

AUDITED ANNUAL REPORT

# FRANKLIN TEMPLETON OPPORTUNITIES FUNDS

société d'investissement à capital variable

March 31, 2024



FRANKLIN  
TEMPLETON



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société d'investissement à capital variable

## AUDITED ANNUAL REPORT

For the year ended March 31, 2024

This report shall not constitute an offer or a solicitation of an offer to buy shares of Franklin Templeton Opportunities 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 Information Documents ("KIDs") or 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 auditor's report refers only to the English version of the Annual Report and not to any translated versions.



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## General Information

As at March 31, 2024

### **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 212 724)

### **BOARD OF DIRECTORS:**

#### **Chairperson**

*Caroline Carroll (Chairperson until March 27, 2024)*

Director

FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED

Cannon Place, 78 Cannon Street

London EC4N 6HL, United Kingdom

#### **Directors**

*A. Craig Blair (Chairperson starting on March 27, 2024)*

Director

FRANKLIN TEMPLETON INTERNATIONAL SERVICES

S.à r.l.

8A, rue Albert Borschette

L-1246 Luxembourg

Grand Duchy of Luxembourg

*William Jackson*

Non-Executive Director

2 St Clair Terrace,

Edinburgh EH10 5NW,

United Kingdom

*Hans-J. Wisser*

Independent Director

Kalberstucksweg 37, 61350 Bad Homburg

Germany

### **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

USA

FRANKLIN TEMPLETON AUSTRALIA LIMITED

120 Collins Street, Level 47

Melbourne VIC 3000

Australia

FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED

Cannon Place, 78 Cannon Street

London EC4N 6HL, United Kingdom

### **DEPOSITARY AND ADMINISTRATIVE AGENT:**

J.P. MORGAN SE, Luxembourg Branch

European Bank and Business Centre

6C, route de Trèves, L-2633 Senningerberg

Grand Duchy of Luxembourg

### **REGISTRAR AND TRANSFER AGENT:**

VIRTUS PARTNERS FUND SERVICES LUXEMBOURG

S.à r.l.

8A, rue Albert Borschette

L-1246 Luxembourg

Grand Duchy of Luxembourg

### **AUDITOR:**

PRICEWATERHOUSECOOPERS, Société coopérative

2, rue Gerhard Mercator, L-2182 Luxembourg

Grand Duchy of Luxembourg

### **LEGAL ADVISER:**

ELVINGER HOSS PRUSSEN, société anonyme

2, Place Winston Churchill,

L-1340 Luxembourg

Grand Duchy of Luxembourg

# Report of the Board of Directors

At March 31, 2024, Franklin Templeton Opportunities Funds (“FTOF”, or the “Company”) had assets under management of EUR 783.9 million, down from EUR 923.6 million a year earlier mainly due to the increase in redemptions.

The Company will continue to make changes to the range of sub-funds when this is in the best interest of investors. We remain committed to retaining investment techniques that have been shown, over time, to increase shareholder value.

Thank you for investing with Franklin Templeton. Please be advised that the prospectus, the Key Investor Information Documents (KIIDs) of FTOF may not be available in your jurisdiction.

If you have any queries, comments or suggestions about your investments with us please contact your financial adviser or your local Franklin Templeton office using the contact details on the last page of the report.

## **Corporate Governance and ALFI Code of Conduct**

The Board is responsible for monitoring that a high level of corporate governance is met and considers that the Company is committed to comply with the best practises and standards of the Luxembourg fund industry.

In that sense, the Board has adopted the ALFI Code of Conduct (the “Code”), which provides principles of good practice. The Code is available at the following link:

[ALFI Code of Conduct](#)<sup>1</sup>

The Board confirms that in the course of the financial year in scope the Company has adhered to the principles of the Code and followed the recommendations provided therein.

## **Environmental Social Governance (“ESG”)**

In accordance with Article 11(1) of Regulation (EU) 2019/2088, for financial products promoting environmental or social characteristics and objectives, details of these are shown in the Additional Information section of the annual report.

**THE BOARD OF DIRECTORS**

Luxembourg, April 2024

<sup>1</sup> [https://www.alfi.lu/getattachment/50c22f50-3f25-4e45-b296-222c630f842e/app\\_data-import-alfi-alfi-code-of-conduct-update-2022.pdf](https://www.alfi.lu/getattachment/50c22f50-3f25-4e45-b296-222c630f842e/app_data-import-alfi-alfi-code-of-conduct-update-2022.pdf)

# Report of the Investment Managers

## Year to March 31, 2024

Over the 12 months under review, European and US bond indices registered positive returns, while global equities were up, despite falling in the third quarter of 2023.

After addressing a bout of financial sector turmoil early in the second quarter of 2023, central banks returned their focus to persistent levels of core inflation. In May, the US Federal Reserve (Fed) raised the fed funds rate by 25 basis points (bps). Accompanying comments by policymakers appeared to suggest an end to the hiking cycle. However, subsequent economic data showed a surprisingly resilient US economy, raising expectations for at least one further hike by the Fed before the autumn. Nonetheless, the Fed kept rates unchanged for the first time in over a year in June, although it signalled support for two additional interest rate increases in 2023.

Indeed, the Fed hiked rates by 25 bps to a target range of 5.25%–5.50% in July, its highest level in more than 22 years, but opted for a pause at its September meeting. However, accompanying statements indicated that one more hike was still likely, and Fed Chair Powell suggested he was hesitant to call an end to the central bank's tightening cycle until a more sustained return of inflation to its target was evident.

Nonetheless, the Fed left its policy rate unchanged over the fourth quarter. The accompanying statements of its December meeting were relatively dovish, indicating that policymakers had already begun discussing monetary policy easing, although the Fed did highlight that, while it seems that the peak policy rate had been reached, additional hikes could be delivered, if necessary. However, inflation saw continued signs of moderation.

In the first quarter of 2024, the Fed left rates unchanged, although Powell pushed back against exuberant market expectations of imminent rate cuts, saying that the Federal Open Market Committee needed further confirmation of the disinflationary trend.

Against this backdrop, benchmark 10-year US Treasury yields showed extreme volatility, but for the 12-month review period overall, they rose by over 70 bps.

In Europe, doggedly high inflation saw the European Central Bank (ECB) raise interest rates by 25 bps in both May and June 2023. Indeed, eurozone core inflation came in at 5.4% year-on-year in June, still well above the central bank's target of 2%. Economic news in the region was downbeat, as revised data showed that the eurozone had entered a technical recession.

The ECB continued to tighten monetary policy over the period, opting for two 25-bp hikes at its July and September meetings, taking the deposit rate to 4.00%, a record high. After September's hike, the central bank stated that, while one more hike was possible in 2023, it considered its policy sufficiently restrictive to bring inflation back down to its 2% target, if maintained for long enough.

The ECB did, in fact, keep policy rates unchanged over the fourth quarter of 2023 but pushed back against investor expectations of imminent rate cuts. ECB President Lagarde indicated that policymakers had not discussed monetary policy easing yet, as they believed that price pressures might reaccelerate.

The ECB met twice during the first quarter of 2024 and held interest rates steady at their record highs both times. At its March meeting, the ECB released statements indicating its inflation and growth projections had been revised lower but that the monetary authority would remain data-dependent going forward.

In European fixed income markets, despite some volatility, benchmark 10-year German Bund yields were broadly flat for the 12-month period.

Global equities rose during the second quarter of 2023, as concerns about the banking industry subsided, the US debt ceiling issue was resolved, many companies' first-quarter earnings exceeded consensus estimates and investors welcomed several central banks' slower pace or pausing of interest-rate hikes. However, concerns remained that persistent inflation combined with robust labour markets in many regions could lead their central banks to tighten monetary policy further and hurt economic growth.

Global equities then declined in the third quarter of 2023, with stocks posting gains in July but losses in both August and September. Generally easing inflation rates and resilient economic growth in major developed markets, along with investor optimism about a potential end to rate hikes by central banks, bolstered global stocks early in the quarter. However, investor risk appetite soured as it became clearer that key central banks like the Fed intended to hold interest rates higher for longer.

Nonetheless, global equities rebounded in the fourth quarter of 2023 to close out a generally strong year. In October, equities declined for the third consecutive month due to investor concerns about surging sovereign bond yields, worsening geopolitical uncertainty due to the Israel-Hamas war and the continued prospect of higher-for-longer interest rates. However, renewed optimism that major central banks, including the Fed, might begin cutting policy rates sooner than previously expected drove bond yields lower and equities significantly higher in the final two months of the year. Moderating inflation, encouraging economic data, and softening but solid employment figures in several regions, particularly in the United States, reinvigorated expectations for an economic soft landing, further supporting risk appetite.

Global equities maintained their strong run over the first quarter of 2024. Better-than-expected fourth-quarter 2023 earnings reports, growth opportunities tied to artificial intelligence, and optimism about an economic soft landing in certain regions buoyed investor sentiment. Meanwhile, expectations for interest-rate cuts in the United States and Europe diminished amid cautious central bank comments, along with some higher-than-anticipated US inflation data.

**THE INVESTMENT MANAGERS**

April 2024

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



## Audit report

To the Shareholders of  
**Franklin Templeton Opportunities Funds**

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### Our opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Franklin Templeton Opportunities Funds (the “Fund”) and of each of its sub-funds as at 31 March 2024, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

#### *What we have audited*

The Fund’s financial statements comprise:

- the statement of net assets as at 31 March 2024;
- the statement of operations and changes in net assets for the year then ended;
- the schedule of investments as at 31 March 2024; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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### Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the “Commission de Surveillance du Secteur Financier” (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the “Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the financial statements” section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

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### Other information

The Board of Directors of the Fund is responsible for the other information. The other information comprises the information stated in the annual report but does not include the financial statements and our audit report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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*PricewaterhouseCoopers, Société coopérative, 2 rue Gerhard Mercator, B.P. 1443, L-1014 Luxembourg  
T : +352 494848 1, F : +352 494848 2900, [www.pwc.lu](http://www.pwc.lu)*

*Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256)  
R.C.S. Luxembourg B 65 477 - TVA LU25482518*



In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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#### **Responsibilities of the Board of Directors of the Fund for the financial statements**

The Board of Directors of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors of the Fund determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors of the Fund is responsible for assessing the Fund's and each of its sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of the Fund either intends to liquidate the Fund or close any of its sub-funds or to cease operations, or has no realistic alternative but to do so.

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#### **Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the financial statements**

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Fund;



- conclude on the appropriateness of the Board of Directors of the Fund's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's or any of its sub-funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Fund or any of its sub-funds (except for Franklin Target Income 2024 Fund and Franklin Green Target Income 2024 Fund where a decision to liquidate exists) to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers, Société coopérative  
Represented by

Luxembourg, 11 July 2024

Laurent Butticè

## Fund Performance

Percentage change to March 31, 2024

	<b>Reference Share Class</b>	<b>Launch Date</b>	<b>1 Month %</b>	<b>3 Months %</b>	<b>6 Months %</b>	<b>1 Year %</b>	<b>Since Launch %</b>
Franklin ESG-Focused Balanced Fund	A (acc) EUR	15 Jul 21	2.5	6.8	14.6	16.6	6.6
Franklin Global Target Euro Income 2025 Fund	E1 (acc) EUR	17 Feb 20	–	0.6	4.0	6.3	5.0
Franklin Green Target Income 2024 Fund	A (acc) EUR	10 May 19	0.5	1.5	3.5	6.7	3.3
Franklin Target Income 2024 Fund	A (acc) EUR	5 Apr 19	0.3	0.9	2.7	5.7	2.8
Franklin U.S. Managed Income 2028 Fund	D4 (acc) EUR	28 Jul 22	2.2	3.1	8.4	8.3	3.4
Franklin USD Diversified Bond Series I 2025 Fund	E (acc) USD	16 Sep 20	0.5	1.3	3.3	2.9	4.4

The performance is based on the net asset values as calculated on the last business day of the year. Those net asset values reflect the market prices of the investments as of the last business day of the year. The performance is based on the change of the net asset value per share.

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

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 Information Documents (“KIDs”) or 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 and JPMorgan

## Statement of Net Assets

As at March 31, 2024

	Total	Franklin ESG- Focused Balanced Fund	Franklin Global Target Euro Income 2025 Fund
	(EUR)	(EUR)	(EUR)
<b>ASSETS</b>			
Investments in securities at market value (note 2(b))	752,362,162	26,127,262	19,327,121
Cash at bank and at brokers	31,651,191	715,444	2,638,211
Time deposits (note 3)	200,000	–	–
Amounts receivable on sale of investments	6,022,408	136,059	–
Interest and dividends receivable, net	7,970,226	141,766	209,777
Unrealised profit on forward foreign exchange contracts (notes 2(c), 4)	115,632	99,158	–
Unrealised profit on financial future contracts (notes 2(d), 5)	32,149	–	–
Option contracts at market value (notes 2(e), 6)	108,848	–	–
Other receivables	92,715	15,703	12,405
<b>TOTAL ASSETS</b>	<b>798,555,331</b>	<b>27,235,392</b>	<b>22,187,514</b>
<b>LIABILITIES</b>			
Amounts payable on purchases of investments	8,825,425	–	195,694
Amounts payable on redemptions	4,378,511	1,869	–
Investment management fees payable (note 7)	195,294	11,083	4,657
Unrealised loss on forward foreign exchange contracts (notes 2(c), 4)	304,805	31,245	–
Unrealised loss on financial future contracts (notes 2(d), 5)	17,529	17,529	–
Option contracts at market value (notes 2(e), 6)	19,725	–	–
Taxes and expenses payable	927,361	32,916	30,356
<b>TOTAL LIABILITIES</b>	<b>14,668,650</b>	<b>94,642</b>	<b>230,707</b>
<b>TOTAL NET ASSETS</b>	<b>783,886,681</b>	<b>27,140,750</b>	<b>21,956,807</b>
<b>THREE YEAR ASSET SUMMARY</b>			
March 31, 2023	923,586,950	20,131,880	22,592,175
March 31, 2022	1,077,247,039	19,335,555	25,184,551
March 31, 2021	1,249,729,915	–	27,946,583

## Statement of Net Assets

As at March 31, 2024

Franklin Green Target Income 2024 Fund	Franklin Target Income 2024 Fund	Franklin U.S. Managed Income 2028 Fund	Franklin USD Diversified Bond Series I 2025 Fund
(EUR)	(EUR)	(EUR)	(USD)
258,277,843	270,831,140	36,768,308	152,143,690
9,433,582	12,718,271	270,159	6,338,515
–	–	200,000	–
–	5,886,349	–	–
3,024,872	2,841,187	269,968	1,599,489
10,372	6,102	–	–
–	–	32,149	–
–	–	108,848	–
54,565	9,956	86	–
<b>270,801,234</b>	<b>292,293,005</b>	<b>37,649,518</b>	<b>160,081,694</b>
–	4,997,500	–	3,918,451
529,398	3,837,194	10,050	–
57,402	63,320	18,823	43,162
–	5	102,934	184,066
–	–	–	–
–	–	19,725	–
258,018	422,693	52,913	140,745
<b>844,818</b>	<b>9,320,712</b>	<b>204,445</b>	<b>4,286,424</b>
<b>269,956,416</b>	<b>282,972,293</b>	<b>37,445,073</b>	<b>155,795,270</b>
296,878,265	355,006,833	38,646,840	206,423,439
356,889,064	422,771,970	–	267,656,659
408,991,789	495,690,864	–	348,381,940

## Statement of Operations and Changes in Net Assets

For the year ended March 31, 2024

	Total (EUR)	Franklin ESG- Focused Balanced Fund (EUR)	Franklin Global Target Euro Income 2025 Fund (EUR)
<b>NET ASSETS AT THE BEGINNING OF THE YEAR</b>	<b>923,586,950</b>	<b>20,131,880</b>	<b>22,592,175</b>
Currency translation adjustment	1,014,463	–	–
	924,601,413	20,131,880	22,592,175
<b>INCOME</b>			
Dividends (net of withholding taxes) (note 2(g))	462,157	192,720	–
Interest income on debt securities (net of withholding taxes) (note 2(g))	30,103,001	329,388	757,411
Bank interest (note 2(g))	477,764	11,376	39,861
Sundry income (note 2(g))	203,744	1,600	–
<b>TOTAL INCOME</b>	<b>31,246,666</b>	<b>535,084</b>	<b>797,272</b>
<b>EXPENSES</b>			
Investment management fees (note 7)	2,332,239	113,479	55,109
Administration and transfer agency fees	887,850	45,962	22,043
Directors fees	16,845	343	360
Subscription tax (note 10)	417,030	6,976	11,033
Custodian fees	72,187	2,140	1,734
Audit fees	102,688	28,826	25,616
Printing and publishing expenses	101,980	4,469	6,329
Maintenance and service charges (note 11)	4,024,243	19,981	54,006
Other charges (note 13)	498,333	32,318	32,000
<b>TOTAL EXPENSES</b>	<b>8,453,395</b>	<b>254,494</b>	<b>208,230</b>
Expenses reimbursement (note 12)	(1,137,236)	(77,674)	(77,070)
<b>NET EXPENSES</b>	<b>7,316,159</b>	<b>176,820</b>	<b>131,160</b>
<b>NET INCOME/(EXPENSES) FROM INVESTMENTS</b>	<b>23,930,507</b>	<b>358,264</b>	<b>666,112</b>
Net realised profit/(loss) on sale of investments	(48,173,961)	(426,096)	(380,452)
Net realised profit/(loss) on forward foreign exchange contracts	(891,315)	86,155	–
Net realised profit/(loss) on financial future contracts	467,598	35,716	–
Net realised profit/(loss) on option contracts	(87,333)	–	–
Net realised profit/(loss) on foreign exchange transactions	(21,021)	(53,868)	10
<b>NET REALISED PROFIT/(LOSS) FOR THE YEAR</b>	<b>(24,775,525)</b>	<b>171</b>	<b>285,670</b>
Change in net unrealised appreciation/(depreciation) on:			
Investments	75,414,827	3,838,821	1,074,930
Forward foreign exchange contracts	(1,084,633)	155,358	–
Financial future contracts	(42,480)	4,955	–
Option contracts	66,332	–	–
Foreign exchange transactions	15,517	432	–
<b>NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS</b>	<b>49,594,038</b>	<b>3,999,737</b>	<b>1,360,600</b>
<b>MOVEMENT OF CAPITAL</b>			
Issue of shares	3,474,486	3,421,156	20,339
Redemption of shares	(173,820,552)	(161,604)	(1,657,274)
Equalisation (note 16)	(2,419,497)	25,753	(19,649)
	(172,765,563)	3,285,305	(1,656,584)
Dividends paid/accumulated	(17,543,207)	(276,172)	(339,384)
<b>NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF MOVEMENT IN CAPITAL</b>	<b>(190,308,770)</b>	<b>3,009,133</b>	<b>(1,995,968)</b>
<b>NET ASSETS AT THE END OF THE YEAR</b>	<b>783,886,681</b>	<b>27,140,750</b>	<b>21,956,807</b>

## Statement of Operations and Changes in Net Assets

For the year ended March 31, 2024

Franklin Green Target Income 2024 Fund (EUR)	Franklin Target Income 2024 Fund (EUR)	Franklin U.S. Managed Income 2028 Fund (EUR)	Franklin USD Diversified Bond Series I 2025 Fund (USD)
296,878,265	355,006,833	38,646,840	206,423,439
–	–	–	–
296,878,265	355,006,833	38,646,840	206,423,439
–	–	269,437	–
9,958,694	12,480,078	1,114,699	5,893,194
187,841	163,345	11,292	69,096
–	–	202,144	–
<b>10,146,535</b>	<b>12,643,423</b>	<b>1,597,572</b>	<b>5,962,290</b>
706,571	829,514	223,432	435,980
282,629	331,806	43,756	174,392
4,899	7,311	629	3,563
140,294	161,300	18,696	84,935
24,953	32,177	2,407	9,468
12,047	22,267	–	15,030
25,165	52,198	3,698	10,919
868,367	2,387,293	290,462	435,980
169,100	166,383	19,244	85,536
<b>2,234,025</b>	<b>3,990,249</b>	<b>602,324</b>	<b>1,255,803</b>
(376,426)	(441,578)	(51,182)	(122,235)
<b>1,857,599</b>	<b>3,548,671</b>	<b>551,142</b>	<b>1,133,568</b>
<b>8,288,936</b>	<b>9,094,752</b>	<b>1,046,430</b>	<b>4,828,722</b>
(11,065,581)	(22,027,643)	(300,345)	(15,074,983)
(596,790)	(689,949)	367,224	(62,522)
–	–	431,882	–
–	–	(87,333)	–
(14,797)	(2,319)	47,836	2,284
<b>(3,388,232)</b>	<b>(13,625,159)</b>	<b>1,505,694</b>	<b>(10,306,499)</b>
22,913,423	32,083,989	2,029,857	14,535,545
(119,885)	(151,839)	(638,725)	(355,510)
–	–	(47,435)	–
–	–	66,332	–
31,160	(19,981)	3,882	24
<b>19,436,466</b>	<b>18,287,010</b>	<b>2,919,605</b>	<b>3,873,560</b>
6,569	–	–	28,504
(42,984,652)	(81,198,390)	(3,340,583)	(47,982,919)
(582,025)	(1,452,743)	(41,757)	(376,583)
<b>(43,560,108)</b>	<b>(82,651,133)</b>	<b>(3,382,340)</b>	<b>(48,330,998)</b>
(2,798,207)	(7,670,417)	(739,032)	(6,170,731)
(46,358,315)	(90,321,550)	(4,121,372)	(54,501,729)
<b>269,956,416</b>	<b>282,972,293</b>	<b>37,445,073</b>	<b>155,795,270</b>

## Statistical Information

	Total Expense Ratio March 31, 2024 (See note 17)	Shares Outstanding as at March 31, 2024	Net Asset Value per share as at March 31, 2024	Net Asset Value per share as at March 31, 2023	Net Asset Value per share as at March 31, 2022
<b>Franklin ESG-Focused Balanced Fund - EUR</b>					
A (acc) EUR	1.25%	227,531.46	10.66	9.14	9.88
A (Ydis) EUR	1.25%	231,932.89	10.41	9.08	9.88
A (Ydis) USD-H1 (hedged)	1.25%	259,508.85	10.96	9.40	9.93
I (Ydis) EUR	0.60%	833,339.14	10.59	9.18	9.92
I (Ydis) USD-H1 (hedged)	0.60%	259,503.13	11.15	9.50	9.97
R (acc) EUR	0.35%	284,425.88	10.93	9.29	9.94
W (Ydis) EUR	0.65%	224,148.81	10.58	9.18	9.92
W (Ydis) USD-H1 (hedged)	0.65%	259,503.13	11.13	9.49	9.97
<b>Franklin Global Target Euro Income 2025 Fund - EUR</b>					
E (Ydis) EUR	1.30%	7,455.70	104.28	99.28	103.21
E1 (acc) EUR	0.65%	3,142.21	104.98	98.76	101.08
E1 (Ydis) EUR	0.65%	150,038.72	99.51	95.01	98.95
WE (acc) EUR	0.35%	1,090.75	106.07	99.48	101.73
WE (Ydis) EUR	0.35%	58,038.28	99.95	95.34	99.22
<b>Franklin Green Target Income 2024 Fund - EUR</b>					
A (acc) EUR	1.30%	49,953.20	103.25	96.76	103.98
A (Ydis) EUR	1.30%	161,660.01	99.81	94.21	102.00
A1 (acc) EUR	0.75%	77,483.87	106.07	98.86	105.65
A1 (acc) USD-H1 (hedged)	0.75%	1,442.00	116.25	106.55	110.81
A1 (Ydis) CZK-H1 (hedged)	0.75%	375,721.32	1,073.90	983.73	1,008.47
A1 (Ydis) EUR	0.75%	1,270,380.52	100.05	94.46	102.29
A1 (Ydis) USD-H1 (hedged)	0.75%	309.33	109.99	102.09	107.52
D1 (Ydis) EUR	1.30%	10,169.50	95.72	90.38	97.87
W (acc) EUR	0.35%	434,593.09	108.16	100.41	106.88
W (Ydis) EUR	0.35%	488,584.63	100.25	94.65	102.52
W (Ydis) USD-H1 (hedged)	0.35%	1,966.96	110.72	102.71	108.15
<b>Franklin Target Income 2024 Fund - EUR</b>					
A (acc) EUR	1.30%	112,675.17	102.82	97.31	105.20
A (Ydis) EUR	1.30%	472,196.90	94.64	91.59	101.03
A1 (acc) EUR	0.75%	3,790.00	105.68	99.47	106.94
A1 (Ydis) CZK-H1 (hedged)	0.75%	420,871.38	1,074.00	1,007.36	1,051.50
A1 (Ydis) EUR	0.75%	932,613.71	95.10	92.08	101.56
D1 (Ydis) EUR	1.30%	1,117,675.16	94.64	91.59	101.03
W (acc) EUR	0.35%	42,998.47	107.80	101.07	108.23
W (Ydis) EUR	0.35%	97,486.65	95.44	92.44	101.96
<b>Franklin U.S. Managed Income 2028 Fund - EUR</b>					
D4 (acc) EUR	1.48%	88,294.99	103.39	95.51	–
D4 (Ydis) EUR	1.48%	281,005.98	100.76	95.48	–
<b>Franklin USD Diversified Bond Series I 2025 Fund - USD</b>					
E (acc) USD	0.65%	121,260.91	104.42	101.52	100.75
E (Qdis) SGD-H1 (hedged)	0.65%	199,789.93	89.39	91.92	95.42
E (Qdis) USD	0.65%	1,414,438.73	91.83	92.69	95.60

Per Share NAV disclosed is as of March 28, 2024, the last valuation of the fiscal year.

# Notes to Financial Statements

## For the year ended March 31, 2024

### Note 1 - The Company

Franklin Templeton Opportunities Funds ("FTOF" 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 February 15, 2017, for an undetermined period. At the date of this report, it offers shares in 6 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.

### 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 under the going concern basis of accounting with the exception of Franklin Target Income 2024 Fund which reached its maturity on April 04, 2024 and Franklin Green Target Income 2024 Fund which will reach its maturity on November 12, 2024, hence the financial statements for these sub-funds have been prepared on a liquidation basis. The application of the non-going concern basis of accounting has not led to material adjustments to the sub-funds published net asset value.

#### (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.

In accordance with the provisions of the current prospectus, Market Level Fair Valuation may be implemented to protect the interests of the Company's shareholders against market timing practices, as market timers may seek to exploit possible delays between the change in the value of a Fund's portfolio holdings and the Net Asset Value of the Fund's Shares in Funds that hold significant investments in foreign securities because certain foreign markets close several hours ahead of the US markets, and in Funds that hold significant investments in small-cap securities, high-yield ("junk") bonds and other types of investments which may not be frequently traded.

The Company's directors are using several methods to reduce the risk of market timing. As at March 31, 2024, a Market Level Fair Valuation was applied to the following Funds:

- Franklin ESG-Focused Balanced Fund
- Franklin U.S. Managed Income 2028 Fund

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.

During the accounting year under review, gains and losses on investment securities sold were computed on the average cost basis.

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

## **Note 2 - Significant accounting policies (continued)**

### **(b) Investment in securities (continued)**

For mortgage-backed and other similar holdings with scheduled debt paydowns, the Company 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". However, the Company had no exposure as at March 31, 2024.

Money market instruments are valued at market value.

The current political and financial uncertainty surrounding Russian military operations in the sovereign territory of Ukraine has increased market volatility and the economic risk of investing in securities in these countries and other impacted countries within the region. Due to the sanctions, actions by governments, developments in Ukraine itself and other circumstances, the Manager continues to assess the impact on valuation and liquidity and will take any potential actions needed, in accordance with the Company's valuation policies and procedures.

Tensions between Russia and Ukraine, and Israel and Palestine, may result in the global economy being adversely affected, along with the economies of certain nations and individual issuers. Although the Funds have no exposure to the Russian or Ukrainian markets and to the Israeli or Palestinian markets, the share price of some share classes may be affected by wider market volatility.

### **(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) 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. Starting this financial year, the accounting policy regarding the option premium has been changed in that the option premiums earned from writing call options are no longer treated as capital gains but as income.

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 fulfil 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.

**Note 2 - Significant accounting policies (continued)****(e) Option contracts (continued)**

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

**(f) 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 year 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 year.

The reference currency of the Company as reflected in the financial statements is Euro. The principal exchange rates applied as at March 31, 2024, are as follows:

AUD	1.6555	DKK	7.4591	SEK	11.5495
CAD	1.4612	GBP	0.8548	SGD	1.4566
CHF	0.9729	JPY	163.3195	USD	1.0788
CZK	25.2979	NOK	11.7141		

The above exchange rates have been rounded to four decimal places.

The list of the currency abbreviations is available in note 19.

**(g) 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. Bank interest is credited to the funds upon receipt. Sundry income are principally comprised of derivative income - options.

**(h) Formation expenses**

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

**(i) Swing pricing**

A Fund may suffer reduction of the Net Asset Value per Share due to Investors purchasing, selling and/or switching in and out of the Fund at a price that does not reflect the dealing costs associated with this Fund's portfolio trades undertaken by the Investment Managers to accommodate cash inflows or outflows.

To counter this dilution impact and to protect Shareholders' interests, a swing pricing mechanism may be adopted by the Company as part of its valuation policy.

The Fund operates a swing pricing mechanism which is applied when the total estimated capital activity (aggregate of estimated inflows and outflows) at a Fund level exceeds a pre-determined threshold, as determined as a percentage of the net assets of that Fund for the Valuation Day. Funds can operate a full swing pricing mechanism where the threshold is set to zero or a partial swing pricing mechanism where the threshold is greater than zero.

Typically, such adjustment will increase the Net Asset Value per Share when there are net inflows into the Fund and decrease the Net Asset Value per Share when there are net outflows. The Net Asset Value per Share of each Share Class in a Fund will be calculated separately but any adjustment will, in percentage terms, affect the Net Asset Value per Share of each Share Class in a Fund identically. Swing pricing does not address the specific circumstances of each individual investor transaction.

The adjustments will seek to reflect the anticipated prices at which the Fund will be buying and selling assets as well as estimated transaction costs. Investors are advised that the volatility of the Fund's Net Asset Value might not reflect the true portfolio performance as a consequence of the application of swing pricing.

## Note 2 - Significant accounting policies (continued)

### (i) Swing pricing (continued)

The size of the adjustment impact is determined by factors such as the volume of transactions, the purchase or sale prices of the underlying investments and the valuation method adopted to calculate the value of such underlying investments of the Fund.

The swing pricing mechanism may be applied across all Funds of the Company. The extent of the price adjustment will be reset by the Company on a periodic basis to reflect an approximation of current dealing and other costs. Such adjustment may vary from Fund to Fund and under normal market conditions will not exceed 2% of the original Net Asset Value per Share. The Board of Directors can approve an increase of this limit in case of exceptional circumstances, unusually large Shareholders trading activities, and if it is deemed to be in the best interest of Shareholders.

The Management Company mandates authority to the Swing Pricing Oversight Committee to implement and on a periodic basis review, the operational decisions associated with swing pricing. This committee is responsible for decisions relating to swing pricing and the ongoing approval of swing factors which form the basis of pre-determined standing instructions.

The price adjustment is available on request from the Management Company at its registered office.

On certain share classes, the Management Company may be entitled to a Performance Fee which will be based on the unsprung NAV.

In the case of a swing pricing event on the last day of the year end, 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 last day of the annual year end, as disclosed in the Statistical Information, would include the swing pricing adjustment. No swing pricing applied as at March 31, 2024.

During the year ended March 31, 2024, swing pricing adjustments affected the net asset value per share of the following Funds:

- Franklin ESG-Focused Balanced Fund
- Franklin USD Diversified Bond Series I 2025 Fund

### Note 3 - Time deposits ("TDs")

As at March 31, 2024, the Company had the following cash on time deposits:

Fund Counterparty		Value of TDs in Fund Currency
Franklin U.S. Managed Income 2028 Fund		
Toronto-Dominion Bank (The)	EUR	200,000

### Note 4 - Forward foreign exchange contracts

As at March 31, 2024, the Company had entered into the following outstanding contracts:

#### Franklin ESG-Focused Balanced Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) EUR
Forward foreign exchange contracts used for efficient portfolio management:					
EUR	930,806	DKK	6,936,000	04/16/2024	804
EUR	649,951	GBP	562,000	04/16/2024	(7,194)
NOK	6,830,000	EUR	606,990	04/16/2024	(24,051)
					<u>(30,441)</u>
Forward foreign exchange contracts used for share class hedging:					
USD	8,579,466	EUR	7,850,301	04/15/2024	98,354
					<u>98,354</u>
					<u><b>67,913</b></u>

**Note 4 - Forward foreign exchange contracts (continued)**

**Franklin ESG-Focused Balanced Fund (continued)**

	Unrealised profit/(loss) EUR
The above contracts were opened with the below counterparties:	
Barclays	804
J.P. Morgan	67,109
	<u>67,913</u>

**Franklin Green Target Income 2024 Fund**

Purchases		Sales		Maturity Date	Unrealised profit/(loss) EUR
Forward foreign exchange contracts used for share class hedging:					
CZK	401,198,073	EUR	15,844,092	04/15/2024	5,391
EUR	59,341	CZK	1,499,648	04/15/2024	98
USD	416,571	EUR	381,059	04/15/2024	4,883
					<u>10,372</u>

The above contracts were opened with the below counterparties:	
J.P. Morgan	10,372
	<u>10,372</u>

**Franklin Target Income 2024 Fund**

Purchases		Sales		Maturity Date	Unrealised profit/(loss) EUR
Forward foreign exchange contracts used for share class hedging:					
CZK	452,190,938	EUR	17,857,900	04/15/2024	6,076
EUR	56,840	CZK	1,438,249	04/15/2024	21
					<u>6,097</u>

The above contracts were opened with the below counterparties:	
J.P. Morgan	6,097
	<u>6,097</u>

**Franklin U.S. Managed Income 2028 Fund**

Purchases		Sales		Maturity Date	Unrealised profit/(loss) EUR
Forward foreign exchange contracts used for efficient portfolio management:					
EUR	8,119,613	USD	8,879,000	04/26/2024	(102,934)
					<u>(102,934)</u>

The above contracts were opened with the below counterparties:	
Barclays	(102,934)
	<u>(102,934)</u>

**Franklin USD Diversified Bond Series I 2025 Fund**

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for share class hedging:					
SGD	17,933,597	USD	13,473,777	04/15/2024	(184,066)
					<u>(184,066)</u>

#### Note 4 - Forward foreign exchange contracts (continued)

##### Franklin USD Diversified Bond Series I 2025 Fund (continued)

	Unrealised profit/(loss) USD
The above contracts were opened with the below counterparties:	
J.P. Morgan	(184,066)
	<u>(184,066)</u>

#### Note 5 - Open positions on financial future contracts

As at March 31, 2024, the Company had entered into the following outstanding contracts:

##### Franklin ESG-Focused Balanced Fund

Number of contracts purchased/(sold)	Description	Counterparty	Trading currency	Commitment EUR	Unrealised profit/(loss) EUR
Bond Future					
(6)	Euro-BTP, 06/06/2024	J.P. Morgan	EUR	(714,060)	(10,566)
(5)	Euro-Bund, 06/06/2024	J.P. Morgan	EUR	(666,900)	(6,963)
					<u>(17,529)</u>

##### Franklin U.S. Managed Income 2028 Fund

Number of contracts purchased/(sold)	Description	Counterparty	Trading currency	Commitment EUR	Unrealised profit/(loss) EUR
Index Future					
6	S&P 500 Emini Index, 06/21/2024	Goldman Sachs	USD	1,476,224	32,149
					<u>32,149</u>

#### Note 6 - Open positions on option contracts

As at March 31, 2024, the Company had entered into the following outstanding contracts:

##### Franklin U.S. Managed Income 2028 Fund

Purchase/ Sale position	Description	Counterparty	Trading currency	Number of contracts purchased/ (sold)	Commitment EUR	Market value EUR	Unrealised profit/(loss) EUR
Index Option							
Sale	Equity Option Index, Call Option, Strike Price 18,652.51, Apr. 2024	HSBC	USD	(3,114,969)	52,709,305,254	(2,799)	9,495
Purchase	S&P 500 Index, Call Option, Strike Price 5,250.00, May. 2024	J.P. Morgan	USD	11	5,357,606	108,848	66,326
Sale	S&P 500 Index, Call Option, Strike Price 5,500.00, May. 2024	J.P. Morgan	USD	(11)	5,357,606	(16,926)	(9,489)
						<u>89,123</u>	<u>66,332</u>
						<u>89,123</u>	<u>66,332</u>

#### Note 7 - 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 year. The Investment Managers, will be remunerated by the Management Company out of the investment management fee received from the Company. The following percentages were applied in respect of the Funds during the financial year:

**Note 7 - Investment management fees (continued)**

	Classes A, A1, E and E1	Class D1	Class D4	Class I	Class R	Classes W and WE
Franklin ESG-Focused Balanced Fund	0.70%	–	–	0.45%	up to 0.20%	0.45%
Franklin Global Target Euro Income 2025 Fund	0.25%	–	–	–	–	0.25%
Franklin Green Target Income 2024 Fund	0.25%	0.25%	–	–	–	0.25%
Franklin Target Income 2024 Fund	0.25%	0.25%	–	–	–	0.25%
Franklin U.S. Managed Income 2028 Fund	–	–	0.60%	–	–	–
Franklin USD Diversified Bond Series I 2025 Fund	up to 0.25%	–	–	–	–	–

**Note 8 - 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 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, which are paid for directly by the Investment Managers.

**Note 9 - Connected party transactions**

Certain directors of the Company are or may also be Officers and/or Directors of the Management Company. 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 7 to the financial statements.

There are no connected brokers in Franklin Templeton, and no transactions were entered into with connected brokers during the year ended March 31, 2024.

During the year ended March 31, 2024, 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 Company.

**Note 10 - 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. 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. A reduced tax rate of 0.01% may apply to Share Classes reserved for 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 law.

## Note 11 - Share classes

Class A shares: are offered at the applicable net asset value, plus an entry charge of up to 3.00% of the total amount invested varying per asset class. In addition, a maintenance charge of up to 0.95% 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 A1 shares: are offered at the applicable net asset value, plus an entry charge of up to 3.00% of the total amount invested varying per asset class. 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 D1 shares: are offered at the applicable net asset value. A maintenance charge of up to 0.75% per annum of the applicable average net asset value and a servicing charge of 0.20% per annum of the applicable average net asset value are applied. This charge is accrued daily and is deducted and paid monthly to the Principal Distributor. A contingent deferred sales charge of up to 3.00%, retained by the Principal Distributor, applies to redemptions within five years of purchase.

Class D4 shares: are offered at the applicable net asset value. A maintenance charge of up to 0.45% per annum of the applicable average net asset value and a servicing charge of 0.33% per annum of the applicable average net asset value are applied. This charge is accrued daily and is deducted and paid monthly to the Principal Distributor. A contingent deferred sales charge of up to 2.00%, retained by the Principal Distributor, applies to redemptions within six years of purchase.

Class E shares: are offered at the applicable net asset value, plus an entry charge of up to 2.00% of the total amount invested varying per asset class. In addition, a maintenance charge of up to 0.95% 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. An exit charge of up to 1.00% applies to redemptions within five years of purchase.

Class E1 shares: are offered at the applicable net asset value, plus an entry charge of up to 2.00% of the total amount invested varying per asset class. In addition, a maintenance charge of up to 0.30% 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. An exit charge of up to 1.00% applies to redemptions within five years of purchase.

Class I shares: are offered at the applicable net asset value and are not subject to a contingent deferred sales charge nor any maintenance or servicing charge. Intermediaries or distributors selling Class I Shares may apply their own selling charges, but which should not exceed 3.00%. 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 neither subject to an entry charge, nor exit charge.

Class R shares: are offered at the applicable net asset value and are not subject to a contingent deferred sales charge nor any maintenance or servicing charge. Intermediaries or distributors selling Class R Shares may apply their own selling charges, but which should not exceed 3.00%. Class R shares may be offered in certain limited circumstances as more fully described in the current prospectus of the Company.

Class W shares: are offered at the applicable net asset value and are not subject to a contingent deferred sales charge nor any maintenance or servicing charge. Intermediaries or distributors selling Class W Shares may apply their own selling charges, but which should not exceed 1.50%. Class W shares may be offered in certain limited circumstances as more fully described in the current prospectus of the Company. Purchases of Class W Shares are neither subject to an entry charge, nor exit charge.

Class WE shares: are offered at the applicable net asset value and are not subject to a contingent deferred sales charge nor any maintenance or servicing charge. Intermediaries or distributors selling Class WE Shares may apply their own selling charges, but which should not exceed 2.00%. Class WE shares may be offered in certain limited circumstances as more fully described in the current prospectus of the Company. An exit charge of up to 1.00% may be applied to redemptions.

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.

Distributing shares: may have different frequencies. (Ydis) share classes distribute annually and (Qdis) share classes distribute quarterly.

**Note 11 - Share classes (continued)**

Hedged share classes: in order to reduce exchange rate fluctuations and return fluctuations, the Company offers H1 classes. The base currency exposure of the hedged share class is hedged into a specified alternative currency.

**Note 12 - Expenses reimbursement**

On a daily basis, 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”). 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 13 - Other Charges**

Other expenses mainly consists of registration & filing fees, paying agent fees, pricing fees and tax fees.

**Note 14 - Statement of changes in the investment portfolio**

A list, specifying for each Fund total purchases and sales transacted during the year under review, may be obtained, upon request, at the registered office of the Company.

**Note 15 - 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 year ended March 31, 2024, the Company incurred the following transaction costs:

<b>Fund Name</b>	<b>Currency</b>	<b>Amount*</b>
Franklin ESG-Focused Balanced Fund	EUR	8,909
Franklin Global Target Euro Income 2025 Fund	EUR	–
Franklin Green Target Income 2024 Fund	EUR	–
Franklin Target Income 2024 Fund	EUR	–
Franklin U.S. Managed Income 2028 Fund	EUR	4,636
Franklin USD Diversified Bond Series I 2025 Fund	USD	–

\* 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 16 - Equalisation**

The Funds use an accounting practice known as equalisation, by which a portion of the proceeds from issues and the costs of sale 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. As a result, undistributed investment income per share is unaffected by issues or redemptions of shares. However, in respect of any Fund offering only accumulation shares, the Board of Directors and/or the Management Company reserve the right not to apply equalisation.

**Note 17 - Total Expense Ratio**

The Total Expense Ratio (“TER”), expressed as a percentage, represents how the total annualised expenses of each share class relate to the average net assets of each share class for the year ended March 31, 2024. 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 the share classes launched during the year, the TER is annualised.

### Note 18 - Global Credit facility

The Company together with other European and U.S. registered investment funds managed by Franklin Templeton Investments (individually, "Borrower"; collectively, "Borrowers"), entered into a joint syndicated senior unsecured credit facility totalling USD 2,675 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 year ended March 31, 2024, the Company did not use the Global Credit Facility.

### Note 19 - Abbreviations

#### Countries

AUS	Australia	ESP	Spain	ISL	Iceland	POL	Poland
AUT	Austria	FIN	Finland	ISR	Israel	PRT	Portugal
BEL	Belgium	FRA	France	ITA	Italy	ROU	Romania
CAN	Canada	GBR	United Kingdom	JPN	Japan	SGP	Singapore
CHE	Switzerland	GRC	Greece	KOR	South Korea	SP	Supranational
CHN	China	HKG	Hong Kong	LUX	Luxembourg	SVK	Slovakia
CYP	Cyprus	HRV	Croatia	MEX	Mexico	SVN	Slovenia
CZE	Czech Republic	IDN	Indonesia	MKD	Macedonia	SWE	Sweden
DEU	Germany	IND	India	NLD	Netherlands	USA	United States of America
DNK	Denmark	IRL	Ireland	NOR	Norway		

#### Currency

AUD	Australian Dollar	CZK	Czech Koruna	GBP	British Pound Sterling	SEK	Swedish Krona
CAD	Canadian Dollar	DKK	Danish Krone	JPY	Japanese Yen	SGD	Singapore Dollar
CHF	Swiss Franc	EUR	Euro	NOK	Norwegian Krone	USD	US Dollar

### Note 20 - Subsequent events

Franklin Target Income 2024 Fund reached its predetermined maturity date on April 04, 2024 and was put into liquidation with effect as from April 05, 2024.

Franklin Green Target Income 2024 Fund will reach its maturity on November 12, 2024.

## Schedule of Investments, March 31, 2024

## Franklin ESG-Focused Balanced Fund

(Currency - EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	<b>SHARES</b>				
	<b>Air Freight &amp; Logistics</b>				
358	Expeditors International of Washington, Inc.	USA	USD	40,343	0.15
50	FedEx Corp.	USA	USD	13,429	0.05
304	Deutsche Post AG	DEU	EUR	12,144	0.04
				65,916	0.24
	<b>Automobile Components</b>				
407	Cie Generale des Etablissements Michelin SCA	FRA	EUR	14,458	0.05
300	Bridgestone Corp.	JPN	JPY	12,324	0.05
				26,782	0.10
	<b>Automobiles</b>				
359	Tesla, Inc.	USA	USD	58,499	0.22
639	Stellantis NV	USA	EUR	16,827	0.06
346	General Motors Co.	USA	USD	14,545	0.05
120	Bayerische Motoren Werke AG	DEU	EUR	12,833	0.05
				102,704	0.38
	<b>Banks</b>				
2,425	BNP Paribas SA	FRA	EUR	160,029	0.59
3,593	UniCredit SpA	ITA	EUR	126,486	0.47
11,018	Banco Bilbao Vizcaya Argentaria SA	ESP	EUR	121,618	0.45
35,458	Intesa Sanpaolo SpA	ITA	EUR	119,323	0.44
2,732	Credit Agricole SA	FRA	EUR	37,777	0.14
750	Societe Generale SA	FRA	EUR	18,626	0.07
253	Citigroup, Inc.	USA	USD	14,831	0.06
800	Mizuho Financial Group, Inc.	JPN	JPY	14,664	0.05
1,110	Commerzbank AG	DEU	EUR	14,141	0.05
3,109	Banco Santander SA	ESP	EUR	14,076	0.05
6,375	Barclays plc	GBR	GBP	13,695	0.05
715	ABN AMRO Bank NV, Reg. S, 144A	NLD	EUR	11,341	0.04
611	DNB Bank ASA	NOR	NOK	11,256	0.04
				677,863	2.50
	<b>Beverages</b>				
466	Coca-Cola Europacific Partners plc	GBR	USD	30,216	0.11
425	Molson Coors Beverage Co. 'B'	USA	USD	26,493	0.10
600	Asahi Group Holdings Ltd.	JPN	JPY	20,421	0.07
276	Coca-Cola Co. (The)	USA	USD	15,652	0.06
82	PepsiCo, Inc.	USA	USD	13,303	0.05
446	Coca-Cola HBC AG	ITA	GBP	13,063	0.05
1,000	Kirin Holdings Co. Ltd.	JPN	JPY	12,890	0.05
				132,038	0.49
	<b>Biotechnology</b>				
2,767	Gilead Sciences, Inc.	USA	USD	187,878	0.69
16	Regeneron Pharmaceuticals, Inc.	USA	USD	14,275	0.05
75	AbbVie, Inc.	USA	USD	12,660	0.05
43	Amgen, Inc.	USA	USD	11,333	0.04
				226,146	0.83
	<b>Broadline Retail</b>				
1,660	Amazon.com, Inc.	USA	USD	277,559	1.02
283	Next plc	GBR	GBP	30,576	0.11
367	Wesfarmers Ltd.	AUS	AUD	15,164	0.06
				323,299	1.19
	<b>Building Products</b>				
600	Trane Technologies plc	USA	USD	166,963	0.62
219	Owens Corning	USA	USD	33,861	0.12
213	Cie de Saint-Gobain SA	FRA	EUR	15,324	0.06
31	Lennox International, Inc.	USA	USD	14,045	0.05
				230,193	0.85
	<b>Capital Markets</b>				
6,959	UBS Group AG	CHE	CHF	198,634	0.73
1,821	Bank of New York Mellon Corp. (The)	USA	USD	97,262	0.36
2,213	3i Group plc	GBR	GBP	72,730	0.27
52	Partners Group Holding AG	CHE	CHF	68,859	0.25

**Franklin ESG-Focused Balanced Fund** (continued)

(Currency - EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
4,483	Deutsche Bank AG	DEU	EUR	65,448	0.24
717	State Street Corp.	USA	USD	51,389	0.19
2,900	Daiwa Securities Group, Inc.	JPN	JPY	20,451	0.07
427	Carlyle Group, Inc. (The)	USA	USD	18,567	0.07
3,100	Nomura Holdings, Inc.	JPN	JPY	18,391	0.07
36	Goldman Sachs Group, Inc. (The)	USA	USD	13,938	0.05
32	S&P Global, Inc.	USA	USD	12,620	0.05
16	BlackRock, Inc.	USA	USD	12,365	0.05
				650,654	2.40
	<b>Chemicals</b>				
400	Linde plc	USA	USD	172,162	0.63
481	Ecolab, Inc.	USA	USD	102,950	0.38
200	Nitto Denko Corp.	JPN	JPY	16,951	0.06
273	Novonosis (Novozymes) 'B'	DNK	DKK	14,884	0.05
1,900	Asahi Kasei Corp.	JPN	JPY	12,915	0.05
250	Covestro AG, 144A	DEU	EUR	12,676	0.05
128	Arkema SA	FRA	EUR	12,491	0.05
129	LyondellBasell Industries NV 'A'	USA	USD	12,230	0.05
				357,259	1.32
	<b>Commercial Services &amp; Supplies</b>				
504	Republic Services, Inc. 'A'	USA	USD	89,438	0.33
75	Waste Management, Inc.	USA	USD	14,819	0.06
1,496	Brambles Ltd.	AUS	AUD	14,594	0.05
171	Veralto Corp.	USA	USD	14,053	0.05
600	TOPPAN Holdings, Inc.	JPN	JPY	13,941	0.05
				146,845	0.54
	<b>Construction &amp; Engineering</b>				
200	Stantec, Inc.	CAN	CAD	15,393	0.06
357	ACS Actividades de Construccion y Servicios SA	ESP	EUR	13,858	0.05
				29,251	0.11
	<b>Construction Materials</b>				
575	CRH plc	USA	GBP	46,000	0.17
				46,000	0.17
	<b>Consumer Staples Distribution &amp; Retail</b>				
1,093	Target Corp.	USA	USD	179,543	0.66
552	Sysco Corp.	USA	USD	41,538	0.15
1,341	Carrefour SA	FRA	EUR	21,323	0.08
299	Kroger Co. (The)	USA	USD	15,834	0.06
494	Koninklijke Ahold Delhaize NV	NLD	EUR	13,701	0.05
20	Costco Wholesale Corp.	USA	USD	13,582	0.05
3,845	J Sainsbury plc	GBR	GBP	12,169	0.05
572	Jeronimo Martins SGPS SA	PRT	EUR	10,519	0.04
				308,209	1.14
	<b>Containers &amp; Packaging</b>				
552	Smurfit Kappa Group plc	IRL	EUR	23,329	0.09
80	Packaging Corp. of America	USA	USD	14,074	0.05
				37,403	0.14
	<b>Diversified Consumer Services</b>				
1,096	Pearson plc	GBR	GBP	13,376	0.05
				13,376	0.05
	<b>Diversified Telecommunication Services</b>				
571	Deutsche Telekom AG	DEU	EUR	12,848	0.05
2,951	Telefonica SA	ESP	EUR	12,080	0.04
7,374	BT Group plc	GBR	GBP	9,459	0.04
				34,387	0.13
	<b>Electric Utilities</b>				
2,144	SSE plc	GBR	GBP	41,430	0.15
269	Orsted A/S, Reg. S, 144A	DNK	DKK	13,933	0.05
500	Hydro One Ltd., Reg. S, 144A	CAN	CAD	13,516	0.05
1,128	Iberdrola SA	ESP	EUR	12,986	0.05
719	Endesa SA	ESP	EUR	12,357	0.05
1,440	Terna - Rete Elettrica Nazionale	ITA	EUR	11,033	0.04
				105,255	0.39

Franklin ESG-Focused Balanced Fund (continued)

(Currency - EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Electrical Equipment</b>					
3,820	ABB Ltd.	CHE	CHF	164,276	0.60
299	Eaton Corp. plc	USA	USD	86,662	0.32
86	Schneider Electric SE	USA	EUR	18,021	0.07
42	Hubbell, Inc.	USA	USD	16,159	0.06
119	Legrand SA	FRA	EUR	11,681	0.04
				<u>296,799</u>	<u>1.09</u>
<b>Electronic Equipment, Instruments &amp; Components</b>					
307	Jabil, Inc.	USA	USD	38,119	0.14
				<u>38,119</u>	<u>0.14</u>
<b>Energy Equipment &amp; Services</b>					
476	Baker Hughes Co. 'A'	USA	USD	14,781	0.05
736	Tenaris SA	USA	EUR	13,488	0.05
358	Halliburton Co.	USA	USD	13,082	0.05
				<u>41,351</u>	<u>0.15</u>
<b>Entertainment</b>					
2,400	Nintendo Co. Ltd.	JPN	JPY	121,382	0.45
411	Electronic Arts, Inc.	USA	USD	50,544	0.18
				<u>171,926</u>	<u>0.63</u>
<b>Equity Real Estate Investment Trusts (REITs)</b>					
335	Boston Properties, Inc.	USA	USD	20,281	0.08
248	Unibail-Rodamco-Westfield	FRA	EUR	18,493	0.07
890	Goodman Group	AUS	AUD	18,172	0.07
5,408	Stockland	AUS	AUD	15,840	0.06
772	Host Hotels & Resorts, Inc.	USA	USD	14,799	0.05
119	Prologis, Inc.	USA	USD	14,364	0.05
98	Simon Property Group, Inc.	USA	USD	14,216	0.05
82	AvalonBay Communities, Inc.	USA	USD	14,105	0.05
1,698	Land Securities Group plc	GBR	GBP	13,072	0.05
207	Regency Centers Corp.	USA	USD	11,620	0.04
248	Ventas, Inc.	USA	USD	10,009	0.04
				<u>164,971</u>	<u>0.61</u>
<b>Financial Services</b>					
833	Mastercard, Inc. 'A'	USA	USD	371,846	1.37
854	Equitable Holdings, Inc.	USA	USD	30,090	0.11
700	ORIX Corp.	JPN	JPY	14,191	0.05
				<u>416,127</u>	<u>1.53</u>
<b>Food Products</b>					
2,210	Danone SA	FRA	EUR	132,423	0.49
479	Associated British Foods plc	GBR	GBP	14,008	0.05
253	Kellanova	USA	USD	13,436	0.05
				<u>159,867</u>	<u>0.59</u>
<b>Ground Transportation</b>					
4,163	Uber Technologies, Inc.	USA	USD	297,098	1.09
70	JB Hunt Transport Services, Inc.	USA	USD	12,929	0.05
100	Canadian National Railway Co.	CAN	CAD	12,207	0.05
				<u>322,234</u>	<u>1.19</u>
<b>Health Care Equipment &amp; Supplies</b>					
2,818	Abbott Laboratories	USA	USD	296,898	1.09
183	IDEXX Laboratories, Inc.	USA	USD	91,590	0.34
114	Sonova Holding AG	CHE	CHF	30,604	0.11
185	Edwards Lifesciences Corp.	USA	USD	16,387	0.06
				<u>435,479</u>	<u>1.60</u>
<b>Health Care Providers &amp; Services</b>					
538	Elevance Health, Inc.	USA	USD	258,597	0.95
589	Cardinal Health, Inc.	USA	USD	61,095	0.23
49	Cigna Group (The)	USA	USD	16,496	0.06
62	Cencora, Inc.	USA	USD	13,965	0.05
182	CVS Health Corp.	USA	USD	13,456	0.05
				<u>363,609</u>	<u>1.34</u>
<b>Hotels, Restaurants &amp; Leisure</b>					
15	Booking Holdings, Inc.	USA	USD	50,443	0.19
149	Royal Caribbean Cruises Ltd.	USA	USD	19,200	0.07
74	Hilton Worldwide Holdings, Inc.	USA	USD	14,632	0.05

**Franklin ESG-Focused Balanced Fund** (continued)

(Currency - EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
106	Yum! Brands, Inc.	USA	USD	13,623	0.05
47	McDonald's Corp.	USA	USD	12,284	0.05
				110,182	0.41
	<b>Household Durables</b>				
172	PulteGroup, Inc.	USA	USD	19,231	0.07
103	DR Horton, Inc.	USA	USD	15,711	0.06
				34,942	0.13
	<b>Household Products</b>				
1,762	Colgate-Palmolive Co.	USA	USD	147,078	0.54
				147,078	0.54
	<b>Insurance</b>				
311	Muenchener Rueckversicherungs-Gesellschaft AG	DEU	EUR	140,716	0.52
4,100	Manulife Financial Corp.	CAN	CAD	94,925	0.35
285	Allianz SE	DEU	EUR	79,176	0.29
2,255	Assicurazioni Generali SpA	ITA	EUR	52,910	0.19
4,800	Japan Post Holdings Co. Ltd.	JPN	JPY	44,825	0.17
311	Hartford Financial Services Group, Inc. (The)	USA	USD	29,708	0.11
562	NN Group NV	NLD	EUR	24,049	0.09
900	Sompo Holdings, Inc.	JPN	JPY	17,485	0.06
415	AXA SA	FRA	EUR	14,447	0.05
179	Principal Financial Group, Inc.	USA	USD	14,321	0.05
130	Prudential Financial, Inc.	USA	USD	14,147	0.05
500	Power Corp. of Canada	CAN	CAD	12,996	0.05
800	T&D Holdings, Inc.	JPN	JPY	12,891	0.05
200	iA Financial Corp., Inc.	CAN	CAD	11,518	0.04
251	Ageas SA/NV	BEL	EUR	10,778	0.04
200	Sun Life Financial, Inc.	CAN	CAD	10,116	0.04
				585,008	2.15
	<b>Interactive Media &amp; Services</b>				
1,939	Alphabet, Inc. 'C'	USA	USD	273,667	1.01
367	Meta Platforms, Inc. 'A'	USA	USD	165,191	0.61
879	Alphabet, Inc. 'A'	USA	USD	122,977	0.45
1,601	Auto Trader Group plc, Reg. S, 144A	GBR	GBP	13,104	0.05
				574,939	2.12
	<b>IT Services</b>				
790	International Business Machines Corp.	USA	USD	139,839	0.52
500	NEC Corp.	JPN	JPY	33,834	0.12
116	Akamai Technologies, Inc.	USA	USD	11,695	0.04
100	CGI, Inc.	CAN	CAD	10,227	0.04
				195,595	0.72
	<b>Leisure Products</b>				
173	Hasbro, Inc.	USA	USD	9,064	0.03
				9,064	0.03
	<b>Life Sciences Tools &amp; Services</b>				
650	Agilent Technologies, Inc.	USA	USD	87,673	0.32
50	Waters Corp.	USA	USD	15,954	0.06
12	Mettler-Toledo International, Inc.	USA	USD	14,809	0.06
61	Danaher Corp.	USA	USD	14,120	0.05
30	West Pharmaceutical Services, Inc.	USA	USD	11,004	0.04
				143,560	0.53
	<b>Machinery</b>				
176	Ingersoll Rand, Inc.	USA	USD	15,491	0.06
585	Volvo AB 'B'	SWE	SEK	14,694	0.06
772	SKF AB 'B'	SWE	SEK	14,606	0.05
500	Komatsu Ltd.	JPN	JPY	13,714	0.05
				58,505	0.22
	<b>Marine Transportation</b>				
400	Nippon Yusen KK	JPN	JPY	10,179	0.04
				10,179	0.04
	<b>Media</b>				
7,445	Comcast Corp. 'A'	USA	USD	299,167	1.10
855	News Corp. 'A'	USA	USD	20,749	0.08
434	Interpublic Group of Cos., Inc. (The)	USA	USD	13,127	0.05
1,266	Vivendi SE	FRA	EUR	12,788	0.05

Franklin ESG-Focused Balanced Fund (continued)

(Currency - EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
1,267	Informa plc	GBR	GBP	12,321	0.04
				358,152	1.32
	<b>Metals &amp; Mining</b>				
2,255	Norsk Hydro ASA	NOR	NOK	11,485	0.04
				11,485	0.04
	<b>Multi-Utilities</b>				
4,952	E.ON SE	DEU	EUR	63,903	0.23
12,583	Centrica plc	GBR	GBP	18,801	0.07
1,061	National Grid plc	GBR	GBP	13,251	0.05
				95,955	0.35
	<b>Oil, Gas &amp; Consumable Fuels</b>				
932	Marathon Petroleum Corp.	USA	USD	174,080	0.64
990	Phillips 66	USA	USD	149,895	0.55
876	Valero Energy Corp.	USA	USD	138,602	0.51
594	Cheniere Energy, Inc.	USA	USD	88,803	0.33
6,700	ENEOS Holdings, Inc.	JPN	JPY	29,920	0.11
983	Galp Energia SGPS SA	PRT	EUR	15,064	0.06
				596,364	2.20
	<b>Paper &amp; Forest Products</b>				
1,249	UPM-Kymmene OYJ	FIN	EUR	38,571	0.14
945	Stora Enso OYJ 'R'	FIN	EUR	12,181	0.05
668	Mondi plc	AUT	GBP	10,905	0.04
				61,657	0.23
	<b>Personal Care Products</b>				
554	L'Oreal SA	FRA	EUR	243,184	0.89
300	Kao Corp.	JPN	JPY	10,391	0.04
				253,575	0.93
	<b>Pharmaceuticals</b>				
8,951	GSK plc	USA	GBP	178,130	0.66
202	Merck & Co., Inc.	USA	USD	24,707	0.09
129	Novo Nordisk A/S 'B'	DNK	DKK	15,337	0.06
21	Eli Lilly & Co.	USA	USD	15,144	0.06
300	Shionogi & Co. Ltd.	JPN	JPY	14,210	0.05
400	Chugai Pharmaceutical Co. Ltd.	JPN	JPY	14,169	0.05
300	Otsuka Holdings Co. Ltd.	JPN	JPY	11,550	0.04
115	Sanofi SA	USA	EUR	10,370	0.04
115	Novartis AG	CHE	CHF	10,326	0.04
65	Johnson & Johnson	USA	USD	9,531	0.03
				303,474	1.12
	<b>Professional Services</b>				
4,117	RELX plc	GBR	GBP	164,566	0.60
183	Robert Half, Inc.	USA	USD	13,448	0.05
70	Broadridge Financial Solutions, Inc.	USA	USD	13,293	0.05
115	Paychex, Inc.	USA	USD	13,090	0.05
52	Verisk Analytics, Inc.	USA	USD	11,363	0.04
				215,760	0.79
	<b>Real Estate Management &amp; Development</b>				
1,300	Daiwa House Industry Co. Ltd.	JPN	JPY	35,866	0.13
500	Sumitomo Realty & Development Co. Ltd.	JPN	JPY	17,268	0.07
1,000	Mitsubishi Estate Co. Ltd.	JPN	JPY	16,912	0.06
177	CBRE Group, Inc. 'A'	USA	USD	15,954	0.06
				86,000	0.32
	<b>Semiconductors &amp; Semiconductor Equipment</b>				
724	NVIDIA Corp.	USA	USD	606,394	2.23
1,851	Applied Materials, Inc.	USA	USD	353,849	1.30
1,627	QUALCOMM, Inc.	USA	USD	255,331	0.94
161	Lam Research Corp.	USA	USD	144,997	0.53
70	NXP Semiconductors NV	CHN	USD	16,077	0.06
314	STMicroelectronics NV	SGP	EUR	12,526	0.05
295	Intel Corp.	USA	USD	12,078	0.05
				1,401,252	5.16
	<b>Software</b>				
1,488	Microsoft Corp.	USA	USD	580,304	2.14
1,225	Salesforce, Inc.	USA	USD	341,996	1.26

**Franklin ESG-Focused Balanced Fund** (continued)

(Currency - EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
570	Adobe, Inc.	USA	USD	266,613	0.98
371	Synopsys, Inc.	USA	USD	196,539	0.72
628	Cadence Design Systems, Inc.	USA	USD	181,205	0.67
209	Check Point Software Technologies Ltd.	ISR	USD	31,774	0.12
85	SAP SE	DEU	EUR	15,341	0.06
59	Autodesk, Inc.	USA	USD	14,243	0.05
23	Intuit, Inc.	USA	USD	13,858	0.05
600	Gen Digital, Inc.	USA	USD	12,458	0.05
196	Zoom Video Communications, Inc. 'A'	USA	USD	11,877	0.04
61	Zscaler, Inc.	USA	USD	10,892	0.04
300	Open Text Corp.	CAN	CAD	10,791	0.04
				<u>1,687,891</u>	<u>6.22</u>
	<b>Specialty Retail</b>				
1,002	Home Depot, Inc. (The)	USA	USD	356,291	1.31
2,649	TJX Cos., Inc. (The)	USA	USD	249,037	0.92
2,413	Industria de Diseno Textil SA	ESP	EUR	112,629	0.42
396	Best Buy Co., Inc.	USA	USD	30,111	0.11
100	Fast Retailing Co. Ltd.	JPN	JPY	28,718	0.11
96	Dick's Sporting Goods, Inc.	USA	USD	20,010	0.07
63	Lowe's Cos., Inc.	USA	USD	14,876	0.05
				<u>811,672</u>	<u>2.99</u>
	<b>Technology Hardware, Storage &amp; Peripherals</b>				
3,146	Apple, Inc.	USA	USD	500,071	1.84
185	Dell Technologies, Inc. 'C'	USA	USD	19,568	0.07
147	Logitech International SA	CHE	CHF	12,211	0.05
				<u>531,850</u>	<u>1.96</u>
	<b>Textiles, Apparel &amp; Luxury Goods</b>				
59	Deckers Outdoor Corp.	USA	USD	51,478	0.19
97	Pandora A/S	DNK	DKK	14,512	0.05
				<u>65,990</u>	<u>0.24</u>
	<b>Trading Companies &amp; Distributors</b>				
102	WW Grainger, Inc.	USA	USD	96,185	0.35
73	Ferguson plc	USA	USD	14,781	0.06
				<u>110,966</u>	<u>0.41</u>
	<b>Transportation Infrastructure</b>				
84	Aena SME SA, Reg. S, 144A	ESP	EUR	15,335	0.05
800	Getlink SE	FRA	EUR	12,625	0.05
				<u>27,960</u>	<u>0.10</u>
	<b>Water Utilities</b>				
255	American Water Works Co., Inc.	USA	USD	28,887	0.11
1,037	United Utilities Group plc	GBR	GBP	12,489	0.04
				<u>41,376</u>	<u>0.15</u>
	<b>Wireless Telecommunication Services</b>				
6,500	SoftBank Corp.	JPN	JPY	77,569	0.29
				<u>77,569</u>	<u>0.29</u>
	<b>TOTAL SHARES</b>			<u>14,532,062</u>	<u>53.55</u>
	<b>BONDS</b>				
	<b>Corporate Bonds</b>				
3,981,070	Nykredit Realkredit A/S, Reg. S 5% 10/01/2053	DNK	DKK	540,655	1.99
2,503,047	Nykredit Realkredit A/S, Reg. S 4% 10/01/2053	DNK	DKK	331,373	1.22
125,000	Standard Chartered plc, Reg. S 2.5% 09/09/2030	GBR	EUR	121,859	0.45
100,000	ASR Nederland NV, Reg. S 7% 12/07/2043	NLD	EUR	115,683	0.43
100,000	NN Group NV, Reg. S 6% 11/03/2043	NLD	EUR	109,337	0.40
100,000	Bank of Ireland Group plc, Reg. S 5% 07/04/2031	IRL	EUR	106,701	0.39
100,000	Banco Santander SA, Reg. S 4.875% 10/18/2031	ESP	EUR	106,614	0.39
100,000	Unicaja Banco SA, Reg. S 6.5% 09/11/2028	ESP	EUR	106,396	0.39
100,000	UBS Group AG, Reg. S 4.75% 03/17/2032	CHE	EUR	105,400	0.39
100,000	Aena SME SA, Reg. S 4.25% 10/13/2030	ESP	EUR	105,008	0.39
100,000	Swedbank AB, Reg. S 4.375% 09/05/2030	SWE	EUR	104,421	0.38
100,000	BNP Paribas SA, Reg. S 4.25% 04/13/2031	FRA	EUR	103,948	0.38
100,000	Citigroup, Inc., Reg. S 4.112% 09/22/2033	USA	EUR	103,691	0.38
100,000	Assa Abloy AB, Reg. S 3.875% 09/13/2030	SWE	EUR	103,546	0.38
100,000	ABN AMRO Bank NV, Reg. S 5.125% 02/22/2033	NLD	EUR	102,790	0.38
100,000	Vestas Wind Systems A/S, Reg. S 4.125% 06/15/2031	DNK	EUR	102,633	0.38

Franklin ESG-Focused Balanced Fund (continued)

(Currency - EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
100,000	BPCE SA, Reg. S 4.875% 02/26/2036	FRA	EUR	102,247	0.38
100,000	Cooperatieve Rabobank UA, Reg. S 3.822% 07/26/2034	NLD	EUR	102,197	0.38
100,000	Engie SA, Reg. S 3.875% 03/06/2036	FRA	EUR	102,044	0.38
100,000	Unilever Capital Corp., Reg. S 3.4% 06/06/2033	GBR	EUR	101,985	0.38
100,000	Elia Transmission Belgium SA, Reg. S 3.625% 01/18/2033	BEL	EUR	101,932	0.38
100,000	RTE Reseau de Transport d'Electricite SADIR, Reg. S 3.5% 12/07/2031	FRA	EUR	101,778	0.38
100,000	Ibercaja Banco SA, Reg. S 4.375% 07/30/2028	ESP	EUR	101,539	0.37
100,000	LKQ Dutch Bond BV 4.125% 03/13/2031	USA	EUR	101,486	0.37
100,000	Koninklijke KPN NV, Reg. S 3.875% 02/16/2036	NLD	EUR	101,284	0.37
100,000	Logicor Financing SARL, Reg. S 4.625% 07/25/2028	LUX	EUR	101,251	0.37
100,000	ALD SA, Reg. S 3.875% 01/24/2028	FRA	EUR	100,604	0.37
100,000	Deutsche Telekom AG, Reg. S 3.25% 03/20/2036	DEU	EUR	99,878	0.37
100,000	UBS Group AG, Reg. S 3.25% 04/02/2026	CHE	EUR	99,167	0.37
100,000	Erste Group Bank AG, Reg. S 4% 06/07/2033	AUT	EUR	98,532	0.36
100,000	Carrefour SA, Reg. S 2.625% 12/15/2027	FRA	EUR	97,725	0.36
100,000	Thermo Fisher Scientific, Inc. 1.45% 03/16/2027	USA	EUR	95,138	0.35
100,000	Haleon Netherlands Capital BV, Reg. S 1.75% 03/29/2030	USA	EUR	91,397	0.34
100,000	Autostrade per l'Italia SpA, Reg. S 2% 01/15/2030	ITA	EUR	90,877	0.34
100,000	Goldman Sachs Group, Inc. (The), Reg. S 1.25% 02/07/2029	USA	EUR	90,706	0.33
100,000	Iberdrola Finanzas SA, Reg. S 1.575% Perpetual	ESP	EUR	90,234	0.33
100,000	ING Groep NV, Reg. S 1.75% 02/16/2031	NLD	EUR	90,094	0.33
100,000	American Medical Systems Europe BV 1.625% 03/08/2031	USA	EUR	90,015	0.33
100,000	Acciona Energia Financiacion Filiales SA, Reg. S 0.375% 10/07/2027	ESP	EUR	89,518	0.33
100,000	Allianz SE, Reg. S 2.121% 07/08/2050	DEU	EUR	89,215	0.33
100,000	CNP Assurances SACA, Reg. S 1.25% 01/27/2029	FRA	EUR	89,212	0.33
100,000	Vinci SA, Reg. S 0% 11/27/2028	FRA	EUR	87,396	0.32
100,000	Coca-Cola Europacific Partners plc, Reg. S 0.2% 12/02/2028	GBR	EUR	87,023	0.32
100,000	Enel Finance International NV, Reg. S 0.375% 05/28/2029	ITA	EUR	86,634	0.32
100,000	AXA SA, Reg. S 1.875% 07/10/2042	FRA	EUR	84,427	0.31
484,924	Nykredit Realkredit A/S, Reg. S 3.5% 04/01/2053	DNK	DKK	62,820	0.23
				5,198,410	19.15
	<b>Government and Municipal Bonds</b>				
1,155,000	Spain Government Bond, Reg. S, 144A 3.55% 10/31/2033	ESP	EUR	1,197,035	4.41
725,000	UK Treasury, Reg. S 0.875% 07/31/2033	GBR	GBP	649,566	2.39
560,000	Bundesrepublik Deutschland, Reg. S 1.8% 08/15/2053	DEU	EUR	485,549	1.79
530,000	Bundesrepublik Deutschland, Reg. S 0% 08/15/2030	DEU	EUR	461,355	1.70
400,000	Belgium Government Bond, Reg. S, 144A 3.3% 06/22/2054	BEL	EUR	396,684	1.46
250,000	Romania Government Bond, Reg. S 5.625% 02/22/2036	ROU	EUR	249,655	0.92
240,000	State of the Grand-Duchy of Luxembourg, Reg. S 3% 03/02/2033	LUX	EUR	245,602	0.90
240,000	Slovenia Government Bond, Reg. S 3% 03/10/2034	SVN	EUR	238,238	0.88
220,000	Bundesobligation, Reg. S 1.3% 10/15/2027	DEU	EUR	212,048	0.78
200,000	Austria Government Bond, Reg. S, 144A 2.9% 05/23/2029	AUT	EUR	202,766	0.75
200,000	Societe Des Grands Projets EPIC, Reg. S 0% 11/25/2030	FRA	EUR	164,941	0.61
150,000	France Government Bond OAT, Reg. S, 144A 0.75% 02/25/2028	FRA	EUR	139,491	0.51
100,000	Cyprus Government Bond, Reg. S 4.125% 04/13/2033	CYP	EUR	107,698	0.40
100,000	Croatia Government Bond, Reg. S 4% 06/14/2035	HRV	EUR	105,024	0.39
100,000	Orsted A/S, Reg. S 4.125% 03/01/2035	DNK	EUR	104,336	0.38
100,000	Communaute Francaise de Belgique, Reg. S 3.75% 06/22/2033	BEL	EUR	104,307	0.38
100,000	Belfius Bank SA, Reg. S 5.25% 04/19/2033	BEL	EUR	102,869	0.38
100,000	Iceland Government Bond, Reg. S 3.5% 03/21/2034	ISL	EUR	102,100	0.38
100,000	TenneT Holding BV, Reg. S 4.875% Perpetual	NLD	EUR	99,733	0.37
100,000	Power Finance Corp. Ltd., Reg. S 1.841% 09/21/2028	IND	EUR	89,312	0.33
100,000	Slovakia Government Bond, Reg. S 1% 05/14/2032	SVK	EUR	84,120	0.31
				5,542,429	20.42
	<b>Supranational</b>				
400,000	European Union, Reg. S 0% 07/04/2035	SP	EUR	291,329	1.07
370,000	European Union, Reg. S 0.4% 02/04/2037	SP	EUR	271,744	1.00
375,000	European Union, Reg. S 0.3% 11/04/2050	SP	EUR	191,252	0.71
100,000	European Union, Reg. S 2.75% 02/04/2033	SP	EUR	100,036	0.37
				854,361	3.15
	<b>TOTAL BONDS</b>			11,595,200	42.72
	<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>			26,127,262	96.27
	<b>TOTAL INVESTMENTS</b>			<b>26,127,262</b>	<b>96.27</b>

## Schedule of Investments, March 31, 2024

## Franklin Global Target Euro Income 2025 Fund

(Currency - EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	<b>BONDS</b>				
	<b>Corporate Bonds</b>				
600,000	Mundys SpA, Reg. S 1.625% 02/03/2025	ITA	EUR	586,448	2.67
500,000	Techem Verwaltungsgesellschaft 675 mbH, Reg. S 2% 07/15/2025	DEU	EUR	491,632	2.24
500,000	Telecom Italia SpA, Reg. S 2.75% 04/15/2025	ITA	EUR	489,072	2.23
500,000	Autostrade per l'Italia SpA, Reg. S 1.875% 11/04/2025	ITA	EUR	485,151	2.21
500,000	IQVIA, Inc., Reg. S 1.75% 03/15/2026	USA	EUR	479,610	2.18
500,000	Nexi SpA, Reg. S 1.625% 04/30/2026	ITA	EUR	475,402	2.17
400,000	Jaguar Land Rover Automotive plc, Reg. S 5.875% 11/15/2024	GBR	EUR	402,242	1.83
400,000	Adevinta ASA, Reg. S 2.625% 11/15/2025	FRA	EUR	400,646	1.82
400,000	Spectrum Brands, Inc., Reg. S 4% 10/01/2026	USA	EUR	397,554	1.81
400,000	Crown European Holdings SA, Reg. S 3.375% 05/15/2025	USA	EUR	397,476	1.81
400,000	Darling Global Finance BV, Reg. S 3.625% 05/15/2026	USA	EUR	395,838	1.80
400,000	OI European Group BV, Reg. S 2.875% 02/15/2025	USA	EUR	395,306	1.80
400,000	Avantor Funding, Inc., Reg. S 2.625% 11/01/2025	USA	EUR	391,000	1.78
400,000	Forvia SE, Reg. S 3.125% 06/15/2026	FRA	EUR	390,740	1.78
400,000	Matterhorn Telecom SA, Reg. S 3.125% 09/15/2026	LUX	EUR	390,000	1.78
400,000	SNF Group SACA, Reg. S 2% 02/01/2026	FRA	EUR	386,686	1.76
400,000	WMG Acquisition Corp., Reg. S 2.75% 07/15/2028	USA	EUR	377,216	1.72
300,000	Banjijay Entertainment SASU, Reg. S 7% 05/01/2029	FRA	EUR	315,552	1.44
300,000	Netflix, Inc. 3.625% 05/15/2027	USA	EUR	303,063	1.38
300,000	ProGroup AG, Reg. S 3% 03/31/2026	DEU	EUR	300,121	1.37
300,000	Trivium Packaging Finance BV, Reg. S, FRN 7.651% 08/15/2026	NLD	EUR	300,088	1.37
300,000	Heineken NV, Reg. S 3.875% 09/23/2024	NLD	EUR	300,000	1.37
300,000	Kraft Heinz Foods Co., Reg. S 1.5% 05/24/2024	USA	EUR	298,964	1.36
300,000	Encore Capital Group, Inc., Reg. S 4.875% 10/15/2025	USA	EUR	298,500	1.36
300,000	Orano SA, Reg. S 3.375% 04/23/2026	FRA	EUR	298,084	1.36
300,000	Netflix, Inc., Reg. S 3% 06/15/2025	USA	EUR	297,782	1.36
300,000	Iliad Holding SASU, Reg. S 5.125% 10/15/2026	FRA	EUR	297,321	1.35
300,000	Cemex SAB de CV, Reg. S 3.125% 03/19/2026	MEX	EUR	294,746	1.34
300,000	Berry Global, Inc., Reg. S 1% 01/15/2025	USA	EUR	292,580	1.33
300,000	INEOS Finance plc, Reg. S 2.875% 05/01/2026	LUX	EUR	291,883	1.33
300,000	Renault SA, Reg. S 2.375% 05/25/2026	FRA	EUR	289,933	1.32
300,000	Catalent Pharma Solutions, Inc., Reg. S 2.375% 03/01/2028	USA	EUR	285,618	1.30
300,000	IMA Industria Macchine Automatiche SpA, Reg. S 3.75% 01/15/2028	ITA	EUR	284,223	1.29
300,000	Cellnex Finance Co. SA, Reg. S 0.75% 11/15/2026	ESP	EUR	278,984	1.27
300,000	Grifols SA, Reg. S 3.2% 05/01/2025	ESP	EUR	277,142	1.26
300,000	Arena Luxembourg Finance SARL, Reg. S 1.875% 02/01/2028	ESP	EUR	272,167	1.24
300,000	Ardagh Packaging Finance plc, Reg. S 2.125% 08/15/2026	USA	EUR	259,325	1.18
200,000	Carnival Corp., Reg. S 7.625% 03/01/2026	USA	EUR	204,300	0.93
200,000	Multiversity SRL, Reg. S, FRN 8.137% 10/30/2028	ITA	EUR	201,095	0.92
200,000	United Group BV, Reg. S, FRN 8.134% 02/15/2031	SVN	EUR	200,620	0.91
200,000	Kapla Holding SAS, Reg. S, FRN 7.44% 07/31/2030	FRA	EUR	200,515	0.91
200,000	Rossini SARL, Reg. S, FRN 7.762% 10/30/2025	ITA	EUR	200,375	0.91
200,000	Teva Pharmaceutical Finance Netherlands II BV 4.5% 03/01/2025	ISR	EUR	199,797	0.91
211,000	Standard Industries, Inc., Reg. S 2.25% 11/21/2026	USA	EUR	198,589	0.90
200,000	Crown European Holdings SA, Reg. S 2.625% 09/30/2024	USA	EUR	198,460	0.90
200,000	Itelyum Regeneration SpA, Reg. S 4.625% 10/01/2026	ITA	EUR	197,250	0.90
200,000	Nokia OYJ, Reg. S 2.375% 05/15/2025	FIN	EUR	196,482	0.90
200,000	ArcelorMittal SA, Reg. S 1.75% 11/19/2025	LUX	EUR	193,521	0.88
200,000	TeamSystem SpA, Reg. S 3.5% 02/15/2028	ITA	EUR	192,050	0.87
200,000	Naturgy Finance BV, Reg. S 1.25% 01/15/2026	ESP	EUR	191,753	0.87
200,000	Volvo Car AB, Reg. S 2.5% 10/07/2027	SWE	EUR	190,702	0.87
200,000	Teollisuuden Voima OYJ, Reg. S 1.125% 03/09/2026	FIN	EUR	189,279	0.86
200,000	Energizer Gamma Acquisition BV, Reg. S 3.5% 06/30/2029	USA	EUR	178,447	0.81
200,000	Grifols SA, Reg. S 2.25% 11/15/2027	ESP	EUR	175,494	0.80
200,000	Consolidated Energy Finance SA, Reg. S 5% 10/15/2028	CHE	EUR	170,598	0.78
200,000	Victoria plc, Reg. S 3.625% 08/24/2026	GBR	EUR	160,674	0.73
200,000	Altice France SA, Reg. S 5.875% 02/01/2027	FRA	EUR	155,900	0.71
200,000	PCF GmbH, Reg. S 4.75% 04/15/2026	DEU	EUR	152,707	0.70
200,000	Garfunkelux Holdco 3 SA, Reg. S 6.75% 11/01/2025	LUX	EUR	142,386	0.65
100,000	Stena International SA, Reg. S 7.25% 02/15/2028	SWE	EUR	105,877	0.48
100,000	Motion Finco SARL, Reg. S 7.375% 06/15/2030	GBR	EUR	104,652	0.48
100,000	Teleperformance SE, Reg. S 5.25% 11/22/2028	FRA	EUR	102,908	0.47

Franklin Global Target Euro Income 2025 Fund (continued)

(Currency - EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
100,000	Italmatch Chemicals SpA, Reg. S, FRN 9.408% 02/06/2028	ITA	EUR	100,693	0.46
100,000	SCIL IV LLC, Reg. S 4.375% 11/01/2026	USA	EUR	99,184	0.45
100,000	Smurfit Kappa Acquisitions ULC, Reg. S 2.75% 02/01/2025	IRL	EUR	98,887	0.45
100,000	Vivion Investments SARL, Reg. S 3% 08/08/2024	LUX	EUR	97,845	0.45
100,000	Cellnex Finance Co. SA, Reg. S 2.25% 04/12/2026	ESP	EUR	97,206	0.44
100,000	Teva Pharmaceutical Finance Netherlands II BV 3.75% 05/09/2027	ISR	EUR	97,144	0.44
100,000	Forvia SE, Reg. S 2.75% 02/15/2027	FRA	EUR	95,824	0.44
100,000	Paprec Holding SA, Reg. S 3.5% 07/01/2028	FRA	EUR	95,564	0.44
100,000	TI Automotive Finance plc, Reg. S 3.75% 04/15/2029	CHN	EUR	94,105	0.43
100,000	ASTM SpA, Reg. S 1% 11/25/2026	ITA	EUR	93,649	0.43
100,000	Cellnex Finance Co. SA, Reg. S 1% 09/15/2027	ESP	EUR	91,656	0.42
				<u>18,634,283</u>	<u>84.87</u>
	<b>TOTAL BONDS</b>			<u>18,634,283</u>	<u>84.87</u>
	<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>			18,634,283	84.87
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	<b>CERTIFICATES OF DEPOSIT</b>				
	<b>Banks</b>				
500,000	Lloyds Bank plc 0% 07/11/2024	GBR	EUR	494,454	2.25
				<u>494,454</u>	<u>2.25</u>
	<b>TOTAL CERTIFICATES OF DEPOSIT</b>			<u>494,454</u>	<u>2.25</u>
	<b>COMMERCIAL PAPERS</b>				
	<b>Financial Services</b>				
200,000	OP Corporate Bank plc 0% 06/11/2024	FIN	EUR	198,384	0.90
				<u>198,384</u>	<u>0.90</u>
	<b>TOTAL COMMERCIAL PAPERS</b>			<u>198,384</u>	<u>0.90</u>
	<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>			692,838	3.15
	<b>TOTAL INVESTMENTS</b>			<u><b>19,327,121</b></u>	<u><b>88.02</b></u>

## Schedule of Investments, March 31, 2024

## Franklin Green Target Income 2024 Fund

(Currency - EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	<b>BONDS</b>				
	<b>Corporate Bonds</b>				
6,000,000	Cooperatieve Rabobank UA, Reg. S 4.625% Perpetual	NLD	EUR	5,895,378	2.18
5,850,000	Standard Chartered plc, Reg. S 3.125% 11/19/2024	GBR	EUR	5,813,402	2.15
5,500,000	Utah Acquisition Sub, Inc., Reg. S 2.25% 11/22/2024	USA	EUR	5,439,115	2.02
5,468,000	Iren SpA, Reg. S 0.875% 11/04/2024	ITA	EUR	5,373,010	1.99
5,300,000	Arkema SA, Reg. S 2.75% Perpetual	FRA	EUR	5,277,835	1.96
5,000,000	HBOS plc 4.5% 03/18/2030	GBR	EUR	4,990,610	1.85
	Australia Pacific Airports (Melbourne) Pty. Ltd., Reg. S				
5,000,000	1.75% 10/15/2024	AUS	EUR	4,937,690	1.83
4,500,000	Unicaja Banco SA, Reg. S 2.875% 11/13/2029	ESP	EUR	4,442,432	1.65
4,500,000	La Banque Postale SA, Reg. S 1% 10/16/2024	FRA	EUR	4,433,994	1.64
4,500,000	Credit Mutuel Arkea SA, Reg. S 1.875% 10/25/2029	FRA	EUR	4,432,216	1.64
4,000,000	Arion Banki HF, Reg. S 4.875% 12/21/2024	ISL	EUR	4,021,960	1.49
4,000,000	Erste Group Bank AG, Reg. S 6.5% Perpetual	AUT	EUR	4,004,652	1.48
4,000,000	Intesa Sanpaolo SpA, Reg. S 4.375% 07/12/2029	ITA	EUR	3,998,661	1.48
4,000,000	Liberty Mutual Group, Inc., Reg. S 3.625% 05/23/2059	USA	EUR	3,988,920	1.48
4,100,000	ABN AMRO Bank NV, Reg. S 4.375% Perpetual	NLD	EUR	3,985,385	1.48
4,000,000	AXA SA, Reg. S 3.875% Perpetual	FRA	EUR	3,972,830	1.47
4,000,000	Nationwide Building Society, Reg. S 2% 07/25/2029	GBR	EUR	3,966,632	1.47
4,000,000	Nexi SpA, Reg. S 1.75% 10/31/2024	ITA	EUR	3,943,668	1.46
4,000,000	NE Property BV, Reg. S 1.75% 11/23/2024	ROU	EUR	3,927,100	1.45
4,000,000	KBC Group NV, Reg. S 4.25% Perpetual	BEL	EUR	3,822,508	1.42
3,500,000	Cemex SAB de CV, Reg. S 3.125% 03/19/2026	MEX	EUR	3,438,701	1.27
3,400,000	Banco Bilbao Vizcaya Argentaria SA, Reg. S 6% Perpetual	ESP	EUR	3,402,394	1.26
3,300,000	Heineken NV, Reg. S 3.875% 09/23/2024	NLD	EUR	3,300,000	1.22
3,300,000	Telecom Italia SpA, Reg. S 2.75% 04/15/2025	ITA	EUR	3,227,878	1.20
3,000,000	Ceska sportelna A/S, Reg. S 6.693% 11/14/2025	CZE	EUR	3,039,618	1.13
3,000,000	Sydbank A/S, Reg. S 4.75% 09/30/2025	DNK	EUR	3,008,724	1.11
3,000,000	OI European Group BV, Reg. S 3.125% 11/15/2024	USA	EUR	3,000,504	1.11
3,000,000	Holcim Finance Luxembourg SA, Reg. S 3% Perpetual	CHE	EUR	2,987,115	1.11
3,000,000	Danske Bank A/S, Reg. S 2.5% 06/21/2029	DNK	EUR	2,986,281	1.11
3,000,000	Air France-KLM, Reg. S 1.875% 01/16/2025	FRA	EUR	2,943,888	1.09
2,800,000	Abanca Corp. Bancaria SA, Reg. S 4.625% 04/07/2030	ESP	EUR	2,781,240	1.03
2,800,000	Ibercaja Banco SA, Reg. S 2.75% 07/23/2030	ESP	EUR	2,705,584	1.00
2,540,000	UBS Group AG, Reg. S 3.25% 04/02/2026	CHE	EUR	2,518,854	0.93
2,500,000	UBS Group AG, Reg. S 1.25% 04/17/2025	CHE	EUR	2,497,415	0.93
2,500,000	Mitsubishi UFJ Financial Group, Inc., Reg. S 3.273% 09/19/2025	JPN	EUR	2,491,833	0.92
2,500,000	Orange SA, Reg. S 2.375% Perpetual	FRA	EUR	2,460,037	0.91
2,500,000	AIB Group plc, Reg. S 1.875% 11/19/2029	IRL	EUR	2,456,345	0.91
2,500,000	Banco de Sabadell SA, Reg. S 1.125% 03/27/2025	ESP	EUR	2,436,963	0.90
2,500,000	Phoenix PIB Dutch Finance BV, Reg. S 2.375% 08/05/2025	DEU	EUR	2,435,560	0.90
2,300,000	Grifols SA, Reg. S 1.625% 02/15/2025	ESP	EUR	2,195,858	0.81
2,000,000	Alpha Bank SA, Reg. S 7% 11/01/2025	GRC	EUR	2,032,392	0.75
2,000,000	Bank of America Corp., Reg. S, FRN 4.945% 08/24/2025	USA	EUR	2,007,074	0.74
2,000,000	Leasys SpA, Reg. S 4.375% 12/07/2024	ITA	EUR	2,004,882	0.74
2,000,000	Unicaja Banco SA, Reg. S 4.5% 06/30/2025	ESP	EUR	2,000,838	0.74
2,000,000	Ibercaja Banco SA, Reg. S 3.75% 06/15/2025	ESP	EUR	1,998,120	0.74
2,000,000	Lloyds Banking Group plc, Reg. S 3.5% 04/01/2026	GBR	EUR	1,993,908	0.74
2,000,000	Crown European Holdings SA, Reg. S 3.375% 05/15/2025	USA	EUR	1,987,380	0.74
2,000,000	Deutsche Lufthansa AG, Reg. S 2.875% 02/11/2025	DEU	EUR	1,982,250	0.73
2,000,000	IQVIA, Inc., Reg. S 2.875% 09/15/2025	USA	EUR	1,967,232	0.73
2,000,000	Westpac Banking Corp., Reg. S 0.625% 11/22/2024	AUS	EUR	1,957,158	0.73
2,000,000	Avantor Funding, Inc., Reg. S 2.625% 11/01/2025	USA	EUR	1,955,000	0.72
2,000,000	Matterhorn Telecom SA, Reg. S 3.125% 09/15/2026	LUX	EUR	1,950,000	0.72
2,000,000	Nationale-Nederlanden Bank NV, Reg. S 0.375% 02/26/2025	NLD	EUR	1,938,148	0.72
2,000,000	Intesa Sanpaolo SpA, Reg. S 3.75% Perpetual	ITA	EUR	1,936,362	0.72
2,000,000	Banco de Sabadell SA, Reg. S 0.875% 07/22/2025	ESP	EUR	1,931,468	0.72
1,800,000	Goldman Sachs Group, Inc. (The), Reg. S 3.375% 03/27/2025	USA	EUR	1,793,774	0.66
1,700,000	Encore Capital Group, Inc., Reg. S, FRN 8.192% 01/15/2028	USA	EUR	1,700,646	0.63
1,700,000	Encore Capital Group, Inc., Reg. S 4.875% 10/15/2025	USA	EUR	1,691,500	0.63
1,700,000	KION Group AG, Reg. S 1.625% 09/24/2025	DEU	EUR	1,642,137	0.61
1,500,000	Intesa Sanpaolo Vita SpA, Reg. S 4.75% Perpetual	ITA	EUR	1,496,430	0.55
1,500,000	MPT Operating Partnership LP 3.325% 03/24/2025	USA	EUR	1,415,619	0.52

Franklin Green Target Income 2024 Fund (continued)

(Currency - EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
1,400,000	Naturgy Finance BV, Reg. S 3.375% Perpetual	ESP	EUR	1,400,000	0.52
1,400,000	Credit Agricole Assurances SA, Reg. S 4.25% Perpetual	FRA	EUR	1,393,883	0.52
1,416,000	Swedbank AB, Reg. S 0.25% 10/09/2024	SWE	EUR	1,389,968	0.52
2,500,000	Aroundtown SA, Reg. S 4.542% Perpetual	DEU	EUR	1,313,837	0.49
1,200,000	Powszechna Kasa Oszczednosci Bank Polski SA, Reg. S 5.625% 02/01/2026	POL	EUR	1,210,715	0.45
1,200,000	Aviva plc, Reg. S 3.875% 07/03/2044	GBR	EUR	1,196,892	0.44
1,200,000	BNP Paribas Cardif SA, Reg. S 4.032% Perpetual	FRA	EUR	1,190,346	0.44
1,100,000	Societe Generale SA, Reg. S 1.5% 05/30/2025	FRA	EUR	1,095,694	0.41
1,000,000	UniCredit SpA, Reg. S 7.5% Perpetual	ITA	EUR	1,037,348	0.38
1,000,000	Orano SA 4.875% 09/23/2024	FRA	EUR	1,003,988	0.37
1,000,000	Virgin Money UK plc, Reg. S 2.875% 06/24/2025	GBR	EUR	997,460	0.37
1,000,000	Crown European Holdings SA, Reg. S 2.625% 09/30/2024	USA	EUR	992,299	0.37
1,000,000	National Grid North America, Inc., Reg. S 1% 07/12/2024	USA	EUR	992,001	0.37
1,000,000	Titan Global Finance plc, Reg. S 2.375% 11/16/2024	GRC	EUR	989,430	0.37
1,000,000	ELM BV for Firmenich International SA, Reg. S 3.75% Perpetual	CHE	EUR	986,300	0.37
1,500,000	CPI Property Group SA, Reg. S 4.875% Perpetual	CZE	EUR	900,000	0.33
800,000	Cadent Finance plc, Reg. S 0.625% 09/22/2024	GBR	EUR	787,608	0.29
800,000	Techem Verwaltungsgesellschaft 675 mbH, Reg. S 2% 07/15/2025	DEU	EUR	786,612	0.29
547,000	Telecom Italia SpA, Reg. S 4% 04/11/2024	ITA	EUR	546,726	0.20
500,000	Loxam SAS, Reg. S 3.75% 07/15/2026	FRA	EUR	495,625	0.18
500,000	Nykredit Realkredit A/S, Reg. S 0.625% 01/17/2025	DNK	EUR	487,817	0.18
100,000	Assicurazioni Generali SpA, Reg. S 4.596% Perpetual	ITA	EUR	100,452	0.04
				207,660,109	76.92
	<b>Government and Municipal Bonds</b>				
13,500,000	Belgium Treasury Bill 0% 11/07/2024	BEL	EUR	13,209,183	4.89
6,000,000	Italy Buoni Ordinari del Tesoro BOT 0% 11/14/2024	ITA	EUR	5,867,519	2.18
5,500,000	Electricite de France SA, Reg. S 5.375% Perpetual	FRA	EUR	5,488,059	2.03
4,000,000	North Macedonia Government Bond, Reg. S 2.75% 01/18/2025	MKD	EUR	3,929,200	1.46
2,000,000	Permanent TSB Group Holdings plc, Reg. S 5.25% 06/30/2025	IRL	EUR	2,002,656	0.74
2,000,000	Belfius Bank SA, Reg. S 1% 10/26/2024	BEL	EUR	1,968,084	0.73
				32,464,701	12.03
	<b>TOTAL BONDS</b>			240,124,810	88.95
	<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>			240,124,810	88.95
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	<b>CERTIFICATES OF DEPOSIT</b>				
	<b>Banks</b>				
5,000,000	Toronto-Dominion Bank (The) 0% 09/20/2024	CAN	EUR	4,907,275	1.82
1,500,000	Lloyds Bank plc 0% 07/11/2024	GBR	EUR	1,483,363	0.55
				6,390,638	2.37
	<b>TOTAL CERTIFICATES OF DEPOSIT</b>			6,390,638	2.37
	<b>COMMERCIAL PAPERS</b>				
	<b>Banks</b>				
5,000,000	Banco Santander SA 0% 11/14/2024	ESP	EUR	4,880,096	1.81
1,000,000	Svenska Handelsbanken AB 0% 10/23/2024	SWE	EUR	978,222	0.36
				5,858,318	2.17
	<b>Capital Markets</b>				
5,000,000	Macquarie Bank Ltd. 0% 09/12/2024	AUS	EUR	4,912,157	1.82
				4,912,157	1.82
	<b>Financial Services</b>				
1,000,000	OP Corporate Bank plc 0% 06/11/2024	FIN	EUR	991,920	0.36
				991,920	0.36
	<b>TOTAL COMMERCIAL PAPERS</b>			11,762,395	4.35
	<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>			18,153,033	6.72
	<b>TOTAL INVESTMENTS</b>			<b>258,277,843</b>	<b>95.67</b>

## Schedule of Investments, March 31, 2024

## Franklin Target Income 2024 Fund

(Currency - EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>BONDS</b>					
<b>Corporate Bonds</b>					
7,286,000	Banca Popolare di Sondrio SpA, Reg. S 2.375% 04/03/2024	ITA	EUR	7,286,000	2.57
7,000,000	Banco Bilbao Vizcaya Argentaria SA, Reg. S 6% Perpetual	ESP	EUR	7,004,928	2.47
6,000,000	Intesa Sanpaolo SpA, Reg. S 6.25% Perpetual	ITA	EUR	6,013,884	2.12
6,000,000	NIBC Bank NV, Reg. S 2% 04/09/2024	NLD	EUR	5,997,510	2.11
5,800,000	Erste Group Bank AG, Reg. S 6.5% Perpetual	AUT	EUR	5,806,745	2.04
5,200,000	Renault SA, Reg. S 1% 04/18/2024	FRA	EUR	5,191,337	1.83
5,000,000	Barclays plc, Reg. S 3.375% 04/02/2025	GBR	EUR	5,000,000	1.76
5,000,000	Naturgy Finance BV, Reg. S 3.375% Perpetual	ESP	EUR	5,000,000	1.76
5,000,000	Telecom Italia SpA, Reg. S 4% 04/11/2024	ITA	EUR	4,997,500	1.76
5,000,000	Mercedes-Benz International Finance BV, Reg. S 0.875% 04/09/2024	DEU	EUR	4,997,230	1.76
5,000,000	Naturgy Capital Markets SA, Reg. S 1.125% 04/11/2024	ESP	EUR	4,996,670	1.76
5,000,000	Danske Bank A/S, Reg. S 2.5% 06/21/2029	DNK	EUR	4,977,135	1.75
5,000,000	Credit Mutuel Arkea SA, Reg. S 1.875% 10/25/2029	FRA	EUR	4,924,685	1.73
4,000,000	General Motors Financial Co., Inc., Reg. S 2.2% 04/01/2024	USA	EUR	4,000,000	1.41
4,000,000	Volvo Car AB, Reg. S 2.125% 04/02/2024	SWE	EUR	4,000,000	1.41
4,000,000	Metropolitan Life Global Funding I, Reg. S 0.375% 04/09/2024	USA	EUR	3,997,660	1.41
4,000,000	Asahi Group Holdings Ltd., Reg. S 0.01% 04/19/2024	JPN	EUR	3,992,956	1.41
4,000,000	Liberty Mutual Group, Inc., Reg. S 3.625% 05/23/2059	USA	EUR	3,988,920	1.40
4,000,000	Goldman Sachs Group, Inc. (The), Reg. S 1.375% 05/15/2024	USA	EUR	3,987,748	1.40
3,400,000	Cooperatieve Rabobank UA, Reg. S 4.625% Perpetual	NLD	EUR	3,340,714	1.18
3,000,000	ASR Nederland NV, Reg. S 5% Perpetual	NLD	EUR	3,010,890	1.06
3,000,000	HBOS plc 4.5% 03/18/2030	GBR	EUR	2,994,366	1.05
2,600,000	Ibercaja Banco SA, Reg. S 2.75% 07/23/2030	ESP	EUR	2,512,328	0.88
2,500,000	Intesa Sanpaolo Vita SpA, Reg. S 4.75% Perpetual	ITA	EUR	2,494,050	0.88
2,500,000	Goldman Sachs Group, Inc. (The), Reg. S 3.375% 03/27/2025	USA	EUR	2,491,352	0.88
2,500,000	Unicaja Banco SA, Reg. S 2.875% 11/13/2029	ESP	EUR	2,468,018	0.87
2,500,000	AIB Group plc, Reg. S 1.875% 11/19/2029	IRL	EUR	2,456,345	0.87
2,400,000	Air France-KLM, Reg. S 1.875% 01/16/2025	FRA	EUR	2,355,110	0.83
2,300,000	Digital Euro Finco LLC, Reg. S 2.625% 04/15/2024	USA	EUR	2,298,615	0.81
2,000,000	CNH Industrial Finance Europe SA, Reg. S 0% 04/01/2024	USA	EUR	2,000,000	0.70
2,000,000	Ibercaja Banco SA, Reg. S 3.75% 06/15/2025	ESP	EUR	1,998,120	0.70
2,000,000	Lloyds Banking Group plc, Reg. S 3.5% 04/01/2026	GBR	EUR	1,993,908	0.70
2,000,000	Arkema SA, Reg. S 2.75% Perpetual	FRA	EUR	1,991,636	0.70
2,000,000	Holcim Finance Luxembourg SA, Reg. S 3% Perpetual	CHE	EUR	1,991,410	0.70
2,000,000	Abanca Corp. Bancaria SA, Reg. S 4.625% 04/07/2030	ESP	EUR	1,986,600	0.70
2,000,000	UBS Group AG, Reg. S 3.25% 04/02/2026	CHE	EUR	1,983,350	0.70
2,000,000	Volkswagen International Finance NV, Reg. S 3.5% Perpetual	DEU	EUR	1,964,900	0.69
2,000,000	Grifols SA, Reg. S 1.625% 02/15/2025	ESP	EUR	1,909,442	0.67
1,700,000	Encore Capital Group, Inc., Reg. S, FRN 8.192% 01/15/2028	USA	EUR	1,700,646	0.60
1,700,000	Encore Capital Group, Inc., Reg. S 4.875% 10/15/2025	USA	EUR	1,691,500	0.60
1,700,000	Matterhorn Telecom SA, Reg. S 3.125% 09/15/2026	LUX	EUR	1,657,500	0.58
1,700,000	Banco de Sabadell SA, Reg. S 1.125% 03/27/2025	ESP	EUR	1,657,135	0.58
1,500,000	Mitsubishi UFJ Financial Group, Inc., Reg. S 3.273% 09/19/2025	JPN	EUR	1,495,100	0.53
1,000,000	ELM BV for Firmenich International SA, Reg. S 3.75% Perpetual	CHE	EUR	986,300	0.35
1,000,000	Orange SA, Reg. S 2.375% Perpetual	FRA	EUR	984,015	0.35
1,000,000	IQVIA, Inc., Reg. S 2.875% 09/15/2025	USA	EUR	983,616	0.35
1,000,000	Avantor Funding, Inc., Reg. S 2.625% 11/01/2025	USA	EUR	977,500	0.34
1,000,000	Phoenix PIB Dutch Finance BV, Reg. S 2.375% 08/05/2025	DEU	EUR	974,224	0.34
1,000,000	Grifols SA, Reg. S 3.2% 05/01/2025	ESP	EUR	923,806	0.33
400,000	Credit Agricole Assurances SA, Reg. S 4.25% Perpetual	FRA	EUR	398,252	0.14
				154,831,656	54.52
<b>Government and Municipal Bonds</b>					
30,000,000	France Treasury Bill BTF, Reg. S 0% 04/10/2024	FRA	EUR	29,977,512	10.56
30,000,000	Italy Buoni Ordinari del Tesoro BOT 0% 04/12/2024	ITA	EUR	29,971,752	10.55
20,000,000	Bundesobligation, Reg. S 0% 04/05/2024	DEU	EUR	19,995,800	7.04
4,000,000	Electricite de France SA, Reg. S 4% Perpetual	FRA	EUR	3,977,740	1.40
3,000,000	Electricite de France SA, Reg. S 5.375% Perpetual	FRA	EUR	2,993,487	1.06
2,149,000	Czech Republic Government Bond 0% 04/24/2024	CZE	EUR	2,141,306	0.75

Franklin Target Income 2024 Fund (continued)

(Currency - EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
2,000,000	North Macedonia Government Bond, Reg. S 2.75% 01/18/2025	MKD	EUR	1,964,600	0.69
				91,022,197	32.05
	<b>TOTAL BONDS</b>			245,853,853	86.57
	<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>			245,853,853	86.57
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	<b>CERTIFICATES OF DEPOSIT</b>				
	<b>Banks</b>				
5,000,000	MUFG Bank Ltd. 0% 04/08/2024	JPN	EUR	4,993,916	1.76
				4,993,916	1.76
	<b>TOTAL CERTIFICATES OF DEPOSIT</b>			4,993,916	1.76
	<b>COMMERCIAL PAPERS</b>				
	<b>Banks</b>				
6,000,000	Svenska Handelsbanken AB 0% 04/05/2024	SWE	EUR	5,994,725	2.11
				5,994,725	2.11
	<b>Electric Utilities</b>				
8,000,000	Electricite de France SA 0% 04/04/2024	FRA	EUR	7,993,947	2.82
				7,993,947	2.82
	<b>Food Products</b>				
1,000,000	Danone France SA 0% 04/04/2024	FRA	EUR	999,244	0.35
				999,244	0.35
	<b>Multi-Utilities</b>				
5,000,000	Veolia Environnement SA 0% 04/05/2024	FRA	EUR	4,995,455	1.76
				4,995,455	1.76
	<b>TOTAL COMMERCIAL PAPERS</b>			19,983,371	7.04
	<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>			24,977,287	8.80
	<b>TOTAL INVESTMENTS</b>			<b>270,831,140</b>	<b>95.37</b>

## Schedule of Investments, March 31, 2024

## Franklin U.S. Managed Income 2028 Fund

(Currency - EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
<b>SHARES</b>					
<b>Aerospace &amp; Defense</b>					
418	Lockheed Martin Corp.	USA	USD	176,247	0.47
214	Northrop Grumman Corp.	USA	USD	94,951	0.25
				<u>271,198</u>	0.72
<b>Air Freight &amp; Logistics</b>					
162	United Parcel Service, Inc. 'B'	USA	USD	22,319	0.06
				<u>22,319</u>	0.06
<b>Automobiles</b>					
24,054	Ford Motor Co.	USA	USD	296,104	0.79
2,471	General Motors Co.	USA	USD	103,875	0.28
				<u>399,979</u>	1.07
<b>Banks</b>					
4,281	US Bancorp	USA	USD	177,383	0.47
4,104	Bank of America Corp.	USA	USD	144,256	0.39
2,431	Citigroup, Inc.	USA	USD	142,507	0.38
				<u>464,146</u>	1.24
<b>Beverages</b>					
1,494	PepsiCo, Inc.	USA	USD	242,367	0.65
3,904	Coca-Cola Co. (The)	USA	USD	221,400	0.59
				<u>463,767</u>	1.24
<b>Biotechnology</b>					
2,500	AbbVie, Inc.	USA	USD	421,996	1.13
779	Gilead Sciences, Inc.	USA	USD	52,894	0.14
				<u>474,890</u>	1.27
<b>Broadline Retail</b>					
904	Amazon.com, Inc.	USA	USD	151,153	0.40
				<u>151,153</u>	0.40
<b>Building Products</b>					
244	Builders FirstSource, Inc.	USA	USD	47,169	0.13
				<u>47,169</u>	0.13
<b>Capital Markets</b>					
8,728	3i Group plc	GBR	GBP	286,845	0.77
408	Morgan Stanley	USA	USD	35,611	0.09
				<u>322,456</u>	0.86
<b>Communications Equipment</b>					
5,613	Cisco Systems, Inc.	USA	USD	259,682	0.69
				<u>259,682</u>	0.69
<b>Consumer Finance</b>					
4,177	Synchrony Financial	USA	USD	166,956	0.45
				<u>166,956</u>	0.45
<b>Consumer Staples Distribution &amp; Retail</b>					
718	Target Corp.	USA	USD	117,943	0.31
				<u>117,943</u>	0.31
<b>Diversified Telecommunication Services</b>					
6,809	Verizon Communications, Inc.	USA	USD	264,837	0.71
				<u>264,837</u>	0.71
<b>Electric Utilities</b>					
3,745	American Electric Power Co., Inc.	USA	USD	298,892	0.80
2,759	Edison International	USA	USD	180,890	0.48
1,727	Southern Co. (The)	USA	USD	114,845	0.31
1,267	Duke Energy Corp.	USA	USD	113,581	0.30
				<u>708,208</u>	1.89
<b>Health Care Providers &amp; Services</b>					
1,970	CVS Health Corp.	USA	USD	145,650	0.39
				<u>145,650</u>	0.39
<b>Household Durables</b>					
2,203	PulteGroup, Inc.	USA	USD	246,316	0.66
				<u>246,316</u>	0.66

Franklin U.S. Managed Income 2028 Fund (continued)

(Currency - EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Household Products</b>					
1,976	Procter & Gamble Co. (The)	USA	USD	297,188	0.79
				<u>297,188</u>	<u>0.79</u>
<b>Insurance</b>					
2,145	Brown & Brown, Inc.	USA	USD	174,057	0.46
4,200	Sompo Holdings, Inc.	JPN	JPY	81,597	0.22
				<u>255,654</u>	<u>0.68</u>
<b>Interactive Media &amp; Services</b>					
425	Meta Platforms, Inc. 'A'	USA	USD	191,297	0.51
776	Alphabet, Inc. 'A'	USA	USD	108,567	0.29
				<u>299,864</u>	<u>0.80</u>
<b>IT Services</b>					
956	GoDaddy, Inc. 'A'	USA	USD	105,171	0.28
311	Cognizant Technology Solutions Corp. 'A'	USA	USD	21,128	0.06
				<u>126,299</u>	<u>0.34</u>
<b>Machinery</b>					
456	PACCAR, Inc.	USA	USD	52,367	0.14
				<u>52,367</u>	<u>0.14</u>
<b>Media</b>					
6,973	Comcast Corp. 'A'	USA	USD	280,200	0.75
				<u>280,200</u>	<u>0.75</u>
<b>Metals &amp; Mining</b>					
21,535	Fortescue Ltd.	AUS	AUD	334,065	0.89
3,030	Freeport-McMoRan, Inc.	USA	USD	132,064	0.35
1,846	Rio Tinto plc	AUS	GBP	108,179	0.29
				<u>574,308</u>	<u>1.53</u>
<b>Multi-Utilities</b>					
1,608	Sempra	USA	USD	107,066	0.29
869	Dominion Energy, Inc.	USA	USD	39,624	0.10
				<u>146,690</u>	<u>0.39</u>
<b>Oil, Gas &amp; Consumable Fuels</b>					
4,700	Equinor ASA	NOR	NOK	116,801	0.31
1,066	Exxon Mobil Corp.	USA	USD	114,861	0.31
227	Chevron Corp.	USA	USD	33,191	0.09
				<u>264,853</u>	<u>0.71</u>
<b>Pharmaceuticals</b>					
3,715	Merck & Co., Inc.	USA	USD	454,389	1.21
2,997	Johnson & Johnson	USA	USD	439,466	1.17
8,029	Pfizer, Inc.	USA	USD	206,530	0.55
1,817	Bristol-Myers Squibb Co.	USA	USD	91,338	0.25
				<u>1,191,723</u>	<u>3.18</u>
<b>Semiconductors &amp; Semiconductor Equipment</b>					
589	NVIDIA Corp.	USA	USD	493,323	1.32
388	Broadcom, Inc.	USA	USD	476,696	1.27
1,372	QUALCOMM, Inc.	USA	USD	215,313	0.57
1,074	Applied Materials, Inc.	USA	USD	205,312	0.55
1,555	Microchip Technology, Inc.	USA	USD	129,310	0.35
3,000	Intel Corp.	USA	USD	122,831	0.33
657	Analog Devices, Inc.	USA	USD	120,456	0.32
518	Texas Instruments, Inc.	USA	USD	83,649	0.22
				<u>1,846,890</u>	<u>4.93</u>
<b>Software</b>					
1,326	Microsoft Corp.	USA	USD	517,125	1.38
				<u>517,125</u>	<u>1.38</u>
<b>Specialty Retail</b>					
831	Home Depot, Inc. (The)	USA	USD	295,487	0.79
				<u>295,487</u>	<u>0.79</u>
<b>Technology Hardware, Storage &amp; Peripherals</b>					
2,676	Apple, Inc.	USA	USD	425,362	1.14
967	Dell Technologies, Inc. 'C'	USA	USD	102,284	0.27
				<u>527,646</u>	<u>1.41</u>

**Franklin U.S. Managed Income 2028 Fund** (continued)

(Currency - EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	<b>Tobacco</b>				
4,043	Philip Morris International, Inc.	USA	USD	343,363	0.92
				343,363	0.92
	<b>Wireless Telecommunication Services</b>				
66,330	Vodafone Group plc	GBR	GBP	54,528	0.15
				54,528	0.15
	<b>TOTAL SHARES</b>			11,600,854	30.98
	<b>BONDS</b>				
	<b>Corporate Bonds</b>				
838,000	Celanese US Holdings LLC 0.625% 09/10/2028	USA	EUR	729,879	1.95
781,000	General Motors Financial Co., Inc., Reg. S 0.65% 09/07/2028	USA	EUR	690,161	1.84
702,000	Utah Acquisition Sub, Inc., Reg. S 3.125% 11/22/2028	USA	EUR	683,950	1.83
741,000	Albemarle New Holding GmbH, Reg. S 1.625% 11/25/2028	USA	EUR	675,931	1.81
752,000	American Tower Corp. 0.5% 01/15/2028	USA	EUR	671,401	1.79
752,000	Athene Global Funding, Reg. S 0.625% 01/12/2028	USA	EUR	670,549	1.79
749,000	Capital One Financial Corp. 1.65% 06/12/2029	USA	EUR	667,082	1.78
707,000	Citigroup, Inc., Reg. S 1.5% 10/26/2028	USA	EUR	652,807	1.74
737,000	FedEx Corp. 0.45% 05/04/2029	USA	EUR	638,641	1.71
647,000	JPMorgan Chase & Co., Reg. S 2.875% 05/24/2028	USA	EUR	638,507	1.71
649,000	Duke Energy Corp. 3.1% 06/15/2028	USA	EUR	637,799	1.70
693,000	Fidelity National Information Services, Inc. 1% 12/03/2028	USA	EUR	619,478	1.65
654,000	Goldman Sachs Group, Inc. (The), Reg. S 2% 11/01/2028	USA	EUR	617,409	1.65
630,000	Kraft Heinz Foods Co., Reg. S 2.25% 05/25/2028	USA	EUR	603,914	1.61
620,000	Kinder Morgan, Inc. 2.25% 03/16/2027	USA	EUR	594,995	1.59
583,000	Netflix, Inc. 3.625% 05/15/2027	USA	EUR	588,952	1.57
557,000	Stellantis NV, Reg. S 4.5% 07/07/2028	USA	EUR	581,520	1.55
500,000	McDonald's Corp., Reg. S 1.75% 05/03/2028	USA	EUR	471,031	1.26
560,000	Air Lease Corp. 2.1% 09/01/2028	USA	USD	454,782	1.21
476,000	Verizon Communications, Inc. 1.375% 11/02/2028	USA	EUR	439,051	1.17
503,000	Ashtead Capital, Inc., 144A 4% 05/01/2028	GBR	USD	438,310	1.17
477,000	Metropolitan Life Global Funding I, Reg. S 0.55% 06/16/2027	USA	EUR	437,654	1.17
465,000	AT&T, Inc. 1.6% 05/19/2028	USA	EUR	436,074	1.17
467,000	American Medical Systems Europe BV 1.375% 03/08/2028	USA	EUR	435,219	1.16
467,000	Fiserv, Inc. 1.125% 07/01/2027	USA	EUR	432,810	1.16
439,000	AbbVie, Inc. 2.625% 11/15/2028	USA	EUR	428,826	1.15
444,000	Berkshire Hathaway, Inc. 2.15% 03/15/2028	USA	EUR	428,335	1.14
445,000	Bank of America Corp., Reg. S 1.662% 04/25/2028	USA	EUR	420,651	1.12
426,000	BAT Capital Corp. 3.557% 08/15/2027	GBR	USD	374,057	1.00
368,000	AutoNation, Inc. 1.95% 08/01/2028	USA	USD	295,780	0.79
309,000	PBF Holding Co. LLC 6% 02/15/2028	USA	USD	282,108	0.75
292,000	OneMain Finance Corp. 6.625% 01/15/2028	USA	USD	271,742	0.73
200,000	Vonovia SE, Reg. S 4.75% 05/23/2027	DEU	EUR	205,439	0.55
195,000	RTX Corp. 6.7% 08/01/2028	USA	USD	193,305	0.52
223,000	Boeing Co. (The) 3.2% 03/01/2029	USA	USD	184,794	0.49
209,000	Jabil, Inc. 3.95% 01/12/2028	USA	USD	184,202	0.49
120,000	Toll Brothers Finance Corp. 4.35% 02/15/2028	USA	USD	107,577	0.29
100,000	Volkswagen International Finance NV, Reg. S 4.25% 02/15/2028	DEU	EUR	102,067	0.27
61,000	Ford Motor Co. 6.625% 10/01/2028	USA	USD	59,309	0.16
38,000	HCA, Inc. 7.05% 12/01/2027	USA	USD	37,076	0.10
35,000	Freeport-McMoRan, Inc. 4.125% 03/01/2028	USA	USD	31,061	0.08
37,000	Oracle Corp. 2.3% 03/25/2028	USA	USD	30,982	0.08
35,000	Bio-Rad Laboratories, Inc. 3.3% 03/15/2027	USA	USD	30,778	0.08
34,000	VICI Properties LP 4.75% 02/15/2028	USA	USD	30,763	0.08
34,000	United Rentals North America, Inc. 4.875% 01/15/2028	USA	USD	30,695	0.08
35,000	FactSet Research Systems, Inc. 2.9% 03/01/2027	USA	USD	30,518	0.08
32,000	Constellation Brands, Inc. 4.65% 11/15/2028	USA	USD	29,183	0.08
32,000	Chevron USA, Inc. 3.85% 01/15/2028	USA	USD	29,005	0.08
32,000	CVS Health Corp. 4.3% 03/25/2028	USA	USD	28,956	0.08
32,000	Anheuser-Busch InBev Worldwide, Inc. 4% 04/13/2028	BEL	USD	28,947	0.08
				18,384,062	49.09
	<b>Government and Municipal Bonds</b>				
850,600	US Treasury 1.25% 06/30/2028	USA	USD	696,301	1.86
532,000	Mexico Government Bond 1.35% 09/18/2027	MEX	EUR	495,691	1.32
420,000	Petroleos Mexicanos, Reg. S 4.875% 02/21/2028	MEX	EUR	370,668	0.99
354,900	US Treasury 4.75% 02/15/2041	USA	USD	344,430	0.92

Franklin U.S. Managed Income 2028 Fund (continued)

(Currency - EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
300,000	Caixa Geral de Depositos SA, Reg. S 5.75% 10/31/2028	PRT	EUR	320,829	0.86
100,000	Electricite de France SA, Reg. S 3.875% 01/12/2027	FRA	EUR	100,633	0.27
				<u>2,328,552</u>	<u>6.22</u>
	<b>TOTAL BONDS</b>			<u>20,712,614</u>	<u>55.31</u>
	<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>			<u>32,313,468</u>	<u>86.29</u>
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	<b>BONDS</b>				
	<b>Corporate Bonds</b>				
555,000	Pacific Gas and Electric Co. 3.75% 07/01/2028	USA	USD	482,191	1.29
511,000	JBS USA LUX SA 5.125% 02/01/2028	USA	USD	466,785	1.25
412,000	Delta Air Lines, Inc., 144A 4.75% 10/20/2028	USA	USD	373,653	1.00
369,000	Hyundai Capital America, Reg. S 2% 06/15/2028	USA	USD	300,478	0.80
330,000	Morgan Stanley 4.21% 04/20/2028	USA	USD	297,356	0.79
341,000	Warnermedia Holdings, Inc. 4.054% 03/15/2029	USA	USD	295,997	0.79
336,000	MPH Acquisition Holdings LLC, Reg. S 5.5% 09/01/2028	USA	USD	265,191	0.71
276,000	Organon & Co., 144A 2.875% 04/30/2028	USA	EUR	257,562	0.69
238,000	Huntington Ingalls Industries, Inc. 2.043% 08/16/2028	USA	USD	192,729	0.51
204,000	Truist Financial Corp. 4.123% 06/06/2028	USA	USD	182,702	0.49
194,000	American Airlines, Inc., 144A 5.75% 04/20/2029	USA	USD	176,907	0.47
183,000	Regal Rexnord Corp., 144A 6.05% 04/15/2028	USA	USD	172,104	0.46
158,000	Univision Communications, Inc., 144A 6.625% 06/01/2027	USA	USD	143,372	0.38
152,000	Directv Financing LLC, 144A 5.875% 08/15/2027	USA	USD	133,382	0.36
157,000	Ingevity Corp., Reg. S 3.875% 11/01/2028	USA	USD	131,592	0.35
152,000	Ardagh Metal Packaging Finance USA LLC, 144A 2% 09/01/2028	USA	EUR	130,117	0.35
113,000	Vistra Operations Co. LLC, 144A 5% 07/31/2027	USA	USD	101,513	0.27
115,000	CCO Holdings LLC, Reg. S 5% 02/01/2028	USA	USD	99,304	0.26
46,000	Occidental Petroleum Corp. 7.15% 05/15/2028	USA	USD	44,987	0.12
37,000	T-Mobile USA, Inc. 2.05% 02/15/2028	USA	USD	30,741	0.08
34,000	Workday, Inc. 3.5% 04/01/2027	USA	USD	30,187	0.08
34,000	Calpine Corp., Reg. S 4.5% 02/15/2028	USA	USD	29,917	0.08
33,000	Edwards Lifesciences Corp. 4.3% 06/15/2028	USA	USD	29,782	0.08
32,000	US Bancorp 4.548% 07/22/2028	USA	USD	29,085	0.08
31,000	S&P Global, Inc. 4.75% 08/01/2028	USA	USD	28,707	0.08
31,000	Darling Ingredients, Inc., 144A 6% 06/15/2030	USA	USD	28,499	0.08
				<u>4,454,840</u>	<u>11.90</u>
	<b>TOTAL BONDS</b>			<u>4,454,840</u>	<u>11.90</u>
	<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>			<u>4,454,840</u>	<u>11.90</u>
	<b>TOTAL INVESTMENTS</b>			<u><b>36,768,308</b></u>	<u><b>98.19</b></u>

## Schedule of Investments, March 31, 2024

## Franklin USD Diversified Bond Series I 2025 Fund

(Currency - USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	<b>BONDS</b>				
	<b>Corporate Bonds</b>				
4,785,000	Mirae Asset Securities Co. Ltd., Reg. S 3.375% 05/07/2024	KOR	USD	4,772,033	3.06
4,760,000	Oversea-Chinese Banking Corp. Ltd., Reg. S 4.25% 06/19/2024	SGP	USD	4,743,575	3.05
4,520,000	AerCap Ireland Capital DAC 3.5% 01/15/2025	IRL	USD	4,443,856	2.85
4,000,000	UBS AG, Reg. S 5.125% 05/15/2024	CHE	USD	3,992,016	2.56
4,000,000	Goldman Sachs Group, Inc. (The) 3.5% 01/23/2025	USA	USD	3,936,743	2.53
4,000,000	Air Lease Corp. 2.3% 02/01/2025	USA	USD	3,885,644	2.49
3,500,000	TC PipeLines LP 4.375% 03/13/2025	USA	USD	3,456,307	2.22
3,500,000	Energy Transfer LP 4.05% 03/15/2025	USA	USD	3,449,304	2.21
3,500,000	SITE Centers Corp. 3.625% 02/01/2025	USA	USD	3,446,856	2.21
3,500,000	REC Ltd., Reg. S 3.5% 12/12/2024	IND	USD	3,437,648	2.21
3,000,000	HCA, Inc. 5.375% 02/01/2025	USA	USD	2,992,033	1.92
3,000,000	Western Midstream Operating LP 3.1% 02/01/2025	USA	USD	2,937,206	1.89
3,000,000	General Motors Financial Co., Inc. 2.9% 02/26/2025	USA	USD	2,927,332	1.88
3,000,000	Westpac Banking Corp., Reg. S 2% 01/16/2026	AUS	USD	2,923,079	1.88
2,700,000	Bharti Airtel International Netherlands BV, 144A 5.35% 05/20/2024	IND	USD	2,697,084	1.73
2,629,000	Greenko Solar Mauritius Ltd., Reg. S 5.55% 01/29/2025	IND	USD	2,601,067	1.67
2,500,000	CNAC HK Finbridge Co. Ltd., Reg. S 4.875% 03/14/2025	CHN	USD	2,481,393	1.59
2,500,000	CK Property Finance MTN Ltd., Reg. S 0.75% 06/30/2024	HKG	USD	2,469,915	1.59
2,266,000	Bluestar Finance Holdings Ltd., Reg. S 3.375% 07/16/2024	CHN	USD	2,248,993	1.44
1,665,000	Brimor Operating Partnership LP 3.85% 02/01/2025	USA	USD	1,636,821	1.05
1,500,000	CNAC HK Finbridge Co. Ltd., Reg. S 3.375% 06/19/2024	CHN	USD	1,492,137	0.96
1,500,000	AIA Group Ltd., Reg. S 3.2% 03/11/2025	HKG	USD	1,470,714	0.94
1,000,000	Energy Transfer LP 3.9% 05/15/2024	USA	USD	997,771	0.64
				69,439,527	44.57
	<b>Government and Municipal Bonds</b>				
2,000,000	Pelabuhan Indonesia Persero PT, 144A 4.875% 10/01/2024	IDN	USD	1,991,520	1.28
1,500,000	Bank Mandiri Persero Tbk. PT, Reg. S 3.75% 04/11/2024	IDN	USD	1,499,475	0.96
1,000,000	Power Finance Corp. Ltd., Reg. S 3.75% 06/18/2024	IND	USD	994,993	0.64
850,000	Lembaga Pembiayaan Ekspor Indonesia, Reg. S 3.875% 04/06/2024	IDN	USD	849,320	0.54
				5,335,308	3.42
	<b>Supranational</b>				
6,000,000	African Export-Import Bank (The), Reg. S 4.125% 06/20/2024	SP	USD	5,973,720	3.84
4,500,000	Black Sea Trade & Development Bank, Reg. S 3.5% 06/25/2024	SP	USD	4,442,400	2.85
				10,416,120	6.69
	<b>TOTAL BONDS</b>			85,190,955	54.68
	<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>			85,190,955	54.68
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	<b>BONDS</b>				
	<b>Corporate Bonds</b>				
5,783,000	Scentre Group Trust 1, Reg. S 3.5% 02/12/2025	AUS	USD	5,676,809	3.64
5,000,000	Methanex Corp. 4.25% 12/01/2024	CAN	USD	4,960,370	3.18
4,000,000	Goodman HK Finance, Reg. S 4.375% 06/19/2024	HKG	USD	3,983,525	2.56
4,000,000	El Puerto de Liverpool SAB de CV, 144A 3.95% 10/02/2024	MEX	USD	3,962,053	2.54
3,500,000	EnLink Midstream Partners LP 4.4% 04/01/2024	USA	USD	3,500,000	2.25
3,500,000	BPCE SA, Reg. S 5.15% 07/21/2024	FRA	USD	3,485,646	2.24
3,500,000	Hyundai Capital America, 144A 2.65% 02/10/2025	USA	USD	3,412,509	2.19
3,000,000	Teva Pharmaceutical Finance Netherlands III BV 7.125% 01/31/2025	ISR	USD	3,019,110	1.94
3,000,000	NextEra Energy Capital Holdings, Inc. 6.051% 03/01/2025	USA	USD	3,012,360	1.93
3,000,000	Navient Corp. 5.875% 10/25/2024	USA	USD	2,999,341	1.93
3,000,000	Societe Generale SA, 144A 2.625% 01/22/2025	FRA	USD	2,924,266	1.88
3,000,000	Aker BP ASA, 144A 3% 01/15/2025	NOR	USD	2,922,972	1.88
2,500,000	eBay, Inc. 1.9% 03/11/2025	USA	USD	2,418,226	1.55
2,000,000	Bank of Baroda, Reg. S 3.875% 04/04/2024	IND	USD	1,999,790	1.28
2,000,000	Amgen, Inc. 5.25% 03/02/2025	USA	USD	1,994,490	1.28
2,000,000	Aviation Capital Group LLC, 144A 5.5% 12/15/2024	USA	USD	1,992,827	1.28
2,000,000	AbbVie, Inc. 3.8% 03/15/2025	USA	USD	1,972,026	1.27
2,000,000	Woodside Finance Ltd., 144A 3.65% 03/05/2025	AUS	USD	1,961,924	1.26
2,000,000	BPCE SA, 144A 2.375% 01/14/2025	FRA	USD	1,947,626	1.25

**Franklin USD Diversified Bond Series I 2025 Fund** (continued)

(Currency - USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
1,550,000	Aviation Capital Group LLC, Reg. S 5.5% 12/15/2024	USA	USD	1,544,441	0.99
1,500,000	Aircastle Ltd. 4.125% 05/01/2024	USA	USD	1,497,623	0.96
1,000,000	Indonesia Asahan Aluminium PT, Reg. S 4.75% 05/15/2025	IDN	USD	987,918	0.63
500,000	AIA Group Ltd., 144A 3.2% 03/11/2025	HKG	USD	490,238	0.32
353,000	Michael Kors USA, Inc., Reg. S 4.25% 11/01/2024	USA	USD	348,698	0.22
				<u>63,014,788</u>	<u>40.45</u>
	<b>Government and Municipal Bonds</b>				
3,000,000	Petroleos Mexicanos 4.25% 01/15/2025	MEX	USD	2,938,010	1.89
1,000,000	NTPC Ltd., Reg. S 3.75% 04/03/2024	IND	USD	999,937	0.64
				<u>3,937,947</u>	<u>2.53</u>
	<b>TOTAL BONDS</b>			<u>66,952,735</u>	<u>42.98</u>
	<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>			<u>66,952,735</u>	<u>42.98</u>
	<b>TOTAL INVESTMENTS</b>			<u><b>152,143,690</b></u>	<u><b>97.66</b></u>

## Additional Information - Unaudited

### Investment Managers per Fund as of March 31, 2024

#### Franklin ESG-Focused Balanced Fund

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

Sub-Investment Co-Managers:  
FRANKLIN ADVISERS INC  
One Franklin Parkway  
San Mateo, CA 94403-1906 USA

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

#### Franklin Global Target Euro Income 2025 Fund

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

#### Franklin Green Target Income 2024 Fund

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

#### Franklin Target Income 2024 Fund

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

#### Franklin U.S. Managed Income 2028 Fund

FRANKLIN TEMPLETON INTERNATIONAL SERVICES  
S.à r.l.,  
Niederlassung Deutschland  
Mainzer Landstraße 16  
Postfach 11 18 03  
60325 Frankfurt am Main, Germany

FRANKLIN ADVISERS INC  
One Franklin Parkway  
San Mateo, CA 94403-1906 USA

#### Franklin USD Diversified Bond Series I 2025 Fund

Investment Manager:  
FRANKLIN TEMPLETON AUSTRALIA LIMITED  
19/101 Collins St, Melbourne VIC 3000 Australia

**Calculation Method of the Risk Exposure**

1. The Commitment Approach\* is used for measuring the Global Exposure\*\* for:

Franklin ESG-Focused Balanced Fund  
 Franklin Global Target Euro Income 2025 Fund  
 Franklin Green Target Income 2024 Fund  
 Franklin Target Income 2024 Fund  
 Franklin USD Diversified Bond Series I 2025 Fund

2. The VaR Approach\*\*\* is used for measuring the Global Exposure\*\* for:

Fund	Market risk	Limit	Regulatory VaR limit utilisation			Reference portfolio	Model type	Confidence Interval	Holding period	Observation period	Leverage***
			Lowest	Highest	Average						
Franklin U.S. Managed Income 2028 Fund	Absolute VaR	20% (or 0.2X)	13.79%	28.02%	21.78%	N/A	Monte Carlo Simulation (MSCI Barra)	99th Percentile	20-Day	03 April 2023 to 28 March 2024	70.63%

\*Commitment Approach is an approach for measuring risk or “global exposure” that factors in the market risk of the investments held in a UCITS sub-fund, including risk associated with any financial derivatives instruments held by converting the financial derivatives into equivalent positions in the underlying assets of those derivatives (sometimes referred to as “notional exposure”), after netting and hedging arrangements where the market value of underlying security positions may be offset by other commitments related to the same underlying positions.

\*\* Global Exposure refers to a measure of the risk exposure for a UCITS sub-fund that factors in the market risk exposure of underlying investments, as well as the incremental market risk exposure and implied leverage associated with financial derivative instruments held in the portfolio.

\*\*\*The level of leverage calculation method used is the sum of notional approach in line with CSSF Circular 11/512

**Periodic Reporting for Franklin Templeton Opportunities Funds in relation to FTOF**

**Transparency of the promotion of environmental or social characteristics and of sustainable investments in periodic reports**

The Sustainable Finance Disclosure Regulation ((EU) 2019/2088), (the “SFDR”) requires the Company to include a description in its periodic reports of the extent to which any Fund classified pursuant to Article 8 of the SFDR (an “Article 8 Fund”) has met its environmental or social characteristics. The SFDR also empowers the European Banking Authority, the European Insurance and Occupational Pensions Authority and the European Securities and Markets Authority (collectively “ESAs”) to develop draft regulatory technical standards (“RTS”) to specify the information and presentation format in the periodic reports.

The following SFDR Article 8 Funds' periodic disclosures have been prepared using the common set of sustainability disclosures or reporting requirements of the RTS which came into effect on 1 January 2023. The asset classifications in the following disclosures are based upon MSCI and may differ to the classification of the securities in the Schedule of Investments.

# Franklin ESG-Focused Balanced Fund (the "Fund")

Legal Entity Identifier: 549300T7NYJPWFGQ5644



FRANKLIN  
TEMPLETON

## Environmental and/or social characteristics

### Did this financial product have a sustainable investment objective?

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not

YES

- It made **sustainable investments with an environmental objective: 0.00%**
  - in economic activities that qualify as environmentally sustainable under the EU Taxonomy
  - in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- It made **sustainable investments with a social objective: 0.00%**

NO

- It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 15.88% of sustainable investments
  - with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
  - with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
  - with a social objective
- It promoted E/S characteristics, but **did not make any sustainable investments**



### To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Fund promoted the reduction of greenhouse gas emissions, energy conservation, biodiversity consideration, responsible solid and water waste management, human rights consideration, and increasing social cohesion and gender equality. The Investment Manager implemented a negative screen as part of the investment process and favour issuers with a high-quality ESG profile.

The Fund did not use derivative instruments to promote environmental or social characteristics.

No reference benchmark has been designated to measure the attainment of environmental and social characteristics promoted by the Fund.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

### How did the sustainability indicators perform?

The sustainability indicators used to measure the attainment of the environmental and/or social characteristics promoted performed as follows:

- percentage of investments in green bonds. The Fund invested 15.88% in green bonds on average for the fiscal year ending on March 31, 2024. Those assets fulfill all the requirements for sustainable assets and therefore the Fund exceeded its minimum commitment of 10% for sustainable assets;
- percentage of investments in bonds issued by best-in-class issuers (the "Environmental Champions" as defined below). Overall sovereign and corporate issuers defined as Environmental Champions based on Investment Manager's proprietary approach represented 19.97% of the whole Fund on average for the fiscal year ending on March 31, 2024;
- the list of issuers of securities, with which the Investment Manager engages. The Investment Manager engaged with 47 companies on a fixed income side and 5 on the equity side (see engagements below);
- percentage of investments in equities with an overall proprietary ESG score above the MSCI World Index - NR Eur's median proprietary ESG score. 46.64% of the whole portfolio) was invested on average in equities with an overall proprietary score above the MSCI World Index – NR Eur's median proprietary ESG score.

For the purpose of calculating sustainability indicators, the Environmental Champions are defined as follows:

- sovereign issuers ranked within the top 20% of their peer group, based on environmental factors including, but not limited to, greenhouse gas emissions, energy intensity, protection of biodiversity, air pollution and renewable energy

- mix; and
- corporate issuers ranked within the top 20% of their peer industry group, based on the greenhouse gas intensity.

List of Fixed Income Issuer engagements: ABN AMRO Bank, Acciona Energia, ASR Nederland, AXA, Barclays, Belfius Bank, BNP Paribas, Citibank, Credit Mutuel Arkea, Credit Suisse, Danske Bank, Deutsche Telekom, Elia Transmission Belgium, Enel, Erste Group, Federal Republic of Germany, Ibercaja Banco, Iberdrola, ING Groep NV, John Deere, Kingdom of Belgium, Kingdom of the Netherlands, Nestle, NN Group, Nykredit A/S, Orange, Orsted A/S, Power Finance Corporation, Rabobank, Republic of Austria, Republic of Estonia, Republic of Iceland, Republic of Latvia, Republic of Lithuania, Republic of Slovenia, Romania, Santander Group, Slovak Republic, Standard Chartered, Swedbank, TenneT, The European Union, The United Kingdom, UBS Group AG, Unicaja Banco, Unilever, and VINCI.

List of Equity issuer engagements: Ahold Delhaize, Microsoft Corporation, Nintendo, Comcast, and Capgemini.

Sustainability KPI Name	Value
Investments in green bonds as percentage of the Fund	15.88%
Investments in bonds issued by best-in-class issuers (the "Environmental Champions") as a percentage of the Fund	19.97%
Investments in equities with an overall proprietary ESG score above the MSCI World Index - NR Eur 's median proprietary ESG score as a percentage of the Fund	46.64%
Number of ESG engagements - Fixed Income	47.00
Number of ESG engagements - Equity	5.00

### ● ... And compared to previous periods?

Compared to the previous year, in this fiscal year ending on March 31, 2024, the Fund has on average increased investments in green bonds. While as of 31 March 2023 the exposure to green bonds was at 9.59% over the full fiscal year ending on March 31, 2024, this figure reached an average of 15.88%.

The overall percentage of Environmental Champions has moderately decreased at the Fund level (from 23.10% on 31 March 2023 to 19.97% on average in fiscal year ending on March 31, 2024). This is, however, mostly the result of a lower exposure to fixed income at the Fund level.

We have intensified our engagement work in fiscal year ending on March 31, 2024. The number of engagements on fixed income side rose to 47 compared to 33 over the previous fiscal year.

The percentage of investments in equities with an overall proprietary ESG score above the MSCI World Index – NR Eur’s median proprietary ESG score increased slightly at the Fund level (from 44.38% on 31 March 2023 to 46.64% on average in fiscal year ending on March 31, 2024). This is, however, mostly the result of a higher exposure of equities at the Fund level.

Sustainability KPI Name	Sustainability KPI historical comparison	
	2024	2023
Sustainability KPI Name	Value	Value
Investments in green bonds as percentage of the Fund	15.88%	9.59%
Investments in bonds issued by best-in-class issuers (the "Environmental Champions") as a percentage of the Fund	19.97%	23.10%
Investments in equities with an overall proprietary ESG score above the MSCI World Index - NR Eur 's median proprietary ESG score as a percentage of the Fund	46.64%	44.38%
Number of ESG engagements - Fixed Income	47.00	33.00
Number of ESG engagements - Equity	5.00	7.00

### ● What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objective?

The objectives of the sustainable investments were, amongst others, to Fund and promote either:

- the efficient use of energy, raw materials, water and land;
- the production of renewable energy;
- the reduction of waste and greenhouse gas emissions and lower impact of economic activities on biodiversity; or
- the development of a circular economy.

The Fund's sustainable investments included a minimum allocation of 10% of its portfolio to sustainable investments in economic activities that contribute to environmental objectives. The Fund exceeded the minimum stated exposure to sustainable assets and invested 15.88% in green bonds during the reference period.

This was achieved by investing in bonds labelled as being green where:

- the proceeds were used on eligible environmental projects;
- the framework adhered to international standards (including but not limited to, the International Capital Market Association (the "ICMA") Green Bond Principles, future European Union Green Bond Standard (the "EU GBS")); and
- the issuers did not significantly harm other environmental and/or social objectives while demonstrating good

governance practices.

The use of proceeds for these bonds was clearly defined and aligned with the aforementioned objectives.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

### **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

The Investment Manager used proprietary data tools and qualitative research to ensure alignment with the Do No Significant Harm (the "DNSH") principles across the sustainable investments which were achieved within the fixed income portion of the Fund.

Corporate issuers within the fixed income portion of the Fund were monitored using the Principle Adverse Impact Risk App (the "PAI Risk App"). The PAI Risk App used data from various third-party data providers to identify issuers involved in harmful economic activities and/or controversies and exclude such issuers from the investment universe.

A second proprietary tool, the Energy and Environmental Transition Index (the "EETI"), ranked the remaining sovereign issuers in the universe according to their environmental performance including greenhouse gas emissions and intensity. Sovereign issuers falling within the bottom 20% of their peer groups based on EETI are excluded from the investment universe. Another tool, ESG Credit App ranked corporate issuers by their greenhouse gas emissions and greenhouse gas intensity using various data points such as Scope 1 and 2 greenhouse gasses emissions, emitters' historic trajectories. Corporate issuers falling within the bottom 20% of the investment universe (i.e. climate laggards) based on the ESG Credit App were also excluded from the portfolio.

Additionally, sovereign issuers were subjected to tests based on their political liberties and/or corruption.

When deploying funds to sustainable investments, especially the 15.88% of portfolio of the Fund committed towards environmental objectives, the Investment Manager applied additional qualitative assessment (based on internal research or on external third-party opinion) of the issuer's and of the project's DNSH eligibility.

### **How were the indicators for adverse impacts on sustainability factors taken into account?**

When assessing compliance of the Fund's investments with the Do No Significant Harm principles, the Investment Manager took into account all mandatory PAI indicators of Table 1 of Annex I of the SFDR Regulatory Technical Standards ("RTS"), to the extent they were relevant for the investments contemplated by the Fund and other data points deemed by the Investment Manager as proxies for adverse impact. The Investment Manager performed this analysis at the level of each sustainable investment so that the relevance and materiality of the PAI indicators may vary across investments. Issuers deemed to be in breach of these indicators did not qualify as sustainable investments.

Furthermore, when deploying funds to green bonds, the Investment Manager reviewed and documented the materiality of the relevant PAIs for the project and how the project's implementation affected the issuer's overall PAIs outlook.

For example, while investing in a green bond whose use of proceeds targets development of renewable energy sources, (e.g. solar/PV panels), the Investment Manager ascertained that financed projects scored well on PAIs linked to greenhouse gas emissions.

### **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**

For bonds issued by sovereign issuers, the Organisation for Economic Cooperation and Development (the "OECD") Guidelines for Multinational Enterprises and United Nations (the "UN") Guiding Principles on Business and Human Rights are not applicable to such investments.

For bonds issued by corporate issuers, the sustainable investments were aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

Alignment was monitored using data from third-party data providers. Breaches identified by these service providers were flagged in the investment compliance system for subsequent investigation by the Investment Manager. Where due diligence proved that the issuer was not aligned with OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, it was deemed un-investable.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



## **How did this financial product consider principal adverse impacts on sustainability factors?**

While the Fund has specialized sustainability approaches for the equities and fixed income strategies, it specifically considered the following PAIs at the whole Fund level:

- greenhouse gas emissions, scope 1 and 2;
- greenhouse gas intensity;
- board gender diversity;

- exposure to controversial weapons;
- greenhouse gas intensity for sovereigns; and
- investee countries subject to social violations.

Greenhouse gas emissions, scope 1 and 2; greenhouse gas intensity and board gender diversity

Specifically, these PAIs were used to restrict the Fund's investment universe and select Environmental Champions. While the Investment Manager excluded the largest greenhouse gas polluters on the fixed income side, the Fund assessed the environmental quality of securities in the investable universe using greenhouse gas emissions scope 1 and 2 as well as greenhouse gas intensity. Those PAIs also guided the Investment Manager on thematic engagement. For the equity sleeve, we use greenhouse gas emissions (scope 1 and 2) and board gender diversity to flag bottom decile performers for enhanced engagement.

Exposure to controversial weapons

The Fund excluded securities with any exposure to controversial and nuclear weapons on the Fund's portfolio level.

Greenhouse gas intensity for sovereigns and investee countries subject social violations

Those PAIs were both used to reduce the investment universe and select Environmental Champions within the sovereign bond asset class.



## What were the top investments of this financial product?

The largest investments of this Fund during the reference period, excluding cash, were:

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is - 2023-04-01 - 2024-03-31.

Largest investments	Sector	% of Assets	Country
Nykredit Realkredit AS 5% 10/01/2053 REG S	Financials	2.28%	Denmark
Spain Government Bond 3.55% 10/31/2033 144A REG S	Government Bonds	2.15%	Spain
Microsoft Corp COM USD0.001	Information Technology	2.04%	United States
United Kingdom Gilt .875% 07/31/2033 REG S	Government Bonds	1.96%	United Kingdom
Apple Inc COM USD.00001	Information Technology	1.81%	United States
Bundesobligation 10/10/2025 REG S	Government Bonds	1.78%	Germany
Bundesrepublik Deutschland Bundesanleihe 08/15/2030 REG S	Government Bonds	1.58%	Germany
NVIDIA Corp COM USD.001	Information Technology	1.43%	United States
Alphabet Inc COM USD.001 CL A	Communication Services	1.34%	United States
Bundesrepublik Deutschland Bundesanleihe 1.8% 08/15/2053 REG S	Government Bonds	1.33%	Germany
Mastercard Inc COM USD.0001 CL A	Financials	1.29%	United States
Spain Government Bond 1.25% 10/31/2030 144A REG S	Government Bonds	1.29%	Spain
European Union 07/04/2035 REG S	Government Bonds	1.27%	Supranational
Nykredit Realkredit AS 4% 10/01/2053 REG S	Financials	1.25%	Denmark
ADOBE INC COM USD 0.0001	Information Technology	1.20%	United States



## What was the proportion of sustainability-related investments?

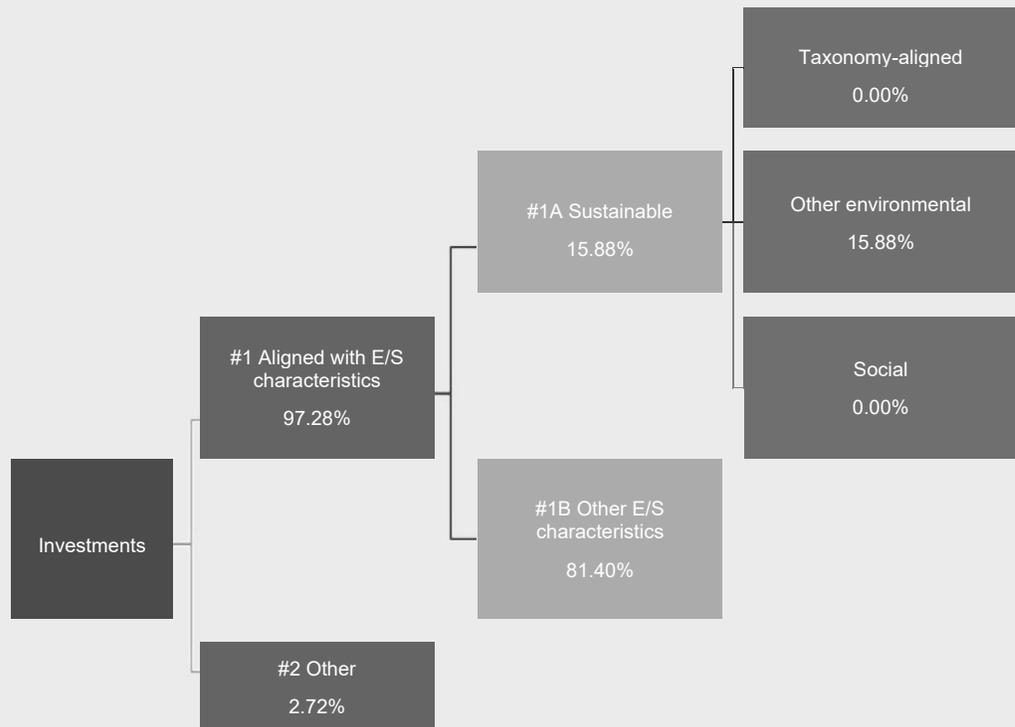
The share of sustainability-related investments was 15.88%.

**Asset allocation** describes the share of investments in specific assets.

### What was the asset allocation?

During the reference period, 97.28% of the Fund's portfolio based on market value was aligned with the E/S characteristics promoted by the Fund. The remaining portion (2.72%) was not aligned with the promoted characteristics and consisted primarily of liquid assets.

Out of the Fund's portfolio segment which was aligned with the promoted environmental and social characteristics, the Fund invested 15.88% of its portfolio in sustainable investments.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

● ***In which economic sectors were the investments made?***

The top sectors and sub-sectors of this Fund during the reference period, excluding cash, were:

<b>Top sector</b>	<b>% of Assets</b>
Government Bonds	24.26%
Financials	22.78%
Information Technology	13.07%
Health Care	7.32%
Industrials	7.06%
Consumer Discretionary	5.30%
Communication Services	4.61%
Consumer Staples	4.57%
Utilities	3.51%
Energy	2.05%
Materials	1.70%
Real Estate	1.06%
<b>Top sub-sector</b>	<b>% of Assets</b>
Government Bonds	24.26%
Banks	11.91%
Software	5.79%
Semiconductors & Semiconductor Equipment	3.83%
Insurance	3.81%
Capital Markets	3.60%
Financial Services	3.43%
Electric Utilities	2.59%
Interactive Media & Services	2.22%
Pharmaceuticals	2.17%
Specialty Retail	2.07%
Technology Hardware, Storage & Peripherals	2.04%
Health Care Equipment & Supplies	1.95%
Oil, Gas & Consumable Fuels	1.91%
Consumer Staples Distribution & Retail	1.49%

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.

- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g for a transition to a green economy.

- **operational expenditure (OpEx)** reflecting the green operational activities of investee companies.



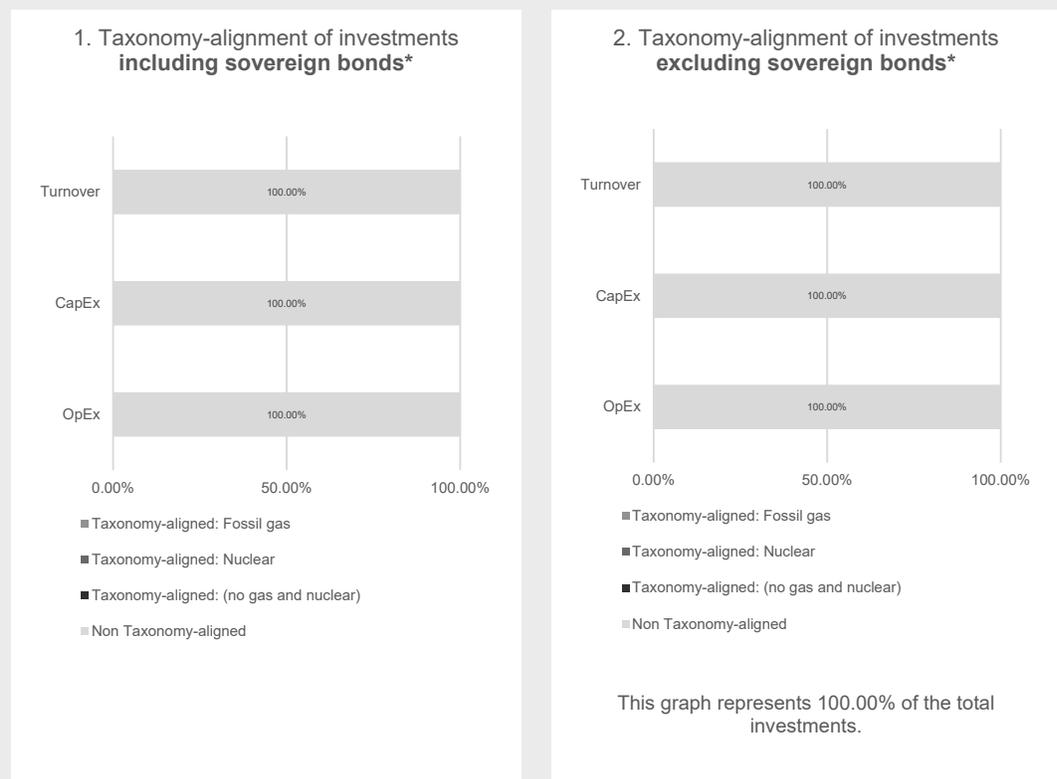
## To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Fund did not make sustainable investments with an environmental objective aligned with the EU Taxonomy.

### Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy?<sup>1</sup>

- Yes  
 In fossil gas  In nuclear energy  
 No

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

### What was the share of investments made in transitional and enabling activities?

The Fund did not invest in transitional and enabling activities.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Not applicable

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

 **What was the share of sustainable investments with an environmental objective not aligned with the EU taxonomy?**

As of the end of the reference period, 15.88% of the portfolio of the Fund was comprised of investments with an environmental objective not aligned with the EU Taxonomy. As a result of the investment strategy of the Fund, the Fund did not make sustainable investments with an environmental objective aligned with the EU Taxonomy.

 **What was the share of socially sustainable investments?**

The share of socially sustainable investments was 0%.

 **What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?**

The portion of investments under "#2 Other" was 2.72% during the reference period and comprised of liquid assets (ancillary liquid assets, bank deposits, money market instruments and money market funds) held for the purposes of servicing the day-to-day requirements of the Fund. No minimum environmental and/or social safeguards were put in place.

 **What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

1. The Fund invested in line with its ESG positive selection approach. The vast majority of the equity portion was selected from the companies rated above the MSCI World Index – NR Eur's median ESG score. For the management risk purposes we have added a small exposure (2.31% of the Fund on average) to stocks rated below the universe median but above or equal ESG score 30. Over the reporting period any investments breaching passively either our internal ESG scores or exclusions criteria were addressed and divested over the short period of time.

2. The Fund applied all the exclusions as described in the prospectus. Moreover, as the Fund holds FNG label (Forum Nachhaltige Geldanlagen, 2 stars award for 2022, 2023 and 2024) the Investment Manager has applied even more stringent exclusions. For instance, the Investment Manager lowered the threshold for exclusion for companies which derive their revenue from coal energy to 5% instead of the allowed maximum 25%.

3. The Fund invested in sustainable assets represented by green bonds above the stated minimum level, i.e. at the Fund level green bonds accounted for 15.88% of the Fund on average, above the stated 10%.

4. The exclusion of the bottom 20% of the fixed income investment universe was implemented based on the EETI and ESG Credit App (proprietary tools to analyse sovereign and corporate issuers).

5. The Investment Manager has engaged with the issuers of fixed income holdings that are considered underperformers in terms of their PAIs metrics. Altogether the Fund counted 47 fixed income engagements which related to underperformers and other fixed income holdings exceeded the 5% binding criteria. The Investment Manager also had 5 engagements with the issuers of equity holdings.

 **How did this financial product perform compared to the reference benchmark?**

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Not applicable

# Franklin Green Target Income 2024 (the “Fund”)

Legal Entity Identifier: 549300US5QR7QSUVDC48



**FRANKLIN  
TEMPLETON**

## Environmental and/or social characteristics

### Did this financial product have a sustainable investment objective?

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not

**YES**

- It made **sustainable investments with an environmental objective: 0.00%**
  - in economic activities that qualify as environmentally sustainable under the EU Taxonomy
  - in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- It made **sustainable investments with a social objective: 0.00%**

**NO**

- It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 0.00% of sustainable investments
  - with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
  - with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
  - with a social objective
- It promoted E/S characteristics, but **did not make any sustainable investments**



### To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Fund promoted environmental and social characteristics in accordance with Article 8 of the Sustainable Finance Disclosure Regulation (the "SFDR"). In its implementation of the Fund's environmental, social and governance ("ESG") strategy, the Investment Manager encouraged energy conservation, responsible water, wastewater management and the reduction of greenhouse gasses emissions via issuers engagement. The Fund's environmental or social characteristics were assessed both quantitatively and qualitatively, by means of sustainability indicators as well as of the Investment Manager's research and engagement process. As part of its investment decision making process, the Fund's ESG strategy also used binding criteria for the selection of underlying assets and applies specific ESG exclusions.

The Fund did not use derivative instruments to promote environmental or social characteristics.

No reference benchmark has been designated to measure the attainment of environmental and social characteristics promoted by the Fund.

### How did the sustainability indicators perform?

As of 31st of March 2024 the fund had 0% exposure to excluded sectors.

Between 1st of April 2023 and 31st of March 2024, the investment team engaged with the following issuers:

ABANCA CORP, BANCARIA SA, ABN AMRO BANK NV, CREDIT AGRICOLE ASSRNCES, ADEVINTA ASA, AIR FRANCE-KLM, AIB GROUP PLC, ARKEMA, ALPHA BANK SA, ALSTRIA OFFICE REIT-AG, ARION BANKI HF, AROUNDTOWN SA, ASSICURAZIONI GENERALI, PARTS EUROPE SA, AVIVA PLC, AVANTOR FUNDING INC, AXA SA, AXALTA COATING, BANK OF AMERICA CORP, BANIJAY ENTERTAINMENT, BANCO BILBAO VIZCAYA ARG, BAWAG GROUP AG, TREASURY CERTIFICATES, STANDARD INDUSTRIES INC, BNP PARIBAS CARDIF, BUONI ORDINARI DEL TES, BLACKSTONE PP EUR HOLD, CAIXABANK SA, IBERCAJA BANCO SA, BELFIUS BANK SA/NV, CROWN EURO HOLDINGS SA, CADENT FINANCE PLC, CEMEX SAB DE CV, CESKA SPORITELNA AS, CREDIT MUTUEL ARKEA, COMMERZBANK AG, QUATRIM SAS, CPI PROPERTY GROUP SA, CREDIT SUISSE GROUP AG, CAIXA GERAL DE DEPOSITOS, DANSKE BANK A/S, DARLING GLOBAL FINANCE, DANAHER CORP, ENCORE CAPITAL GROUP INC, ELECTRICITE DE FRANCE SA, ENERGO PRO AS, FAURECIA, ERSTE GROUP BANK AG, ELM FOR FIRMENICH

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

INTERN, LA BANQUE POSTALE, GARFUNKELUX HOLDCO 3 SA, GRIFOLS SA, GOLDMAN SACHS GROUP INC, GLOBALWORTH REAL ESTATE, GRAND CITY PROPERTIES SA, HEINEKEN NV, HALEON UK CAPITAL PLC, HOLCIM FINANCE LUX SA, HSBC HOLDINGS PLC, INT DISTRIBUTIONS SERV, ILIAD SA, INTL DESIGN GROUP, IQVIA INC, IREN SPA, INTESA SANPAOLO SPA, INTESA SANPAOLO VITA SPA, ITELYUM REGENERATION SPA, KBC GROUP NV, KION GROUP AG, KRONOS INTERNATIONAL INC, LEASYS SPA, DEUTSCHE LUFTHANSA AG, LIBERTY MUTUAL GROUP INC, LKQ EURO HOLDINGS BV, HBOS PLC, LINCOLN FINANCING SARL, LOXAM SAS, LUMINOR BANK, NORTH MACEDONIA, MACQUARIE BANK LTD, MATTERHORN TELECOM SA, AUSTRALIA PACIFIC AIRPOR, MPT OPER PARTNERSP/FINL, MAS SECURITIES BV, MITSUBISHI UFJ FIN GRP, NE PROPERTY BV, NEXANS SANEXI SPA, NETFLIX INC, NATIONAL GRID NA INC, NN BANK NV NETHERLANDS, NATURGY FINANCE BV, NATIONWIDE BLDG SOCIETY, NYKREDIT REALKREDIT AS, OI EUROPEAN GROUP BV, OP CORPORATE BANK PLC, ORANGE SA, ORANO SA, PHOENIX PIB DUTCH FINANC, PKO BANK POLSKI SA, PROGROUPE AG, PERMANENT TSB GROUP, COOPERATIEVE RABOBANK UA, BANCO DE SABADELL SA, BANCO SANTANDER SA, SAMHALLSBYGGNADSBOLAGET, ALTICE FRANCE SA, SNF GROUP SACA, SOCIETE GENERALE, STANDARD CHARTERED PLC, SVENSKA HANDELSBANKEN AB, SWEDBANK AB, SYDBANK A/S, TECHEM VERWALTUNGSGESELL, TORONTO-DOMINION BANK/LONDON, TELIA COMPANY AB, TELECOM ITALIA SPA, TITAN GLOBAL FINANCE PLC, TEOLLISUUDEN VOIMA OYJ, UBS GROUP AG, UNICAJA BANCO SA, UNICREDIT SPA, SUEZ, VITERRA FINANCE BV, VIVION INVESTMENTS, VIRGIN MONEY UK PLC, VODAFONE GROUP PLC, ENERGIA GRP/ENERGIA ROI, MYLAN NV, WESTPAC BANKING CORP.

Sustainability KPI Name	Value
Number of issuers, with which the Investment Manager engages	128.00
Exposure to Excluded Sectors	0.00%

● **... And compared to previous periods?**

At the end of current and previous reference periods, the fund had no exposure to excluded sectors. During both reference periods, the investment team was very active in the field of sustainability engagement, which is highlighted by a fact that in both reference period, more than hundred issuers were engaged.

Sustainability KPI Name	Sustainability KPI historical comparison	
	2024	2023
Number of issuers, with which the Investment Manager engages	128.00	104.00
Exposure to Excluded Sectors	0.00%	0.00%

● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objective?**

Not applicable.

● **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

Not applicable.

----- **How were the indicators for adverse impacts on sustainability factors taken into account?**

Not applicable.

----- **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**

Not applicable.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

*The EU Taxonomy sets out a “do no significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



## How did this financial product consider principal adverse impacts on sustainability factors?

Principle Adverse Impact (PAI) Indicators were considered for the purpose of:

Restricting investable universe:

The negative screens applied:

- PAI 10 - Violations of UNGC Principles or OECD Guidelines for Multinational Enterprises: the Fund excludes from its portfolio investments in companies which have been involved in violations of UNGC Principles.
- PAI 14 - Manufacture military equipment and/or controversial weapons: the Fund excludes from its portfolio investments in companies that manufacture such equipment or weapons that are defined as being indiscriminate; or that manufacture components intended for use in such equipment or weapons.
- PAI 4 - Exposure to companies active in the fossil fuel sector and the share of non-renewable energy consumption and production: the Fund excludes from its portfolio investment in companies that have more than 30% share of any fossil fuels or 5% share of coal in energy generation or lack ambitious decarbonization goals.
- PAI 16 - For sovereign issuers, social violations by the investee countries, are monitored, where the Investment Manager reviews institutional strength, social cohesion and stability and income equality among others. This is in addition to explicitly excluding countries with a "Not Free" status according to the Freedom House Index.

In addition, as stated in the Website Disclosure, the Fund excluded from its portfolio investments in companies that:

- derived unacceptable levels of revenue (above 5%) from the most polluting fossil fuels that included revenues from oil sands, oil shale (kerogen-rich deposits), shale gas, shale oil, coal seam gas, coal bed methane and all types of conventional oil and gas production including Arctic onshore/offshore, deepwater, shallow water and other onshore/offshore; or
- fell short of the Investment Managers' threshold level for using lower-carbon fossil fuels (i.e. have more than 30% share of any fossil fuels or 5% share of coal in energy generation or lack ambitious decarbonization goals).



## What were the top investments of this financial product?

The largest investments of this Fund during the reference period, excluding cash, were:

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is - 2023-04-01 - 2024-03-31.

Largest investments	Sector	% of Assets	Country
Utah Acquisition Sub Inc 2.25% 11/22/2024 REG S	Health Care	1.91%	United States
Standard Chartered PLC 3.125% 11/19/2024 REG S	Financials	1.86%	United Kingdom
HBOS PLC 4.50% 03/18/2030 *FIXED-TO-FLOAT*	Financials	1.79%	United Kingdom
UBS Group AG 1% 03/21/2025 *FIXED TO FLOAT* REG S	Financials	1.58%	Switzerland
Credit Mutuel Arkea SA 1.875% 10/25/2029 REG S *FIXED TO FLOAT*	Financials	1.58%	France
Unicaja Banco SA 2.875% 11/13/2029 FIXED TO FLOAT REG S	Financials	1.55%	Spain
Liberty Mutual Group Inc FRN 05/23/2059 FIXED TO FLOAT REG S	Financials	1.49%	United States
NE Property BV 1.75% 11/23/2024 REG S	Real Estate	1.48%	Romania
Electricite de France SA 5.375% 01/29/2172 PERP REG S	Utilities	1.46%	France
Arion Banki HF 4.875% 12/21/2024 REG S	Financials	1.45%	Israel
Intesa Sanpaolo SpA 4.3750 07/12/2029 REG S *FIXED TO FLOAT*	Financials	1.44%	Italy
Arkema SA 2.75% 09/17/2172 PERP REG S	Materials	1.44%	France
Nationwide Building Society 2.00% 07/25/2029 REG S *FIXED TO FLOAT*	Financials	1.41%	United Kingdom
North Macedonia Government International Bond 2.75% 01/18/2025 REG S	Government Bonds	1.40%	Macedonia
CaixaBank SA FRN 02/15/2029 REG S FIXED TO FLOAT	Financials	1.36%	Spain



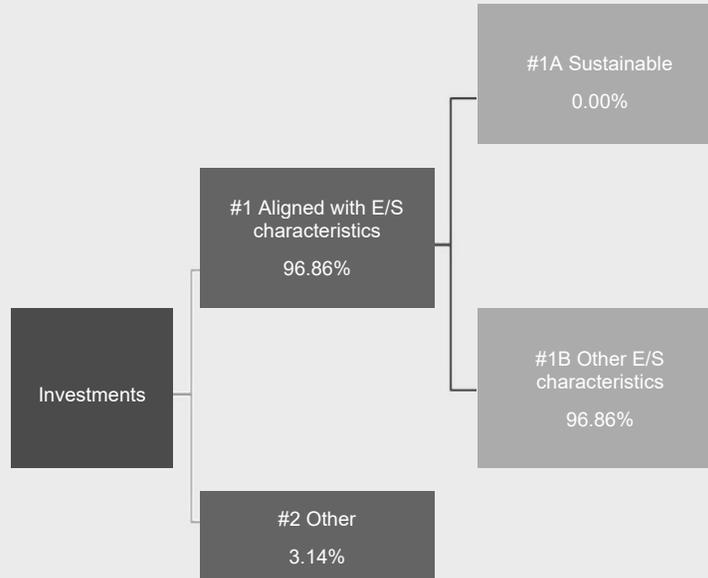
## What was the proportion of sustainability-related investments?

The Fund did not make sustainable investments during the reference period.

**Asset allocation** describes the share of investments in specific assets.

### ● **What was the asset allocation?**

A portion of 96.86% of the Fund's portfolio was aligned with the E/S characteristics promoted by the Fund. The remaining portion (3.14%) was not aligned with the promoted characteristics and consisted primarily of liquid assets. The Fund did not make sustainable investments during the reference period.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

● ***In which economic sectors were the investments made?***

The top sectors and sub-sectors of this Fund during the reference period, excluding cash, were:

<b>Top sector</b>	<b>% of Assets</b>
Financials	57.81%
Industrials	6.69%
Materials	6.15%
Health Care	5.53%
Utilities	4.53%
Communication Services	4.45%
Real Estate	4.16%
Government Bonds	3.19%
Consumer Staples	1.95%
Consumer Discretionary	1.39%
Information Technology	1.01%
<b>Top sub-sector</b>	<b>% of Assets</b>
Banks	41.12%
Financial Services	5.67%
Insurance	5.44%
Capital Markets	4.20%
Real Estate Management & Development	4.16%
Diversified Telecommunication Services	3.41%
Electric Utilities	3.36%
Government Bonds	3.19%
Pharmaceuticals	2.96%
Chemicals	2.51%
Entertainment	2.06%
Containers & Packaging	1.89%
Air Freight & Logistics	1.80%
Passenger Airlines	1.75%
Construction Materials	1.75%

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.

- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g for a transition to a green economy.

- **operational expenditure (OpEx)** reflecting the green operational activities of investee companies.



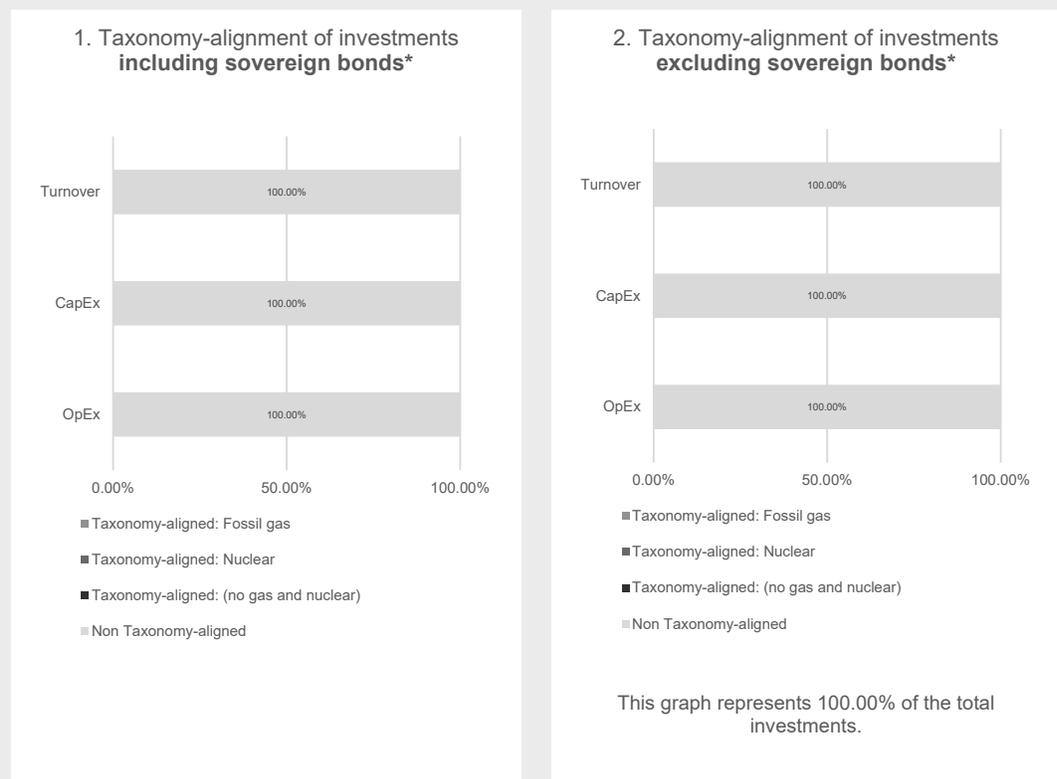
## To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Fund did not make sustainable investments with an environmental objective aligned with the EU Taxonomy.

### Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy?<sup>1</sup>

- Yes  
 In fossil gas  In nuclear energy  
 No

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

### What was the share of investments made in transitional and enabling activities?

The Fund did not invest in transitional and enabling activities.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Not applicable

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

 **What was the share of sustainable investments with an environmental objective not aligned with the EU taxonomy?**

As a result of the investment strategy of the Fund, the Fund did not make sustainable investments with an environmental objective aligned with the EU Taxonomy and, accordingly, as of the end of the reference period, 0% of the portfolio of the Fund was comprised of investments with an environmental objective not aligned with the EU Taxonomy.

 **What was the share of socially sustainable investments?**

The financial product had a share of investments with a social objective of 0%.

 **What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?**

The proportion of investments under “#2 Other” was 3.14% and comprised of cash held on deposit and derivative instruments used for hedging and derivatives for which there were no minimum environmental or social safeguards.

 **What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

The following actions have been taken to meet the environmental and/or social characteristics during the reference period:

A. For the attainment of environmental or social characteristic promoted by the Fund, the investment management team excluded issuers involved in controversial economic activities or business conduct, which is defined in the Fund's prospectus.

B. The Investment Manager engaged with 128 unique corporate and sovereign issuers between 1 April 2023 and 31 March 2024. This has been done via emails, direct video calls, attending roadshows or during in person meetings.

More information on engagements is provided in the sections above.

For more details on our engagement approach, please refer to Investment Manager's Engagement Report which may be found here: <https://franklintonprod.widen.net/view/pdf/dxsqiy3ixg/Franklin---Engagement-Report.pdf?t.download=true&u=i8dlsc>

 **How did this financial product perform compared to the reference benchmark?**

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Not applicable

## UCITS Remuneration Disclosure

Franklin Templeton International Services S.à r.l. (“FTIS”), as UCITS licensed management company (the “Management Company”) has a remuneration policy (the “Policy”) in place which applies to all UCITS funds (each a “UCITS” and together the “UCITS”) under its management. The Policy has been designed to discourage excessive risk taking, integrating in its performance management systems risk criteria specific to the business units it covers. The policy has a governance structure aimed at preventing internal conflicts of interest.

There are defined procedures in place for the creation, update, review and approval of the Policy as well as for communication and implementation of the Policy. Senior Management, Human Resources, Compliance and other functions are all involved in this process and the Policy is approved by Senior Management and the Board of Directors of the Management Company.

Fixed remuneration is defined as base salary plus other benefits which may include pension contributions, life assurance premiums or private medical insurance premiums. Levels of fixed remuneration are set with reference to job complexity, level of responsibility, performance and market benchmarking data. These levels are reviewed on a regular basis.

Variable remuneration is defined as annual bonuses, long term awards in the form of performance share grants or sales bonus payments. Levels of variable remuneration are set with reference to overall corporate and business unit performance as well as individual performance.

The full Policy is available at the registered office of the Management Company. Quantitative information relevant to the Franklin Templeton Opportunities Funds is outlined below.

Total amount of fixed remuneration paid by FTIS and its delegates during the year ended September 30th 2023 <sup>*, **, ***</sup>	€ 650,805
Total amount of variable remuneration paid by FTIS and its delegates during the year ended September 30th 2023 <sup>*, **, ***</sup>	€ 527,690
Number of staff of FTIS and in its delegates as at September 30th 2023	601
Total amount of compensation paid by FTIS and its delegates to Senior managers/Material risk takers during the year ended September 30th 2023 <sup>*, **, ***</sup>	€ 329,863
Total amount paid by FTIS and its delegates to other members of staff who have a material impact on the profile of UCITS/AIFM during year ended September 30th 2023 <sup>*, **, ***</sup>	€ -

\* The total amount of compensation paid by FTIS has been allocated to FTOF based on its pro rata share of the average month end total net assets of the funds under management of FTIS for the year ended September 30, 2023.

\*\* The total amount of compensation paid by the FTIS delegates has been allocated to FTOF based on its pro rata share of the average month end total net assets of the funds under management of the FTIS delegates for the year ended September 30, 2023.

\*\*\* Delegates are Investment Management entities which are subject to regulatory requirements that are equally as effective as those under Article 69(3)(a) of the UCITS Directive.

## Securities Financing Transactions Regulation

At the date of the financial statements, Franklin Templeton Opportunities Funds is currently not concerned by the requirements of the SFTR regulation 2015/2365 on transparency of securities financing transactions and of reuse, as no corresponding transactions were carried out during the year referring to the financial statements.

## 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.

**Portfolio Turnover Ratio (continued)**

<b>Fund</b>	<b>Portfolio Turnover Ratio</b>
Franklin ESG-Focused Balanced Fund	154.63%
Franklin Global Target Euro Income 2025 Fund	29.32%
Franklin Green Target Income 2024 Fund	36.97%
Franklin Target Income 2024 Fund	67.66%
Franklin U.S. Managed Income 2028 Fund	44.19%
Franklin USD Diversified Bond Series I 2025 Fund	6.54%

**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](http://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.

## Franklin Templeton Office Directory

Further information regarding Franklin Templeton Opportunities Funds is available from the following Franklin Templeton offices:

### EUROPE

#### FRANCE

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#### GERMANY and AUSTRIA

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Email: info@franklintempleton.de

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Grand Duchy of Luxembourg

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## **TAIWAN**

### **FRANKLIN TEMPLETON SECURITIES INVESTMENT CONSULTING (SINOAM) INC.\***

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*\*Master agent appointed in Taiwan for FTOF to be offered and sold to the public in Taiwan.*

## **NORTH & SOUTH AMERICA**

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#### **FRANKLIN TEMPLETON INVESTMENTS**

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### **SOUTH AFRICA**

#### **FRANKLIN TEMPLETON INVESTMENTS SA (PTY) LTD**

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## **UNITED ARAB EMIRATES**

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Please note that the websites mentioned above are directed at residents within the country stated on these websites. (Please refer to the website disclaimers).



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TEMPLETON**

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