

AUDITED ANNUAL REPORT

# FRANKLIN TEMPLETON OPPORTUNITIES FUNDS

société d'investissement à capital variable

March 31, 2020



FRANKLIN  
TEMPLETON



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société d'investissement à capital variable

## AUDITED ANNUAL REPORT

For the Year ended March 31, 2020

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 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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**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)

## General Information

As at March 31, 2020

**BOARD OF DIRECTORS:**

**Chairman**

*William Jackson*

Director

FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED

5 Morrison Street

Edinburgh EH3 8BH, United Kingdom

**Directors**

*Michel Tulle*

General Manager and Conducting Officer

FRANKLIN TEMPLETON FRANCE S.A.

20, rue de la Paix

F-75002 Paris France

*James F. Kinloch*

Director

FRANKLIN TEMPLETON LUXEMBOURG S.A.

8A, rue Albert Borschette, L-1246 Luxembourg

Grand Duchy of Luxembourg

*Reinhard Berben*

Managing Director

FRANKLIN TEMPLETON INVESTMENT SERVICES GmbH

Mainzer Landstrasse 16

60325 Frankfurt am Main, Germany

(date of resignation January 31, 2020)

**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 MANAGER:**

FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED

Cannon Place, 78 Cannon Street

London EC4N 6HL, United Kingdom

**DEPOSITARY**

J.P. MORGAN BANK LUXEMBOURG S.A.

European Bank and Business Centre

6C Route de Trèves, L-2633 Senningerberg

Grand Duchy of Luxembourg

**AUDITOR:**

PRICEWATERHOUSECOOPERS, Société coopérative

2, rue Gerhard Mercator, L-2182 Luxembourg

Grand Duchy of Luxembourg

**LEGAL ADVISERS:**

ELVINGER HOSS PRUSSEN, société anonyme

2, place Winston Churchill, L-1340 Luxembourg

Grand Duchy of Luxembourg

# Report of the Board of Directors

At March 31, 2020, Franklin Templeton Opportunities Funds ("FTOF", or the "Company") had assets under management of EUR 848.3 million, up from EUR 34.5 million a year earlier.

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.

**THE BOARD OF DIRECTORS**

Luxembourg, April 2020

# Report of the Investment Manager

Year to March 31, 2020

## Market Performance

Over the 12 months under review, European bond indices on the whole delivered robust returns for the first nine months, against a backdrop of unease about economic growth and trade, then fell in the first quarter of 2020 amid a broad sell-off of risk assets in the wake of the COVID-19 pandemic.

Though data showed that 2019 first-quarter gross domestic product growth in the eurozone was ahead of consensus expectations, leading business surveys during the second quarter of the year indicated that the rate of expansion was slowing, with manufacturing hit particularly hard by falling overseas demand. In May, political uncertainty increased, with the European Commission raising concerns regarding debt levels and budget plans with the populist Italian coalition government. In the United Kingdom (UK), Prime Minister Theresa May resigned, having failed to gain the support of the UK parliament for her withdrawal agreement from the European Union.

European bonds continued to move higher in the third quarter of 2019, with the eurozone economy remaining vulnerable to global trade tensions and the potential disruption of a “no deal” Brexit. Growth in many countries showed signs of faltering, most notably Germany, which appeared to be close to recession. The European Central Bank (ECB) responded in September with a package of policy measures, including cutting interest rates and the planned resumption of its bond purchases from November. Yields across Europe ended the quarter sharply lower, as benchmark yields on German Bunds slipped further into negative territory, French benchmark yields turned negative for the first time and UK Gilt yields fell to their lowest-ever levels.

Although the ECB kept interest rates unchanged and maintained its asset-purchase programme over the final three months of 2019, new ECB head Christine Lagarde stressed that monetary policy was not the only solution to the eurozone’s problems, yet set out a more upbeat vision than her predecessor, citing signs of stabilisation in the region’s economic slowdown. Nevertheless, Germany’s economy continued to struggle, although it narrowly avoided a technical recession. Benchmark German Bund and French government bond yields both rose over the last quarter of 2019, with the latter moving into positive territory in December for the first time in several months.

However, the growing impact of the pandemic on the eurozone’s economies forced the ECB to launch an additional €750 billion of quantitative easing in March 2020. The central bank also suspended the fiscal parameters of the Stability and Growth Pact. Against this backdrop, yields on benchmark German Bunds fell over the first quarter of 2020, despite moving slightly higher in March. Spreads of more indebted eurozone countries, such as Italy and Greece, widened sharply near to the end of the year, but then narrowed somewhat following the announcement of monetary and fiscal stimulus. In the UK, the Bank of England lowered interest rates close to zero in March, and the UK government announced a sizeable fiscal package to mitigate the impacts of the pandemic on the economy.

European corporate bonds also delivered positive returns in 2019, but then suffered significantly from the flight to safety in the first quarter of 2020. Among commodities, oil prices rebounded sharply in the second quarter of 2019 from earlier weakness, following attacks on Saudi Arabia’s refineries. However, heightened concerns about the COVID-19 pandemic into 2020 and the potential magnitude of its economic and social impact, alongside an ensuing oil price war between Saudi Arabia and Russia, saw oil prices fall below US\$20 per barrel towards the end of the year.

**THE INVESTMENT MANAGER**

April 2020





## **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 2020, 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 2020;
- the schedule of investments as at 31 March 2020;
- the statement of operations and changes in net assets for the year then ended; 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 Ethics Standards Board for Accountants’ Code of Ethics for Professional 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 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.

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 and those charged with governance for the financial statements**

The Board of Directors 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 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 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 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.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

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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;
- conclude on the appropriateness of the Board of Directors' 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 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, 3 July 2020

Steven Libby

# Fund Performance

Percentage Change to March 31, 2020

	Reference Share Class	Launch Date	1 Month %	3 Months %	6 Months %	1 Year %	Since Launch %
Franklin Global Target Euro Income 2025 Fund	E1 (acc) EUR	17 Feb 20	(9.4)	-	-	-	(10.9)
Franklin Green Target Income 2024 Fund	A (acc) EUR	10 May 19	(13.7)	(14.8)	(13.6)	-	(9.7)
Franklin Multi Bond 2022 Fund	D2 (Ydis) EUR	2 Oct 17	(9.9)	(10.4)	(9.8)	(6.6)	(5.3)
Franklin Target Income 2024 Fund	A (acc) EUR	5 Apr 19	(13.7)	(14.7)	(13.2)	-	(10.2)

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

Where Class D2 distribution "D2 (Ydis)" Share is disclosed, the performance is calculated with all the income reinvested (total return).

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

Data source: Performance – Franklin Templeton

# Statement of Net Assets

At March 31, 2020

	Total (EUR)	Franklin Global Target Euro Income 2025 Fund <sup>1</sup> (EUR)	Franklin Green Target Income 2024 Fund <sup>2</sup> (EUR)	Franklin Multi Bond 2022 Fund (EUR)	Franklin Target Income 2024 Fund <sup>3</sup> (EUR)
<b>ASSETS</b>					
Investment in securities at market value (note 2(b))	808,243,710	15,690,267	328,669,236	23,020,589	440,863,618
Cash at Bank	30,791,819	1,319,556	11,936,263	1,887,773	15,648,227
Amounts receivable on sale of investments	16,560,789	-	5,122,290	-	11,438,499
Amounts receivable on subscriptions	747,392	747,392	-	-	-
Interest and dividends receivable, net	11,649,749	163,383	4,938,361	355,065	6,192,940
Other receivables	76,017	10,336	36,369	957	28,355
<b>TOTAL ASSETS</b>	<b>868,069,476</b>	<b>17,930,934</b>	<b>350,702,519</b>	<b>25,264,384</b>	<b>474,171,639</b>
<b>LIABILITIES</b>					
Amounts payable on purchases of investments	13,683,336	166,611	5,279,281	90,731	8,146,713
Amounts payable on redemptions	1,926,057	-	1,639,706	24,917	261,434
Investment management fees payable (note 4)	192,545	4,904	77,253	5,546	104,842
Unrealised loss on forward foreign exchange contracts (note 2(g), 13)	3,364,101	-	1,562,585	-	1,801,516
Taxes and expenses payable	601,421	15,280	171,922	43,296	370,923
<b>TOTAL LIABILITIES</b>	<b>19,767,460</b>	<b>186,795</b>	<b>8,730,747</b>	<b>164,490</b>	<b>10,685,428</b>
<b>TOTAL NET ASSETS</b>	<b>848,302,016</b>	<b>17,744,139</b>	<b>341,971,772</b>	<b>25,099,894</b>	<b>463,486,211</b>
<b>TWO YEAR ASSET SUMMARY</b>					
March 31, 2019	34,517,652	-	-	34,517,652	-
March 31, 2018	37,735,500	-	-	37,735,500	-

<sup>1</sup>This Fund was launched on February 17, 2020<sup>2</sup>This Fund was launched on May 10, 2019<sup>3</sup>This Fund was launched on April 5, 2019

The accompanying notes form an integral part of these financial statements

# Statement of Operations and Changes in Net Assets

For the year ended March 31, 2020

	Total (EUR)	Franklin Global Target Euro Income 2025 Fund <sup>1</sup> (EUR)	Franklin Green Target Income 2024 Fund <sup>2</sup> (EUR)	Franklin Multi Bond 2022 Fund (EUR)	Franklin Target Income 2024 Fund <sup>3</sup> (EUR)
<b>NET ASSETS AT THE BEGINNING OF THE YEAR</b>	34,517,652	-	-	34,517,652	-
<b>INCOME</b>					
Dividends (net of withholding taxes) (note 2(c))	339,569	-	-	-	339,569
Interest on bonds (net of withholding taxes) (note 2(c))	29,791,464	50,255	9,391,860	1,166,882	19,182,467
Market discount (note 2(b))	1,102,840	250	233,679	12,479	856,432
Sundry income	16,158	-	13,750	-	2,408
<b>TOTAL INCOME</b>	31,250,031	50,505	9,639,289	1,179,361	20,380,876
<b>EXPENSES</b>					
Investment management fees (note 4)	2,141,527	4,904	684,177	78,107	1,374,339
Administration and transfer agency fees	856,613	1,962	273,672	31,243	549,736
Subscription tax (note 6)	327,675	-	109,380	16,214	202,081
Custodian fees	82,829	-	30,970	1,938	49,921
Audit fees	53,557	8,616	16,526	9,495	18,920
Printing and publishing expenses	115,451	123	30,874	21,078	63,376
Bank charges	120,543	1,855	35,713	1,255	81,720
Maintenance and service charges (note 3)	5,073,534	2,981	870,779	218,700	3,981,074
Market premium (note 2(b))	5,030,219	15,505	2,118,177	395,850	2,500,687
Other charges (note 7)	198,192	1,598	74,228	22,607	99,759
<b>TOTAL EXPENSES</b>	14,000,140	37,544	4,244,496	796,487	8,921,613
Expenses reimbursement (note 8)	(730,782)	(10,336)	(261,950)	(24,466)	(434,030)
<b>NET EXPENSES</b>	13,269,358	27,208	3,982,546	772,021	8,487,583
<b>NET PROFIT/(LOSS) FROM INVESTMENTS</b>	17,980,673	23,297	5,656,743	407,340	11,893,293
Net realised profit/(loss) on sale of investments	(2,408,240)	(2,364)	(951,082)	181,661	(1,636,455)
Net realised profit/(loss) on forward foreign exchange contracts (note 2(g))	1,735,431	-	1,013,114	-	722,317
Net realised profit/(loss) on foreign exchange transactions (note 2(e))	4,470	-	5,444	-	(974)
<b>NET REALISED PROFIT/(LOSS) FOR THE YEAR</b>	17,312,334	20,933	5,724,219	589,001	10,978,181
Change in net unrealised appreciation/(depreciation) on:					
Investments	(95,772,215)	(2,002,914)	(41,482,157)	(1,611,418)	(50,675,726)
Forward foreign exchange contracts (note 2(g))	(3,364,101)	-	(1,562,585)	-	(1,801,516)
Foreign exchange transactions (note 2(e))	27	-	27	-	-
<b>NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS</b>	(81,823,955)	(1,981,981)	(37,320,496)	(1,022,417)	(41,499,061)
<b>MOVEMENT OF CAPITAL</b>					
Issue of shares	1,093,223,279	23,854,407	512,091,482	-	557,277,390
Redemption of shares	(194,180,593)	(4,130,254)	(130,845,360)	(7,704,950)	(51,500,029)
Equalisation (note 2(f))	555,621	1,967	1,347,698	(1,955)	(792,089)
	899,598,307	19,726,120	382,593,820	(7,706,905)	504,985,272
Dividends paid/accumulated	(3,989,988)	-	(3,301,552)	(688,436)	-
<b>NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF MOVEMENT IN CAPITAL</b>	895,608,319	19,726,120	379,292,268	(8,395,341)	504,985,272
<b>NET ASSETS AT THE END OF THE YEAR</b>	848,302,016	17,744,139	341,971,772	25,099,894	463,486,211
Portfolio Turnover Ratio (note 12)		(54.96)%	(39.57)%	48.09%	52.65%

<sup>1</sup>This Fund was launched on February 17, 2020<sup>2</sup>This Fund was launched on May 10, 2019<sup>3</sup>This Fund was launched on April 5, 2019

The accompanying notes form an integral part of these financial statements

# Statistical Information

	Total Expense Ratio March 31, 2020 (See Note 9)	Shares Outstanding March 31, 2020	Net Asset Value per Share		
			March 31, 2020	March 31, 2019	March 31, 2018
Franklin Global Target Euro Income 2025 Fund – EUR*					
E1 (acc) EUR	0.65%	28,955.764	89.10	-	-
E1 (Ydis) EUR	0.65%	71,424.012	89.12	-	-
WE (acc) EUR	0.35%	27,575.045	89.13	-	-
WE (Ydis) EUR	0.35%	71,115.490	89.16	-	-
Franklin Green Target Income 2024 Fund – EUR*					
A (acc) EUR	1.30%	126,970.614	90.35	-	-
A (Ydis) EUR	1.30%	245,260.975	89.82	-	-
A1 (acc) EUR	0.75%	275,703.996	90.80	-	-
A1 (acc) USD-H1 (hedged)	0.75%	1,442.000	93.39	-	-
A1 (Ydis) CZK-H1 (hedged)	0.75%	552,676.282	866.10	-	-
A1 (Ydis) EUR	0.75%	1,436,204.753	90.03	-	-
A1 (Ydis) USD-H1 (hedged)	0.75%	1,321.154	92.66	-	-
D1 (Ydis) EUR	1.30%	14,694.124	86.24	-	-
W (acc) EUR	0.35%	859,704.488	91.12	-	-
W (Ydis) EUR	0.35%	552,994.704	90.18	-	-
W (Ydis) USD-H1 (hedged)	0.35%	1,500.000	93.11	-	-
Franklin Multi Bond 2022 Fund – EUR					
D2 (Ydis) EUR	1.20%	267,701.329	91.89	100.38	100.78
Franklin Target Income 2024 Fund – EUR*					
A (acc) EUR	1.30%	459,493.270	89.79	-	-
A (Ydis) EUR	1.30%	1,008,517.393	89.79	-	-
A1 (acc) EUR	0.75%	8,083.000	90.28	-	-
A1 (Ydis) CZK-H1 (hedged)	0.75%	605,811.578	911.40	-	-
A1 (Ydis) EUR	0.75%	1,207,436.753	90.28	-	-
D1 (Ydis) EUR	1.30%	1,787,280.217	89.79	-	-
W (acc) EUR	0.35%	108,966.702	90.63	-	-
W (Ydis) EUR	0.35%	244,743.585	90.63	-	-

\*This Fund / share class was launched during the year

# Notes to the Financial Statements

As at year ended March 31, 2020

## Note 1 — The Company

Franklin Templeton Opportunities Funds 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 4 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.

### Fund launches

The Franklin Target Income 2024 Fund launched on April 5, 2019.

The Franklin Green Target Income 2024 Fund launched on May 10, 2019.

The Franklin Global Target Euro Income 2025 Fund launched on February 17, 2020.

## 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.

### (b) Investment in securities

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

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

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

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 period to maturity.

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".

Money market instruments are valued at market value.

### (c) Income

Dividends are credited to income on their ex-dividend date. Interest income is accrued on a daily basis.

### (d) Formation expenses

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

### (e) Foreign exchange transactions

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

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

The reference currency of the Company as reflected in the financial statements is Euro. The principal exchange rates applied as at March 31, 2020, are as follows:

CZK	27.4106365
USD	1.1026000

### (f) Equalisation

The Funds use an accounting practice known as equalisation, by which a portion of the proceeds from issue and costs of redemption of shares, equivalent on a per share basis to the amount of undistributed net investment income on the date of the transaction, is credited or charged to undistributed income which is disclosed as equalisation in the "Statement of Operations and Changes in Net Assets". As a result, undistributed net investment income per share is unaffected by issue or redemptions of shares.

### (g) 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 year, until maturity. Gains or losses resulting from forward foreign exchange contracts are recognised in the "Statement of Operations and Changes in Net Assets".



# Notes to the Financial Statements (continued)

As at year ended March 31, 2020

## Note 2 — Significant accounting policies (continued)

### (h) Swing pricing

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

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

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

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

During the year ended March 31, 2020, swing pricing adjustments affected the net asset value per share of the following Funds:

- Franklin Global Target Euro Income 2025 Fund,
- Franklin Green Target Income 2024 Fund,
- Franklin Multi Bond 2022 Fund,
- Franklin Target Income 2024 Fund.

Due to the considerable impact and current exceptional market circumstances involved by the propagation of the Coronavirus (COVID-19), the board of directors of the Company have decided that, on a temporary basis and in order to protect the best interest of the shareholders, the swing factor applied to the Funds could be increased beyond the 2% limit. This may be necessary in order to ensure the increased costs of trading experienced at this time (due to the exceptional market conditions) are captured in the swing factor, in order to protect investors in the Funds.

Shareholders of Funds for which swing factor greater than 2% has been applied will be receiving specific shareholder notice informing them that this event has actually occurred.

## Note 3 — Share classes

Class A shares: are offered at the applicable net asset value, plus an entry charge of up to 1.50% of the total amount invested varying per asset class. In addition, a maintenance charge of 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 1.50% of the total amount invested varying per asset class. In addition, a maintenance charge of 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 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 1%, retained by the Principal Distributor, applies to redemptions within five years of purchase.

Class D2 shares: are offered at the applicable net asset value. A maintenance charge of 0.10% per annum of the applicable average net asset value and a servicing charge of 0.60% 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%, retained by the Principal Distributor, 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 1.50% of the total amount invested varying per asset class. In addition, a maintenance charge of 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 1% applies to redemptions within five years of purchase.

Class W shares: are offered at the applicable net asset value and are not subject to an entry charge, contingent deferred sales charge nor any maintenance or servicing charge. Class W shares may be offered in certain limited circumstances as more fully described in the current prospectus of the Company.

Class WE shares: are offered at the applicable net asset value, plus an entry charge of up to 1.50% of the total amount invested varying per asset class. Class WE shares are not subject to any maintenance or servicing charge but an exit charge of 1% applies to redemptions within five years of purchase. Class WE shares may be offered in certain limited circumstances as more fully described in the current prospectus of the Company.

Distributing shares: (Ydis) share classes distribute annually.

Accumulating shares (acc): do not distribute any dividends but the income attributable is reflected in the increased value of the shares. All other terms and conditions are the same as those which apply to distributing share classes.

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.

# Notes to the Financial Statements (continued)

As at year ended March 31, 2020

## Note 4 — Investment management fees

Franklin Templeton International Services S.à r.l. (the "Management Company") receives from the Company a monthly fee equivalent to 0.25% of each Fund's average daily net assets during the accounting year. The Investment Manager, Franklin Templeton Investment Management Limited, will be remunerated by the Management Company out of the investment management fee received from the Company.

In addition, Franklin Target Income 2024 Fund invests in a target fund managed by Franklin Templeton ("related party"). The investment management fee borne by the related party target fund is as follows:

Related party target fund	Investment management fee
FTIF Franklin GCC Bond Fund, Class Y (Ydis) EUR-H1	0.00%

## Note 5 — 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 4 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, 2020.

During the year ended March 31, 2020, 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 6 — 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.

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 7 — Other charges analysis

The breakdown of the other charges is as follows:

	Total	Franklin Global Target Euro Income 2025 Fund (EUR)	Franklin Green Target Income 2024 Fund (EUR)	Franklin Multi Bond 2022 Fund (EUR)	Franklin Target Income 2024 Fund (EUR)
Legal fees	33,800	494	12,523	3,464	17,319
Miscellaneous expenses	21,922	102	5,514	7,872	8,434
Paying agent	98,467	448	35,077	8,512	54,430
Registration and filing fees	38,788	472	19,091	2,417	16,808
Tax Fees	5,215	82	2,023	342	2,768
	198,192	1,598	74,228	22,607	99,759

## Note 8 — 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 9 — Total expense ratio

The Total Expense Ratio ("TER"), expressed as a percentage, represents how the total expenses of each share class relate to the average net assets of each share class for the year ended March 31, 2020. The total expenses comprise the investment management fees, the administration and transfer agency fees, the custodian fees and other expenses as summarised in the "Statement of Operations and Changes in Net Assets".

For share classes launched during the year, the TER is annualised.

# Notes to the Financial Statements (continued)

As at year ended March 31, 2020

## Note 10 — 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, 2020, the Funds only held debt securities for which transaction costs are not separately identifiable from the purchase price of the security and therefore cannot be disclosed separately.

## Note 11 — 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 12 — 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 a year. It is effectively a measure of how frequently a Fund buys or sells securities.

## Note 13 — Forward foreign exchange contracts

As at year ended March 31, 2020, the Company had entered into the following outstanding contracts:

### Franklin Green Target Income 2024 Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) EUR
Forward foreign exchange contracts used for share class hedging:					
CZK	598,062,678	EUR	23,447,630	14-Apr-20	(1,642,125)
EUR	4,144,982	CZK	111,809,704	14-Apr-20	68,375
EUR	61,067	USD	67,326	14-Apr-20	43
USD	471,139	EUR	415,929	14-Apr-20	11,122
					<u>(1,562,585)</u>

The above contracts were open with the following counterparties:

Bank of America	(109,300)
Barclays	(156,109)
Citigroup	(278,888)
Goldman Sachs	(203,093)
HSBC	(271,180)
JPMorgan	(275,758)
Morgan Stanley	(269,899)
UBS	1,642
	<u>(1,562,585)</u>

### Franklin Target Income 2024 Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) EUR
Forward foreign exchange contracts used for share class hedging:					
CZK	682,415,947	EUR	26,761,988	14-Apr-20	(1,880,942)
EUR	4,478,791	CZK	120,661,989	14-Apr-20	79,426
					<u>(1,801,516)</u>

The above contracts were open with the following counterparties:

Bank of America	(41,993)
Goldman Sachs	(2,401)
HSBC	(40,591)
Morgan Stanley	(1,716,531)
	<u>(1,801,516)</u>

# Notes to the Financial Statements (continued)

As at year ended March 31, 2020

## 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 — 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.

## Note 16 — Abbreviations

### Countries

AUT Austria	ESP Spain	ISL Iceland	NZL New Zealand
BEL Belgium	EST Estonia	ISR Israel	PRT Portugal
CHE Switzerland	FIN Finland	ITA Italy	ROU Romania
CHN China	FRA France	KAZ Kazakhstan	SWE Sweden
CZE Czech Republic	GBR United Kingdom	LUX Luxembourg	TUN Tunisia
DEU Germany	GRC Greece	MEX Mexico	TUR Turkey
DNK Denmark	HKG Hong Kong	MKD Macedonia	USA United States
EGY Egypt	IDN Indonesia	NLD Netherlands	
	IRL Ireland	NOR Norway	

### Currency

CZK Czech Koruna
EUR Euro
USD US Dollar

## Note 17 — Subsequent events

Beginning in January 2020, global financial markets have experienced and may continue to experience significant volatility resulting from the spread of a novel corona virus known as COVID-19. The outbreak of COVID-19 has resulted in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty. The effects of COVID-19 have and may continue to adversely affect the global economy, the economies of certain nations and individual issuers, all of which may negatively impact the Fund's performance.

# Schedule of Investments

As of March 31, 2020

## 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 DEALT IN ON ANOTHER REGULATED MARKET				
	<b>BONDS</b>				
	<b>Asset-Backed Securities</b>				
270,000	Ziggo BV, senior bond, first lien, Reg S, 4.25%, 01/15/27	NLD	EUR	269,730	1.52
	<b>Corporate Bonds</b>				
400,000	Crown European Holdings SA, senior bond, Reg S, 3.375%, 05/15/25	USA	EUR	398,075	2.24
400,000	Quintiles IMS Inc., senior note, Reg S, 3.25%, 03/15/25	USA	EUR	393,003	2.22
400,000	Teva Pharmaceutical Finance Netherlands II BV, senior note, 4.50%, 03/01/25	ISR	EUR	368,204	2.08
400,000	Axalta Coating Systems Dutch Holding B BV, senior note, Reg S, 3.75%, 01/15/25	USA	EUR	365,802	2.06
400,000	Darling Global Finance BV, senior note, Reg S, 3.625%, 05/15/26	USA	EUR	364,058	2.05
400,000	Faurecia SE, senior note, Reg S, 3.125%, 06/15/26	FRA	EUR	334,998	1.89
350,000	Catalent Pharma Solutions Inc., senior note, Reg S, 2.375%, 03/01/28	USA	EUR	325,349	1.83
300,000	Sealed Air Corp., senior note, Reg S, 4.50%, 09/15/23	USA	EUR	314,038	1.77
300,000	Tesco Corporate Treasury Services PLC, senior note, Reg S, 2.50%, 07/01/24	GBR	EUR	309,337	1.74
300,000	WMG Acquisition Corp., senior note, Reg S, 3.625%, 10/15/26	USA	EUR	307,101	1.73
300,000	Smurfit Kappa Acquisitions ULC, senior note, Reg S, 2.75%, 02/01/25	IRL	EUR	303,762	1.71
300,000	Netflix Inc., senior bond, 3.625%, 05/15/27	USA	EUR	299,400	1.69
300,000	MPT Operating Partnership LP/MPT Finance Corp., senior note, 3.325%, 03/24/25	USA	EUR	296,524	1.67
300,000	Orano SA, senior note, Reg S, 3.375%, 04/23/26	FRA	EUR	290,439	1.64
300,000	Equinix Inc., senior note, 2.875%, 10/01/25	USA	EUR	285,952	1.61
300,000	Kraft Heinz Foods Co., senior note, Reg S, 1.50%, 05/24/24	USA	EUR	283,326	1.60
300,000	Telecom Italia SpA, senior note, Reg S, 2.75%, 04/15/25	ITA	EUR	282,970	1.59
300,000	Nidda Healthcare Holding AG, secured note, Reg S, 3.50%, 09/30/24	DEU	EUR	278,864	1.57
300,000	Nexi SpA, senior note, Reg S, 1.75%, 10/31/24	ITA	EUR	277,644	1.56
300,000	Teollisuuden Voima OYJ, senior note, Reg S, 1.125%, 03/09/26	FIN	EUR	276,670	1.56
300,000	Viridian Group FinanceCo PLC/Viridian Power & Energy, secured note, Reg S, 4.00%, 09/15/25	GBR	EUR	276,381	1.56
300,000	Berry Global Inc., senior secured note, first lien, Reg S, 1.00%, 01/15/25	USA	EUR	274,633	1.55
300,000	INEOS Finance PLC, senior secured note, Reg S, 2.875%, 05/01/26	CHE	EUR	272,229	1.53
300,000	Banijay Entertainment SASU, senior note, Reg S, 3.50%, 03/01/25	FRA	EUR	272,141	1.53
300,000	LKQ European Holdings BV, senior note, Reg S, 3.625%, 04/01/26	USA	EUR	270,592	1.53
300,000	OCI NV, senior secured note, Reg S, 3.125%, 11/01/24	NLD	EUR	266,250	1.50
300,000	Matterhorn Telecom SA, senior secured note, Reg S, 3.125%, 09/15/26	LUX	EUR	266,175	1.50
300,000	Trivium Packaging Finance BV, senior secured note, Reg S, FRN, 3.75%, 08/15/26 †	NLD	EUR	262,470	1.48
300,000	Cemex SAB de CV, senior secured note, first lien, Reg S, 3.125%, 03/19/26	MEX	EUR	260,220	1.47
300,000	EC Finance PLC, senior note, Reg S, 2.375%, 11/15/22	GBR	EUR	259,077	1.46
300,000	LSF10 Wolverine Investments SCA, secured note, Reg S, 5.00%, 03/15/24	DNK	EUR	256,500	1.45
300,000	United Group BV, senior secured note, Reg S, 3.125%, 02/15/26	NLD	EUR	254,384	1.43
300,000	ArcelorMittal SA, senior note, Reg S, 1.75%, 11/19/25	LUX	EUR	251,252	1.42
300,000	Lincoln Financing S. à r.l., senior secured note, Reg S, 3.625%, 04/01/24	NLD	EUR	250,305	1.41
300,000	ProGroup AG, secured note, Reg S, 3.00%, 03/31/26	DEU	EUR	250,058	1.41
300,000	Loxam SAS, first lien, Reg S, 3.25%, 01/14/25	FRA	EUR	241,245	1.36
300,000	Colfax Corp., senior note, Reg S, 3.25%, 05/15/25	USA	EUR	231,044	1.30
200,000	Altice France SA/France, first lien, Reg S, 5.875%, 02/01/27	FRA	EUR	204,250	1.15
200,000	Fastighets AB Balder, senior note, Reg S, 1.875%, 03/14/25	SWE	EUR	201,838	1.14
200,000	Peach Property Finance GmbH, senior note, Reg S, 3.50%, 02/15/23	DEU	EUR	194,469	1.10
200,000	Grifols SA, senior secured note, Reg S, 1.625%, 02/15/25	ESP	EUR	193,040	1.09
200,000	Royal Mail PLC, senior note, Reg S, 1.25%, 10/08/26	GBR	EUR	188,556	1.06
200,000	Techem Verwaltungsgesellschaft 675 MBH, senior note, Reg S, 2.00%, 07/15/25	DEU	EUR	188,125	1.06
200,000	Energopro AS, senior note, Reg S, 4.50%, 05/04/24	CZE	EUR	188,100	1.06
200,000	PPF Telecom Group BV, senior secured note, Reg S, 2.125%, 01/31/25	NLD	EUR	187,035	1.05
200,000	OI European Group BV, senior note, Reg S, 2.875%, 02/15/25	USA	EUR	186,100	1.05
200,000	Unilabs Subholding AB, senior note, Reg S, 5.75%, 05/15/25	SWE	EUR	184,223	1.04
200,000	Altice France SA/France, senior secured note, Reg S, 2.125%, 02/15/25	FRA	EUR	183,726	1.04
200,000	NE Property BV, senior note, Reg S, 1.75%, 11/23/24	ROU	EUR	183,539	1.03
200,000	Diocle SpA, secured note, Reg S, FRN, 3.875%, 06/30/26 †	ITA	EUR	178,810	1.01
200,000	ADLER Real Estate AG, senior note, Reg S, 2.125%, 02/06/24	DEU	EUR	178,421	1.01
200,000	LimaCorporate SpA, senior secured note, Reg S, FRN, 3.75%, 08/15/23 †	ITA	EUR	178,142	1.00
200,000	Rossini S. à r.l., senior secured note, Reg S, FRN, 3.875%, 10/30/25 †	ITA	EUR	175,924	0.99
200,000	ADLER Real Estate AG, senior note, Reg S, 3.00%, 04/27/26	DEU	EUR	175,430	0.99
200,000	DEMIRE Deutsche Mittelstand Real Estate AG, senior note, Reg S, 1.875%, 10/15/24	DEU	EUR	173,474	0.98
200,000	ASR Media and Sponsorship SpA, secured note, Reg S, 5.125%, 08/01/24	ITA	EUR	172,928	0.97
200,000	Q-Park Holding I BV, senior secured note, Reg S, 2.00%, 03/01/27	NLD	EUR	171,900	0.97

The accompanying notes form an integral part of these financial statements

# Schedule of Investments (continued)

As of March 31, 2020

## 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
<b>Corporate Bonds</b> (continued)					
200,000	Summit Properties Ltd., senior note, Reg S, 2.00%, 01/31/25	DEU	EUR	170,926	0.96
200,000	Standard Industries Inc., senior note, Reg S, 2.25%, 11/21/26	USA	EUR	162,382	0.92
200,000	eG Global Finance PLC, senior secured note, first lien, Reg S, 4.375%, 02/07/25	GBR	EUR	153,796	0.87
200,000	Victoria PLC, senior secured note, Reg S, 5.25%, 07/15/24	GBR	EUR	151,000	0.85
200,000	Frigoglass Finance BV, senior note, Reg S, 6.875%, 02/12/25	GRC	EUR	143,831	0.81
100,000	Telecom Italia SpA, senior note, Reg S, 2.875%, 01/28/26	ITA	EUR	94,747	0.53
100,000	Q-Park Holding I BV, senior secured note, Reg S, 1.50%, 03/01/25	NLD	EUR	85,353	0.48
				15,420,537	86.91
	<b>TOTAL BONDS</b>			15,690,267	88.43
	<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>			15,690,267	88.43
	<b>TOTAL INVESTMENTS</b>			15,690,267	88.43

† Floating Rates are indicated as at March 31, 2020

The accompanying notes form an integral part of these financial statements



# Schedule of Investments

As of March 31, 2020

## 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 DEALT IN ON ANOTHER REGULATED MARKET				
	<b>BONDS</b>				
	<b>Asset-Backed Securities</b>				
1,800,000	UPCB Finance IV Ltd., senior secured bond, first lien, Reg S, 4.00%, 01/15/27	NLD	EUR	1,765,458	0.52
	<b>Corporate Bonds</b>				
6,000,000	Hbos PLC, senior sub. bond, 4.50% to 03/17/25, FRN thereafter, 03/18/30	GBR	EUR	6,254,945	1.83
6,000,000	NN Group NV, sub. bond, Reg S, 4.625% to 04/08/24, FRN thereafter, 04/08/44	NLD	EUR	6,202,500	1.81
6,000,000	Erste Group Bank AG, junior sub. bond, Reg S, 6.50% to 04/15/24, FRN thereafter, Perpetual	AUT	EUR	5,684,190	1.66
5,500,000	Electricite de France SA, junior sub. bond, Reg S, 5.375% to 01/29/25, FRN thereafter, Perpetual	FRA	EUR	5,642,345	1.65
5,500,000	Credit Agricole Assurances SA, sub. bond, Reg S, 4.25% to 01/13/25, FRN thereafter, Perpetual	FRA	EUR	5,584,557	1.63
6,000,000	Barclays PLC, sub. bond, Reg S, 2.00% to 02/07/23, FRN thereafter, 02/07/28	GBR	EUR	5,504,166	1.61
6,000,000	Summit Properties Ltd., senior note, Reg S, 2.00%, 01/31/25	DEU	EUR	5,127,792	1.50
4,650,000	ASR Nederland NV, sub. bond, Reg S, 5.125% to 09/29/25, FRN thereafter, 09/29/45	NLD	EUR	4,870,819	1.42
5,300,000	Arkema SA, junior sub. bond, Reg S, 2.75% to 09/17/24, FRN thereafter, Perpetual	FRA	EUR	4,768,770	1.39
5,400,000	Cooperatieve Rabobank UA, junior sub. bond, Reg S, 4.625% to 12/29/25, FRN thereafter, Perpetual	NLD	EUR	4,745,380	1.39
4,700,000	Assicurazioni Generali SpA, junior sub. bond, Reg S, 4.596% to 11/21/25, FRN thereafter, Perpetual	ITA	EUR	4,632,687	1.35
4,500,000	Telefonica Europe BV, junior sub. note, Reg S, 5.875% to 03/31/24, FRN thereafter, Perpetual	ESP	EUR	4,625,005	1.35
5,000,000	Commerzbank AG, sub. note, Reg S, 4.00%, 03/23/26	DEU	EUR	4,604,564	1.35
5,000,000	Bankia SA, sub. note, Reg S, 3.75% to 02/14/24, FRN thereafter, 02/15/29	ESP	EUR	4,589,085	1.34
5,400,000	Banco Bilbao Vizcaya Argentaria SA, junior sub. bond, Reg S, 6.00% to 03/29/24, FRN thereafter, Perpetual	ESP	EUR	4,580,604	1.34
5,000,000	Liberty Mutual Group Inc., junior sub. bond, 3.625% to 05/23/24, FRN thereafter, 05/23/59	USA	EUR	4,448,140	1.30
5,000,000	ADLER Real Estate AG, senior note, Reg S, 3.00%, 04/27/26	DEU	EUR	4,385,750	1.28
4,500,000	Royal Mail PLC, senior note, Reg S, 1.25%, 10/08/26	GBR	EUR	4,242,503	1.24
4,600,000	Caixa Geral de Depositos SA, sub. note, Reg S, 5.75% to 06/28/23, FRN thereafter, 06/28/28	PRT	EUR	4,213,830	1.23
4,000,000	AXA SA, junior sub. bond, Reg S, 3.875% to 10/07/25, FRN thereafter, Perpetual	FRA	EUR	4,154,400	1.21
4,000,000	WMG Acquisition Corp., senior note, Reg S, 3.625%, 10/15/26	USA	EUR	4,094,680	1.20
4,000,000	Vodafone Group PLC, junior sub. bond, Reg S, 3.10% to 01/03/24, FRN thereafter, 01/03/79	GBR	EUR	3,861,680	1.13
4,000,000	HSBC Holdings PLC, junior sub. bond, Reg S, 6.00% to 09/29/23, FRN thereafter, Perpetual	GBR	EUR	3,749,160	1.10
4,000,000	NE Property BV, senior note, Reg S, 1.75%, 11/23/24	ROU	EUR	3,670,780	1.07
4,000,000	Nationwide Building Society, sub. note, Reg S, 2.00% to 07/24/24, FRN thereafter, 07/25/29	GBR	EUR	3,653,858	1.07
4,000,000	BAWAG Group AG, sub. note, Reg S, 2.375% to 03/26/24, FRN thereafter, 03/26/29	AUT	EUR	3,630,380	1.06
3,500,000	EDP-Energias de Portugal SA, junior sub. bond, Reg S, 4.496% to 03/31/24, FRN thereafter, 04/30/79	PRT	EUR	3,619,868	1.06
4,000,000	Belfius Bank SA, sub. note, Reg S, 1.625% to 03/14/23, FRN thereafter, 03/15/28	BEL	EUR	3,580,656	1.05
3,800,000	Energo-Pro AS, senior note, Reg S, 4.50%, 05/04/24	CZE	EUR	3,573,900	1.05
4,000,000	Unione di Banche Italiane SpA, sub. note, Reg S, 4.375% to 07/11/24, FRN thereafter, 07/12/29	ITA	EUR	3,556,740	1.04
4,000,000	Arrow Global Finance PLC, senior secured note, first lien, Reg S, FRN, 2.875%, 04/01/25 †	GBR	EUR	3,532,240	1.03
3,500,000	Globalworth Real Estate Investments Ltd., senior note, Reg S, 3.00%, 03/29/25	ROU	EUR	3,512,333	1.03
3,500,000	Danske Bank AS, junior sub. bond, Reg S, 5.75% to 10/06/67, FRN thereafter, Perpetual	DNK	EUR	3,494,788	1.02
3,500,000	Kommunal Landspensjonskasse Gjensidig Forsikringsselskap, senior sub. bond, Reg S, 4.25% to 06/10/25, FRN thereafter, 06/10/45	NOR	EUR	3,469,306	1.01
3,500,000	MPT Operating Partnership LP/MPT Finance Corp., senior note, 3.325%, 03/24/25	USA	EUR	3,459,452	1.01
4,000,000	Unicaja Banco SA, sub. note, Reg S, 2.875% to 11/13/24, FRN thereafter, 11/13/29	ESP	EUR	3,341,140	0.98
3,600,000	Teollisuuden Voima OYJ, senior note, Reg S, 1.125%, 03/09/26	FIN	EUR	3,320,043	0.97
3,900,000	Faurecia SE, senior note, Reg S, 3.125%, 06/15/26	FRA	EUR	3,266,227	0.96
3,457,000	Banca Farmafactoring SpA, senior note, Reg S, 1.75%, 05/23/23	ITA	EUR	3,252,653	0.95
3,500,000	Banco de Sabadell SA, senior note, Reg S, 0.875%, 07/22/25	ESP	EUR	3,243,705	0.95
3,500,000	Credit Mutuel Arkea SA, sub. note, Reg S, 1.875% to 10/24/24, FRN thereafter, 10/25/29	FRA	EUR	3,204,495	0.94
3,300,000	Telecom Italia SpA, senior note, Reg S, 2.75%, 04/15/25	ITA	EUR	3,112,669	0.91
3,500,000	Aroundtown SA, junior sub. bond, Reg S, 2.125% to 01/17/24, FRN thereafter, Perpetual	DEU	EUR	3,062,500	0.90
3,500,000	Cemex SAB de CV, senior secured note, first lien, Reg S, 3.125%, 03/19/26	MEX	EUR	3,035,900	0.89
3,000,000	Danaher Corp., senior note, 1.70%, 03/30/24	USA	EUR	3,025,815	0.88

The accompanying notes form an integral part of these financial statements

# Schedule of Investments (continued)

As of March 31, 2020

## Franklin Green Target Income 2024 Fund

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Corporate Bonds (continued)</b>					
3,000,000	Netflix Inc., senior bond, 3.625%, 05/15/27	USA	EUR	2,994,000	0.88
3,200,000	Grand City Properties SA, sub. bond, Reg S, 2.50% to 10/24/23, FRN thereafter, Perpetual	DEU	EUR	2,956,272	0.86
3,500,000	Intesa Sanpaolo SpA, junior sub. bond, Reg S, 6.25% to 05/15/24, FRN thereafter, Perpetual	ITA	EUR	2,928,902	0.86
3,000,000	Suez, junior sub. bond, Reg S, 2.875% to 04/19/24, FRN thereafter, Perpetual	FRA	EUR	2,884,177	0.84
3,000,000	Enel SpA, junior sub. bond, Reg S, 2.50% to 11/24/23, FRN thereafter, 11/24/78	ITA	EUR	2,811,996	0.82
3,000,000	Samhallsbyggnadsbolaget i Norden AB, senior note, Reg S, 1.125%, 09/04/26	SWE	EUR	2,787,636	0.82
3,000,000	Darling Global Finance BV, senior note, Reg S, 3.625%, 05/15/26	USA	EUR	2,730,438	0.80
2,600,000	Lloyds Banking Group PLC, senior note, Reg S, 3.50% to 03/31/25, FRN thereafter, 04/01/26	GBR	EUR	2,694,224	0.79
3,000,000	ArcelorMittal SA, senior note, Reg S, 2.25%, 01/17/24	LUX	EUR	2,688,945	0.79
3,000,000	KBC Group NV, junior sub. bond, Reg S, 4.75% to 03/05/24, FRN thereafter, Perpetual	BEL	EUR	2,670,348	0.78
3,600,000	Banco Comercial Portugues SA, sub. bond, Reg S, FRN, 3.871%, 03/27/30 <sup>†</sup>	PRT	EUR	2,668,522	0.78
3,000,000	CPI Property Group SA, sub. bond, Reg S, 4.875% to 04/10/26, FRN thereafter, Perpetual	CZE	EUR	2,643,666	0.77
2,800,000	CPI Property Group SA, sub. bond, Reg S, 4.375% to 11/08/23, FRN thereafter, Perpetual	CZE	EUR	2,622,144	0.77
2,540,000	Credit Suisse Group AG, senior note, Reg S, 3.25%, 04/02/26	CHE	EUR	2,620,797	0.77
3,000,000	Holcim Finance Luxembourg SA, junior sub. bond, Reg S, 3.00% to 07/05/24, FRN thereafter, Perpetual	CHE	EUR	2,607,615	0.76
2,700,000	CK Hutchison Group Telecom Finance SA, senior note, Reg S, 0.75%, 04/17/26	HKG	EUR	2,550,882	0.75
2,700,000	BNP Paribas SA, junior sub. bond, Reg S, 6.125% to 06/17/22, FRN thereafter, Perpetual	FRA	EUR	2,516,206	0.74
3,000,000	ProGroup AG, secured note, Reg S, 3.00%, 03/31/26	DEU	EUR	2,500,578	0.73
2,500,000	Intesa Sanpaolo Vita SpA, sub. note, Reg S, 4.75% to 12/17/24, FRN thereafter, Perpetual	ITA	EUR	2,466,538	0.72
2,560,000	Türkiye Vakıflar Bankası TAO, secured note, Reg S, 2.375%, 11/04/22	TUR	EUR	2,460,339	0.72
2,500,000	Quatrim SASU, senior secured note, Reg S, 5.875%, 01/15/24	FRA	EUR	2,443,310	0.71
3,000,000	Standard Industries Inc., senior note, Reg S, 2.25%, 11/21/26	USA	EUR	2,435,729	0.71
2,500,000	Orange SA, junior sub. bond, Reg S, 2.375% to 04/15/25, FRN thereafter, Perpetual	FRA	EUR	2,428,861	0.71
2,610,000	Nidda Healthcare Holding AG, secured note, Reg S, 3.50%, 09/30/24	DEU	EUR	2,426,112	0.71
3,000,000	UniCredit SpA, junior sub. bond, Reg S, 6.625% to 06/03/23, FRN thereafter, Perpetual	ITA	EUR	2,360,541	0.69
2,500,000	Alice France SA/France, senior secured note, Reg S, 2.50%, 01/15/25	FRA	EUR	2,337,500	0.68
2,400,000	Gas Natural Fenosa Finance BV, junior sub. bond, Reg S, 3.375% to 04/24/24, FRN thereafter, Perpetual	ESP	EUR	2,316,336	0.68
2,800,000	Abanca Corp. Bancaria SA, sub. bond, Reg S, 4.625% to 04/07/25, FRN thereafter, 04/07/30	ESP	EUR	2,275,000	0.67
2,500,000	Banco de Sabadell SA, senior note, Reg S, 1.125%, 03/27/25	ESP	EUR	2,222,218	0.65
2,500,000	Matterhorn Telecom SA, senior secured note, Reg S, 3.125%, 09/15/26	LUX	EUR	2,218,125	0.65
2,500,000	ASR Media and Sponsorship SpA, secured note, Reg S, 5.125%, 08/01/24	ITA	EUR	2,161,600	0.63
2,500,000	LKQ European Holdings BV, senior note, Reg S, 4.125%, 04/01/28	USA	EUR	2,158,700	0.63
2,200,000	Techem Verwaltungsgesellschaft 675 MBH, senior note, Reg S, 2.00%, 07/15/25	DEU	EUR	2,069,375	0.61
2,100,000	Samhallsbyggnadsbolaget i Norden AB, junior sub. bond, Reg S, 4.625% to 07/26/24, FRN thereafter, Perpetual	SWE	EUR	2,042,019	0.60
2,200,000	UniCredit SpA, junior sub. bond, Reg S, 6.75% to 09/10/21, FRN thereafter, Perpetual	ITA	EUR	1,909,120	0.56
2,000,000	British Telecommunications PLC, senior note, Reg S, 0.50%, 09/12/25	GBR	EUR	1,903,415	0.56
1,800,000	The Goldman Sachs Group Inc., senior note, Reg S, 3.375%, 03/27/25	USA	EUR	1,899,702	0.56
2,000,000	OI European Group BV, senior note, Reg S, 3.125%, 11/15/24	USA	EUR	1,897,330	0.55
2,200,000	Aroundtown SA, sub. bond, 2.875% to 01/12/25, FRN thereafter, Perpetual	DEU	EUR	1,876,226	0.55
2,000,000	TLG Finance S. à r.l., junior sub. bond, Reg S, 3.375% to 09/23/24, FRN thereafter, Perpetual	DEU	EUR	1,876,178	0.55
2,000,000	Smurfit Kappa Treasury ULC, senior note, Reg S, 1.50%, 09/15/27	IRL	EUR	1,870,000	0.55
2,000,000	UniCredit SpA, junior sub. bond, Reg S, 7.50% to 06/03/26, FRN thereafter, Perpetual	ITA	EUR	1,826,758	0.53
2,200,000	eG Global Finance PLC, senior secured note, Reg S, 6.25%, 10/30/25	GBR	EUR	1,770,663	0.52
2,000,000	Lincoln Financing S. à r.l., senior secured note, Reg S, 3.625%, 04/01/24	NLD	EUR	1,668,702	0.49
2,000,000	Loxam SAS, first lien, Reg S, 3.75%, 07/15/26	FRA	EUR	1,618,600	0.47
1,900,000	Ibercaja Banco SA, senior bond, Reg S, 2.75% to 07/23/25, FRN thereafter, 07/23/30	ESP	EUR	1,612,179	0.47
1,500,000	Alice France SA/France, first lien, Reg S, 5.875%, 02/01/27	FRA	EUR	1,531,875	0.45
2,000,000	Victoria PLC, senior secured note, Reg S, 5.25%, 07/15/24	GBR	EUR	1,510,000	0.44
1,600,000	Axalta Coating Systems Dutch Holding B BV, senior note, Reg S, 3.75%, 01/15/25	USA	EUR	1,463,208	0.43
2,000,000	Intesa Sanpaolo SpA, junior sub. bond, Reg S, 3.75% to 08/27/68, FRN thereafter, Perpetual	ITA	EUR	1,419,230	0.41
2,000,000	Groupe Ecore Holding SAS, senior secured note, Reg S, FRN, 6.25%, 11/15/23 <sup>†</sup>	FRA	EUR	1,400,708	0.41
1,500,000	Cabot Financial Luxembourg II SA, secured note, Reg S, FRN, 6.375%, 06/14/24 <sup>†</sup>	GBR	EUR	1,396,875	0.41
3,000,000	Europcar Mobility Group, senior note, Reg S, 4.00%, 04/30/26	FRA	EUR	1,386,000	0.41
1,400,000	Avantor Inc., senior note, Reg S, 4.75%, 10/01/24	USA	EUR	1,340,849	0.39
1,500,000	DEMIRE Deutsche Mittelstand Real Estate AG, senior note, Reg S, 1.875%, 10/15/24	DEU	EUR	1,301,052	0.38

The accompanying notes form an integral part of these financial statements



# Schedule of Investments (continued)

As of March 31, 2020

## Franklin Green Target Income 2024 Fund

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Corporate Bonds (continued)</b>					
1,400,000	Viridian Group FinanceCo PLC/Viridian Power & Energy, secured note, Reg S, 4.00%, 09/15/25	GBR	EUR	1,289,778	0.38
1,500,000	Mauser Packaging Solutions Holding Co., senior note, Reg S, 4.75%, 04/15/24	USA	EUR	1,281,876	0.37
1,600,000	Kraton Polymers LLC/Kraton Polymers Capital Corp., senior note, Reg S, 5.25%, 05/15/26	USA	EUR	1,259,635	0.37
1,300,000	Grifols SA, senior secured note, Reg S, 1.625%, 02/15/25	ESP	EUR	1,254,760	0.37
1,500,000	Titan Global Finance PLC, senior note, Reg S, 2.375%, 11/16/24	GRC	EUR	1,237,500	0.36
1,300,000	Nexi SpA, senior note, Reg S, 1.75%, 10/31/24	ITA	EUR	1,203,124	0.35
1,200,000	BNP Paribas Cardif SA, junior sub. bond, Reg S, 4.032% to 11/25/25, FRN thereafter, Perpetual	FRA	EUR	1,167,131	0.34
1,300,000	LSF10 Wolverine Investments SCA, secured note, Reg S, 5.00%, 03/15/24	DNK	EUR	1,111,500	0.32
1,300,000	Kronos International Inc., senior secured note, Reg S, 3.75%, 09/15/25	USA	EUR	1,101,425	0.32
1,500,000	Samsonite Finco S. à r.l., senior note, Reg S, 3.50%, 05/15/26	USA	EUR	1,010,657	0.30
1,150,000	Telia Co. AB, sub. bond, Reg S, 1.375% to 05/11/26, FRN thereafter, 05/11/81	SWE	EUR	1,007,550	0.29
1,000,000	Intesa Sanpaolo SpA, sub. note, Reg S, 2.855%, 04/23/25	ITA	EUR	991,841	0.29
1,025,000	Schoeller Packaging BV, senior secured note, Reg S, 6.375%, 11/01/24	NLD	EUR	984,247	0.29
1,200,000	Air France-KLM, senior note, Reg S, 1.875%, 01/16/25	FRA	EUR	975,167	0.29
1,000,000	Chorus Ltd., senior note, Reg S, 0.875%, 12/05/26	NZL	EUR	970,267	0.28
1,000,000	Abanca Corp. Bancaria SA, sub. note, Reg S, FRN, 6.125%, 01/18/29 <sup>†</sup>	ESP	EUR	862,500	0.25
900,000	Catalent Pharma Solutions Inc., senior note, Reg S, 2.375%, 03/01/28	USA	EUR	836,613	0.24
1,000,000	Abanca Corp. Bancaria SA, junior sub. bond, Reg S, 7.50% to 10/02/23, FRN thereafter, Perpetual	ESP	EUR	825,000	0.24
900,000	Banijay Entertainment SASU, senior note, Reg S, 3.50%, 03/01/25	FRA	EUR	816,424	0.24
800,000	International Design Group SpA, senior secured note, Reg S, 6.50%, 11/15/25	ITA	EUR	536,830	0.16
600,000	Evoca SpA, senior secured note, Reg S, 4.25%, 11/01/26	ITA	EUR	418,142	0.12
400,000	Banco BPM SpA, junior sub. bond, Reg S, 6.125% to 07/21/68, FRN thereafter, Perpetual	ITA	EUR	248,500	0.07
200,000	Unione di Banche Italiane SpA, junior sub. bond, Reg S, 5.875% to 06/20/25, FRN thereafter, Perpetual	ITA	EUR	147,990	0.04
				<u>326,903,778</u>	<u>95.59</u>
	<b>TOTAL BONDS</b>			<u>328,669,236</u>	<u>96.11</u>
	<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>			<u>328,669,236</u>	<u>96.11</u>
	<b>TOTAL INVESTMENTS</b>			<u>328,669,236</u>	<u>96.11</u>

<sup>†</sup> Floating Rates are indicated as at March 31, 2020

The accompanying notes form an integral part of these financial statements

# Schedule of Investments

As of March 31, 2020

## Franklin Multi Bond 2022 Fund

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	<b>BONDS</b>				
	<b>Corporate Bonds</b>				
700,000	Enel SpA, junior sub. bond, Reg S, 2.50% to 11/24/23, FRN thereafter, 11/24/78	ITA	EUR	656,132	2.61
600,000	AXA SA, sub. bond, Reg S, 5.125% to 07/04/23, FRN thereafter, 07/04/43	FRA	EUR	650,242	2.59
600,000	Aquarius and Investments PLC for Zurich Insurance Co. Ltd., sub. bond, Reg S, 4.25% to 10/02/23, FRN thereafter, 10/02/43	CHE	EUR	643,521	2.56
650,000	Danske Bank AS, junior sub. bond, Reg S, 5.875% to 04/06/22, FRN thereafter, Perpetual	DNK	EUR	626,488	2.50
700,000	HSBC Holdings PLC, junior sub. bond, Reg S, 5.25% to 09/16/22, FRN thereafter, Perpetual	GBR	EUR	622,303	2.48
600,000	Erste Group Bank AG, junior sub. bond, Reg S, 8.875% to 10/15/21, FRN thereafter, Perpetual	AUT	EUR	597,875	2.38
600,000	Naturgy Finance BV, junior sub. bond, Reg S, 4.125% to 11/18/22, FRN thereafter, Perpetual	ESP	EUR	592,217	2.36
600,000	CNAC HK Finbridge Co. Ltd., senior note, Reg S, 1.75%, 06/14/22	CHN	EUR	588,724	2.35
600,000	Telefonica Europe BV, junior sub. bond, 3.75% to 03/15/22, FRN thereafter, Perpetual	ESP	EUR	586,921	2.34
600,000	Cooperatieve Rabobank UA, junior sub. bond, Reg S, 6.625% to 06/29/21, FRN thereafter, Perpetual	NLD	EUR	575,850	2.29
550,000	Nykredit Realkredit AS, sub. bond, Reg S, 2.75% to 11/16/22, FRN thereafter, 11/17/27	DNK	EUR	552,121	2.20
500,000	Assicurazioni Generali SpA, sub. bond, Reg S, 7.75% to 12/11/22, FRN thereafter, 12/12/42	ITA	EUR	548,173	2.18
600,000	Banco Santander SA, junior sub. bond, Reg S, 6.75% to 04/25/22, FRN thereafter, Perpetual	ESP	EUR	542,430	2.16
500,000	Barclays Bank PLC, sub. bond, Reg S, 6.625%, 03/30/22	GBR	EUR	522,618	2.08
500,000	Glencore Finance Europe Ltd., senior note, Reg S, 3.70%, 10/23/23	CHE	EUR	520,895	2.08
500,000	MPT Operating Partnership LP/MPT Finance Corp., senior note, 4.00%, 08/19/22	USA	EUR	510,512	2.03
500,000	BPCE SA, sub. bond, Reg S, 2.75% to 11/29/22, FRN thereafter, 11/30/27	FRA	EUR	493,690	1.97
500,000	Turkiye Vakiflar Bankasi TAO, secured note, Reg S, 2.375%, 11/04/22	TUR	EUR	480,535	1.91
500,000	Grand City Properties SA, junior sub. bond, 3.75% to 02/18/22, FRN thereafter, Perpetual	DEU	EUR	480,196	1.91
400,000	Teleperformance, senior note, Reg S, 1.50%, 04/03/24	FRA	EUR	398,801	1.59
400,000	NEW Areva Holding SA, senior note, Reg S, 3.125%, 03/20/23	FRA	EUR	396,962	1.58
400,000	FCC Servicios Medio Ambiente Holding SA, senior note, Reg S, 0.815%, 12/04/23	ESP	EUR	393,716	1.57
400,000	Unione di Banche Italiane SpA, sub. bond, Reg S, 4.45% to 09/14/22, FRN thereafter, 09/15/27	ITA	EUR	391,247	1.56
400,000	Equinix Inc., senior note, 2.875%, 10/01/25	USA	EUR	381,270	1.52
400,000	Summit Properties Ltd., senior note, Reg S, 2.00%, 01/31/25	DEU	EUR	341,853	1.36
300,000	Allergan Funding SCS, senior note, 1.50%, 11/15/23	USA	EUR	306,891	1.22
300,000	EDF SA, junior sub. bond, 4.00% to 10/04/24, FRN thereafter, Perpetual	FRA	EUR	293,305	1.17
300,000	Samhallsbyggnadsbolaget i Norden AB, junior sub. bond, Reg S, 4.625% to 07/26/24, FRN thereafter, Perpetual	SWE	EUR	291,717	1.16
300,000	Peach Property Finance GmbH, senior note, Reg S, 3.50%, 02/15/23	DEU	EUR	291,704	1.16
300,000	Islandsbanki HF, senior note, Reg S, 1.125% to 01/19/23, FRN thereafter, 01/19/24	ISL	EUR	289,875	1.16
300,000	UniCredit SpA, sub. bond, Reg S, 4.375% to 01/02/22, FRN thereafter, 01/03/27	ITA	EUR	289,041	1.15
300,000	NE Property BV, senior note, Reg S, 2.625%, 05/22/23	ROU	EUR	286,252	1.14
300,000	Energopro AS, senior note, Reg S, 4.00%, 12/07/22	CZE	EUR	285,630	1.14
300,000	Banca Farmafactoring SpA, senior note, Reg S, 1.75%, 05/23/23	ITA	EUR	282,267	1.12
250,000	Cloverie PLC for Swiss Reinsurance Co. Ltd., sub. bond, Reg S, 6.625% to 08/31/22, FRN thereafter, 09/01/42	CHE	EUR	279,250	1.11
300,000	Banco de Sabadell SA, senior note, Reg S, 1.75%, 05/10/24	ESP	EUR	278,734	1.11
300,000	ArcelorMittal SA, senior note, Reg S, 1.00%, 05/19/23	LUX	EUR	275,012	1.10
300,000	Caixa Geral de Depositos SA, sub. note, Reg S, 5.75% to 06/28/23, FRN thereafter, 06/28/28	PRT	EUR	274,815	1.10
300,000	Banco de Sabadell SA, senior note, Reg S, 1.125%, 03/27/25	ESP	EUR	266,666	1.06
250,000	WMG Acquisition Corp., senior note, Reg S, 3.625%, 10/15/26	USA	EUR	255,917	1.02
250,000	Teva Pharmaceutical Finance Netherlands II BV, senior note, Reg S, 1.25%, 03/31/23	ISR	EUR	221,976	0.88
200,000	Castellum AB, senior note, Reg S, 2.125%, 11/20/23	SWE	EUR	205,199	0.82
200,000	Ardagh Packaging Finance PLC/Ardagh MP Holdings USA Inc., first lien, Reg S, 2.75%, 03/15/24	LUX	EUR	192,454	0.77
200,000	The Goldman Sachs Group Inc., senior note, Reg S, FRN, 0.159%, 04/21/23 <sup>†</sup>	USA	EUR	187,286	0.75
200,000	Nidda Healthcare Holding AG, secured note, Reg S, 3.50%, 09/30/24	DEU	EUR	185,909	0.74
200,000	Casino Guichard Perrachon SA, senior note, Reg S, 4.561%, 01/25/23	FRA	EUR	178,678	0.71
200,000	Cemex SAB de CV, senior secured note, Reg S, 2.75%, 12/05/24	MEX	EUR	178,382	0.71
200,000	LimaCorporate SpA, senior secured note, Reg S, FRN, 3.75%, 08/15/23 <sup>†</sup>	ITA	EUR	178,142	0.71
200,000	Loxam SAS, first lien, Reg S, 3.25%, 01/14/25	FRA	EUR	160,830	0.64
200,000	UniCredit SpA, junior sub. bond, Reg S, 6.625% to 06/03/23, FRN thereafter, Perpetual	ITA	EUR	157,369	0.63
200,000	Odyssey Europe Holdco S. à r.l., Reg S, 8.00%, 05/15/23	EST	EUR	154,612	0.62
200,000	eG Global Finance PLC, senior secured note, first lien, Reg S, 4.375%, 02/07/25	GBR	EUR	153,796	0.61
200,000	Banco de Sabadell SA, Reg S, 6.125% to 11/22/22, FRN thereafter, Perpetual	ESP	EUR	147,146	0.59
148,000	Glencore Finance Europe Ltd., senior note, Reg S, 1.875%, 09/13/23	CHE	EUR	138,710	0.55

The accompanying notes form an integral part of these financial statements

# Schedule of Investments (continued)

As of March 31, 2020

## Franklin Multi Bond 2022 Fund

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Corporate Bonds (continued)</b>					
150,000	ASR Media and Sponsorship SpA, secured note, Reg S, 5.125%, 08/01/24	ITA	EUR	129,696	0.52
125,000	RELX Finance BV, senior note, Reg S, 03/18/24	GBR	EUR	120,551	0.48
100,000	Altice France SA/France, first lien, Reg S, 5.875%, 02/01/27	FRA	EUR	102,125	0.41
100,000	Teva Pharmaceutical Finance Netherlands II BV, senior note, Reg S, 6.00%, 01/31/25	ISR	EUR	98,213	0.39
100,000	Schoeller Packaging BV, senior secured note, Reg S, 6.375%, 11/01/24	NLD	EUR	96,024	0.38
200,000	Europcar Mobility Group, second lien, Reg S, 4.125%, 11/15/24	FRA	EUR	94,352	0.38
100,000	Altice France SA/France, senior secured note, Reg S, 2.50%, 01/15/25	FRA	EUR	93,500	0.37
100,000	Nexi SpA, senior note, Reg S, 1.75%, 10/31/24	ITA	EUR	92,548	0.37
100,000	Trivium Packaging Finance BV, secured note, Reg S, 3.75%, 08/15/26	NLD	EUR	91,745	0.37
100,000	Axalta Coating Systems Dutch Holding B BV, senior note, Reg S, 3.75%, 01/15/25	USA	EUR	91,451	0.36
100,000	Belfius Bank SA, sub. note, Reg S, 1.625% to 03/14/23, FRN thereafter, 03/15/28	BEL	EUR	89,516	0.36
100,000	Matterhorn Telecom SA, senior secured note, Reg S, 2.625%, 09/15/24	LUX	EUR	88,808	0.35
100,000	DEMIRE Deutsche Mittelstand Real Estate AG, senior note, Reg S, 1.875%, 10/15/24	DEU	EUR	86,737	0.35
100,000	Lincoln Financing S. à r.l., senior secured note, Reg S, 3.625%, 04/01/24	NLD	EUR	83,435	0.33
100,000	Belden Inc., senior sub. note, Reg S, 2.875%, 09/15/25	USA	EUR	80,727	0.32
100,000	Victoria PLC, senior secured note, Reg S, 5.25%, 07/15/24	GBR	EUR	75,500	0.30
				21,297,785	84.85
<b>Government and Municipal Bonds</b>					
600,000	North Macedonia Government International Bond, senior note, Reg S, 5.625%, 07/26/23	MKD	EUR	663,334	2.65
650,000	Government of Indonesia, senior note, Reg S, 2.625%, 06/14/23	IDN	EUR	653,080	2.60
250,000	Banque Centrale de Tunisie International Bond, senior note, Reg S, 5.625%, 02/17/24	TUN	EUR	207,851	0.83
200,000	Government of Kazakhstan, senior note, Reg S, 1.55%, 11/09/23	KAZ	EUR	198,539	0.79
				1,722,804	6.87
<b>TOTAL BONDS</b>				23,020,589	91.72
<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>				23,020,589	91.72
<b>TOTAL INVESTMENTS</b>				23,020,589	91.72

† Floating Rates are indicated as at March 31, 2020

The accompanying notes form an integral part of these financial statements

# Schedule of Investments

As of March 31, 2020

## 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 DEALT IN ON ANOTHER REGULATED MARKET				
	<b>INVESTMENTS FUNDS</b>				
	<b>Financials</b>				
2,605,755	FTIF Franklin GCC Bond Fund, Class Y (Ydis) EUR-H1	LUX	EUR	24,858,902	5.36
	<b>TOTAL INVESTMENTS FUNDS</b>				
				24,858,902	5.36
	<b>BONDS</b>				
	<b>Corporate Bonds</b>				
10,000,000	Bankia SA, sub. note, Reg S, 3.75% to 02/14/24, FRN thereafter, 02/15/29	ESP	EUR	9,178,170	1.98
9,000,000	Telefonica Europe BV, junior sub. bond, Reg S, 4.375% to 03/14/25, FRN thereafter, Perpetual	ESP	EUR	8,807,346	1.90
10,000,000	Banco Bilbao Vizcaya Argentaria SA, junior sub. bond, Reg S, 6.00% to 03/29/24, FRN thereafter, Perpetual	ESP	EUR	8,482,600	1.83
10,000,000	Intesa Sanpaolo SpA, junior sub. bond, Reg S, 6.25% to 05/15/24, FRN thereafter, Perpetual	ITA	EUR	8,368,290	1.81
8,800,000	Erste Group Bank AG, junior sub. bond, Reg S, 6.50% to 04/15/24, FRN thereafter, Perpetual	AUT	EUR	8,336,812	1.80
9,000,000	Grand City Properties SA, sub. bond, Reg S, 2.50% to 10/24/23, FRN thereafter, Perpetual	DEU	EUR	8,314,515	1.79
9,000,000	NE Property BV, senior note, Reg S, 1.75%, 11/23/24	ROU	EUR	8,259,255	1.78
9,000,000	Credit Mutuel Arkea SA, sub. note, Reg S, 1.875% to 10/24/24, FRN thereafter, 10/25/29	FRA	EUR	8,240,130	1.78
10,000,000	CaixaBank SA, junior sub. bond, Reg S, 6.75% to 06/13/24, FRN thereafter, Perpetual	ESP	EUR	8,214,160	1.77
8,000,000	Kommunal Landspensjonskasse Gjensidig Forsikringsselskap, senior sub. bond, Reg S, 4.25% to 06/10/25, FRN thereafter, 06/10/45	NOR	EUR	7,929,843	1.71
8,000,000	Assicurazioni Generali SpA, junior sub. bond, Reg S, 4.596% to 11/21/25, FRN thereafter, Perpetual	ITA	EUR	7,885,425	1.70
10,000,000	UniCredit SpA, junior sub. bond, Reg S, 6.625% to 06/03/23, FRN thereafter, Perpetual	ITA	EUR	7,868,470	1.70
8,000,000	CPI Property Group SA, sub. bond, Reg S, 4.375% to 11/08/23, FRN thereafter, Perpetual	CZE	EUR	7,491,840	1.62
8,000,000	Barclays PLC, sub. bond, Reg S, 2.00% to 02/07/23, FRN thereafter, 02/07/28	GBR	EUR	7,338,888	1.58
8,000,000	Casino Guichard Perrachon SA, senior bond, Reg S, 3.58%, 02/07/25	FRA	EUR	6,474,000	1.40
6,500,000	Intesa Sanpaolo Vita SpA, sub. note, Reg S, 4.75% to 12/17/24, FRN thereafter, Perpetual	ITA	EUR	6,412,997	1.38
7,000,000	KBC Group NV, junior sub. bond, Reg S, 4.75% to 03/05/24, FRN thereafter, Perpetual	BEL	EUR	6,230,812	1.34
7,000,000	Liberty Mutual Group Inc., junior sub. bond, 3.625% to 05/23/24, FRN thereafter, 05/23/59	USA	EUR	6,227,396	1.34
7,000,000	Aroundtown SA, junior sub. bond, Reg S, 2.125% to 01/17/24, FRN thereafter, Perpetual	DEU	EUR	6,125,000	1.32
5,652,000	ASR Nederland NV, sub. bond, Reg S, 5.125% to 09/29/25, FRN thereafter, 09/29/45	NLD	EUR	5,920,402	1.28
6,000,000	Orano SA, senior note, Reg S, 3.375%, 04/23/26	FRA	EUR	5,808,780	1.25
6,000,000	Vodafone Group PLC, junior sub. bond, Reg S, 3.10% to 01/03/24, FRN thereafter, 01/03/79	GBR	EUR	5,792,520	1.25
6,000,000	Danske Bank A/S, sub. note, Reg S, 2.50% to 06/20/24, FRN thereafter, 06/21/29	DNK	EUR	5,780,762	1.25
6,000,000	Türkiye Vakıflar Bankası TAO, secured note, Reg S, 2.375%, 11/04/22	TUR	EUR	5,766,420	1.24
6,000,000	Energo-Pro AS, senior note, Reg S, 4.50%, 05/04/24	CZE	EUR	5,643,000	1.22
6,400,000	Cooperatieve Rabobank UA, junior sub. bond, Reg S, 4.625% to 12/29/25, FRN thereafter, Perpetual	NLD	EUR	5,624,154	1.21
7,000,000	Teva Pharmaceutical Finance Netherlands II BV, senior bond, Reg S, 1.625%, 10/15/28	ISR	EUR	5,467,175	1.18
5,000,000	Hbos PLC, senior sub. bond, 4.50% to 03/17/25, FRN thereafter, 03/18/30	GBR	EUR	5,212,454	1.13
5,000,000	EDP-Energias de Portugal SA, junior sub. bond, Reg S, 4.496% to 03/31/24, FRN thereafter, 04/30/79	PRT	EUR	5,171,240	1.12
6,000,000	Summit Properties Ltd., senior note, Reg S, 2.00%, 01/31/25	DEU	EUR	5,127,792	1.11
5,000,000	Altice France SA/France, first lien, Reg S, 5.875%, 02/01/27	FRA	EUR	5,106,250	1.10
5,000,000	EDF SA, junior sub. bond, Reg S, 5.00% to 01/22/26, FRN thereafter, Perpetual	FRA	EUR	5,090,890	1.10
5,400,000	Banca Farmafactoring SpA, senior note, Reg S, 1.75%, 05/23/23	ITA	EUR	5,080,800	1.10
5,500,000	Teollisuuden Voima OYJ, senior note, Reg S, 1.125%, 03/09/26	FIN	EUR	5,072,288	1.09
5,000,000	Telecom Italia SpA, senior note, Reg S, 4.00%, 04/11/24	ITA	EUR	5,000,305	1.08
5,700,000	LSF10 Wolverine Investments SCA, secured note, Reg S, 5.00%, 03/15/24	DNK	EUR	4,873,500	1.05
5,000,000	Gas Natural Fenosa Finance BV, junior sub. bond, Reg S, 3.375% to 04/24/24, FRN thereafter, Perpetual	ESP	EUR	4,825,700	1.04
5,000,000	HSBC Holdings PLC, junior sub. bond, Reg S, 6.00% to 09/29/23, FRN thereafter, Perpetual	GBR	EUR	4,686,450	1.01
6,000,000	Odyssey Europe Holdco S. à r.l., Reg S, 8.00%, 05/15/23	EST	EUR	4,638,360	1.00
5,000,000	Viridian Group FinanceCo PLC/Viridian Power & Energy, secured note, Reg S, 4.00%, 09/15/25	GBR	EUR	4,606,350	0.99
5,000,000	Arkema SA, junior sub. bond, Reg S, 2.75% to 09/17/24, FRN thereafter, Perpetual	FRA	EUR	4,498,840	0.97
5,000,000	Matterhorn Telecom SA, senior secured note, Reg S, 3.125%, 09/15/26	LUX	EUR	4,436,250	0.96
5,000,000	LKQ European Holdings BV, senior note, Reg S, 4.125%, 04/01/28	USA	EUR	4,317,400	0.93
4,630,000	Nidda Healthcare Holding AG, secured note, Reg S, 3.50%, 09/30/24	DEU	EUR	4,303,793	0.93

The accompanying notes form an integral part of these financial statements

# Schedule of Investments (continued)

As of March 31, 2020

## Franklin Target Income 2024 Fund

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Corporate Bonds (continued)</b>					
5,000,000	Unicaja Banco SA, sub. note, Reg S, 2.875% to 11/13/24, FRN thereafter, 11/13/29	ESP	EUR	4,176,425	0.90
4,000,000	Electricite de France SA, junior sub. bond, Reg S, 5.375% to 01/29/25, FRN thereafter, Perpetual	FRA	EUR	4,103,524	0.89
4,000,000	WMG Acquisition Corp., senior note, Reg S, 3.625%, 10/15/26	USA	EUR	4,094,680	0.88
4,000,000	Danaher Corp., senior note, 1.70%, 03/30/24	USA	EUR	4,034,420	0.87
4,000,000	Suez, junior sub. bond, Reg S, 2.875% to 04/19/24, FRN thereafter, Perpetual	FRA	EUR	3,845,569	0.83
4,000,000	Albemarle New Holding GmbH, senior note, Reg S, 1.125%, 11/25/25	USA	EUR	3,763,740	0.81
4,000,000	Caixa Geral de Depositos SA, sub. note, Reg S, 5.75% to 06/28/23, FRN thereafter, 06/28/28	PRT	EUR	3,664,200	0.79
4,000,000	INEOS Finance PLC, senior secured note, Reg S, 2.875%, 05/01/26	CHE	EUR	3,629,720	0.78
3,500,000	Lloyds Banking Group PLC, senior note, Reg S, 3.50% to 03/31/25, FRN thereafter, 04/01/26	GBR	EUR	3,626,840	0.78
4,000,000	Arrow Global Finance PLC, senior secured note, first lien, Reg S, FRN, 2.875%, 04/01/25 †	GBR	EUR	3,532,240	0.76
4,000,000	Belden Inc., senior sub. bond, Reg S, 3.375%, 07/15/27	USA	EUR	3,494,600	0.75
3,380,000	Credit Suisse Group AG, senior note, Reg S, 3.25%, 04/02/26	CHE	EUR	3,487,518	0.75
4,000,000	Lincoln Financing S. à r.l., senior secured note, Reg S, 3.625%, 04/01/24	NLD	EUR	3,337,404	0.72
3,500,000	ASR Media and Sponsorship SpA, secured note, Reg S, 5.125%, 08/01/24	ITA	EUR	3,026,240	0.65
3,000,000	ASR Nederland NV, sub. bond, Reg S, 5.00% to 09/30/24, FRN thereafter, Perpetual	NLD	EUR	3,020,163	0.65
3,100,000	TLG Finance S. à r.l., junior sub. bond, Reg S, 3.375% to 09/23/24, FRN thereafter, Perpetual	DEU	EUR	2,908,076	0.63
3,000,000	Telecom Italia SpA, senior note, Reg S, 3.00%, 09/30/25	ITA	EUR	2,861,166	0.62
2,900,000	Samhallsbyggnadsbolaget i Norden AB, junior sub. bond, Reg S, 4.625% to 07/26/24, FRN thereafter, Perpetual	SWE	EUR	2,819,931	0.61
3,000,000	BAWAG Group AG, sub.note, Reg S, 2.375% to 03/26/24, FRN thereafter, 03/26/29	AUT	EUR	2,722,785	0.59
2,800,000	CK Hutchison Group Telecom Finance SA, senior note, Reg S, 0.75%, 04/17/26	HKG	EUR	2,645,359	0.57
2,500,000	The Goldman Sachs Group Inc., senior note, Reg S, 3.375%, 03/27/25	USA	EUR	2,638,475	0.57
3,000,000	Holcim Finance Luxembourg SA, junior sub. bond, Reg S, 3.00% to 07/05/24, FRN thereafter, Perpetual	CHE	EUR	2,607,615	0.56
3,200,000	Abanca Corp. Bancaria SA, sub. bond, Reg S, 4.625% to 04/07/25, FRN thereafter, 04/07/30	ESP	EUR	2,600,000	0.56
4,000,000	Pro-Gest SpA, senior note, Reg S, 3.25%, 12/15/24	ITA	EUR	2,520,000	0.54
3,000,000	Faurecia SE, senior note, Reg S, 3.125%, 06/15/26	FRA	EUR	2,512,482	0.54
2,500,000	MPT Operating Partnership LP/MPT Finance Corp., senior note, 3.325%, 03/24/25	USA	EUR	2,471,037	0.53
3,100,000	Sazka Group AS, senior note, Reg S, 3.875%, 02/15/27	CZE	EUR	2,462,950	0.53
2,700,000	Ibercaja Banco SA, senior bond, Reg S, 2.75% to 07/23/25, FRN thereafter, 07/23/30	ESP	EUR	2,290,990	0.49
4,000,000	Loxam SAS, senior sub. bond, Reg S, 4.50%, 04/15/27	FRA	EUR	2,195,320	0.47
2,500,000	Kronos International Inc., senior secured note, Reg S, 3.75%, 09/15/25	USA	EUR	2,118,125	0.46
2,150,000	Schoeller Packaging BV, senior secured note, Reg S, 6.375%, 11/01/24	NLD	EUR	2,064,518	0.45
2,000,000	EDF SA, junior sub. bond, 4.00% to 10/04/24, FRN thereafter, Perpetual	FRA	EUR	1,955,366	0.42
2,000,000	Danske Bank AS, junior sub. bond, Reg S, 5.875% to 04/06/22, FRN thereafter, Perpetual	DNK	EUR	1,927,656	0.42
2,000,000	Telenet Finance Luxembourg Notes S. à r.l., secured bond, Reg S, 3.50%, 03/01/28	BEL	EUR	1,890,000	0.41
4,000,000	Europcar Mobility Group, senior note, Reg S, 4.00%, 04/30/26	FRA	EUR	1,848,000	0.40
1,900,000	Techem Verwaltungsgesellschaft 675 MBH, senior note, Reg S, 2.00%, 07/15/25	DEU	EUR	1,787,187	0.39
1,700,000	Grifols SA, senior secured note, Reg S, 1.625%, 02/15/25	ESP	EUR	1,640,840	0.35
1,800,000	Aroundtown SA, sub. bond, 2.875% to 01/12/25, FRN thereafter, Perpetual	DEU	EUR	1,535,094	0.33
1,500,000	Credit Agricole Assurances SA, sub. bond, Reg S, 4.25% to 01/13/25, FRN thereafter, Perpetual	FRA	EUR	1,523,061	0.33
1,700,000	Banco de Sabadell SA, senior note, Reg S, 1.125%, 03/27/25	ESP	EUR	1,511,108	0.33
1,700,000	DEMIRE Deutsche Mittelstand Real Estate AG, senior note, Reg S, 1.875%, 10/15/24	DEU	EUR	1,474,526	0.32
1,900,000	Victoria PLC, senior secured note, Reg S, 5.25%, 07/15/24	GBR	EUR	1,434,500	0.31
1,500,000	Catalent Pharma Solutions Inc., senior note, Reg S, 2.375%, 03/01/28	USA	EUR	1,394,355	0.30
1,550,000	Telia Co. AB, sub. bond, Reg S, 1.375% to 05/11/26, FRN thereafter, 05/11/81	SWE	EUR	1,358,001	0.29
2,000,000	Samsonite Finco S. à r.l., senior note, Reg S, 3.50%, 05/15/26	USA	EUR	1,347,542	0.29
1,500,000	Mauser Packaging Solutions Holding Co., senior note, Reg S, 4.75%, 04/15/24	USA	EUR	1,281,876	0.28
1,300,000	Royal Mail PLC, senior note, Reg S, 1.25%, 10/08/26	GBR	EUR	1,225,612	0.27
1,405,000	Cemex SAB de CV, senior secured note, first lien, Reg S, 3.125%, 03/19/26	MEX	EUR	1,218,697	0.26
1,400,000	Air France-KLM, senior note, Reg S, 1.875%, 01/16/25	FRA	EUR	1,137,695	0.25
1,000,000	ING Groep NV, sub. bond, Reg S, 2.50% to 02/15/24, FRN thereafter, 02/15/29	NLD	EUR	984,550	0.21
1,000,000	BNP Paribas Cardif SA, junior sub. bond, Reg S, 4.032% to 11/25/25, FRN thereafter, Perpetual	FRA	EUR	972,609	0.21
1,000,000	Orange SA, junior sub.bond, Reg S, 2.375% to 04/15/25, FRN thereafter, Perpetual	FRA	EUR	971,544	0.21
1,000,000	Energo-Pro AS, senior note, Reg S, 4.00%, 12/07/22	CZE	EUR	952,100	0.21
1,200,000	Banco Comercial Portugues SA, sub. bond, Reg S, FRN, 3.871%, 03/27/30 †	PRT	EUR	889,507	0.19

The accompanying notes form an integral part of these financial statements



# Schedule of Investments (continued)

As of March 31, 2020

## Franklin Target Income 2024 Fund

(Currency — EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
<b>Corporate Bonds (continued)</b>					
1,200,000	Evoca SpA, senior secured note, Reg S, 4.25%, 11/01/26	ITA	EUR	836,284	0.18
800,000	Nexi SpA, senior note, Reg S, 1.75%, 10/31/24	ITA	EUR	740,384	0.16
900,000	Standard Industries Inc., senior note, Reg S, 2.25%, 11/21/26	USA	EUR	730,719	0.16
900,000	Kraton Polymers LLC/Kraton Polymers Capital Corp., senior note, Reg S, 5.25%, 05/15/26	USA	EUR	708,545	0.15
600,000	Teva Pharmaceutical Finance Netherlands II BV, senior note, Reg S, 6.00%, 01/31/25	ISR	EUR	589,280	0.13
800,000	SGL Carbon SE, senior secured note, Reg S, 4.625%, 09/30/24	DEU	EUR	508,889	0.11
500,000	Axalta Coating Systems Dutch Holding B BV, senior note, Reg S, 3.75%, 01/15/25	USA	EUR	457,253	0.10
400,000	Netflix Inc., senior bond, 3.625%, 05/15/27	USA	EUR	399,200	0.09
500,000	Banco BPM SpA, junior sub. bond, Reg S, 6.125% to 07/21/68, FRN thereafter, Perpetual	ITA	EUR	310,625	0.07
300,000	Unione di Banche Italiane SpA, junior sub. bond, Reg S, 5.875% to 06/20/25, FRN thereafter, Perpetual	ITA	EUR	221,985	0.05
				407,078,526	87.83
<b>Government and Municipal Bonds</b>					
4,500,000	Egypt Government International Bond, senior bond, Reg S, 4.75%, 04/11/25	EGY	EUR	3,939,552	0.85
3,000,000	Banque Centrale de Tunisie International Bond, senior note, Reg S, 6.75%, 10/31/23	TUN	EUR	2,741,847	0.59
2,700,000	Banque Centrale de Tunisie International Bond, senior note, Reg S, 5.625%, 02/17/24	TUN	EUR	2,244,791	0.49
				8,926,190	1.93
<b>TOTAL BONDS</b>				416,004,716	89.76
<b>TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</b>				440,863,618	95.12
<b>TOTAL INVESTMENTS</b>				440,863,618	95.12

† Floating Rates are indicated as at March 31, 2020

The accompanying notes form an integral part of these financial statements

# Additional Information - Unaudited

## Calculation Method of the Risk Exposure

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

Franklin Global Target Euro Income 2025 Fund

Franklin Green Target Income 2024 Fund

Franklin Multi Bond 2022 Fund

Franklin Target Income 2024 Fund

\*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.

## Additional Information - Unaudited (continued)

### 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 30, 2019*, **, ***	€286,368
Total amount of variable remuneration paid by FTIS and its delegates during the year ended September 30, 2019*, **, ***	€372,532
Number of staff of FTIS and in its delegates as at September 30, 2019	173.86
Total amount of compensation paid by FTIS and its delegates to Senior managers during the year ended September 30, 2019*, **, ***	€ 26,355
Total amount paid by FTIS and its delegates to other members of staff who have a material impact on the profile of UCITS during year ended September 30, 2019*, **, ***	€ -

\*The total amount of compensation paid by FTIS has been allocated to each UCITS based on their pro rata share of the average month end total net assets of FTIS for the year ended September 30, 2019.

\*\* The total amount of compensation paid by the FTIS delegates has been allocated to each UCITS based on their pro rata share of the average month end total net assets of the FTIS delegates for the year ended September 30, 2019.

\*\*\* 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.



# Franklin Templeton Office Directory

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

## EUROPE

### France

#### Franklin Templeton France S.A.

20, rue de la Paix  
F-75002 Paris, France  
Tel: +33 (0)1 40 73 86 00 Fax: +33 (0)1 40 73 86 10  
www.franklintempleton.fr

### Germany and Austria

#### Franklin Templeton Investment Services GmbH

Mainzer Landstrasse 16  
Postfach 11 18 03  
60325 Frankfurt am Main, Germany  
Tel: +49 (0) 69 272 23 0 Fax: +49 (0) 69 272 23 120  
Germany Freefone: 08 00 0 73 80 02  
Austria Freefone: 08 00 29 59 11  
www.franklintempleton.de  
www.franklintempleton.at

### Italy

#### Franklin Templeton International Services S.à r.l.,

Italian branch  
Corso Italia n.1  
20122 Milan, Italy  
Tel: +39 02 854 591 Fax: +39 02 854 59222  
Italy freefone: 800 915 919  
www.franklintempleton.it

### Luxembourg

#### Franklin Templeton International Services S.à r.l.

8A, rue Albert Borschette, L-1246 Luxembourg  
B.P. 169, L-2011 Luxembourg  
Grand Duchy of Luxembourg  
Tel: +352 46 66 67 1 Fax: +352 46 66 76  
www.franklintempleton.lu

### The Netherlands

#### Franklin Templeton International Services S.à R.L.

Nederlands bijkantoor  
World Trade Center Amsterdam  
H-Toren, 5e verdieping Zuidplein 36  
1077 XV Amsterdam, The Netherlands  
Tel: +31 (0) 20 575 2890 Fax: +31 (0) 20 575 2892  
Netherlands Freefone: 0800 256 8049  
www.franklintempleton.nl

### Spain

#### Franklin Templeton International Services S.à R.L.

Sucursal en España  
José Ortega y Gasset, 29-6º  
28006 Madrid, Spain  
Tel: +34 91 426 3600 Fax: +34 91 577 1857  
www.franklintempleton.com.es

### Switzerland

#### Franklin Templeton Switzerland Ltd

Stockerstrasse 38  
CH-8002 Zurich, Switzerland  
Tel: +41 (0)44 217 81 81 Fax: +41 (0) 44 217 81 82  
www.franklintempleton.ch

## United Kingdom

#### Franklin Templeton Investment Management Limited

Cannon Place, 78 Cannon Street  
London EC4N 6HL, United Kingdom  
Tel: +44 (0) 20 7073 8500 Fax: +44 (0) 20 7073 8700

#### Franklin Templeton Investment Management Limited

5 Morrison Street  
Edinburgh EH3 8BH, United Kingdom  
Tel: +44 (0)131 242 4000 Fax: +44 (0)131 242 4440  
UK Freefone: 0800 305 306  
www.franklintempleton.co.uk

## ASIA

### Singapore

#### Templeton Asset Management Ltd

7 Temasek Boulevard  
#38-03 Suntec Tower One  
Singapore 038987  
Tel: (65) 6241 2662 Fax: (65) 6332 2295  
www.franklintempleton.com.sg

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