	Sino-Thai Engineering & Construction PCL, fgn.	THA	THB	2,713,440	1.79
	Construction Materials				
289,600	Siam Cement PCL, fgn.	THA	THB	3,904,317	2.57
	Consumer Finance				
544,500	AEON Thana Sinsap Thailand PCL, fgn.	THA	THB	3,064,286	2.02
	Entertainment				
5,062,500	Major Cineplex Group PCL, fgn.	THA	THB	3,224,722	2.13
741,800	Workpoint Entertainment PCL, fgn.	THA	THB	534,444	0.35
				3,759,166	2.48
	Food & Staples Retailing				
6,092,000	CP ALL PCL, fgn.	THA	THB	12,950,680	8.53
	Health Care Providers & Services				
6,763,000	Bangkok Dusit Medical Services PCL, fgn.	THA	THB	5,186,222	3.42
572,782	Bumrungrad Hospital PCL, fgn.	THA	THB	3,320,860	2.19
2,332,900	Praram 9 Hospital PCL, fgn.	THA	THB	807,931	0.53
				9,315,013	6.14
	Hotels, Restaurants & Leisure				
6,030,400	Minor International PCL, fgn.	THA	THB	6,339,938	4.18
2,299,800	MK Restaurants Group PCL, fgn.	THA	THB	5,315,710	3.50
362,700	Central Plaza Hotel PCL, fgn.	THA	THB	448,608	0.30
				12,104,256	7.98
	Independent Power and Renewable Electricity Producers				
50,600	Gulf Energy Development PCL, fgn.	THA	THB	127,517	0.08
	Media				
16,349,700	VGI Global Media PCL, fgn.	THA	THB	3,943,341	2.60
1,605,100	BEC World PCL, fgn.	THA	THB	239,227	0.16
				4,182,568	2.76
	Oil, Gas & Consumable Fuels				
6,308,300	PTT PCL, fgn.	THA	THB	8,972,845	5.91
781,152	PTT Exploration and Production PCL, fgn.	THA	THB	2,741,520	1.81
34,766,800	Susco PCL, fgn.	THA	THB	2,601,597	1.71
				14,315,962	9.43
	Personal Products				
329,400	Do Day Dream PCL, fgn.	THA	THB	191,488	0.13
	Real Estate Management & Development				
16,965,295	Land and Houses PCL, fgn.	THA	THB	5,193,458	3.42
1,646,100	Central Pattana PCL, fgn.	THA	THB	3,804,761	2.51
60,000,000	Country Group Development PCL, fgn.	THA	THB	2,486,086	1.64
20,000,000	Nirvana Daii PCL, fgn.	THA	THB	1,422,387	0.94
12,604,984	Quality Houses PCL, fgn.	THA	THB	1,021,183	0.67
4,342,788	Origin Property PCL, fgn.	THA	THB	886,283	0.58
				14,814,158	9.76
	Specialty Retail				
988,700	Jubilee Enterprise PCL, fgn.	THA	THB	446,352	0.29
898,300	Home Product Center PCL, fgn.	THA	THB	422,206	0.28
				868,558	0.57

The accompanying notes form an integral part of these financial statements

— Templeton Thailand Fund —

Schedule of Investments as of December 31, 2018 (continued)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Textiles, Apparel & Luxury Goods				
825,300	Sabina PCL, fgn.	THA	THB	765,584	0.50
	Trading Companies & Distributors				
8,000,000	Gratitude Infinite PCL, fgn.	THA	THB	925,170	0.61
	Transportation Infrastructure				
3,312,700	Airports of Thailand PCL, fgn.	THA	THB	6,581,354	4.34
	Water Utilities				
16,294,200	WHA Utilities and Power PCL, fgn.	THA	THB	2,796,315	1.84
	Wireless Telecommunication Services				
548,700	Advanced Info Service PCL, fgn.	THA	THB	2,926,739	1.93
1,553,400	Intouch Holdings PCL, fgn.	THA	THB	2,293,595	1.51
				5,220,334	3.44
	TOTAL SHARES			143,584,106	94.60
	WARRANTS				
	Building Products				
17,460,224	Dynasty Ceramic PCL, wts., 05/07/21	THA	THB	372,528	0.25
	Media				
3,269,940	VGI Global Media PCL, fgn., wts., 12/31/22	THA	THB	38,422	0.02
	TOTAL WARRANTS			410,950	0.27
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			143,995,056	94.87
	TOTAL INVESTMENTS			143,995,056	94.87

The accompanying notes form an integral part of these financial statements

Additional Information

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

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

Global data

Fund	Fund currency	Securities lending: Market value of securities on loan	Securities lending: in % of lendable securities' market value	Gross Volume of TRS [1]	Total Securities Lending and TRS in % of net assets
Franklin Biotechnology Discovery Fund	USD	201,264,106	12.31		11.92
Franklin Diversified Balanced Fund	EUR			4,397,757	1.84
Franklin Diversified Conservative Fund	EUR			5,448,463	1.86
Franklin Diversified Dynamic Fund	EUR			2,097,118	1.78
Franklin Flexible Alpha Bond Fund	USD			2,171,369	0.50
Franklin Global Multi-Asset Income Fund	EUR			3,891,334	1.58
Franklin K2 Alternative Strategies Fund	USD			48,121,365	2.09
Franklin K2 Long Short Credit Fund	USD			398,468	0.41
Franklin Select U.S. Equity Fund	USD	7,018,704	2.07		2.02
Franklin Strategic Income Fund	USD			3,321,715	0.40
Franklin Technology Fund	USD	76,130,214	3.10		3.06
Franklin U.S. Low Duration Fund	USD			2,195,412	0.30
Franklin U.S. Opportunities Fund	USD	11,573,900	0.32		0.32
Templeton Euroland Fund	EUR	4,345,315	0.77		0.77
Templeton Global Climate Change Fund	EUR	7,706,439	1.41		1.37
Templeton Growth (Euro) Fund	EUR	39,829,296	0.66		0.62

[1] absolute value of the unrealised gains/(losses)

Concentration data

Securities Lending, ten largest collateral issuers

Fund	Fund currency	Issuer	Collateral value in Fund currency
Franklin Biotechnology Discovery Fund	USD	Government of Belgium	2,309,115
		Government of Canada	781,816
		Government of France	9,238,223
		United Kingdom Treasury	199,928,359
Franklin Select U.S. Equity Fund	USD	United Kingdom Treasury	7,329,044
Franklin Technology Fund	USD	Government of France	3,149,810
		United Kingdom Treasury	76,272,974
Franklin U.S. Opportunities Fund	USD	United Kingdom Treasury	11,691,426
Templeton Euroland Fund	EUR	Government of France	4,490,816
Templeton Global Climate Change Fund	EUR	Government of France	8,152,600
Templeton Growth (Euro) Fund	EUR	Government of France	42,087,444

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

Total return swaps, ten largest collateral issuers

Fund	Fund currency	Issuer	Collateral value in Fund currency
Franklin K2 Alternative Strategies Fund	USD	U.S. Treasury	435,729

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

The above table does not inlude the collateral received in Cash.

Securities Lending, ten largest counterparties

All securities lending counterparties are disclosed in Note 14.

Additional Information (continued)

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

Total return swaps, ten largest counterparties

Fund	Fund currency	Counterparty	Gross Volume of TRS[1] in Fund currency
Franklin Diversified Balanced Fund	EUR	Bank of America	1,324,861
		Barclays	661,680
		JPMorgan	178,625
		Societe Generale	2,232,591
Franklin Diversified Conservative Fund	EUR	Bank of America	1,315,451
		Barclays	892,502
		JPMorgan	267,449
		Societe Generale	2,973,061
Franklin Diversified Dynamic Fund	EUR	Bank of America	779,591
		Barclays	252,165
		JPMorgan	87,589
		Societe Generale	977,773
Franklin Flexible Alpha Bond Fund	USD	Citigroup	597,626
		Credit Suisse	813,921
		Goldman Sachs	104,999
		JPMorgan	347,472
		Morgan Stanley	307,351
Franklin Global Multi-Asset Income Fund	EUR	Barclays	869,030
		JPMorgan	210,459
		Societe Generale	2,811,845
Franklin K2 Alternative Strategies Fund	USD	Deutsche Bank	16,703,164
		Goldman Sachs	2,793,084
		JPMorgan	7,523,184
		Morgan Stanley	21,101,933
Franklin K2 Long Short Credit Fund	USD	Barclays	195,456
		Goldman Sachs	8,924
		JPMorgan	162,582
		Morgan Stanley	31,506
Franklin Strategic Income Fund	USD	Credit Suisse	297,112
		Goldman Sachs	2,272,505
		JPMorgan	246,676
		Morgan Stanley	505,422
Franklin U.S. Low Duration Fund	USD	Bank of America	80,323
		BNP Paribas	38,418
		Citigroup	307,038
		Credit Suisse	72,647
		Goldman Sachs	1,334,031
		JPMorgan	30,213
		Morgan Stanley	332,742

[1] absolute value of the unrealised gains/(losses)

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

Aggregate transaction data

Securities lending, type and quality of collateral

Fund	Fund currency	Type of collateral	Maturity	Collateral currency	Collateral value in Fund currency
Franklin Biotechnology Discovery Fund	USD	Sovereign	one week to one month	EUR	517,654
			above one year	EUR	11,811,500
				GBP	199,928,359
Franklin Select U.S. Equity Fund	USD	Sovereign	above one year	GBP	7,329,044
Franklin Technology Fund	USD	Sovereign	above one year	EUR	3,149,810
				GBP	76,272,974
Franklin U.S. Opportunities Fund	USD	Sovereign	above one year	GBP	11,691,426
Templeton Euroland Fund	EUR	Sovereign	above one year	EUR	4,490,816
Templeton Global Climate Change Fund	EUR	Sovereign	above one year	EUR	8,152,600
Templeton Growth (Euro) Fund	EUR	Sovereign	above one year	EUR	42,087,444

Collaterals received by the Funds in respect of securities lending as at the reporting date are in the form of debt securities having investment grade credit rating.

Additional Information (continued)

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

Securities lending, maturity tenor and country of incorporation

Fund	Fund currency	Maturity	Country of incorporation of the Counterparty	Market value of securities on loan in Fund currency
Franklin Biotechnology Discovery Fund	USD	open maturity	Germany	178,733,146
			Switzerland	3,083,214
			United Kingdom	1,514,840
			United States of America	17,932,906
Franklin Select U.S. Equity Fund	USD	open maturity	Germany	7,018,704
Franklin Technology Fund	USD	open maturity	Germany	75,085,834
			United States of America	1,044,380
Franklin U.S. Opportunities Fund	USD	open maturity	Germany	11,573,900
Templeton Euroland Fund	EUR	open maturity	United States of America	4,345,315
Templeton Global Climate Change Fund	EUR	open maturity	United States of America	7,706,439
Templeton Growth (Euro) Fund	EUR	open maturity	United States of America	39,829,296

All Funds engaged in securities lending utilise bi-lateral settlement and clearing with their respective counterparty.

Total return swaps, type of collateral and maturity tenor

Fund	Fund currency	Type of collateral	Maturity	Collateral currency	Collateral value in Fund currency
Franklin K2 Alternative Strategies Fund	USD	Cash	open maturity	USD	6,970,000
		Sovereign	above one year	USD	435,729
Franklin K2 Long Short Credit Fund	USD	Cash	open maturity	USD	160,000
Franklin Strategic Income Fund	USD	Cash	open maturity	EUR	60,727
				USD	360,000
Franklin U.S. Low Duration Fund	USD	Cash	open maturity	USD	450,000

Collateral amounts disclosed above include collateral received on OTC derivatives other than total return swaps. OTC derivative transactions entered into by each of the Funds under and ISDA master agreement are netted together for collateral purposes. Therefore, collateral disclosures provided above are in respect of all OTC derivative transactions and not just total return swaps.

Additional Information (continued)

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

Total return swaps, maturity tenor and country of incorporation

Fund	Fund currency	Maturity	Country of incorporation of the Counterparty	Gross Volume of TRS [1] in Fund curency
Franklin Diversified Balanced Fund	EUR	one to three months	France	1,014,621
		three months to one year	France United Kingdom United States of America	1,217,970 661,680 1,503,486
Franklin Diversified Conservative Fund	EUR	one to three months	France	1,330,209
		three months to one year	France United Kingdom United States of America	1,642,852 892,502 1,582,900
Franklin Diversified Dynamic Fund	EUR	one to three months	France	513,607
		three months to one year	France United Kingdom United States of America	464,166 252,165 867,180
Franklin Flexible Alpha Bond Fund	USD	one to three months	Switzerland United States of America	63,953 150,283
		three months to one year	Switzerland United States of America	749,968 1,207,165
Franklin Global Multi-Asset Income Fund	EUR	one to three months	France	1,213,510
		three months to one year	France United Kingdom United States of America	1,598,335 869,030 210,459
Franklin K2 Alternative Strategies Fund	USD	one week to one month	United States of America	50,025
		one to three months	Germany United States of America	8,836 990,563
		three months to one year	Germany United States of America	13,385,195 9,634,761
		above one year	Germany United States of America	3,309,133 20,742,852
Franklin K2 Long Short Credit Fund	USD	one week to one month	United States of America	25,700
		one to three months	United Kingdom United States of America	52,242 53,556
		three months to one year	United Kingdom United States of America	143,214 123,756
Franklin Strategic Income Fund	USD	one to three months	Switzerland	297,112
		three months to one year	United States of America	3,024,603
Franklin U.S. Low Duration Fund	USD	one to three months	France Switzerland	38,418 55,147
		three months to one year	Switzerland United States of America	17,500 2,084,347

[1] absolute value of the unrealised gains/(losses)

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

Data on reuse of collateral

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

Safekeeping of collateral

All the collateral received in relation to Securities Lending is in custody at Goldman Sachs or JPMorgan Bank Luxembourg S.A.

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

Data on return

The total income earned from the securities lending programme is detailed in Note 14.

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

Additional Information (continued)

Collateral

The following table reports the collateral held as at December 31, 2018 to reduce counterparty exposure on OTC derivatives.

Fund	Counterparty	Cash held as collateral		Sovereign Bonds held as collateral	
Franklin Euro High Yield Fund	Morgan Stanley	USD	1,110,000		-
Franklin Global Convertible Securities Fund	Bank of America	USD	360,000		-
Franklin Global Fundamental Strategies Fund	Goldman Sachs	USD	120,000		-
	JPMorgan	USD	1,070,000		-
Franklin Gold and Precious Metals Fund	Morgan Stanley	USD	56,000		-
Franklin India Fund	Bank of America		-	USD	29,499
Franklin K2 Alternative Strategies Fund	Bank of America	USD	1,520,000		-
	Goldman Sachs	USD	5,450,000		-
	JPMorgan		-	USD	435,729
Franklin K2 Global Macro Opportunities Fund	Deutsche Bank	USD	30,000		-
Franklin K2 Long Short Credit Fund	Goldman Sachs	USD	160,000		-
Franklin MENA Fund	Morgan Stanley	USD	78,000		-
Franklin Select U.S. Equity Fund	Morgan Stanley	USD	20,000		-
Franklin Strategic Income Fund	Bank of America	EUR	53,000		-
	Deutsche Bank	USD	360,000		-
Franklin U.S. Low Duration Fund	Deutsche Bank	USD	320,000		-
	Goldman Sachs	USD	130,000		-
Franklin U.S. Opportunities Fund	Bank of America		-	USD	387,938
	Barclays	USD	1,110,000		-
Franklin Mutual U.S. Value Fund	Morgan Stanley	USD	67,000		-
Templeton Asian Bond Fund	Barclays	USD	540,000		-
	Goldman Sachs	USD	60,000		-
	JPMorgan	USD	340,000		-
	Morgan Stanley	USD	420,000		-
Templeton Emerging Markets Bond Fund	Bank of America	EUR	3,791,000		-
	BNP Paribas	EUR	1,477,000		-
	Deutsche Bank	USD	4,390,000		-
	Goldman Sachs	USD	3,070,000		-
	UBS	USD	2,321,000		-
Templeton Global Balanced Fund	Goldman Sachs	USD	90,000		-
	Morgan Stanley	USD	10,000		-
Templeton Global Bond Fund	Barclays	USD	500,000		-
	Credit Suisse	USD	680,000		-
	Deutsche Bank	USD	3,850,000		-
	Goldman Sachs	USD	16,550,000		-
	HSBC		-	USD	12,961,784
	JPMorgan	USD	23,090,000		-
	Morgan Stanley	USD	600,000		-
	Standard Chartered		-	USD	556,101
	The Bank of New York Mellon		-	USD	382,691
	UBS	USD	4,301,000		-
Templeton Global Bond (Euro) Fund	Citigroup	USD	260,000		-
Templeton Global High Yield Fund	Deutsche Bank	USD	120,000		-
	Morgan Stanley	USD	56,000		-
Templeton Global Income Fund	Goldman Sachs	USD	20,000		-
	JPMorgan	USD	1,900,000		-
	UBS	USD	260,000		-
Templeton Global Total Return Fund	Bank of America	EUR	3,205,000		-
	Barclays	USD	260,000		-
	Credit Suisse	USD	830,000		-
	Goldman Sachs	USD	1,040,000		-
	JPMorgan	USD	37,020,000		-
	Morgan Stanley	USD	1,220,000		-
	Standard Chartered	USD	770,000		360,366
	The Bank of New York Mellon		-	USD	1,139,265
	UBS	USD	7,880,000		-
Templeton Latin America Fund	Bank of America	EUR	74,000		-

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