

UNAUDITED SEMI-ANNUAL REPORT

FRANKLIN TEMPLETON SERIES II FUNDS

société d'investissement à capital variable

April 30, 2022



FRANKLIN
TEMPLETON

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société d'investissement à capital variable

UNAUDITED SEMI-ANNUAL REPORT

For the period ended April 30, 2022

This report shall not constitute an offer or a solicitation of an offer to buy shares of Franklin Templeton Series II Funds (hereafter referred to as "FTSIIF" or the "Company"). Subscriptions are to be made on the basis of the current prospectus, a copy of the latest available audited report and, if published thereafter, the latest unaudited semi-annual report.

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General Information

As at April 30, 2022

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-127.818)

BOARD OF DIRECTORS:

Chairwoman

Caroline Carroll

Director

FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED

Cannon Place, 78 Cannon Street, London EC4N 6HL
United Kingdom

Directors

William Jackson

Director

FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED

5 Morrison Street, Edinburgh EH3 8BH,
Scotland

A. Craig Blair

Director

FRANKLIN TEMPLETON INTERNATIONAL SERVICES S.à r.l.

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

Hans-J. Wisser

Independent Director

Kälberstücksweg 37
61350 Bad Homburg
Germany

MANAGEMENT COMPANY:

FRANKLIN TEMPLETON INTERNATIONAL SERVICES S.à r.l.

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

REGISTERED OFFICE:

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

PRINCIPAL DISTRIBUTOR:

FRANKLIN TEMPLETON INTERNATIONAL SERVICES S.à r.l.

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

DISTRIBUTION CONTROLLER:

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 AND LISTING AGENT:

THE BANK OF NEW YORK MELLON SA/NV,
LUXEMBOURG BRANCH

Vertigo Building
2-4, rue Eugène Ruppert
L-2453 Luxembourg
Grand Duchy of Luxembourg

PRINCIPAL PAYING AGENT:

J.P. Morgan SE, Luxembourg Branch
European Bank and Business Centre
6C route de Trèves, L-2633 Senningerberg
Grand Duchy of Luxembourg

CENTRAL ADMINISTRATOR:

FRANKLIN TEMPLETON INTERNATIONAL SERVICES S.à r.l.

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

ADMINISTRATIVE AGENT:

J.P. Morgan SE, Luxembourg Branch
European Bank and Business Centre
6C route de Trèves, L-2633 Senningerberg
Grand Duchy of Luxembourg

AUDITOR:

Ernst & Young S.A.
35E, avenue John F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

LEGAL ADVISERS:

ELVINGER HOSS PRUSSEN, Société anonyme
2, Place Winston Churchill,
L-1340 Luxembourg
Grand Duchy of Luxembourg

INVESTMENT MANAGERS PER FUND:

Franklin Emerging Market Debt Opportunities II Fund:
Franklin Templeton Investment Management Limited

Franklin Emerging Market Investment Grade Debt Fund:
Franklin Templeton Investment Management Limited

Report of the Investment Managers

Franklin Emerging Market Debt Opportunities II Fund

Market Overview

During the review period, the main cause of downward pressure on emerging market (EM) bonds was the escalation of geopolitical tensions between Russia and Ukraine, which ultimately led to outright conflict on February 24. The geopolitical and economic repercussions on the region and the rest of the world included sanctions on Russia and Belarus, the virtual shutdown of Ukraine and increased inflationary pressures due to steep rises in commodity prices (e.g., oil, gas and fertiliser prices).

US inflation soared to a 40-year high of 8.5% (in the 12 months to March), prompting further hawkish rhetoric from the US Federal Reserve (Fed). This was another significant contributory factor to weakness in EM bonds as it caused US Treasury bonds to sell off with a sharp rise in US yields and a flattening of the yield curve, which exacerbated stagflation fears.

Oil prices continued to rise during the period, proving particularly volatile in March. The Brent crude benchmark surged to a peak of US\$128 per barrel in early March as supply concerns intensified. However, news that the United States intended to release some of its strategic reserves saw the price moderate sharply towards the end of that month, before subsequently trading in a narrow range through April, ending the period at US\$108.36 (a rise of 30% over the review period).

- Prices for emerging market (EM) hard-currency government debt fell 16.47% in the six months under review, as per the JP Morgan EM Bond Index Global Diversified B-/B3 and higher, hedged into euros. Benchmark 10-year US Treasury yields rose 134 basis points (bps) during the review period, to 2.89% at the end of April 2022. Over that same timeframe, spreads on EM government bonds widened 53 bps to 376 bps, on a yield-to-worst basis.
- EM hard-currency corporate bonds declined 12.65% during the period under review, as per the ICE BofA Emerging Markets Corporate Plus Index, hedged into euros. EM corporate bonds' spreads over US Treasuries also widened over the period.
- Prices for EM local-currency sovereign debt fell 2.18% over the review period, as per the JP Morgan GBI-EM Broad Diversified index, in euros. EM currencies were mixed, relative to the euro, while EM local-currency yields spiked 98 bps to 6.87% during the six months under review.

Investment Strategy

The fund's objective is to achieve income yield and long-term capital appreciation. It seeks to achieve this objective by investing primarily in fixed- and floating-rate debt securities and debt obligations of government and government-related issuers, supranational entities organised or supported by several national governments, and corporate issuers located in an EM country and/or deriving a significant proportion of their economic activity from EM countries.

Manager's Discussion

For the six-month period ending 30 April 2022, the fund returned -14.38% (I [Ydis] shares in euros), compared with a -16.47% return for the JPMorgan EM Bond Index Global Diversified B-/B3 and higher, hedged into euros, and a return of -2.18 for the JP Morgan GBI-EM Broad Diversified Index, also in euros.

Main contributors

1. Underweight allocation to Russian local-currency bonds

As mentioned above, an extended period of geopolitical tensions between Russia and the Ukraine ultimately led to conflict right at the end of the review period. With sanctions being implemented to prohibit transactions with the Russian central bank and Ministry of Finance and, more significantly, the freezing of Russia's international reserves that are held within the US and Europe, Russia retaliated by freezing foreign holdings of domestic securities. This resulted in sharp falls in prices of such Russian securities, which benefited the portfolio in relative terms due to the lower weighting of these versus the benchmark.

2. Exposure to the Uruguayan peso

The Uruguayan peso typically trades similarly to some of its larger regional peers, such as the Brazilian real, which continued to benefit from the strength of commodities in general. In addition, the Uruguayan ruling coalition under President Lacalle Pou increased its political capital following a victory in the March referendum.

Main detractors

1. Overweight allocation to Belarusian and Russian US-dollar bonds

The sweeping financial sanctions imposed on Belarus and Russia have raised doubts about the potential for payments on both countries' external debt to international bondholders being prohibited by sanctions. This has also prompted concerns about Russia's ability and willingness to service its external debt in the medium term. Subsequently, in late March, JP Morgan took the decision to exclude Russia and Belarus from its benchmark indices by reducing the value of its securities to zero.

2. Lack of exposure to the Brazilian real

As a commodity-based currency, the real is a natural beneficiary of rising natural resource prices. The country's key exports include soybeans and iron ore, in addition to crude petroleum. As a result, the Brazilian Real (BRL) appreciated by 14.26% in the period and hence our underweight in Brazil local-currency securities detracted from performance.

Franklin Emerging Market Investment Grade Debt Fund

Market overview

During the review period, emerging market (EM) bonds fell sharply, impacted by the escalation of geopolitical tensions between Russia and Ukraine, which ultimately led to outright conflict commencing on February 24. The geopolitical and economic repercussions on the region and the rest of the world included sanctions on Russia/Belarus and further inflationary pressures from a steep rise in commodities (e.g., oil, gas and fertiliser prices).

Another significant contributory factor to the weakness of EM bonds was a sharp sell-off in US Treasury bonds, which drove a steep rise in US yields, and a flattening of the yield curve, which implied a heightening of risk in the short term. US inflation soared to a 40-year high of 8.5% (in the 12 months to March), prompting further hawkish rhetoric from the US Federal Reserve (Fed).

Oil prices continued to rise during the period, proving particularly volatile in March. The Brent crude benchmark surged to a peak of US\$128 per barrel in early March as supply concerns intensified. However, news that the United States intended to release some of its strategic reserves saw the price moderate sharply towards the end of that month, before subsequently trading in a narrow range through April, ending the period at US\$108.36 (a rise of 30% over the review period).

- Prices for EM hard-currency investment-grade (IG) government debt fell 16.92% in the six months under review, as per the JP Morgan EM Bond Index Global Diversified—Investment Grade, in US dollars. Benchmark 10-year US Treasury yields rose 134 basis points (bps) during the review period, to 2.89% by the end of April 2022. Over that same timeframe, EM hard-currency IG government bond risk spreads widened 15 bps to 165 bps, on a spread-to-worst basis.

- EM hard-currency IG corporate bonds declined 11.33% during the period under review, as per the ICE BofA Emerging Markets High Grade Corporate Plus Index, hedged into US dollars. EM IG corporate bonds' spreads over US Treasuries also widened, by 27 bps to 166 bps.

- Prices for EM local-currency IG sovereign debt fell 15.93% over the review period, as per the JP Morgan GBI-EM Global Diversified—Investment Grade, in US dollars. Most EM currencies sold off, relative to the strong US dollar, while EM local-currency IG yields rose 103 bps to 5.72% during the six months under review.

Investment Strategy

The fund's objective is to achieve income yield and long-term capital appreciation. It seeks to achieve this objective by investing primarily in fixed- and floating-rate debt securities and debt obligations of government and government-related issuers, supranational entities organised or supported by several national governments, and corporate issuers located in an

EM country and/or deriving a significant proportion of their economic activity from EM countries. All investments will, at the time of purchase, be rated as investment grade by one or more credit ratings agencies or, if unrated, be declared to be of comparable quality by the Investment Manager.

Manager's Discussion

The fund declined 14.86% (I [acc] shares in US dollars), net of fees, for the six-month period ending 30 April 2022. This compared with a -16.92% return for EM Bond Index Global Diversified—Investment Grade, a return of -11.33 for the as per the ICE BofA Emerging Markets High Grade Corporate Plus Index and a negative return of 15.93% for the GBI-EM Global Diversified—Investment Grade, all in US dollars.

Main contributors

1. Underweight allocation to Russian US-dollar bonds

The sweeping financial sanctions imposed on Russia have raised doubts about the potential for payments on Russian external debt to international bondholders being prohibited by sanctions. This has also prompted concerns about Russia's ability and willingness to service its external debt in the medium term. Subsequently, in late March, JP Morgan took the decision to exclude Russia from its benchmark indices by reducing the value of its securities to zero. As a consequence, the portfolio benefited from its underweight exposure and also gained a positive security selection effect as these securities continued to trade above zero on the secondary market.

2. Lack of exposure to Qatari US-dollar bonds

Qatari bonds have a significant weighting within the benchmark index (7.6%) and, in aggregate, have one of the longest duration profiles at greater than nine years. As such, the spike in US Treasury yields and increasing focus on duration risk hurt the performance of Qatari bonds. The fund therefore benefited in relative-return terms from not holding these securities.

Main detractors

1. Off-benchmark allocation to Russian local-currency bonds

As mentioned above, an extended period of geopolitical tensions between Russia and the Ukraine ultimately led to conflict in the later stages of the review period. With sanctions being implemented to prohibit transactions with the Russian central bank and Ministry of Finance and, more significantly, the freezing of Russia's international reserves that are held within the United States and Europe, Russia retaliated by freezing foreign holdings of domestic securities such as these. This resulted in steep price falls in the offshore market.

2. Security selection among Chinese US-dollar bonds

The fund's holding of two privately-owned property developer credits, Shimao and Country Garden, underperformed the benchmark sharply in the review period, contributing to negative security selection among US dollar-denominated China bonds. China's property developers have been suffering from acute liquidity stress due to policymakers' deliberate efforts to restructure the sector, which had been amongst the most highly leveraged in the economy, ahead of a period of tighter global financial conditions. The sector was further impacted by Covid-related lockdowns which, together with auditor resignations, led to delays in the publication of financial statements. Country Garden was able to raise funding in capital markets during the period, which provided some reassurance, and Shimao has sought to extend maturities while divesting predominantly non-core assets to support its liquidity profile.

THE INVESTMENT MANAGERS

May 2022

Fund Performance

Percentage change to April 30, 2022

	Share Class	Launch Date	6 Months %	1 Year %	3 Years %	5 Years %	Since Launch %
Franklin Emerging Market Debt Opportunities II Fund	I (Ydis) EUR-H2 (hedged)	30 Nov 12	(14.4)	(12.8)	(9.3)	(5.2)	13.2
Franklin Emerging Market Investment Grade Debt Fund	I (acc) EUR	24 Feb 12	(6.7)	(2.3)	(0.4)	4.0	45.5
Franklin Emerging Market Investment Grade Debt Fund	I (acc) EUR-H1 (hedged)	24 Feb 12	(15.7)	(15.5)	(11.8)	(10.2)	(1.0)
Franklin Emerging Market Investment Grade Debt Fund	I (acc) USD	24 Feb 12	(14.9)	(14.4)	(6.4)	0.6	14.0
Franklin Emerging Market Investment Grade Debt Fund	Y (Mdis) USD	12 Jan 18	(14.5)	(13.7)	(4.2)	–	(2.0)

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 issuing document, and a copy of the latest available audited annual report and, if published thereafter, the latest unaudited semi-annual report. The price of shares and income from them can go down as well as up and you may not get back the full amount that you invested. Past performance is no guarantee of future performance. Currency fluctuations may affect the value of investments.

Data source: Performance – Franklin Templeton and JPMorgan

Statement of Net Assets

As at April 30, 2022

	Total	Franklin Emerging Market Debt Opportunities II Fund	Franklin Emerging Market Investment Grade Debt Fund
	(USD)	(EUR)	(USD)
ASSETS			
Investments in securities at market value (note 2(b))	1,023,102,307	940,642,619	29,923,357
Cash at bank and at brokers	76,744,986	71,416,142	1,163,379
Amounts receivable on subscriptions	478,260	453,391	–
Interest and dividends receivable, net	23,957,198	22,335,604	384,326
Unrealised profit on forward foreign exchange contracts (notes 2(c), 3)	2,166,045	1,985,634	71,494
Other receivables	303,222	285,667	1,886
TOTAL ASSETS	1,126,752,018	1,037,119,057	31,544,442
LIABILITIES			
Investment management fees payable (note 4)	626,866	594,216	56
Unrealised loss on forward foreign exchange contracts (notes 2(c), 3)	37,026,573	34,919,206	188,415
Taxes and expenses payable	913,333	693,589	74,917
TOTAL LIABILITIES	38,566,772	36,207,011	263,388
TOTAL NET ASSETS	1,088,185,246	1,000,912,046	31,281,054
THREE YEAR ASSET SUMMARY			
October 31, 2021	1,417,103,888	1,170,287,434	36,629,716
October 31, 2020	1,347,591,234	1,091,235,850	27,733,352
October 31, 2019	1,293,686,591	881,086,941	39,092,495

¹This Fund was put into liquidation effective August 11, 2020

Statement of Net Assets

As at April 30, 2022

Franklin Floating Rate II Fund¹

(USD)

939,901

248,124

—

12,108

—

—

1,200,133

—

3,553

106,782

110,335

1,089,798

5,183,632

20,164,366

212,186,294

Statement of Operations and Changes in Net Assets

As at April 30, 2022

	Total	Franklin Emerging Market Debt Opportunities II Fund	Franklin Emerging Market Investment Grade Debt Fund
	(USD)	(EUR)	(USD)
NET ASSETS AT THE BEGINNING OF THE PERIOD	1,417,103,888	1,170,287,434	36,629,716
Currency translation adjustment	(118,296,642)	–	–
	1,298,807,246	1,170,287,434	36,629,716
INCOME			
Interest on bonds (net of withholding taxes) (note 2(e))	41,126,060	38,270,134	755,809
Bank interest	1,101	–	59
Sundry income	103,040	54,064	–
TOTAL INCOME	41,230,201	38,324,198	755,868
EXPENSES			
Investment management fees (note 4)	4,049,193	3,834,736	375
Administration and transfer agency fees	963,926	906,264	101
Directors fees	2,109	1,942	60
Subscription tax (note 6)	56,651	52,083	1,632
Custodian fees	264,557	201,535	15,930
Audit fees	8,103	3,343	4,577
Printing and publishing expenses	10,493	8,310	1,625
Bank charges	26,429	25,055	–
Maintenance and service charges (note 7)	1,312	–	–
Other charges	88,410	64,436	13,928
TOTAL EXPENSES	5,471,183	5,097,704	38,228
Expenses reimbursement (note 9)	(177,667)	(142,274)	(3,529)
NET EXPENSES	5,293,516	4,955,430	34,699
NET PROFIT/(LOSS) FROM INVESTMENTS	35,936,685	33,368,768	721,169
Net realised profit/(loss) on sale of investments (note 8)	(55,250,888)	(55,096,347)	(700,355)
Net realised profit/(loss) on forward foreign exchange contracts	(52,703,450)	(49,956,884)	(7,817)
Net realised profit/(loss) on foreign exchange transactions	2,166,007	2,047,373	(2,944)
NET REALISED PROFIT/(LOSS) FOR THE PERIOD	(69,851,646)	(69,637,090)	10,053
Change in net unrealised appreciation/(depreciation) on:			
Investments (note 8)	(89,310,423)	(80,537,469)	(5,236,894)
Forward foreign exchange contracts	(21,254,965)	(19,982,302)	(116,975)
Foreign exchange transactions	798,842	762,567	(4,846)
NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS	(179,618,192)	(169,394,294)	(5,348,662)
MOVEMENT OF CAPITAL			
Issue of shares	70,382,178	66,013,612	720,761
Redemption of shares	(41,200,879)	(9,622,506)	–
Equalisation (note 13)	(160,052)	(152,279)	580
	29,021,247	56,238,827	721,341
Dividends paid/accumulated	(60,025,055)	(56,219,921)	(721,341)
NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF MOVEMENT IN CAPITAL	(31,003,808)	18,906	–
NET ASSETS AT THE END OF THE PERIOD	1,088,185,246	1,000,912,046	31,281,054
Portfolio Turnover Ratio (note 14)		68.69%	69.41%

¹This Fund was put into liquidation effective August 11, 2020²This Fund was put into liquidation effective May 10, 2021 and closed on March 23, 2022³This Fund was put into liquidation effective January 17, 2019 and closed on December 16, 2021

Statement of Operations and Changes in Net Assets

As at April 30, 2022

Franklin Floating Rate II Fund ¹	Franklin Multi- Sector Credit Income Fund ²	Franklin Upper Tier Floating Rate Fund ³
(USD)	(USD)	(USD)
5,183,632	1,591,567	20,921,914
—	—	—
5,183,632	1,591,567	20,921,914
—	911	—
251	678	113
—	—	46,011
251	1,589	46,124
—	3,738	—
2,100	810	4,940
—	—	—
—	79	—
—	17,796	18,241
—	—	—
—	102	—
—	—	—
1,312	—	—
—	6,511	—
3,412	29,036	23,181
—	(24,052)	(8)
3,412	4,984	23,173
(3,161)	(3,395)	22,951
615,972	(34,163)	2,986,167
(26,380)	—	27,882
9,275	—	—
595,706	(37,558)	3,037,000
81,043	35,836	764,728
(4,006)	—	(55,606)
(226)	(135)	(346)
672,517	(1,857)	3,745,776
534	26,271	—
(4,766,885)	(1,615,981)	(24,667,690)
—	—	—
(4,766,351)	(1,589,710)	(24,667,690)
—	—	—
(4,766,351)	(1,589,710)	(24,667,690)
1,089,798	—	—
N/A	N/A	N/A

Statistical Information

For the period ended April 30, 2022

	Total Expense Ratio April 30 2022 (See note 16)	Shares Outstanding as at April 30, 2022	Net Asset Value per share as at April 30, 2022	Net Asset Value per share as at October 31, 2021	Net Asset Value per share as at October 31, 2020
Franklin Emerging Market Debt Opportunities II Fund - EUR					
I (Ydis) EUR-H2 (hedged)	0.90%	154,406,465.435	6.48	7.95	7.95
Franklin Emerging Market Investment Grade Debt Fund - USD					
I (acc) EUR	0.95%	743.080	14.55	15.60	15.29
I (acc) EUR-H1 (hedged)	0.95%	7,865.896	9.90	11.75	11.72
I (acc) USD	0.95%	500.029	11.40	13.39	13.23
Y (Mdis) USD	0.20%	3,885,252.533	8.03	9.59	9.80
Franklin Floating Rate II Fund - USD¹					
A (acc) EUR-H1 (hedged)	0.55%	2,788.533	7.64	7.01	7.56
A (acc) USD	0.55%	26,772.861	11.90	10.92	11.64
A (Mdis) USD	0.55%	22,752.755	6.45	5.91	6.30
I (acc) EUR-H1 (hedged)	0.18%	3,619.382	7.96	7.28	7.83
I (acc) GBP-H1 (hedged)	0.17%	192.864	8.65	7.89	8.45
I (acc) USD	0.18%	10,526.132	12.48	11.42	12.13
I (adis) USD	0.18%	23,672.277	6.74	6.17	6.55
I (Qdis) EUR-H1 (hedged)	0.18%	2,467.211	6.45	5.90	6.35
I (Ydis) CHF-H1 (hedged)	0.21%	192.586	6.96	6.39	6.90
I (Ydis) EUR-H1 (hedged)	0.07%	162.119	7.21	6.60	7.09
I (Ydis) USD	0.00%	8.766	7.99	7.31	7.75
W (acc) EUR-H1 (hedged)	0.18%	4,264.952	8.94	8.18	8.79
W (acc) USD	0.18%	12,302.313	10.51	9.63	10.22
W (Qdis) USD	0.18%	11,827.424	7.57	6.93	7.37
Y (Mdis) USD	0.00%	11.013	7.86	7.19	7.62
Franklin Multi-Sector Credit Income Fund - USD²					
I (acc) USD ²	—%	—	—	13.26	12.48
Franklin Upper Tier Floating Rate Fund - USD³					
I (acc) USD SP ⁴	—%	—	—	19.18	11.73
I (Qdis) CHF-H1 (hedged) SP ⁴	—%	—	—	14.72	9.09
I (Qdis) EUR-H1 (hedged) SP ⁴	—%	—	—	15.29	9.42
I (Qdis) USD SP ⁴	—%	—	—	17.09	10.45
Y (Qdis) USD SP ⁴	—%	—	—	18.22	11.12

¹This Fund was put into liquidation effective August 11, 2020²This Fund/share class was put into liquidation effective May 10, 2021 and closed on March 23, 2022³This Fund was put into liquidation effective January 17, 2019 and closed on December 16, 2021⁴This share class was closed on December 16, 2021

Notes to Financial Statements

At April 30, 2022

Note 1 - The Company

Franklin Templeton Series II Funds ("FTSIIF" or the "Company") is an Undertaking for Collective Investment pursuant to Part II of the Luxembourg law of December 17, 2010 relating to Undertakings for Collective Investment, as amended, and qualifies as a société d'investissement à capital variable. The Company qualifies as an Alternative Investment Fund within the meaning of article 1(39) of the law of July 12, 2013. The Company was incorporated in Luxembourg on May 14, 2007, for an undetermined period of time. At the date of this report, it offers shares in 2 sub-funds of the Company (the "Fund(s)"). The Board of Directors of the Company may authorise the creation of additional Funds in the future with different investment objectives.

The exclusive objective of the Company is to invest the assets of the Funds in transferable securities and other permitted assets of any kind, including units or shares of Investment Funds, with the purpose of spreading investment risks and affording its shareholders the results of the management of its assets.

Fund closures

– Franklin Upper Tier Floating Rate Fund was closed on December 16, 2021. The remaining amount of cash at bank in USD 38,042 as at April 30, 2022 and will be used to cover cost linked to liquidation.

– Franklin Multi-Sector Credit Income Fund was closed on March 23, 2022. The remaining amount of cash at bank in USD 57,243 as at April 30, 2022 and will be used to cover cost linked to liquidation.

As of April 30, 2022, the above cash balances are still open and there is no Shareholder in the Fund. The cash accounts will be closed as soon as all invoices are paid. In case of remaining cash, the amount will be distributed to Shareholders that were still invested at closure.

Note 2 - Significant accounting policies

(a) General

The financial statements are prepared in accordance with the regulations of the Grand Duchy of Luxembourg relating to investment funds under the going concern basis of accounting with the exception of the Franklin Floating Rate II Fund which is in liquidation, hence the financial statements for this fund have been prepared on a non-going concern basis.

(b) Investment in securities

Corporate debt securities generally trade in the over-the-counter market rather than on a securities exchange. The Company may utilise independent pricing services, quotations from bond dealers, and information with respect to bond and note transactions, to assist in determining a current market value for each security. These pricing services may use valuation models or matrix pricing which considers information with respect to comparable bond and note transactions, quotations from bond dealers, or by reference to other securities that are considered comparable in such characteristics as rating, interest rate and maturity date, option adjusted spread models, prepayment projections, interest rate spreads and yield curves, to determine current value.

Senior secured corporate loans with floating or variable interest rates generally trade in the over-the-counter market rather than on a securities exchange. The Company may utilise independent pricing services, quotations from loan dealers and other financial institutions, and information with respect to bond and note transactions, to assist in determining a current market value for each security. These pricing services use independent market quotations from loan dealers or financial institutions and may incorporate valuation methodologies that consider multiple bond characteristics such as dealer quotes, issuer type, coupon, maturity, weighted average maturity, interest rate spreads and yield curves, cash flow and credit risk/quality analysis to determine current value.

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.

Note 2 - Significant accounting policies (continued)

(b) Investment in securities (continued)

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.

For mortgage-backed and other similar holdings with scheduled debt paydowns, the Company records estimates, based on its historical experience, for anticipated paydowns. Such estimates 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".

Stocks, shares or units in open-ended investment funds are valued based on the last available net asset value determined according to the provisions of the particular investment fund's prospectus as provided by the administration agent of such investment fund.

The Management 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 period under review, discounts and premiums were amortised to income over the period to maturity, or date sold, if earlier and gains and losses on investment securities sold were computed on the average cost basis for all Funds.

(c) Forward foreign exchange contracts

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

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

The reference currency of the Company as reflected in the financial statements is U.S. dollar. The principal exchange rates applied as at April 30, 2022 are as follows:

AUD	1.4154
EUR	0.9480

The list of the currency abbreviations is available in note 18.

(e) Income

Interest income is accrued on a daily basis.

Where applicable, dividends are credited to income on their ex-dividend date.

(f) Charges and expenses

All expenses are estimated and accrued daily in the calculation of the Net Asset Value of each Fund.

(g) Formation expenses

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

Note 2 - Significant accounting policies (continued)**(h) Senior floating rate interest**

Senior secured corporate loans pay interest at rates which are periodically reset by reference to a base lending rate plus a spread. These base lending rates are generally the prime rate offered by a designated U.S. bank or the London InterBank Offered Rate (LIBOR). Senior secured corporate loans often require prepayment of principal from excess cash flows or at the discretion of the borrower. As a result, actual maturity may be substantially less than the stated maturity.

Senior secured corporate loans in which Franklin Floating Rate II Fund invests are generally readily marketable, but may be subject to some restrictions on resale.

(i) Combined financial statements

The accounts of the Company are expressed in U.S. dollars and the accounts of the Funds are kept in the currency of each Fund. The combined "Statement of Net Assets" and the combined "Statement of Operations and Changes in Net Assets" are the sum of the "Statement of Net Assets" and the "Statement of Operations and Changes in Net Assets" of each Fund converted into the currency of the Company using exchange rates prevailing at period-end. The currency translation adjustment presented on the "Statement of Operations and Changes in Net Assets" is the sum of exchange differences arising on translation of each Fund "Net assets is the beginning of the year" into the currency of the Company using exchange rates prevailed at previous period and current accounting period-end reporting.

(j) Swing pricing

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

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

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

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

The adjustments will seek to reflect the anticipated prices at which the Fund will be buying and selling assets, as well as estimated transaction costs.

Investors are advised that the volatility of any Fund's Net Asset Value might not reflect the true portfolio performance as a consequence of the application of swing pricing.

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

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

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

Note 2 - Significant accounting policies (continued)

(j) Swing pricing (continued)

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

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 annual/semi-annual period end, as disclosed in the Statistical Information, would include the swing pricing adjustment.

During the period ended April 30, 2022, swing pricing adjustments affected the net asset value per share of the following Funds:

– Franklin Emerging Market Debt Opportunities II Fund

Note 3 - Forward foreign exchange contracts

As at April 30, 2022, the Company had entered into the following outstanding contracts:

Franklin Emerging Market Debt Opportunities II Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) EUR
Forward foreign exchange contracts used for efficient portfolio management:					
EUR	6,016,095	RUB	791,000,000	31-May-22	(4,048,983)
					(4,048,983)
Forward foreign exchange contracts used for share class hedging:					
EUR	8,136,900	JPY	1,040,000,000	14-Jun-22	542,198
EUR	649,518,007	USD	719,100,000	14-Jun-22	(30,818,335)
JPY	427,000,000	EUR	3,170,098	14-Jun-22	(51,888)
USD	49,000,000	EUR	44,915,180	14-Jun-22	1,443,436
					(28,884,589)
					(32,933,572)

The above contracts were opened with the below counterparties:

Barclays	(5,673,866)
Citibank	(10,468,421)
Deutsche Bank	(5,337,770)
Morgan Stanley	(5,569,055)
RBC	(5,884,460)
	(32,933,572)

Franklin Emerging Market Investment Grade Debt Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for efficient portfolio management:					
USD	324,929	RUB	38,000,000	31-May-22	(185,748)
USD	1,604,078	EUR	1,450,000	14-Jun-22	71,460
					(114,288)
Forward foreign exchange contracts used for share class hedging:					
EUR	80,475	USD	87,613	18-May-22	(2,667)
USD	2,776	EUR	2,597	18-May-22	34
					(2,633)
					(116,921)

The above contracts were opened with the below counterparties:

Citibank	(114,288)
J.P. Morgan	(2,633)
	(116,921)

Note 3 - Forward foreign exchange contracts (continued)**Franklin Floating Rate II Fund**

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for share class hedging:					
CHF	1,316	USD	1,410	18-May-22	(56)
EUR	103,396	USD	112,567	18-May-22	(3,426)
GBP	1,633	USD	2,124	18-May-22	(71)
					<u>(3,553)</u>
The above contracts were opened with the below counterparties:					
J.P. Morgan					(3,553)
					<u>(3,553)</u>

Note 4 - Investment management fees

The Management Company receives from the Company a monthly investment management fee equivalent to a certain percentage per annum (as detailed below) of each Fund's adjusted daily net assets during the period. The Investment Managers will be remunerated by the Management Company out of the investment management fee received from the Company. The following percentages apply in respect of the following Funds as at April 30, 2022.

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

	Class I
Franklin Emerging Market Debt Opportunities II Fund	0.70%
Franklin Emerging Market Investment Grade Debt Fund	0.65%

Note 5 - Connected party transactions

Certain directors of the Company are or may also be officers and/or directors of the Management company i.e. Franklin Templeton International Services S.à r.l. or of the Investment Manager, among others, Franklin Templeton Investment Management Limited. All transactions with connected parties were entered into in the ordinary course of business and under normal commercial terms.

The investment manager will be remunerated by the Management Company out of the investment management fee received from the Company, as more fully 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 period ended April 30, 2022.

The Company accrued fees in respect of Franklin Templeton International Services S.à r.l. as the Management Company and as the Principal Distributor of the Funds from November 1, 2021 to April 30, 2022.

Note 6 - Taxation

Under current laws and practice, the Company is not liable in the Grand Duchy of Luxembourg to any tax on its profits or income and is not subject to the Grand Duchy of Luxembourg's net wealth tax. In addition, no capital gains tax is payable in the Grand Duchy of Luxembourg on the realised or unrealised capital appreciation of the assets of the Company.

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. Class I and Y shares may benefit from a reduced rate of 0.01% per annum if all shareholders of these share classes are institutional investors.

Note 6 - Taxation (continued)

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. A EUR 75 registration duty is to be paid upon incorporation and each time the Articles of the Company are amended.

The Company is registered for Value Added Tax in the Grand Duchy of Luxembourg and subject to account for Value Added Tax in accordance with current laws.

Note 7 - Share classes

Class A (acc) Shares: Shares offered at the applicable net asset value, plus an entry charge of up to 6.50% of the total amount invested. This maximum charge, assuming that no other charges or expenses are applicable, amounts to approximately 6.95% of the aggregate share price of the shares being acquired. In addition, a maintenance charge of up to 0.50% per annum of the applicable average net asset value per share of the relevant Fund is deducted and paid to the Principal Distributor. This charge is accrued daily and is deducted and paid monthly to the Principal Distributor. In relation to qualified investments of USD 1 million or more, the entry charge may be waived and a contingent deferred sales charge of up to 1.00% may apply if an investor sells shares within 18 months after each investment. No distribution of dividends will be made but the net income attributable will be reflected in the increased value of the shares.

Class A (dis) Shares: Distribution of dividend will be made monthly, quarterly or annually (depending on the frequency of the share class). All other terms and conditions are the same as those which apply for Class A(acc) shares.

Class I (acc) Shares: Shares offered to institutional investors as more fully described in the current Prospectus of the Company. No distribution of dividends will be made but the net income attributable will be reflected in the increased value of the shares. Class I (acc) shares are not subject to an entry charge, contingent deferred sales charge nor any maintenance charge. Class I shares benefit from a reduced Investment Management fee (note 4).

Class I (dis) Shares: Shares offered to institutional investors as more fully described in the current prospectus of the Company. Purchases of Class I (dis) shares are not subject to an entry charge, contingent deferred sales charge nor any maintenance charge. Class I shares benefit from a reduced Investment Management fee (note 4). Distribution of dividend will be made monthly, quarterly or annually (depending on the frequency of the share class).

Class W (acc) Shares: No distribution of dividends will be made but the net income attributable will be reflected in the increased value of the shares. Class W shares are not subject to an entry charge, contingent deferred sales charge nor any maintenance charge. Class W(acc) shares may be offered in certain limited circumstances as more fully described in the current prospectus of the Company.

Class W (dis) Shares: are not subject to an entry charge, contingent deferred sales charge nor any maintenance charge. Class W(dis) shares may be offered in certain limited circumstances as more fully described in the current prospectus of the Company.

Class Y (dis) Shares: are not subject to an entry charge, contingent deferred sales charge nor any maintenance charge. Class Y shares are designed to accommodate an alternative charging structure whereby a fee covering the investment management and the registrar, transfer, corporate, domiciliary and administration fees is levied and collected by the Management Company directly from the Investors who are clients of Franklin Templeton Investments and who enter into a specific agreement with the Management Company. These fees will therefore not be payable out of the net assets of the relevant Fund attributable to Class Y Shares. Class Y Shares may only be offered to Institutional Investors in certain limited circumstances, at the discretion of the Management Company and/or its affiliates, as more fully described in the current prospectus of the Company.

Alternative currency hedged share classes: Shareholders of the hedged share class may be exposed to fluctuations in the Net Asset Value per Share reflecting the gains/losses on and the costs of the relevant financial instruments. The gains/losses and the costs of the relevant financial instruments will accrue solely to the relevant hedged share class.

Note 7 - Share classes (continued)

The above mentioned distributing share classes may have different frequencies: (Mdis) share classes distribute monthly, (Qdis) share classes distribute quarterly and (Ydis) share classes distribute annually.

Note 8 - Net Profit/ Loss on Investments

	Franklin Emerging Market Debt Opportunities II Fund EUR	Franklin Emerging Market Investment Grade Debt Fund USD	Franklin Floating Rate II Fund USD
Realised profit on sale of investments	24,442,994	126,078	615,972
Realised loss on sale of investments	(79,539,341)	(826,433)	—
Net realised profit/(loss) on sale of investments	(55,096,347)	(700,355)	615,972
Change in unrealised profit on investments	77,705,202	343,876	155,220
Change in unrealised loss on investments	(158,242,671)	(5,580,770)	(74,177)
Change in net unrealised profit/(loss) on investments	(80,537,469)	(5,236,894)	81,043

	Franklin Multi-Sector Credit Income Fund USD	Franklin Upper Tier Floating Rate Fund USD
Realised profit on sale of investments	61	2,986,167
Realised loss on sale of investments	(34,228)	—
Net realised profit/(loss) on sale of investments	(34,163)	2,986,167
Change in unrealised profit on investments	35,836	764,728
Change in unrealised loss on investments	—	—
Change in net unrealised profit/(loss) on investments	35,836	764,728

Note 9 - Expenses reimbursement

On a daily basis, for share classes where the expenses are capped, the level of expenses is calculated and compared to the cap and where the level of expenses is higher than the cap, this difference is booked as a decrease of expense (the “waiver fees”). The performance fees do not form part of the capped expenses. On a monthly basis the waiver fees are deducted from the fees received by Franklin Templeton International Services S.à r.l.

The amount of waiver fees is disclosed as “Expenses reimbursement” in the “Statement of Operations and Changes in Net Assets”.

Note 10 - Statement of changes in the investment portfolio

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

Note 11 - Transaction costs

Transaction costs are costs incurred to acquire financial assets or liabilities. They include fees and commissions paid to agents, brokers and dealers. During the period ended April 30, 2022, the Company incurred the following transaction costs:

Fund Name	Currency	Amount
Franklin Emerging Market Debt Opportunities II Fund	EUR	—*
Franklin Emerging Market Investment Grade Debt Fund	USD	—*

*For debt securities and derivatives, transaction costs are not separately identifiable from the purchase price of the security and therefore cannot be disclosed separately.

Note 12 - Other Charges

Where other charges exceeds 10% of total expenses the detailed breakdown is as follows:

	Franklin Emerging Market Investment Grade Debt Fund	Franklin Multi- Sector Credit Income Fund
	(USD)	(USD)
Legal fees	887	145
Miscellaneous fees	568	6,366
Paying agent fees	831	–
Registration and filing fees	11,494	–
Tax fees	148	–
	13,928	6,511

Note 13 - Equalisation

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

Note 14 - Portfolio Turnover Ratio

The Portfolio Turnover Ratio ("PTR"), 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 15 - Credit facilities

Effective February 4, 2022, the Company together with other European and U.S. registered investment funds managed by Franklin Templeton Investments (individually, Borrower; collectively, Borrowers), entered into a joint syndicated revolving senior unsecured credit facility totalling USD 2,675 million (Global Credit Facility) with a group of banks to provide a source of funds to the Borrowers for temporary and emergency purposes, including the ability to meet future unanticipated or unusually large redemption requests.

Under the terms of the Global Credit Facility, a Borrower shall, in addition to interest charged on any borrowings and other costs incurred by the Borrower, pay its share of fees and expenses incurred in connection with the implementation and maintenance of the Global Credit Facility, based upon its relative share of the aggregate net assets of all of the Borrowers, including an annual commitment fee based upon the unused portion of the Global Credit Facility.

During the financial period ended April 30, 2022, the Company did not use the Global Credit Facility.

Note 16 - Total Expense Ratio

The Total Expense Ratio ("TER"), expressed as a percentage, represents how the total annualised expenses of each share class relate to the average net assets of each share class for the period ended April 30, 2022. 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".

Note 17 - Audited annual reports and unaudited semi-annual reports

The audited annual reports and unaudited semi-annual reports will be available on the local Franklin Templeton Investments website, www.franklintempleton.lu or may be obtained, free of charge, on request at the registered office of the Company; they are only distributed to registered shareholders in those countries where local regulation so requires. The complete audited annual reports and unaudited semi-annual reports are available at the registered office of the Company.

Note 18 - Abbreviations**Countries**

AGO	Angola	DOM	Dominican Republic	MEX	Mexico	SP	Supranational
ARG	Argentina	EGY	Egypt	MKD	Macedonia	SRB	Serbia
ARM	Armenia	GEO	Georgia	MYS	Malaysia	TTO	Trinidad and Tobago
AZE	Azerbaijan	GHA	Ghana	NGA	Nigeria	TUN	Tunisia
BEN	Benin	HND	Honduras	PAK	Pakistan	TUR	Turkey
BLR	Belarus	HUN	Hungary	PAN	Panama	UKR	Ukraine
BRL	Brazil	IDN	Indonesia	PER	Peru	URY	Uruguay
							United States of
CHL	Chile	IND	India	PHL	Philippines	USA	America
CHN	China	IRQ	Iraq	POL	Poland	UZB	Uzbekistan
CMR	Cameroon	JAM	Jamaica	PRY	Paraguay	ZAF	South Africa
COL	Colombia	JOR	Jordan	ROU	Romania		
CRI	Costa Rica	KAZ	Kazakhstan	RUS	Russia		
CZE	Czech Republic	KEN	Kenya	SLV	El Salvador		

Currencies

BYN	Belarusian Ruble	GEL	Georgian Lari	KZT	Kazakhstani Tenge	USD	US Dollar
COP	Colombian Peso	GHS	Ghanaian Cedi	MXN	Mexican Peso	UYU	Uruguayan Peso
	Dominican Republic						
DOP	Peso	IDR	Indonesian Rupiah	PEN	Peruvian Sol	UZS	Uzbekistani Som
EGP	Egyptian Pound	INR	Indian Rupee	PLN	Polish Zloty	ZAR	South African Rand
EUR	Euro	JPY	Japanese Yen	RUB	Russian Ruble		
GBP	British Pound Sterling	KES	Kenyan Shilling	TRY	Turkish Lira		

Note 19 - Additional Information

a. With effect from 22 January 2022, J.P. Morgan Bank Luxembourg S.A. merged into J.P. Morgan AG which at the same time changed its legal form from a German Stock Corporation (Aktiengesellschaft) to a European Company (Societas Europaea), J.P. Morgan SE, as legal successor of J.P. Morgan Bank Luxembourg S.A., continues to act as depositary and administrative agent of the Company through its Luxembourg Branch, namely J.P. Morgan SE, Luxembourg Branch.

b. The current outbreak of tension between Russia and Ukraine and any related sanctions that have, and might be imposed, may result in the global economy being adversely affected, along with the economies of certain nations and individual issuers, all of which may negatively impact the market. Although the Fund does not have any significant exposure to the Russian or Ukrainian markets, the share price of some share classes has dropped due to this wider market volatility.

Note 20 - Subsequent events

There have been no subsequent events since the period end.

Schedule of Investments, April 30, 2022

Franklin Emerging Market Debt Opportunities II Fund

(Currency - EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	SHARES				
	Metals & Mining				
2,156,091	Petra Diamonds Ltd.	ZAF	GBP	3,168,684	0.32
				3,168,684	0.32
	TOTAL SHARES			3,168,684	0.32
	BONDS				
	Corporate Bonds				
13,900,000	Pegasus Hava Tasimaciligi A/S, Reg. S 9.25% 04/30/2026	TUR	USD	13,028,236	1.30
14,200,000	Akbank TAS, Reg. S 6.8% 06/22/2031	TUR	USD	12,518,174	1.25
13,200,000	Tullow Oil plc, Reg. S 10.25% 05/15/2026	GHA	USD	12,439,333	1.24
13,900,000	Frigorifico Concepcion SA, Reg. S 7.7% 07/21/2028	PRY	USD	11,504,098	1.15
12,900,000	Braskem Idesa SAPI, Reg. S 7.45% 11/15/2029	MEX	USD	11,471,144	1.15
11,550,000	Kosmos Energy Ltd., Reg. S 7.75% 05/01/2027	GHA	USD	10,889,289	1.09
11,700,000	Georgia Capital JSC, Reg. S 6.125% 03/09/2024	GEO	USD	10,786,094	1.08
15,100,000	Country Garden Holdings Co. Ltd., Reg. S 7.25% 04/08/2026	CHN	USD	10,628,259	1.06
6,400,000	Access Bank plc, Reg. S 6.125% 09/21/2026	NGA	USD	5,736,461	0.57
5,650,000	IHS Netherlands Holdco BV, Reg. S 8% 09/18/2027	NGA	USD	5,414,338	0.54
4,050,000	Medco Platinum Road Pte. Ltd., Reg. S 6.75% 01/30/2025	IDN	USD	3,803,157	0.38
80,640,000	Red de Carreteras de Occidente SAB de CV, Reg. S 9% 06/10/2028	MEX	MXN	3,731,265	0.37
2,750,000	MTN Mauritius Investments Ltd., Reg. S 4.755% 11/11/2024	ZAF	USD	2,597,164	0.26
2,019,942	Petra Diamonds US Treasury plc, Reg. S 0% 03/08/2026	ZAF	USD	2,029,708	0.20
3,800,000	Eurotorg LLC, Reg. S 9% 10/22/2025	BLR	USD	1,332,828	0.13
1,257,000	Medco Oak Tree Pte. Ltd., Reg. S 7.375% 05/14/2026	IDN	USD	1,181,925	0.12
13,500,000	Alfa Bank AO, Reg. S 5.95% 04/15/2030	RUS	USD	1,151,768	0.12
6,750,000	Sri Rejeki Isman Tbk. PT, Reg. S 7.25% 01/16/2025 ^s	IDN	USD	767,845	0.08
				121,011,086	12.09
	Government and Municipal Bonds				
32,000,000	Brazil Government Bond 4.5% 05/30/2029	BRL	USD	28,802,731	2.88
29,100,000	Angola Government Bond, Reg. S 8% 11/26/2029	AGO	USD	25,886,560	2.59
515,109,000	South Africa Government Bond 7% 02/28/2031	ZAF	ZAR	25,252,107	2.53
616,150,000	Mexican Bonos 8% 11/07/2047	MEX	MXN	25,230,637	2.52
24,750,000	Iraq Government Bond, Reg. S 5.8% 01/15/2028	IRQ	USD	22,732,509	2.27
87,400,000	Poland Government Bond 2.5% 07/25/2026	POL	PLN	15,770,056	1.58
338,606,531	Mexican Udibonos, FRN 4% 11/30/2028	MEX	MXN	15,705,271	1.57
18,160,000	Benin Government International Bond, Reg. S 4.875% 01/19/2032	BEN	EUR	15,663,817	1.56
15,250,000	Southern Gas Corridor CJSC, Reg. S 6.875% 03/24/2026	AZE	USD	15,435,447	1.54
291,800,000	Arab Republic of Egypt 13.659% 09/07/2023	EGY	EGP	14,873,221	1.48
12,200,000	Jamaica Government Bond 7.875% 07/28/2045	JAM	USD	14,268,071	1.43
550,051,061	Uruguay Government Bond, FRN 3.7% 06/26/2037	URY	UYU	14,073,235	1.40
794,000,000	Dominican Republic Government Bond, Reg. S 9.75% 06/05/2026	DOM	DOP	13,872,675	1.39
65,200,000	Peru Government Bond 5.4% 08/12/2034	PER	PEN	12,776,879	1.28
13,800,000	Costa Rica Government Bond, Reg. S 7.158% 03/12/2045	CRI	USD	12,695,831	1.27
12,700,000	Indonesia Government Bond, Reg. S 4.35% 01/08/2027	IDN	USD	12,353,778	1.23
590,000,000	Uruguay Government Bond 8.25% 05/21/2031	URY	UYU	12,287,224	1.23
15,096,000	Paraguay Government Bond, Reg. S 2.739% 01/29/2033	PRY	USD	11,677,009	1.17
647,950,000	Dominican Republic Government Bond, Reg. S 8.9% 02/15/2023	DOM	DOP	11,203,793	1.12
11,300,000	BOI Finance BV, Reg. S 7.5% 02/16/2027	NGA	EUR	11,114,793	1.11
5,600,000,000	Kazakhstan Government Bond 5% 05/15/2023	KAZ	KZT	11,041,577	1.10
11,800,000	Jordan Government Bond, Reg. S 6.125% 01/29/2026	JOR	USD	10,894,446	1.09
11,500,000	Armenia Government Bond, Reg. S 7.15% 03/26/2025	ARM	USD	10,754,882	1.08
13,250,000	Turkey Government Bond 5.95% 01/15/2031	TUR	USD	10,559,556	1.06
16,100,000	Egypt Government Bond, Reg. S 7.5% 02/16/2061	EGY	USD	10,253,910	1.02
11,850,000	Cameroon Government Bond, Reg. S 5.95% 07/07/2032	CMR	EUR	10,016,568	1.00
13,400,000	Pakistan Government Bond, Reg. S 7.375% 04/08/2031	PAK	USD	9,756,125	0.97
122,510,000,000	Uzbekistan Government Bond, Reg. S 14% 07/19/2024	UZB	UZS	9,726,472	0.97
13,100,000	Ghana Government Bond, Reg. S 8.125% 01/18/2026	GHA	USD	9,678,776	0.97
24,900,000	El Salvador Government Bond, Reg. S 7.65% 06/15/2035	SLV	USD	9,195,044	0.92
11,300,000	Egypt Government Bond, Reg. S 7.625% 05/29/2032	EGY	USD	8,378,197	0.84
60,965,000	Ghana Government Bond 18.25% 07/25/2022	GHA	GHS	7,722,476	0.77
8,390,000	Serbia Government Bond, Reg. S 3.125% 05/15/2027	SRB	EUR	7,546,436	0.75
139,300,000	Arab Republic of Egypt 14.196% 07/07/2023	EGY	EGP	7,167,244	0.72
8,500,000	Romania Government Bond, Reg. S 1.375% 12/02/2029	ROU	EUR	6,906,080	0.69
8,500,000	Dominican Republic Government Bond, Reg. S 6.4% 06/05/2049	DOM	USD	6,858,445	0.68
7,490,429	Peru Enhanced Pass-Through Finance Ltd., Reg. S 0% 06/02/2025	PER	USD	6,739,612	0.67

Franklin Emerging Market Debt Opportunities II Fund (continued)

(Currency - EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
8,300,000	Mexico Government Bond 4.6% 01/23/2046	MEX	USD	6,725,211	0.67
27,000,000,000	Colombia Government Bond 9.85% 06/28/2027	COL	COP	6,552,614	0.65
76,100,000,000	Uzbekistan Government Bond, Reg. S 14.5% 11/25/2023	UZB	UZS	6,381,043	0.64
6,750,000	Jordan Government Bond, Reg. S 5.85% 07/07/2030	JOR	USD	5,703,747	0.57
639,895,200	Kenya Government Bond 11% 09/15/2025	KEN	KES	5,188,796	0.52
5,600,000	Angola Government Bond, Reg. S 8.75% 04/14/2032	AGO	USD	5,037,213	0.50
2,372,500,000	Kazakhstan Government Bond 5.3% 04/26/2023	KAZ	KZT	4,716,915	0.47
4,933,333	Honduras Government Bond, Reg. S 7.5% 03/15/2024	HND	USD	4,582,721	0.46
5,600,000	Kazakhstan Government Bond, Reg. S 1.5% 09/30/2034	KAZ	EUR	4,354,387	0.44
5,750,000	Honduras Government Bond, Reg. S 5.625% 06/24/2030	HND	USD	4,314,272	0.43
486,000,000	Kenya Government Bond 12.5% 01/10/2033	KEN	KES	3,977,414	0.40
4,750,000	Dominican Republic Government Bond, Reg. S 4.875% 09/23/2032	DOM	USD	3,792,832	0.38
21,000,000	Belarus Government Bond, Reg. S 6.875% 02/28/2023	BLR	USD	3,384,207	0.34
353,450,000	Kenya Government Bond 12.5% 05/12/2025	KEN	KES	3,025,089	0.30
3,150,000	Paraguay Government Bond, Reg. S 4.95% 04/28/2031	PRY	USD	2,945,901	0.29
2,625,000	North Macedonia Government Bond, Reg. S 3.675% 06/03/2026	MKD	EUR	2,539,425	0.25
3,000,000	Armenia Government Bond, Reg. S 3.6% 02/02/2031	ARM	USD	2,125,976	0.21
6,550,000	Ukraine Government Bond, Reg. S, FRN 0% 05/31/2040	UKR	USD	1,822,935	0.18
12,200,000	Belarus Government Bond, Reg. S 6.378% 02/24/2031	BLR	USD	1,792,587	0.18
1,641,554,000	Russian Federal Bond - OFZ 0% 04/10/2030	RUS	RUB	1,444,893	0.14
				565,279,668	56.47
Quasi-Sovereign Bonds					
13,600,000	Kazakhstan Temir Zholy Finance BV, Reg. S 6.95% 07/10/2042	KAZ	USD	13,108,162	1.31
10,300,000	Huarong Finance II Co. Ltd., Reg. S 4.625% 06/03/2026	CHN	USD	9,287,966	0.93
37,346,000,000	Empresa de Telecomunicaciones de Bogota, Reg. S 7% 01/17/2023	COL	COP	8,720,904	0.87
3,947,500,000	Development Bank of Kazakhstan JSC, Reg. S 8.95% 05/04/2023	KAZ	KZT	7,032,642	0.70
78,500,000,000	Ipoteka-Bank ATIB, Reg. S 16% 04/16/2024	UZB	UZS	6,705,460	0.67
6,950,000	Istanbul Metropolitan Municipality, Reg. S 10.75% 04/12/2027	TUR	USD	6,625,520	0.66
7,900,000	Ecopetrol SA 4.625% 11/02/2031	COL	USD	6,270,948	0.63
6,826,368	Provincia de Neuquen Argentina, Reg. S 8.625% 05/12/2030	ARG	USD	6,107,105	0.61
23,250,000,000	Bogota Distrito Capital, Reg. S 9.75% 07/26/2028	COL	COP	5,189,255	0.52
19,006,488,333	PA Autopista Rio Magdalena, Reg. S, FRN 6.05% 06/15/2036	COL	COP	3,983,114	0.40
21,400,000	Development Bank of the Republic of Belarus JSC, Reg. S 12% 05/15/2022	BLR	BYN	452,200	0.05
				73,483,276	7.35
Supranational					
240,280,000,000	Inter-American Development Bank 7.875% 03/14/2023	SP	IDR	15,995,628	1.60
160,000,000,000	European Bank for Reconstruction & Development 6.45% 12/13/2022	SP	IDR	10,519,677	1.05
7,950,000	Banque Ouest Africaine de Developpement, Reg. S 4.7% 10/22/2031	SP	USD	7,474,914	0.75
6,200,000	Banque Ouest Africaine de Developpement, Reg. S 5% 07/27/2027	SP	USD	5,851,974	0.58
100,000,000	Asian Infrastructure Investment Bank (The), Reg. S 17.5% 09/14/2022	SP	TRY	5,839,372	0.58
15,500,000	European Investment Bank 8.5% 12/01/2023	SP	GEL	4,554,910	0.46
60,000,000,000	Inter-American Development Bank 5.5% 02/07/2023	SP	IDR	3,926,616	0.39
42,500,000	European Bank for Reconstruction & Development, Reg. S 10% 09/28/2022	SP	TRY	2,607,796	0.26
				56,770,887	5.67
				816,544,917	81.58
TOTAL BONDS					
TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
				819,713,601	81.90
TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET					
BONDS					
Corporate Bonds					
12,332,093	UEP Penonome II SA, Reg. S 6.5% 10/01/2038	PAN	USD	11,402,891	1.14
11,900,000	Telecommunications Services of Trinidad & Tobago Ltd., Reg. S 8.875% 10/18/2029	TTO	USD	11,284,470	1.13
13,600,000	MC Brazil Downstream Trading SARL, Reg. S 7.25% 06/30/2031	BRL	USD	11,238,146	1.12
11,750,000	Fidelity Bank plc, Reg. S 10.5% 10/16/2022	NGA	USD	11,184,165	1.12
11,750,000	Energo-Pro A/S, Reg. S 8.5% 02/04/2027	CZE	USD	10,692,957	1.07
5,400,000	Fidelity Bank plc, Reg. S 7.625% 10/28/2026	NGA	USD	4,859,949	0.48
3,500,000	CSN Inova Ventures, Reg. S 6.75% 01/28/2028	BRL	USD	3,302,572	0.33

Franklin Emerging Market Debt Opportunities II Fund (continued)

(Currency - EUR)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
3,600,000	Braskem Idesa SAPI, Reg. S 6.99% 02/20/2032	MEX	USD	3,068,600	0.31
				67,033,750	6.70
Government and Municipal Bonds					
28,500,000	Georgia Government Bond 8% 02/04/2023	GEO	GEL	8,728,812	0.87
3,580,683	IIRSA Norte Finance Ltd., Reg. S 8.75% 05/30/2024	PER	USD	3,532,687	0.35
580,000,000	Tunisian Republic Government Bond 4.2% 03/17/2031	TUN	JPY	2,111,004	0.21
3,489,000	Peru Government Bond, Reg. S 6.35% 08/12/2028	PER	PEN	805,704	0.08
100,000,000	Tunisian Republic Government Bond 3.28% 08/09/2027	TUN	JPY	419,609	0.04
				15,597,816	1.55
Quasi-Sovereign Bonds					
14,191,000	Trinidad Petroleum Holdings Ltd., Reg. S 9.75% 06/15/2026	TTO	USD	13,981,949	1.40
21,330,466	Rutas 2 and 7 Finance Ltd., Reg. S 0% 09/30/2036	PRY	USD	13,579,090	1.36
5,350,000	CITGO Petroleum Corp., Reg. S 7% 06/15/2025	USA	USD	5,045,807	0.50
14,599,870,355	Fideicomiso PA Costera, Reg. S, FRN 6.25% 01/15/2034	COL	COP	3,426,793	0.34
2,400,000	Citgo Holding, Inc., Reg. S 9.25% 08/01/2024	USA	USD	2,263,813	0.23
				38,297,452	3.83
TOTAL BONDS				120,929,018	12.08
TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				120,929,018	12.08
TOTAL INVESTMENTS				940,642,619	93.98

§ These Bonds are currently in default

* Could also be classified as Municipals

Schedule of Investments, April 30, 2022

Franklin Emerging Market Investment Grade Debt Fund

(Currency - USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	BONDS				
	Corporate Bonds				
70,000,000	HDFC Bank Ltd., Reg. S 8.1% 03/22/2025	IND	INR	922,459	2.95
1,000,000	Chile Electricity PEC SpA, Reg. S 0% 01/25/2028	CHL	USD	770,275	2.46
750,000	Cencosud SA, Reg. S 4.375% 07/17/2027	CHL	USD	726,596	2.33
	Banco Inbursa SA Institucion De Banca Multiple Grupo Financiero				
650,000	Inbursa, Reg. S 4.375% 04/11/2027	MEX	USD	642,983	2.06
700,000	Suzano Austria GmbH 3.75% 01/15/2031	BRL	USD	607,474	1.94
700,000	Country Garden Holdings Co. Ltd., Reg. S 4.2% 02/06/2026	CHN	USD	514,500	1.64
500,000	Bharti Airtel Ltd., Reg. S 4.375% 06/10/2025	IND	USD	497,394	1.59
	International Container Terminal Services, Inc., Reg. S				
500,000	4.75% 06/17/2030	PHL	USD	493,750	1.58
500,000	Adani Electricity Mumbai Ltd., Reg. S 3.867% 07/22/2031	IND	USD	416,454	1.33
400,000	Alibaba Group Holding Ltd. 3.4% 12/06/2027	CHN	USD	383,273	1.23
350,000	Longfor Group Holdings Ltd., Reg. S 3.375% 04/13/2027	CHN	USD	317,992	1.02
750,000	Shimao Group Holdings Ltd., Reg. S 5.2% 01/16/2027	CHN	USD	176,250	0.56
3,360,000	Red de Carreteras de Occidente SAB de CV, Reg. S 9% 06/10/2028	MEX	MXN	164,005	0.53
				6,633,405	21.22
	Government and Municipal Bonds				
1,275,000	Indonesia Government Bond, Reg. S 4.35% 01/08/2027	IDN	USD	1,308,331	4.18
26,950,000	Mexican Bonos 8% 11/07/2047	MEX	MXN	1,164,158	3.72
4,400,000,000	Colombia Government Bond 6% 04/28/2028	COL	COP	912,185	2.92
1,050,000	Romania Government Bond, Reg. S 1.375% 12/02/2029	ROU	EUR	899,939	2.88
30,186,781	Uruguay Government Bond 3.7% 06/26/2037	URY	UYU	814,740	2.61
13,895,300	Mexican Udibonos 4% 11/30/2028	MEX	MXN	679,875	2.17
600,000	Romania Government Bond, Reg. S 4.375% 08/22/2023	ROU	USD	607,866	1.94
600,000	Panama Government Bond 3.362% 06/30/2031	PAN	USD	552,300	1.77
600,000	Hungary Government Bond, Reg. S 1.625% 04/28/2032	HUN	EUR	542,143	1.73
550,000	Kazakhstan Government Bond, Reg. S 4.875% 10/14/2044	KAZ	USD	522,660	1.67
750,000	Hungary Government Bond, Reg. S 3.125% 09/21/2051	HUN	USD	520,532	1.67
400,000	Panama Government Bond 3.75% 04/17/2026	PAN	USD	396,200	1.27
182,473,000	Kazakhstan Government Bond 5.3% 04/26/2023	KAZ	KZT	382,703	1.22
16,000,000	Uruguay Government Bond 8.25% 05/21/2031	URY	UYU	351,506	1.12
400,000	Mexico Government Bond 4.6% 01/23/2046	MEX	USD	341,900	1.09
300,000	Uruguay Government Bond 5.1% 06/18/2050	URY	USD	313,799	1.00
220,000	Mexico Government Bond 2.659% 05/24/2031	MEX	USD	184,893	0.59
275,000	Peru Government Bond 2.78% 12/01/2060	PER	USD	178,734	0.57
600,000	Russian Foreign Bond - Eurobond, Reg. S 5.625% 04/04/2042	RUS	USD	177,000	0.57
151,929	SPARC EM SPC Panama Metro Line 2 SP, Reg. S 0% 12/05/2022	PAN	USD	148,754	0.47
154,601	Peru Enhanced Pass-Through Finance Ltd., Reg. S 0% 06/02/2025	PER	USD	146,741	0.47
100,000	Peru Government Bond 1.862% 12/01/2032	PER	USD	77,750	0.25
79,239,000	Russian Federal Bond - OFZ 0% 04/10/2030 ^s	RUS	RUB	73,575	0.23
				11,298,284	36.11
	Quasi-Sovereign Bonds				
725,000	Kazakhstan Temir Zholy Finance BV, Reg. S 6.95% 07/10/2042	KAZ	USD	737,144	2.36
700,000	TNB Global Ventures Capital Bhd., Reg. S 3.244% 10/19/2026	MYS	USD	679,487	2.17
700,000	China Construction Bank Corp., Reg. S 2.45% 06/24/2030	CHN	USD	668,983	2.14
800,000	Comision Federal de Electricidad, Reg. S 3.875% 07/26/2033	MEX	USD	645,175	2.06
500,000	Autoridad del Canal de Panama, Reg. S 4.95% 07/29/2035	PAN	USD	539,645	1.72
550,000	CNAC HK Finbridge Co. Ltd., Reg. S 3.875% 06/19/2029	CHN	USD	519,966	1.66
400,000	Indonesia Asahan Aluminium Persero PT, Reg. S 5.45% 05/15/2030	IDN	USD	401,786	1.29
400,000	State Grid Overseas Investment BVI Ltd., Reg. S 3.5% 05/04/2027	CHN	USD	394,209	1.26
377,361	Lima Metro Line 2 Finance Ltd., Reg. S 5.875% 07/05/2034	PER	USD	386,534	1.23
400,000	Huarong Finance II Co. Ltd., Reg. S 4.625% 06/03/2026	CHN	USD	380,500	1.22
130,000,000	Development Bank of Kazakhstan JSC, Reg. S 8.95% 05/04/2023	KAZ	KZT	244,315	0.78
200,000	Bank Mandiri Persero Tbk. PT, Reg. S 4.75% 05/13/2025	IDN	USD	206,483	0.66
250,000	Russian Railways, Reg. S 5.7% 04/05/2022 ^s	RUS	USD	63,625	0.20
				5,867,852	18.75
	Supranational				
16,930,000,000	Inter-American Development Bank 7.875% 03/14/2023	SP	IDR	1,188,911	3.80
700,000	African Export-Import Bank (The), Reg. S 3.994% 09/21/2029	SP	USD	661,213	2.12
600,000	Banque Ouest Africaine de Developpement, Reg. S 4.7% 10/22/2031	SP	USD	595,116	1.90
5,000,000,000	Inter-American Development Bank 5.5% 02/07/2023	SP	IDR	345,180	1.10

Franklin Emerging Market Investment Grade Debt Fund (continued)

(Currency - USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
3,900,000	Asian Infrastructure Investment Bank (The), Reg. S 17.5% 09/14/2022	SP	TRY	240,238	0.77
2,200,000,000	European Bank for Reconstruction & Development 6.45% 12/13/2022	SP	IDR	152,586	0.49
				<u>3,183,244</u>	<u>10.18</u>
	TOTAL BONDS			<u>26,982,785</u>	<u>86.26</u>
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			26,982,785	86.26
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	BONDS				
	Corporate Bonds				
730,000	Banco Santander Chile, Reg. S 3.177% 10/26/2031	CHL	USD	659,230	2.11
600,000	St Marys Cement, Inc. Canada, Reg. S 5.75% 01/28/2027	BRL	USD	613,500	1.96
450,000	Alpek SAB de CV, Reg. S 4.25% 09/18/2029	MEX	USD	417,316	1.34
400,000	Credicorp Ltd., Reg. S 2.75% 06/17/2025	PER	USD	378,016	1.21
400,000	Kimberly-Clark de Mexico SAB de CV, Reg. S 2.431% 07/01/2031	MEX	USD	338,538	1.08
				<u>2,406,600</u>	<u>7.70</u>
	Government and Municipal Bonds				
279,000	Peru Government Bond, Reg. S 6.35% 08/12/2028	PER	PEN	67,966	0.21
				<u>67,966</u>	<u>0.21</u>
	Quasi-Sovereign Bonds				
1,130,043,560	Fideicomiso PA Costera, Reg. S, FRN 6.25% 01/15/2034	COL	COP	279,799	0.89
189,524	Fideicomiso PA Costera, Reg. S 6.75% 01/15/2034	COL	USD	186,207	0.60
				<u>466,006</u>	<u>1.49</u>
	TOTAL BONDS			<u>2,940,572</u>	<u>9.40</u>
	TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET			2,940,572	9.40
	TOTAL INVESTMENTS			<u>29,923,357</u>	<u>95.66</u>

§ These Bonds are currently in default

Schedule of Investments, April 30, 2022

Franklin Floating Rate II Fund*

(Currency - USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET				
	SENIOR FLOATING RATE INTEREST				
	Personal Products				
7,524,116	FGL operating Co. LLC 10% 05/16/2022**,\$	USA	USD	939,901	86.25
				939,901	86.25
	TOTAL SENIOR FLOATING RATE INTEREST			939,901	86.25
	SHARES				
	Health Care Services				
1,912,103	Millennium Corporate Claim Trust, Escrow Account**	CHN	USD	—	—
1,912,103	Millennium Lender Claim Trust, Escrow Account**	IND	USD	—	—
				—	—
	TOTAL SHARES			—	—
	TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET				
				939,901	86.25
	TOTAL INVESTMENTS			939,901	86.25

* This Fund was put into liquidation effective August 11, 2020

§ These securities are currently in default

** These securities are submitted to a Fair Valuation

Additional Information

Securities Financing Transactions (SFTs) and Total Return Swaps (TRS)

The Company does not engage in Securities Financing Transactions (as defined in Article 3 of Regulation (EU) 2015/2365, securities financing transactions include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions) and it had no exposure to total return swap contracts during the year.

Collateral

As at April 30, 2022, the Company hold no cash collateral related to OTC derivatives.

As at April 30, 2022, Franklin Emerging Market Debt Opportunities II Fund reports cash collateral pledge related to OTC derivatives amounted to USD 29,600,000 and this balance is included in the cash account.

Franklin Templeton Office Directory

Further information regarding Franklin Templeton Series II Funds is available from the following Franklin Templeton office:

EUROPE

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 67 212 Fax: +352 46 66 76
www.franklintempleton.lu

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

INFORMATION FOR QUALIFIED INVESTORS IN SWITZERLAND**1. Representative**

The representative in Switzerland is

Franklin Templeton Switzerland Ltd
 Stockerstrasse 38
 8002 Zurich
 Switzerland

2. Paying Agent

The paying agent in Switzerland is

NPB Neue Privat Bank AG
 Limmatquai 1 / am Bellevue
 Postfach
 8022 Zürich

List of Funds represented in Switzerland

- Franklin Emerging Market Debt Opportunities II Fund
- Franklin Emerging Market Investment Grade Debt Fund

3. Place where the relevant documents may be obtained

The Prospectus, the Articles of Association as well as the annual and semi-annual reports may be obtained free of charge from the representative in Switzerland.

4. Payment of fees and expenses to the Paying Agent

The fees and expenses of the Paying Agent will be at normal commercial rates.

5. Place of performance and jurisdiction

In respect of the units distributed in and from Switzerland, the place of performance and jurisdiction is at the registered office of the representative.



**FRANKLIN
TEMPLETON**

Franklin Templeton International Services S.à r.l.
8A, rue Albert Borschette
L-1246 Luxembourg
Grand Duchy of
Luxembourg
Tel: +352 (46) 66-67-1
Fax: +352 (46) 66-76