

Franklin Templeton Investment Funds

SOCIÉTÉ D'INVESTISSEMENT À CAPITAL VARIABLE



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.

This report is an abridged version of the report of the Company which is available free of charge upon request at the registered office of the Company, at Franklin Templeton's local offices or distributors as stated in the current prospectus.

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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 Rockefeller 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

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 Opportunities 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)	-	-	-
	<u>101,667,067,795</u>	<u>8,445,896</u>	<u>2,185,214,017</u>	<u>25,312,964</u>
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	<u>2,463,563,624</u>	<u>198,198</u>	<u>4,702,577</u>	<u>908,147</u>
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	<u>846,689,734</u>	<u>57,775</u>	<u>18,273,604</u>	<u>280,513</u>
Expenses reimbursement (note 21)	(6,578,789)	(663)	(3,576)	-
NET EXPENSES	<u>840,110,945</u>	<u>57,112</u>	<u>18,270,028</u>	<u>280,513</u>
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	<u>2,086,132,475</u>	<u>(33,816)</u>	<u>(6,732,547)</u>	<u>(692,576)</u>
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	<u>(4,565,970,100)</u>	<u>(38,269)</u>	<u>(369,664,946)</u>	<u>1,517,939</u>
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)
	<u>(3,784,320,996)</u>	<u>95,361</u>	<u>(126,778,738)</u>	<u>484,623</u>
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	<u>(6,261,959,530)</u>	<u>(101,416)</u>	<u>(126,778,738)</u>	<u>(502,503)</u>
NET ASSETS AT THE END OF THE PERIOD	<u>90,839,138,165</u>	<u>8,306,211</u>	<u>1,688,770,333</u>	<u>26,328,400</u>
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	-	-	-	-
	<u>73,905,855</u>	<u>107,567,674</u>	<u>397,812,910</u>	<u>21,094,704</u>
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	<u>572,699</u>	<u>973,938</u>	<u>2,285,493</u>	<u>192,823</u>
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	<u>386,618</u>	<u>981,995</u>	<u>3,439,089</u>	<u>212,686</u>
Expenses reimbursement (note 21)	(31,316)	-	(3,244)	(2,312)
NET EXPENSES	<u>355,302</u>	<u>981,995</u>	<u>3,435,845</u>	<u>210,374</u>
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	<u>377,744</u>	<u>550,302</u>	<u>(2,082,076)</u>	<u>(41,413)</u>
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	<u>(355,822)</u>	<u>(12,011,568)</u>	<u>(49,252,334)</u>	<u>(1,506,832)</u>
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
	<u>(11,168,546)</u>	<u>16,480,210</u>	<u>(45,580,403)</u>	<u>819,897</u>
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	<u>(12,378,622)</u>	<u>12,449,784</u>	<u>(47,657,281)</u>	<u>504,836</u>
NET ASSETS AT THE END OF THE PERIOD	<u>61,171,411</u>	<u>108,005,890</u>	<u>300,903,295</u>	<u>20,092,708</u>
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	-	-	-	-
	<u>1,953,764,526</u>	<u>80,953,870</u>	<u>322,054,366</u>	<u>203,221,322</u>
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	<u>33,522,791</u>	<u>1,102,197</u>	<u>4,009,076</u>	<u>2,317,052</u>
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	<u>18,210,380</u>	<u>482,764</u>	<u>2,625,085</u>	<u>1,681,311</u>
Expenses reimbursement (note 21)	-	(4,661)	(195)	(549)
NET EXPENSES	<u>18,210,380</u>	<u>478,103</u>	<u>2,624,890</u>	<u>1,680,762</u>
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	<u>62,564,867</u>	<u>245,280</u>	<u>(22,618,406)</u>	<u>3,120,070</u>
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	<u>(142,786,207)</u>	<u>(6,928,950)</u>	<u>(26,175,489)</u>	<u>(14,698,660)</u>
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)
	<u>(16,458,605)</u>	<u>5,947,486</u>	<u>(35,627,887)</u>	<u>(10,594,992)</u>
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	<u>(50,164,580)</u>	<u>3,790,433</u>	<u>(48,978,867)</u>	<u>(13,660,634)</u>
NET ASSETS AT THE END OF THE PERIOD	<u>1,760,813,739</u>	<u>77,815,353</u>	<u>246,900,010</u>	<u>174,862,028</u>
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	-	-	-
-	-	-	-	-	-	-
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 Opportunities 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	-	-	-	-
	<u>24,987,801</u>	<u>97,806,969</u>	<u>138,386,723</u>	<u>351,976,498</u>
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	<u>291,982</u>	<u>2,532,050</u>	<u>989,542</u>	<u>2,927,090</u>
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	<u>410,804</u>	<u>1,556,339</u>	<u>1,405,754</u>	<u>3,155,944</u>
Expenses reimbursement (note 21)	(94,021)	(153,049)	(4,198)	(1,205)
NET EXPENSES	<u>316,783</u>	<u>1,403,290</u>	<u>1,401,556</u>	<u>3,154,739</u>
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	<u>(467,076)</u>	<u>(716,062)</u>	<u>(2,001,617)</u>	<u>(3,569,640)</u>
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	<u>(347,898)</u>	<u>(1,762,508)</u>	<u>(10,201,266)</u>	<u>(93,261,008)</u>
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
	<u>(170,231)</u>	<u>557,351</u>	<u>(24,877,433)</u>	<u>(15,176,025)</u>
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	<u>(170,231)</u>	<u>410,863</u>	<u>(25,896,837)</u>	<u>(15,291,855)</u>
NET ASSETS AT THE END OF THE PERIOD	<u>24,469,672</u>	<u>96,455,324</u>	<u>102,288,620</u>	<u>243,423,635</u>
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
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	5,827	-	17	5,858	-	22,164
-	-	-	-	-	-	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	-	-	-	-
	<u>965,025,829</u>	<u>2,624,600,522</u>	<u>332,606,406</u>	<u>625,792,030</u>
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	<u>22,975,189</u>	<u>8,843,946</u>	<u>3,131,955</u>	<u>10,950,861</u>
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	<u>6,877,348</u>	<u>25,193,785</u>	<u>1,197,010</u>	<u>3,913,877</u>
Expenses reimbursement (note 21)	(673,383)	(36,637)	(545,903)	(43,549)
NET EXPENSES	<u>6,203,965</u>	<u>25,157,148</u>	<u>651,107</u>	<u>3,870,328</u>
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	<u>(1,049,006)</u>	<u>54,170,691</u>	<u>2,480,929</u>	<u>6,561,528</u>
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	<u>(17,894,321)</u>	<u>(306,185,038)</u>	<u>2,498,734</u>	<u>5,856,398</u>
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
	<u>(95,965,009)</u>	<u>169,921,843</u>	<u>20,770,727</u>	<u>28,895,567</u>
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	<u>(120,296,596)</u>	<u>169,599,761</u>	<u>18,558,324</u>	<u>18,553,946</u>
NET ASSETS AT THE END OF THE PERIOD	<u>826,834,912</u>	<u>2,488,015,245</u>	<u>353,663,464</u>	<u>650,202,374</u>
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	-	-	-	-
	<u>547,874,433</u>	<u>3,795,392,747</u>	<u>1,665,977,311</u>	<u>766,634,429</u>
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	<u>13,747,617</u>	<u>26,854,713</u>	<u>19,973,364</u>	<u>8,801,969</u>
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	<u>3,793,825</u>	<u>37,221,944</u>	<u>13,483,282</u>	<u>8,796,974</u>
Expenses reimbursement (note 21)	(6,066)	(2,347)	(63,858)	-
NET EXPENSES	<u>3,787,759</u>	<u>37,219,597</u>	<u>13,419,424</u>	<u>8,796,974</u>
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	<u>19,374,171</u>	<u>(155,243,452)</u>	<u>23,767,721</u>	<u>18,739,577</u>
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	<u>9,821,625</u>	<u>(477,816,722)</u>	<u>(149,333,435)</u>	<u>(64,470,924)</u>
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)
	<u>(42,583,367)</u>	<u>(238,609,452)</u>	<u>(27,893,369)</u>	<u>(83,187,597)</u>
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	<u>(57,084,967)</u>	<u>(253,518,364)</u>	<u>(31,649,246)</u>	<u>(83,213,755)</u>
NET ASSETS AT THE END OF THE PERIOD	<u>500,611,091</u>	<u>3,064,057,661</u>	<u>1,484,994,630</u>	<u>618,949,750</u>
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	-	-	-	-
	<u>699,571,319</u>	<u>165,851,467</u>	<u>668,087,891</u>	<u>1,151,854,028</u>
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	<u>3,352,789</u>	<u>1,004,580</u>	<u>5,375,668</u>	<u>9,823,827</u>
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	<u>4,350,752</u>	<u>1,178,749</u>	<u>6,470,096</u>	<u>9,330,954</u>
Expenses reimbursement (note 21)	(40,795)	-	-	(388)
NET EXPENSES	<u>4,309,957</u>	<u>1,178,749</u>	<u>6,470,096</u>	<u>9,330,566</u>
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	<u>(4,493,808)</u>	<u>(6,425,862)</u>	<u>4,236,912</u>	<u>45,275,982</u>
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	<u>(96,015,082)</u>	<u>(13,082,425)</u>	<u>(63,098,994)</u>	<u>(146,547,619)</u>
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)
	<u>(28,891,550)</u>	<u>(151,196,048)</u>	<u>(69,345,373)</u>	<u>(53,391,068)</u>
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	<u>(37,685,451)</u>	<u>(152,769,042)</u>	<u>(77,521,232)</u>	<u>(58,788,614)</u>
NET ASSETS AT THE END OF THE PERIOD	<u>565,870,786</u>	<u>-</u>	<u>527,467,665</u>	<u>946,517,795</u>
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	-	-	-	-
	<u>912,320,444</u>	<u>122,143,577</u>	<u>17,571,329,650</u>	<u>7,362,059,685</u>
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	<u>18,545,926</u>	<u>1,095,250</u>	<u>766,982,962</u>	<u>64,905,961</u>
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	<u>7,802,106</u>	<u>1,041,699</u>	<u>126,824,014</u>	<u>67,569,141</u>
Expenses reimbursement (note 21)	(13,608)	-	(196,738)	-
NET EXPENSES	<u>7,788,498</u>	<u>1,041,699</u>	<u>126,627,276</u>	<u>67,569,141</u>
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	<u>23,132,305</u>	<u>2,772,480</u>	<u>627,841,300</u>	<u>265,533,316</u>
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	<u>(67,038,767)</u>	<u>(20,026,050)</u>	<u>290,915,102</u>	<u>(811,663,064)</u>
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)
	<u>(67,602,993)</u>	<u>(5,982,609)</u>	<u>(974,383,582)</u>	<u>(71,078,323)</u>
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	<u>(91,907,650)</u>	<u>(5,989,031)</u>	<u>(1,772,338,820)</u>	<u>(116,637,600)</u>
NET ASSETS AT THE END OF THE PERIOD	<u>753,374,027</u>	<u>96,128,496</u>	<u>16,089,905,932</u>	<u>6,433,759,021</u>
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
-	-
<u>991,907,089</u>	<u>167,245,593</u>
13,174,804	1,512,826
-	-
136,662	96,926
-	-
-	-
277,686	-
<u>13,589,152</u>	<u>1,609,752</u>
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
<u>11,223,201</u>	<u>2,094,168</u>
(5,824)	(154)
<u>11,217,377</u>	<u>2,094,014</u>
2,371,775	(484,262)
(4,342,608)	4,832,011
(1,537,437)	-
-	-
-	-
-	-
-	-
-	-
-	-
184,339	(10,416)
<u>(3,323,931)</u>	<u>4,337,333</u>
55,447,842	(5,913,718)
(234,398)	-
-	-
-	-
-	-
-	-
-	-
-	-
35,752	(3,211)
-	-
<u>51,925,265</u>	<u>(1,579,596)</u>
107,813,819	44,830,460
(186,613,528)	(58,575,019)
(65,279)	(5,120)
<u>(78,864,988)</u>	<u>(13,749,679)</u>
<u>(10,923,288)</u>	<u>(135,109)</u>
(89,788,276)	(13,884,788)
<u>954,044,078</u>	<u>151,781,209</u>
(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	Fund Counterparty	Value of TDs in Fund currency
Franklin GCC Bond Fund		Franklin K2 Alternative Strategies Fund	
National Australia Bank	USD 400,000	Bank of Montreal	USD 215,199,100
Royal Bank of Canada	USD 900,000	National Australia Bank	USD 215,199,100
	1,300,000	Royal Bank of Canada	USD 215,199,100
			645,597,300
Franklin Global Listed Infrastructure Fund		Franklin K2 Global Macro Opportunities Fund	
National Australia Bank	USD 200,000	Bank of Montreal	USD 3,901,200
Royal Bank of Canada	USD 300,000	Credit Agricole CIB US	USD 3,901,200
	500,000	National Australia Bank	USD 3,901,200
Franklin Global Real Estate Fund		National Bank of Canada	USD 3,901,200
Royal Bank of Canada	USD 900,000	Royal Bank of Canada	USD 3,901,200
Franklin Global Small-Mid Cap Growth Fund			19,506,000
Royal Bank of Canada	USD 2,000,000	Franklin K2 Long Short Credit Fund	
Franklin India Fund		Bank of Montreal	USD 6,187,800
Royal Bank of Canada	USD 25,000,000	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	Fund Counterparty	Value of TDs in Fund currency
Franklin MENA Fund		Templeton Global Fund	
Royal Bank of Canada	USD 500,000	Royal Bank of Canada	USD 50,000,000
Franklin NextStep Balanced Growth Fund		Templeton Global Equity Income Fund	
National Australia Bank	USD 2,000,000	Royal Bank of Canada	USD 1,000,000
Royal Bank of Canada	USD 3,100,000	Templeton Global Smaller Companies Fund	
	5,100,000	Royal Bank of Canada	USD 5,000,000
Franklin NextStep Conservative Fund		Templeton Growth (Euro) Fund	
National Australia Bank	USD 500,000	Credit Agricole CIB London	EUR 91,967,469
Royal Bank of Canada	USD 900,000	Royal Bank of Canada	EUR 117,066,353
	1,400,000		209,033,822
Franklin NextStep Dynamic Growth Fund		Templeton Latin America Fund	
National Australia Bank	USD 400,000	Royal Bank of Canada	USD 17,000,000
Royal Bank of Canada	USD 600,000	Templeton Thailand Fund	
	1,000,000	Royal Bank of Canada	USD 7,000,000
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		

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 15-Jan-19	(40,338)
SGD	2,351,188	USD 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
					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
					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
					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
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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)
	<u>(127,988)</u>

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
					<u>1,789,814</u>
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
		<u>(63,249)</u>

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
GBP	300,000	USD	398,577
USD	283,989	AUD	400,000
USD	527,831	EUR	460,000
			<u>2,077</u>
			<u>(14,097)</u>

The above contracts were opened with the following counterparties:

Barclays	2,077
Citigroup	(16,174)
	<u>(14,097)</u>

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
EUR	144,354,880	USD	164,617,568
USD	1,667,993	CHF	1,648,546
USD	26,094,944	EUR	22,886,595
			<u>202,724</u>
			<u>1,107,419</u>
			<u>(13,986)</u>
			<u>(179,753)</u>
			<u>1,116,404</u>

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
	<u>1,116,404</u>

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
PLN	26,332,559	USD	7,004,707
USD	8,153,772	EUR	7,131,594
USD	352,904	PLN	1,323,696
			<u>941,728</u>
			<u>34,323</u>
			<u>(33,572)</u>
			<u>(937)</u>
			<u>941,542</u>

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)
					<u>(4,268,023)</u>
					<u>(3,326,481)</u>

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
	<u>(3,326,481)</u>

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)
					<u>(352)</u>

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)
	<u>(352)</u>

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)
					<u>(351,310)</u>
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
					<u>423,331</u>
					<u>72,021</u>

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)
	<u>72,021</u>

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)
					<u>87,191</u>

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)

	Unrealised profit/(loss) JPY
The above contracts were opened with the following counterparties:	
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)
	<u>(7,585,384)</u>

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
					<u>7,449,326</u>
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
	<u>1,288</u>

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)
					<u>55,089</u>

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
	<u>55,089</u>

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)
					<u>1,266,719</u>
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
USD	10,270,711	EUR	9,012,244
			10-Jan-19
			10-Jan-19
			1,186,394 (64,680) 1,121,714
Forward foreign exchange contracts used for efficient portfolio management:			
INR	85,335,000	USD	1,140,995
MXN	29,600,000	USD	1,485,766
EUR	3,600,000	USD	4,391,244
USD	11,404,630	EUR	10,300,000
EUR	5,500,000	USD	6,271,485
PLN	3,210,000	USD	875,661
SEK	11,920,000	USD	1,354,798
USD	781,962	CAD	1,000,000
USD	14,739,081	EUR	12,433,718
USD	859,924	SEK	7,460,000
USD	765,499	AUD	1,080,000
USD	760,939	CNH	5,330,000
USD	764,641	KRW	865,000,000
USD	285,273	PHP	15,700,000
USD	1,961,850	EUR	1,650,000
			04-Feb-19
			05-Feb-19
			28-Feb-19
			28-Feb-19
			14-Mar-19
			14-Mar-19
			14-Mar-19
			14-Mar-19
			14-Mar-19
			11-Apr-19
			11-Apr-19
			11-Apr-19
			11-Apr-19
			11-Apr-19
			03-Jul-19
			81,862 11,706 (245,988) (455,408) 69,448 (16,498) (1,428) 48,075 404,286 12,933 3,289 (14,831) (14,968) (12,028) 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
CNH	8,905,162	USD	1,291,539
EUR	227,913,930	USD	260,083,319
NOK	42,274,388	USD	4,873,764
PLN	154,843,797	USD	41,171,691
SEK	63,117,193	USD	7,009,162
SGD	49,226,392	USD	35,932,376
USD	390,155	CHF	385,575
USD	170,902	CNH	1,180,508
USD	36,569,224	EUR	31,989,200
USD	513,352	NOK	4,467,259
USD	5,307,545	PLN	19,927,575
			22-Jan-19
			22-Jan-19
			22-Jan-19
			22-Jan-19
			22-Jan-19
			22-Jan-19
			22-Jan-19
			22-Jan-19
			22-Jan-19
			22-Jan-19
			22-Jan-19
			27,966 4,823 1,570,697 20,031 220,029 128,460 200,198 (3,239) (950) (155,620) (3,790) (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
USD	808,052	EUR	708,237	15-Jan-19
				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
USD	2,083,598	EUR	1,826,433	10-Jan-19
				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
CHF	23,177,293	USD	22-Jan-19
EUR	24,924,228	USD	22-Jan-19
SGD	53,967,062	USD	22-Jan-19
USD	2,597,294	EUR	22-Jan-19
USD	4,051,940	SGD	22-Jan-19
			(13,594)
			175,406
			154,122
			219,843
			(12,888)
			(9,667)
			513,222
Forward foreign exchange contracts used for efficient portfolio management:			
USD	11,134,465	JPY	1,261,830,000
JPY	1,106,500,000	USD	07-Jan-19
USD	9,797,845	JPY	09-Jan-19
USD	6,674,496	KRW	09-Jan-19
USD	5,140,770	AUD	10-Jan-19
USD	2,282,819	JPY	11-Jan-19
USD	10,338,917	AUD	11-Jan-19
USD	4,597,687	AUD	14-Jan-19
USD	2,446,490	JPY	15-Jan-19
USD	9,806,100	JPY	15-Jan-19
JPY	894,200,000	USD	22-Jan-19
USD	39,722,200	AUD	24-Jan-19
USD	10,808,147	JPY	24-Jan-19
USD	1,139,179	KRW	24-Jan-19
JPY	938,000,000	USD	30-Jan-19
USD	14,916,308	JPY	31-Jan-19
USD	9,908,989	JPY	31-Jan-19
USD	9,743,421	AUD	06-Feb-19
USD	3,908,772	JPY	13-Feb-19
USD	2,031,029	JPY	13-Feb-19
USD	2,200,579	JPY	14-Feb-19
USD	50,819,526	INR	14-Feb-19
USD	7,685,935	JPY	19-Feb-19
USD	5,509,813	JPY	20-Feb-19
USD	3,297,660	JPY	21-Feb-19
USD	4,686,420	AUD	21-Feb-19
USD	919,853	JPY	28-Feb-19
USD	50,660,108	INR	28-Feb-19
USD	3,088,078	JPY	04-Mar-19
USD	987,161	JPY	13-Mar-19
USD	795,461	JPY	13-Mar-19
USD	2,515,989	JPY	13-Mar-19
USD	4,343,704	JPY	18-Mar-19
USD	10,018,497	JPY	18-Mar-19
USD	7,910,694	JPY	18-Mar-19
USD	24,248,988	JPY	18-Mar-19
USD	369,993	KRW	19-Mar-19
USD	3,999,041	JPY	19-Mar-19
USD	2,184,556	JPY	22-Mar-19
USD	11,337,506	KRW	22-Mar-19
USD	2,904,508	JPY	25-Mar-19
USD	9,850,045	KRW	25-Mar-19
USD	19,624,865	KRW	26-Mar-19
			15-Apr-19
			17-Apr-19
			24-Apr-19
			29-Apr-19
			30-Apr-19
			07-May-19
			16-May-19
			21-May-19
			07-Jun-19
			10-Jun-19
			(1,434)
			(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
USD	264,988	EUR	231,764
			71,425
			(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
SGD	127,866	USD	93,367
			206,104
			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
					<u>(9,131,462)</u>
					<u>(10,733,677)</u>

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
	<u>(10,733,677)</u>

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
					<u>43,464</u>
Forward foreign exchange contracts used for efficient portfolio management:					
INR	69,500,000	USD	935,775	30-Jan-19	60,784
					<u>104,248</u>

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
	<u>104,248</u>

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
					<u>55,535</u>

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
	<u>55,535</u>

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) (202)	Euro STOXX 50 Index Future, Mar. 2019 S&P 500 E-mini Index Future, Mar. 2019	Citigroup Goldman Sachs	EUR USD	(10,914,580) (22,082,842)	264,514 572,662
					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) (301)	Euro STOXX 50 Index Future, Mar. 2019	Citigroup	EUR	(16,148,820)	391,366
	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 floating rate 3-month USD BBA LIBOR Paying fixed rate 2.11%	JPMorgan	05-Jan-20	USD	(169,859)
37,000,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 2.6005%	JPMorgan	10-Apr-20	USD	(47,389)
85,450,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 2.826%	JPMorgan	16-Jul-20	USD	833,167
25,200,000	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 2.82851%	JPMorgan	24-Jul-20	USD	245,340
7,987,200	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 3.0945%	JPMorgan	22-Oct-20	USD	68,755
6,702,800	Receiving floating rate 3-month USD BBA LIBOR Paying fixed rate 3.0972%	JPMorgan	22-Oct-20	USD	58,051
4,000,000	Receiving floating rate 3-month CAD BA Paying fixed rate 2.095%	JPMorgan	14-Sep-21	CAD	(10,388)
9,500,000	Receiving floating rate 3-month CAD BA Paying fixed rate 2.11%	JPMorgan	15-Sep-21	CAD	(21,546)
9,500,000	Receiving floating rate 3-month CAD BA Paying fixed rate 2.115%	JPMorgan	15-Sep-21	CAD	(20,531)
9,500,000	Receiving floating rate 3-month CAD BA Paying fixed rate 2.12%	JPMorgan	18-Sep-21	CAD	(19,585)
7,280,000	Receiving floating rate 3-month CAD BA Paying fixed rate 2.07%	JPMorgan	19-Sep-21	CAD	(22,801)
5,100,000	Receiving floating rate 3-month CAD BA Paying fixed rate 2.177%	JPMorgan	27-Dec-21	CAD	(6,981)
1,955,640,612	Receiving floating rate 6-month HUF BUBOR Paying fixed rate 1.45%	JPMorgan	20-Mar-22	HUF	30,610
30,000,000	Receiving floating rate 3-month CAD BA Paying fixed rate 2.3475%	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 floating rate 4-week Mexico Interbank TIIE Paying fixed rate 7.865%	JPMorgan	13-Sep-23	MXN	(31,225)
25,966,609	Receiving floating rate 4-week Mexico Interbank TIIE Paying fixed rate 7.91%	JPMorgan	13-Sep-23	MXN	(35,426)
40,430,900	Receiving floating rate 4-week Mexico Interbank TIIE Paying fixed rate 7.945%	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 floating rate 4-week Mexico Interbank TIIE Paying fixed rate 7.88%	JPMorgan	13-Dec-23	MXN	(44,456)
44,282,738	Receiving floating rate 4-week Mexico Interbank TIIE Paying fixed rate 8.067%	JPMorgan	13-Dec-23	MXN	(48,130)
116,892,296	Receiving floating rate 4-week Mexico Interbank TIIE Paying fixed rate 8.8125%	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 floating rate 6-month HUF BUBOR Paying fixed rate 1.45%	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 floating rate 4-week Mexico Interbank TIE Paying fixed rate 7.865%	JPMorgan	13-Sep-23	MXN	(2,893)
876,759	Receiving floating rate 4-week Mexico Interbank TIE Paying fixed rate 7.91%	JPMorgan	13-Sep-23	MXN	(1,232)
1,641,318	Receiving floating rate 4-week Mexico Interbank TIE Paying fixed rate 7.945%	JPMorgan	13-Sep-23	MXN	(2,239)
2,498,395	Receiving floating rate 4-week Mexico Interbank TIE Paying fixed rate 7.945%	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 floating rate 4-week Mexico Interbank TIE Paying fixed rate 8.067%	JPMorgan	13-Dec-23	MXN	(14)
5,153,118	Receiving floating rate 4-week Mexico Interbank TIE Paying fixed rate 8.8125%	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 floating rate 6-month HUF BUBOR 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
					<u>(199,887,216)</u>

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
					<u>3,102,556</u>

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
					<u>(59,623,544)</u>

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%				
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, 1.44A, 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, 1.44A, 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, 1.44A, 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, 1.44A, 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, 1.44A, 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, 1.44A, 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, 1.44A, 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, 1.44A, 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, 1.44A, 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., 1.44A, 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	Performance of Standard & Poors United States Index	1-month USD LIBOR -0.17%	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%	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
						<u>9,698,815</u>

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)
						<u>(358,552)</u>

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)
						<u>(3,321,715)</u>

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)
						<u>(2,195,412)</u>

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	Citibank 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)
						<u>(3,419,948)</u>	<u>488,058</u>

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)
						<u>(203,492)</u>	<u>(36,193)</u>

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)
						<u>808,026</u>	<u>83,708</u>

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)
						<u>25,236</u>	<u>40,567</u>

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	ITOCHEU 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)
						<u>247,950</u>	<u>186,475</u>

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	Citibank 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)
						<u>(4,554,909)</u>	<u>(2,021,866)</u>

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	Citibank Bespoke 58 IG/42 HY Equity Tranche 0-3% Index, Jun. 2019						
900,000	Citibank Bespoke Cambridge 0-3% Equity Tranche Index, Dec. 2019	1.00	Citigroup	Sell	USD	(68,909)	87,691
1,000,000	Citibank Bespoke Verona Index, Dec. 2019	1.00	Citigroup	Sell	USD	(225,946)	(82,846)
1,800,000	Citibank Bespoke Verona Index, Dec. 2019	1.00	Citigroup	Sell	USD	(224,330)	20,669
2,235,000	General Electric Co., senior note, 2.70%, 10/09/22, Dec. 2023	0.40	Citigroup	Sell	USD	2,606	2,606
500,000	Government of Argentina, senior note, 7.50%, 04/22/26, Jun. 2023	1.00	Citigroup	Sell	USD	(101,652)	(105,304)
500,000	Government of Argentina, senior note, 7.50%, 04/22/26, Dec. 2023	5.00	Citigroup	Sell	USD	(51,177)	(38,681)
2,100,000	Government of Indonesia, Reg S, 5.875%, 03/13/20, Dec. 2023	5.00	Citigroup	Sell	USD	(55,238)	(25,836)
1,800,000	Government of Mexico, senior note, 4.15%, 03/28/27, Dec. 2023	1.00	Citigroup	Sell	USD	(35,015)	12,730
1,800,000	Lisbon 3-7% Bespoke Mezzanine Tranche Index, Jun. 2019	1.00	Citigroup	Sell	USD	(44,803)	(29,878)
525,000	Nabors Industries Inc., senior note, 5.50%, 01/15/23, Dec. 2023	0.79	Citigroup	Sell	USD	(7,409)	(7,409)
3,100,000	American Tower Corp., senior note, 4.50%, 01/15/18, Mar. 2021	1.00	Citigroup	Sell	USD	(136,522)	(61,235)
375,000	General Electric Co., senior note, 2.70%, 10/09/22, Dec. 2023	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)
1,400,000	Government of Colombia, senior bond, 10.375%, 01/28/33, Dec. 2023	1.00	JPMorgan	Sell	USD	(17,056)	(9,422)
		1.00	JPMorgan	Sell	USD	(36,053)	(25,958)
						<u>(1,728,314)</u>	<u>98,388</u>

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
						<u>778,672</u>	<u>133,159</u>

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
						<u>504,223</u>	<u>75,562</u>

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
						<u>509,290</u>	<u>92,610</u>

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
						<u>92,606</u>	<u>(314,087)</u>

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
						<u>(1,943)</u>	<u>2,586</u>
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
						<u>837,876</u>	<u>142,879</u>
						<u>835,933</u>	<u>145,465</u>

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
						<u>(216,680)</u>	<u>549,659</u>

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	Evolut 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)
						<u>1,261,670</u>	<u>(1,582,239)</u>
						<u>2,231,669</u>	<u>(2,159,042)</u>

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	Fund	Currency	Amount
Franklin Euro Government Bond Fund	EUR	1,300	Franklin Technology Fund	USD	706,423
Franklin Euro High Yield Fund	EUR	998	Franklin U.S. Dollar Liquid Reserve Fund	USD	—*
Franklin Euro Short Duration Bond Fund	EUR	5,530	Franklin U.S. Government Fund	USD	—*
Franklin Euro Short-Term Money Market Fund	EUR	—*	Franklin U.S. Low Duration Fund	USD	12,323
Franklin European Corporate Bond Fund	EUR	520	Franklin U.S. Opportunities Fund	USD	428,969
Franklin European Dividend Fund	EUR	15,965	Franklin World Perspectives Fund	USD	77,606
Franklin European Growth Fund	EUR	51,826	Franklin Mutual European Fund	EUR	450,124
Franklin European Income Fund	EUR	1,561	Franklin Mutual Global Discovery Fund	USD	88,785
Franklin European Small-Mid Cap Growth Fund	EUR	108,807	Franklin Mutual U.S. Value Fund	USD	52,051
Franklin European Total Return Fund	EUR	15,370	Templeton Africa Fund	USD	264,096
Franklin Flexible Alpha Bond Fund	USD	21,185	Templeton Asian Bond Fund	USD	—*
Franklin GCC Bond Fund	USD	—*	Templeton Asian Growth Fund	USD	2,255,937
Franklin Global Aggregate Bond Fund	USD	—*	Templeton Asian Smaller Companies Fund	USD	367,056
Franklin Global Aggregate Investment Grade Bond Fund	USD	—*	Templeton BRIC Fund	USD	82,888
Franklin Global Convertible Securities Fund	USD	2,862	Templeton China Fund	USD	43,847
Franklin Global Fundamental Strategies Fund	USD	202,337	Templeton Eastern Europe Fund	EUR	124,793
Franklin Global Listed Infrastructure Fund	USD	61,038	Templeton Emerging Markets Fund	USD	107,898
Franklin Global Multi-Asset Income Fund	EUR	78,062	Templeton Emerging Markets Balanced Fund	USD	5,676
Franklin Global Real Estate Fund	USD	34,280	Templeton Emerging Markets Bond Fund	USD	—*
Franklin Global Small-Mid Cap Growth Fund	USD	28,731	Templeton Emerging Markets Local Currency Bond Fund	USD	—*
Franklin Gold and Precious Metals Fund	USD	194,296	Templeton Emerging Markets Smaller Companies Fund	USD	150,547
Franklin High Yield Fund	USD	—*	Templeton Euroland Fund	EUR	102,139
Franklin Income Fund	USD	237,038	Templeton European Fund	EUR	23,062
Franklin India Fund	USD	2,678,132	Templeton Frontier Markets Fund	USD	650,640
Franklin Japan Fund	JPY	65,221,897	Templeton Global Fund	USD	383,560
Franklin K2 Alternative Strategies Fund	USD	1,297,441	Templeton Global Balanced Fund	USD	93,888
Franklin K2 Global Macro Opportunities Fund	USD	6,525	Templeton Global Bond Fund	USD	—*
Franklin K2 Long Short Credit Fund	USD	22,625	Templeton Global Bond (Euro) Fund	EUR	—*
Franklin MENA Fund	USD	226,008	Templeton Global Climate Change Fund	EUR	74,547
Franklin Natural Resources Fund	USD	201,474	Templeton Global Currency Fund	USD	—*
Franklin NextStep Balanced Growth Fund	USD	33,517	Templeton Global Equity Income Fund	USD	11,754
Franklin NextStep Conservative Fund	USD	9,157	Templeton Global High Yield Fund	USD	23
Franklin NextStep Dynamic Growth Fund	USD	10,144	Templeton Global Income Fund	USD	196,454
Franklin NextStep Growth Fund	USD	4,462	Templeton Global Smaller Companies Fund	USD	20,109
Franklin NextStep Moderate Fund	USD	12,599	Templeton Global Total Return Fund	USD	—*
Franklin NextStep Stable Growth Fund	USD	5,471	Templeton Growth (Euro) Fund	EUR	1,361,784
Franklin Select U.S. Equity Fund	USD	5,820	Templeton Latin America Fund	USD	320,198
Franklin Strategic Income Fund	USD	12,950	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 Fund^{Q2}							
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	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

[†]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	ESP	Spain	LKA	Sri Lanka	RUS	Russia
ARE	United Arab Emirates	EST	Estonia	LTU	Lithuania	SAU	Saudi Arabia
ARG	Argentina	ETH	Ethiopia	LUX	Luxembourg	SEN	Senegal
AUS	Australia	FIN	Finland	LVA	Latvia	SGP	Singapore
AUT	Austria	FRA	France	MAC	Macao	SLV	El Salvador
BEL	Belgium	GBR	United Kingdom	MAR	Morocco	SP	Supranational
BGD	Bangladesh	GEO	Georgia	MDA	Moldova	SRB	Serbia
BHR	Bahrain	GHA	Ghana	MEX	Mexico	SVK	Slovakia
BIH	Bosnia and Herzegovina	GRC	Greece	MUS	Mauritius	SVN	Slovenia
BMU	Bermuda	HKG	Hong Kong	MYS	Malaysia	SWE	Sweden
BRA	Brazil	HUN	Hungary	NGA	Nigeria	TGO	Togo
CAN	Canada	IDN	Indonesia	NLD	Netherlands	THA	Thailand
CHE	Switzerland	IND	India	NOR	Norway	TUR	Turkey
CHL	Chile	IRL	Ireland	NZL	New Zealand	TWN	Taiwan
CHN	China	ISR	Israel	OMN	Oman	TZA	Tanzania
CIV	Ivory Coast	ITA	Italy	PAK	Pakistan	UKR	Ukraine
COL	Colombia	JEY	Jersey	PER	Peru	URY	Uruguay
CYM	Cayman Islands	JPN	Japan	PHL	Philippines	USA	United States
CZE	Czech Republic	KAZ	Kazakhstan	POL	Poland	VEN	Venezuela
DEU	Germany	KEN	Kenya	PRT	Portugal	VNM	Vietnam
DNK	Denmark	KHM	Cambodia	PRY	Paraguay	ZAF	South Africa
ECU	Ecuador	KOR	South Korea	QAT	Qatar	ZMB	Zambia
EGY	Egypt	KWT	Kuwait	ROU	Romania	ZWE	Zimbabwe

Currencies

AED	United Arab Emirates Dirham	EGP	Egyptian Pound	LKR	Sri Lanka Rupee	RUB	Russian Ruble
ARS	Argentine Peso	EUR	Euro	MUR	Mauritius Rupee	SAR	Saudi Arabian Riyal
AUD	Australian Dollar	GBP	British Pound Sterling	MXN	Mexican Peso	SEK	Swedish Krona
BDT	Bangladeshi Taka	GHS	Ghanaian Cedi	MYR	Malaysian Ringgit	SGD	Singapore Dollar
BRL	Brazilian Real	HKD	Hong Kong Dollar	NGN	Nigerian Naira	THB	Thai Baht
CAD	Canadian Dollar	HUF	Hungarian Forint	NOK	Norwegian Krone	TRY	Turkish Lira
CHF	Swiss Franc	IDR	Indonesian Rupiah	NZD	New Zealand Dollar	TWD	New Taiwan Dollar
CLP	Chilean Peso	ILS	Israeli Shekel	PEN	Peruvian Nuevo Sol	USD	US Dollar
CNY	Chinese Yuan Renminbi	INR	Indian Rupee	PHP	Philippine Peso	VND	Vietnamese Dong
COP	Colombian Peso	JPY	Japanese Yen	PKR	Pakistan Rupee	XOF	CFA Franc BCEAO
CZK	Czech Koruna	KES	Kenyan Shilling	PLN	Polish Zloty	ZAR	South African Rand
DEM	Deutsche Mark	KRW	South Korean Won	QAR	Qatari Rial		
DKK	Danish Krone	KWD	Kuwaiti Dinar	RON	New Romanian Leu		

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.

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		Gross Volume of TRS ⁽¹⁾	Total Securities Lending and TRS in % of net assets
		Market value of securities on loan	in % of lendable securities' market value		
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 include 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
Franklin Select U.S. Equity Fund	USD	Sovereign	above one year	GBP	199,928,359
Franklin Technology Fund	USD	Sovereign	above one year	EUR	7,329,044
				GBP	3,149,810
Franklin U.S. Opportunities Fund	USD	Sovereign	above one year	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 currency
Franklin Diversified Balanced Fund	EUR	one to three months	France	1,014,621
		three months to one year	France	1,217,970
Franklin Diversified Conservative Fund	EUR	one to three months	United Kingdom	661,680
		three months to one year	United States of America	1,503,486
			France	1,330,209
Franklin Diversified Dynamic Fund	EUR	one to three months	France	1,642,852
		three months to one year	United Kingdom	892,502
			United States of America	1,582,900
Franklin Flexible Alpha Bond Fund	USD	one to three months	France	513,607
		three months to one year	France	464,166
			United Kingdom	252,165
Franklin Global Multi-Asset Income Fund	EUR	one to three months	United States of America	867,180
		three months to one year	Switzerland	63,953
			United States of America	150,283
Franklin K2 Alternative Strategies Fund	USD	one week to one month	Switzerland	749,968
		one to three months	United States of America	1,207,165
		three months to one year	France	1,213,510
Franklin K2 Long Short Credit Fund	USD	one week to one month	France	1,598,335
		one to three months	United Kingdom	869,030
		three months to one year	United States of America	210,459
Franklin Strategic Income Fund	EUR	one week to one month	United States of America	50,025
		one to three months	Germany	8,836
		three months to one year	United States of America	990,563
		above one year	Germany	13,385,195
Franklin U.S. Low Duration Fund	USD	one week to one month	United States of America	9,634,761
		one to three months	United States of America	3,309,133
		three months to one year	United States of America	20,742,852
			United States of America	25,700
Franklin U.S. Low Duration Fund	USD	one to three months	United Kingdom	52,242
		three months to one year	United States of America	53,556
			United Kingdom	143,214
Franklin U.S. Low Duration Fund	USD	one to three months	United States of America	123,756
		three months to one year	Switzerland	297,112
Franklin U.S. Low Duration Fund	USD	one to three months	United States of America	3,024,603
		three months to one year	France	38,418
			Switzerland	55,147
Franklin U.S. Low Duration Fund	USD	one to three months	Switzerland	17,500
		three months to one year	United States of America	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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