

Franklin LibertyShares ICAV

**Annual Report and Audited Financial Statements for the period from
11 July 2017 (date of registration) to 30 June 2018**

Franklin LibertyShares ICAV

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Franklin LibertyShares ICAV

Directory

BOARD OF DIRECTORS*

William Jackson (British) (Chairman)
Robert Burke (Irish)**
Kathleen Davidson (British)
Frank Ennis (Irish)**
Gregory McGowan (American)
Patrick O'Connor (American)

All Directors are non-executive

REGISTERED OFFICE

78 Sir John Rogerson's Quay
Dublin 2
Ireland

INVESTMENT MANAGER

Franklin Advisers, Inc.
One Franklin Parkway
San Mateo
CA 94403-1906
USA

SUB-INVESTMENT MANAGERS

Franklin Templeton Institutional, LLC
280 Park Avenue
New York
NY. 10017
United States

Franklin Templeton Investment
Management Limited
Cannon Place
78 Cannon Street
London
EC4N 6HL
United Kingdom

REGISTRATION NUMBER

C167746

COMPANY SECRETARY (until 13 September 2018)

State Street Fund Services (Ireland) Limited
78 Sir John Rogerson's Quay
Dublin 2
Ireland

INDEPENDENT AUDITORS

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
One Spencer Dock
North Wall Quay
Dublin 1
Ireland

LEGAL ADVISORS

Matheson
70 Sir John Rogerson's Quay
Dublin 2
Ireland

DEPOSITARY

State Street Custodial Services (Ireland) Limited
78 Sir John Rogerson's Quay
Dublin 2
Ireland

ADMINISTRATOR

State Street Fund Services (Ireland) Limited
78 Sir John Rogerson's Quay
Dublin 2
Ireland

MANAGER

Franklin Templeton International Services S.à r.l.
8A, rue Albert Borschette
L-1246
Luxembourg

SWISS REPRESENTATIVE

Franklin Templeton Switzerland Limited
Stockerstrasse 38
8002 Zurich
Switzerland

COMPANY SECRETARY (from 13 September 2018)

Matsack Trust Limited
70 Sir John Rogerson's Quay
Dublin 2
Ireland

* All of the Directors were appointed on 13 June 2017.

** Independent Directors.

Franklin LibertyShares ICAV

Directory (continued)

AUSTRIAN PAYING AGENT

Unicredit Bank Austria AG
Schottengasse 6 – 8
1010 Wien
Austria

UK FACILITIES AGENT

Franklin Templeton Investment Management Limited
Cannon Place,
78 Cannon Street
London EC4N 6HL
United Kingdom

SWISS PAYING AGENT

BNP Paribas Securities Services, Paris
Succursale de Zurich
Selnausstrasse 16
8002 Zurich
Switzerland

THE GERMAN INFORMATION AGENT

Franklin Templeton Investment Services GmbH.
Mainzer Landstrasse 16 60325
Frankfurt
Germany

Franklin LibertyShares ICAV

General Information

Franklin LibertyShares ICAV (the “Fund” or the “ICAV”) is an Irish collective asset-management vehicle constituted as an umbrella fund with segregated liability between Sub-Funds with registration number C167746. The ICAV was registered on 11 July 2017. The ICAV has been authorised by the Central Bank of Ireland (the “Central Bank”) as an Undertaking for Collective Investment in Transferable Securities (“UCITS”) pursuant to the provisions of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended) and the Central Bank (Supervision and Enforcement) Act 2013 (section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 (as amended) (together the “UCITS Regulations”). All capitalised terms used but not defined herein shall have the meaning ascribed thereto in the ICAV’s Prospectus dated 23 May 2018 (the “Prospectus”).

The ICAV has been structured as an umbrella fund consisting of different Sub-Funds (please see Sub-Funds and share classes below), each comprising one class of shares. The Directors may from time to time, with the prior approval of the Central Bank, create different series of shares representing separate portfolios of assets, each such series comprising a Sub-Fund. Each Sub-Fund will bear its own liabilities and, under Irish law, none of the ICAV, the service providers appointed to the ICAV, the Directors, any receiver, examiner nor liquidator, nor any other person will have access to the assets of a Sub-Fund in satisfaction of a liability of any other Sub-Fund.

The Management Company of the ICAV has delegated investment management function to Franklin Advisers, Inc., which in turn has delegated Franklin Templeton Investment Management Limited to act as Sub-Investment Manager for all Sub-Funds except Franklin Liberty USD Investment Grade Corporate Bond UCITS ETF. Franklin Advisers, Inc. has delegated Franklin Templeton Institutional, LLC to act as Sub-Investment Manager for Franklin Liberty USD Investment Grade Corporate Bond UCITS ETF.

The portfolio of assets maintained for each series of shares and comprising a Sub-Fund will be invested in accordance with the investment objectives and policies applicable to such Sub-Fund as specified in the relevant Supplement. Shares may be divided into different classes to accommodate, amongst other things, different dividend policies, charges, fee arrangements (including different total expense ratios), currencies, or to provide for foreign exchange hedging in accordance with the policies and requirements of the Central Bank from time to time.

Sub-Funds and Share Classes

There are seven Sub-Funds in operation as at 30 June 2018. Five of these Sub-Funds seek to track an Index (the “Index Tracking Sub-Funds”) and two of the Sub-Funds are actively managed by the Investment Manager to seek to achieve a specific investment objective (the “Actively Managed Sub-Funds”).

The Sub-Funds and their launch dates as well as the investment strategy of the Sub-Fund are listed in the table below.

Sub-Fund	Launch date	Functional Currency	Share Class	Strategy
Franklin LibertyQ Emerging Markets UCITS ETF	17/10/2017	USD	USD Accumulating Shares	Replicating
Franklin LibertyQ European Dividend UCITS ETF	06/09/2017	EUR	EUR Distributing Shares	Replicating
Franklin Liberty Euro Short Maturity UCITS ETF	25/06/2018	EUR	EUR Distributing Shares	Actively Managed
Franklin LibertyQ Global Dividend UCITS ETF	06/09/2017	USD	USD Distributing Shares	Replicating
Franklin LibertyQ Global Equity SRI UCITS ETF	06/09/2017	USD	USD Accumulating Shares	Replicating
Franklin LibertyQ U.S. Equity UCITS ETF	06/09/2017	USD	USD Accumulating Shares	Replicating
Franklin Liberty USD Investment Grade Corporate Bond UCITS ETF	25/06/2018	USD	USD Distributing Shares	Actively Managed

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General Information (continued)

Sub-Funds and Share Classes (continued)

As at 30 June 2018, Franklin LibertyQ European Equity UCITS ETF and Franklin LibertyQ AC Asia Ex Japan UCITS ETF were not yet active.

Stock Exchange Listings

The Sub-Funds of the ICAV are listed on the following exchanges as at 30 June 2018:

Fund	Base Currency	London Stock Exchange*	Deutsche Boerse*	Borsa Italiana*	SIX Swiss Exchange*
Franklin LibertyQ Emerging Markets UCITS ETF	USD	19 Oct 2017	18 Oct 2017	31 Jan 2018	26 Feb 2018
Franklin LibertyQ European Dividend UCITS ETF	EUR	8 Sept 2017	7 Sept 2017	31 Jan 2018	26 Feb 2018
Franklin Liberty Euro Short Maturity UCITS ETF	EUR	27 Jun 2018	26 Jun 2018	N/A	N/A
Franklin LibertyQ Global Dividend UCITS ETF	USD	8 Sept 2017	7 Sept 2017	31 Jan 2018	26 Feb 2018
Franklin LibertyQ Global Equity SRI UCITS ETF	USD	8 Sept 2017	7 Sept 2017	31 Jan 2018	26 Feb 2018
Franklin LibertyQ U.S. Equity UCITS ETF	USD	8 Sept 2017	7 Sept 2017	31 Jan 2018	26 Feb 2018
Franklin Liberty USD Investment Grade Corporate Bond UCITS ETF	USD	27 Jun 2018	26 Jun 2018	N/A	N/A

* Admitted to trading.

The ICAV has been registered in accordance with the ICAV Act for the purpose of investing in transferable securities in accordance with the UCITS Regulations.

Each of the Index Tracking Sub-Funds is intended to track or replicate the benchmark indices listed hereunder.

Sub-Fund	Benchmark Index ("Index")
Franklin LibertyQ Emerging Markets UCITS ETF	LibertyQ Emerging Markets Equity Index
Franklin LibertyQ European Dividend UCITS ETF	LibertyQ European Dividend Index
Franklin LibertyQ Global Dividend UCITS ETF	LibertyQ Global Dividend Index
Franklin LibertyQ Global Equity SRI UCITS ETF	LibertyQ Global Equity SRI Index
Franklin LibertyQ U.S. Equity UCITS ETF	LibertyQ U.S. Large Cap Equity Index

Where full replication of the Index is not reasonably possible the Sub-Fund will use an optimisation methodology to build a representative portfolio that provides a return that is comparable to that of the Index.

The specific investment objectives, strategies and policies for each Sub-Fund are set out in each Investment Manager's report.

The investment policy of the Index Tracking Sub-Funds is to track the performance of the relevant Index as closely as possible, regardless of whether the Index level rises or falls, while seeking to minimise as far as possible the tracking error between the Sub-Fund's performance and that of the Index. In order to seek to achieve this investment objective, the Investment Manager will aim to replicate the Index by holding all of the Index securities in a similar proportion to their weighting in the Index.

The Actively Managed Sub-Funds' investments will be managed actively by the Investment Manager or its delegates to seek to achieve its investment objective, for example, to seek to outperform an Index, rather than just to track it. Where a Sub-Fund is actively managed, the Investment Manager will have greater discretion in relation to the composition of the Sub-Fund's portfolio, subject to the investment objectives and policies stated in the Relevant Supplement. An Actively Managed Sub-Fund will generally not seek to track the performance of any Index.

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Directors' Report for the period from 11 July 2017 (date of registration) to 30 June 2018

The Directors of the ICAV present herewith their report together with the audited financial statements for the period ended 30 June 2018. The financial statements of the ICAV have been prepared in accordance with Financial Reporting Standard 102 ("FRS 102"), Irish statute comprising the Irish Collective Asset-management Vehicles Act 2015 (the "ICAV Act") and the UCITS Regulations.

Review of Business

The ICAV was established on 11 July 2017. The launch dates of the individual Sub-Funds in the ICAV are disclosed on page 5.

The results of operations for the financial period are set out on pages 28 to 30. A detailed review of the performance of the ICAV is included in each Sub-Fund's Investment Manager's Report on pages 10 to 21. The Directors do not anticipate any significant change in the structure or investment objective of the Sub-Funds. The ICAV will continue to act as an investment vehicle as set out in the Prospectus.

Corporate Governance

Statement of Compliance on Corporate Governance

The philosophy of the Board in relation to corporate governance is to ensure transparency and reporting that conforms fully to laws, regulations and guidelines in Ireland and abroad. The ICAV has adopted in full the voluntary Corporate Governance Code for Collective Investment Schemes and Management Companies (the "Code") as published by Irish Funds, the text of which is available from the Irish Funds' website: www.irishfunds.ie. The ICAV has been fully compliant with the Code for the period from 11 July 2017 (date of registration) to 30 June 2018.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the annual report and the financial statements of the Sub-Funds of the ICAV, in accordance with applicable law and regulations.

The ICAV Act requires the Directors to prepare financial statements for each financial period. Under that law they have elected to prepare the financial statements in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

The financial statements are required to give a true and fair view of the assets, liabilities and financial position of the Sub-Funds of the ICAV at the end of the financial period and of the profit or loss of the Sub-Funds of the ICAV for the financial period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Sub-Funds will continue in business.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Sub-Funds of the ICAV and enable them to ensure that the financial statements comply with the ICAV Act and the UCITS Regulations. To achieve this, the Directors have appointed the administrator, State Street Fund Services (Ireland) Limited (the "Administrator"), to maintain the accounting records of the Sub-Funds and perform additional administrative duties. The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Sub-Funds of the ICAV. In this regard they have entrusted the assets of the Sub-Funds to the Depositary for safe-keeping. They have general responsibility for taking such steps as are reasonably open to them to prevent and detect fraud and other irregularities. The Directors are also responsible for preparing a Directors' Report that complies with the requirements of the ICAV Act.

Franklin LibertyShares ICAV

Directors' Report for the period from 11 July 2017 (date of registration) to 30 June 2018 (continued)

Statement of Directors' Responsibilities (continued)

The financial statements are published on the www.libertyshares.com website. The Directors, together with the Manager are responsible for the maintenance and integrity of the financial information included in this website. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other countries.

Adequate accounting Records

The Directors ensure compliance with the ICAV's obligation to maintain adequate accounting records by appointing competent persons to be responsible for them. The accounting records are kept by State Street Fund Services (Ireland) Limited, at 78 Sir John Rogerson's Quay, Dublin, Ireland.

Distributions

Distributions declared for the period from 11 July 2017 (date of registration) to 30 June 2018 are disclosed under Note 12.

Financial instruments

Details of the ICAV's use of financial instruments including transferable securities and financial derivative instruments are disclosed in Notes 1, 6 and 11 to the financial statements. A full list of transferable securities and derivative financial instruments held by the Sub-Funds at the period end date can be found in the respective Sub-Fund's Schedule of Investments.

Risk Management Objectives and Policies

Details of the ICAV's risk management objectives, policies and the Sub-Funds' exposure to market risk, credit risk and liquidity risk at the period end are included in Note 6 to the financial statements.

Key Performance Indicators

The Directors consider that the change in net asset value ("NAV") per share is a key indicator of the performance of the ICAV. Key performance indicators monitored by the Directors for each Sub-Fund include the month to month movement in the NAV per share, the tracking of each Sub-Fund's performance to the performance of the relevant Index and the share capital movements.

Transactions with Connected Persons

Regulation 41(1) of the Central Bank UCITS Regulations states that "a responsible person shall ensure that any transaction between a UCITS and a connected person is conducted a) at arm's length; and b) in the best interest of the shareholders of the UCITS".

As required under Regulation 78 (4) of the Central Bank UCITS Regulations, the Directors are satisfied that there are arrangements in place, evidenced by written procedures, to ensure that the obligations that are prescribed by Regulation 41(1) are applied to all transactions with connected persons; and all transactions with connected persons that were entered into during the period to which the report relates complied with the obligations that are prescribed by Regulation 41(1).

Related Party Transactions

All transactions involving related parties during the period are disclosed in Note 10 to the financial statements.

Segregated Liability

The ICAV is an umbrella fund with segregated liability between the Sub-Funds and as such, as a matter of Irish law, the assets of a Sub-Fund will not be exposed to the liabilities of the ICAV's other Sub-Funds.

Segregated liability ensures that the liabilities incurred on behalf of a Sub-Fund will generally be discharged solely out of the assets of that Sub-Fund and there can generally be no recourse to the other Sub-Funds to satisfy those liabilities.

Each Sub-Fund will be responsible for paying its fees and expenses regardless of the level of profitability. Notwithstanding the foregoing there can be no guarantee or assurance that, should an action be brought against the ICAV in a court of another jurisdiction, that the segregated nature of the Sub-Funds would necessarily be upheld.

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Directors' Report for the period from 11 July 2017 (date of registration) to 30 June 2018 (continued)

Employees

The ICAV had no employees during the financial period ending 30 June 2018.

Significant Events During the Period

See Note 15 of the audited financial statements for details of significant events affecting the ICAV during the period.

Significant Events Since the Period End

See Note 16 of the audited financial statements for details of significant events affecting the ICAV since the period end.

Directors

The name and nationality of persons who were Directors at any time during the period ended 30 June 2018 are set out below:

Robert Burke (Irish)*
Kathleen Davidson (British)
Frank Ennis (Irish)*
William Jackson (British)
Gregory McGowan (American)
Patrick O'Connor (American)

*Independent Directors

Secretary

State Street Fund Services (Ireland) Limited was appointed secretary on 11 July 2017. On 13 September 2018, State Street Fund Services (Ireland) Limited resigned as Secretary. Matsack Trust Limited was appointed as Secretary on the same date.

Directors and ICAV's Secretary's Interest in Shares and Contracts

During the period or at the period end, neither the Directors nor Company Secretary had any material interest, beneficial or non-beneficial, in the share capital of the ICAV or any agreement or arrangement with the ICAV.

Directors' Fees

Directors' fees earned during the financial period and payable at the period end are disclosed in Note 5 to the financial statements.

Relevant audit information

The Directors believe that they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the Company's statutory auditors are aware of that information. In so far as they are aware, there is no relevant audit information of which the Company's statutory auditors are unaware.

Independent Auditors

PricewaterhouseCoopers, Chartered Accountants, were appointed as independent auditors of the ICAV on 13 June 2017 and have indicated their willingness to continue in office in accordance with Section 125 of the ICAV Act 2015.

On behalf of the Board of Directors

Robert Burke
Director



Date: 22 October 2018

Frank Ennis
Director



Franklin LibertyShares ICAV

Investment Manager's Report

Reporting Period ended 30 June 2018

Economic and Market Overview

During the reporting period ended 30 June 2018, the synchronised global growth story gained momentum during the first few months of the period, as financial markets appeared to focus attention on encouraging economic data from several developed and emerging markets as well as tax reform in the United States. However, later in the period, intensifying trade tensions and their potential to slow global economic growth restrained sentiment. Concerns also arose that global growth was becoming less synchronised: While the US economy looked resilient, parts of Asia, Latin America and Europe faced various challenges.

Beginning in 2017's fourth quarter, European equity markets struggled as optimism earlier in the year gave way to worries about how US trade policy would affect the region. Political developments in Germany, Italy and Spain sparked apprehension at times, but these concerns appeared to be shrugged off fairly quickly. Investors also parsed changes in monetary policy, as the Bank of England in November hiked its benchmark interest rate for the first time in 10 years and the European Central Bank (ECB) extended its bond-buying programme, while reducing the value of monthly purchases. In June 2018, the ECB announced it intends to end its quantitative easing program by year-end and expects to keep interest rates on hold at least through the summer of 2019. Europe's gross domestic product (GDP) in third-quarter 2017 grew on the previous quarter and year-on-year in both the euro area and the European Union (EU), but decelerated somewhat by first-quarter 2018. Both EU and eurozone unemployment rates continued edging down to the lowest readings since 2008. The United Kingdom's GDP growth moderated during the period, with the first-quarter 2018 reading of 1.2% year-on-year at the lowest pace since 2012. The country's unemployment rate eased to a 42-year low in February and held steady through April.

In the United States, markets mostly shrugged off a dangerous and costly US hurricane season and tensions around North Korea's nuclear ambitions. Sentiment was bolstered by global economic growth momentum early in the period, ongoing strength in corporate earnings, upbeat business sentiment and Congressional passage of tax reform that featured a significant reduction in the corporate tax rate. Third-quarter GDP came in ahead of consensus estimates and marked the first increase of at least 3% in consecutive quarters since 2014. Data ranging from the labour market to consumer patterns and confidence suggested the US economy ended 2017 on a strong note despite a mixture of hurricane-induced effects that were evident in vehicle, retail and home sales, as well as in energy markets and non-core inflationary measures. First-quarter 2018 GDP slowed by comparison, but the economy appeared to bounce back in subsequent months as spending by consumers, businesses and the government gained momentum. The US Federal Reserve lifted its 2018 GDP guidance as it raised its target range for the federal funds rate in June by 25 basis points, the second rate increase in 2018. Faster growth helped drive the US unemployment rate to an 18-year low in May.

In Asia, Japanese Prime Minister Shinzo Abe's governing coalition won national elections in a landslide, with many investors taking the result to indicate a continuation of market-friendly policies. Japan's fourth-quarter 2017 GDP slowed on both a quarterly and annual basis but marked the eighth consecutive quarterly expansion. The country's first-quarter 2018 GDP initially beat consensus estimates with another period of growth, but was later revised down to slight contraction, shrinking for the first time in two years.

China's first-quarter 2018 GDP rose 6.8% year-on-year, in line with previous quarters and consensus expectations; meanwhile, the quarter-on-quarter reading of 1.4% was slightly below expectations, and marked the slowest pace of growth in two years. Brazil's first-quarter GDP grew year-on-year in the fourth consecutive positive result. Mexico's central bank increased its main interest rate several times, in February reaching the highest rate in since 2009, to address concerns that inflation might not be slowing as quickly as forecast. The country's year-on-year GDP growth continued moderating in the second half of 2017 and first-quarter 2018.

Franklin LibertyShares ICAV

Investment Manager's Report (continued)

Franklin LibertyQ European Dividend UCITS ETF

This annual report for Franklin LibertyQ European Dividend UCITS ETF covers the period ended 30 June 2018.

Summary of Investment Objective/Policy

The Fund invests in high quality, large and mid-capitalisation stocks with high and persistent dividend income in developed countries in Europe. It seeks to track the performance of the LibertyQ European Dividend Index (the "Underlying Index") as closely as possible. The Fund aims to replicate the Underlying Index by holding all of its securities in a similar proportion to their weighting in the Underlying Index. The holdings of the Underlying Index are selected from the MSCI Europe IMI ex REITS Index (the "Investment Universe"), using a transparent selection process which applies a dividend persistence and yield screen followed by a quality screen.

Performance Overview

Sub-Fund	Sub-Fund return based on Market Price for the period ended 30 June 2018	Sub-Fund return based on Net Asset Value for the period ended 30 June 2018	Benchmark return for the period ended 30 June 2018
Franklin LibertyQ European Dividend UCITS ETF*†	1.99%	1.78%	1.34%

* Sub-Fund performance is calculated net of fees and expenses comprising the Total Expense Ratio (TER) and does not take account of commissions and costs incurred on the issue and redemption of shares. Past performance is no indication of current or future performance.

†The base currency of the Sub-Fund is EUR.

Top 10 Holdings

30 June 2018

Security Name	% of Total Net Asset
Centrica Plc	3.26
GlaxoSmithKline Plc	3.12
ITV Plc	3.11
Red Electrica Corp. SA	3.11
Imperial Brands Plc	3.09
Hugo Boss AG	3.07
Swisscom AG	3.05
Svenska Handelsbanken AB, A	3.04
BAE Systems Plc	3.03
Telenor ASA	3.01

Top 10 Sectors/Industries

30 June 2018

Sector	% of Total Net Asset
Financials	32.79
Telecommunication Services	15.79
Consumer Discretionary	14.41
Utilities	11.92
Health Care	7.90
Industrials	5.00
Consumer Staples	4.43
Energy	4.43
Information Technology	2.91
Others	0.00

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Investment Manager's Report (continued)

Franklin LibertyQ European Dividend UCITS ETF (continued)

Top 10 Countries*

30 June 2018

Geographic	% of Total Net Asset
United Kingdom	35.41
Germany	12.25
Sweden	11.92
Finland	10.32
Spain	8.11
Switzerland	6.46
France	4.98
Norway	4.80
Belgium	1.73
Italy	1.40
Others	2.11

*The index provider may adopt a classification based on different criteria.

Franklin LibertyQ Global Dividend UCITS ETF

This annual report for Franklin LibertyQ Global Dividend UCITS ETF covers the period ended 30 June 2018.

Summary of Investment Objective/Policy

The Fund invests in high quality, large and mid-capitalisation stocks with high and persistent dividend income in developed and emerging countries globally. It seeks to track the performance of the LibertyQ Global Dividend Index (the "Underlying Index") as closely as possible. The Fund aims to replicate the Underlying Index by holding all of its securities in a similar proportion to their weighting in the Underlying Index. The holdings of the Underlying Index are selected from the MSCI AC World exREITS Index (the "Investment Universe"), using a transparent selection process which applies a dividend persistence and yield screen followed by a quality screen.

Performance Overview

Sub-Fund	Sub-Fund return based on Market Price for the period ended 30 June 2018	Sub-Fund return based on Net Asset Value for the period ended 30 June 2018	Benchmark return for the period ended 30 June 2018
Franklin LibertyQ Global Dividend UCITS ETF†	0.30%	(0.07)%	0.003%

* Sub-Fund performance is calculated net of fees and expenses comprising the Total Expense Ratio (TER) and does not take account of commissions and costs incurred on the issue and redemption of shares. Past performance is no indication of current or future performance.

†The base currency of the Sub-Fund is USD.

Top 10 Holdings

30 June 2018

Security Name	% of Total Net Asset
Wesfarmers Ltd.	2.16
The Procter & Gamble Co.	2.14
Eli Lilly & Co.	2.12
Merck & Co. Inc.	2.11
Sanofi	2.10
Altria Group Inc.	2.08
Commonwealth Bank of Australia	2.06
Kimberly-Clark Corp.	2.05
Philip Morris International Inc.	2.05
Westpac Banking Corp.	2.04

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Investment Manager's Report (continued)

Franklin LibertyQ Global Dividend UCITS ETF (continued)

Top 10 Sectors/Industries

30 June 2018

Sector	% of Total Net Asset
Financials	24.88
Consumer Staples	19.44
Health Care	14.11
Consumer Discretionary	11.40
Industrials	10.44
Information Technology	7.79
Telecommunication Services	6.90
Materials	2.63
Real Estate	1.53
Others	0.55

Top 10 Countries*

30 June 2018

Geographic	% of Total Net Asset
United States	37.52
Australia	10.28
Canada	8.67
United Kingdom	8.45
Switzerland	6.94
Netherlands	3.54
Japan	3.47
Sweden	2.97
Germany	2.72
South Africa	2.66
Others	12.50

*The index provider may adopt a classification based on different criteria.

Franklin LibertyQ Global Equity SRI UCITS ETF

This annual report for Franklin LibertyQ Global Equity UCITS ETF covers the period ended 30 June 2018.

Summary of Investment Objective/Policy

The Fund invests in large and mid-capitalisation stocks in developed and emerging market countries globally that are considered to be environmentally and socially responsible. It seeks to track the performance of the LibertyQ Global Equity SRI Index (the "Underlying Index") as closely as possible. The Fund aims to replicate the Underlying Index by holding all of its securities in a similar proportion to their weighting in the Underlying Index. The holdings of the Underlying Index are selected from the MSCI AC World SRI Index (the "Investment Universe"), using a transparent multi-factor selection process that applies four investment style factors (quality, value, momentum and low volatility).

Performance Overview

Sub-Fund	Sub-Fund return based on Market Price for the period ended 30 June 2018	Sub-Fund return based on Net Asset Value for the period ended 30 June 2018	Benchmark return for the period ended 30 June 2018
Franklin LibertyQ Global Equity SRI UCITS ETF *†	5.59%	5.28%	5.72%

*Sub-Fund performance is calculated net of fees and expenses comprising the Total Expense Ratio (TER) and does not take account of commissions and costs incurred on the issue and redemption of shares. Past performance is no indication of current or future performance.

†The base currency of the Sub-Fund is USD.

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Investment Manager's Report (continued)

Franklin LibertyQ Global Equity SRI UCITS ETF (continued)

Top 10 Holdings

30 June 2018

Security Name	% of Total Net Asset
NIKE Inc., B	1.17
KAO Corp.	1.14
Wesfarmers Ltd.	1.12
Accenture Plc, A	1.10
Astellas Pharma Inc.	1.09
PepsiCo Inc.	1.09
Microsoft Corp.	1.08
American Tower Corp.	1.07
L'Oreal SA	1.07
Intuit Inc.	1.07

Top 10 Sectors/Industries

30 June 2018

Sector	% of Total Net Asset
Financials	17.48
Consumer Discretionary	13.87
Information Technology	13.37
Health Care	11.65
Consumer Staples	11.29
Industrials	11.26
Materials	5.81
Telecommunication Services	5.19
Energy	3.78
Others	5.67

Top 10 Countries*

30 June 2018

Geographic	% of Total Net Asset
United States	41.01
Japan	9.57
Canada	6.07
United Kingdom	5.76
Australia	4.98
Switzerland	3.26
India	3.00
France	2.57
Taiwan	2.32
Denmark	2.13
Others	18.72

*The index provider may adopt a classification based on different criteria.

Franklin LibertyShares ICAV

Investment Manager's Report (continued)

Franklin LibertyQ U.S. Equity UCITS ETF

This annual report for Franklin LibertyQ US Equity UCITS ETF covers the period ended 30 June 2018.

Summary of Investment Objective/Policy

The Fund invests in large and mid-capitalisation stocks in the U.S. and seeks to track the performance of the LibertyQ U.S. Large Cap Equity Index (the "Underlying Index") as closely as possible. The fund aims to replicate the Underlying Index by holding all of its securities in a similar proportion to their weighting in the Underlying Index. The holdings of the Underlying Index are selected from the Russell 1000[®] Index (the "Investment Universe"), using a transparent multi-factor selection process that applies four investment style factors (quality, value, momentum and low volatility).

Performance Overview

Sub-Fund	Sub-Fund return based on Market Price for the period ended 30 June 2018	Sub-Fund return based on Net Asset Value for the period ended 30 June 2018	Benchmark return for the period ended 30 June 2018
Franklin LibertyQ U.S. Equity UCITS ETF*†	13.78%	13.02%	13.02%

*Sub-Fund performance is calculated net of fees and expenses comprising the Total Expense Ratio (TER) and does not take account of commissions and costs incurred on the issue and redemption of shares. Past performance is no indication of current or future performance.

†The base currency of the Sub-Fund is USD.

Top 10 Holdings

30 June 2018

Security Name	% of Total Net Asset
AT&T Inc.	1.21
NIKE Inc., B	1.10
PepsiCo Inc.	1.08
The Procter & Gamble Co.	1.06
Verizon Communications Inc.	1.04
Accenture PLC, A	1.04
The TJX Cos. Inc.	1.04
The Home Depot Inc.	1.04
Gilead Sciences Inc.	1.04
The Walt Disney Co.	1.03

Top 10 Sectors/Industries

30 June 2018

Sector	% of Total Net Asset
Information Technology	20.91
Consumer Discretionary	20.68
Consumer Staples	13.88
Health Care	12.22
Industrials	11.82
Utilities	7.54
Financials	3.73
Real Estate	3.03
Telecommunication Services	2.26
Others	3.23

Franklin LibertyShares ICAV

Investment Manager's Report (continued)

Franklin LibertyQ U.S. Equity UCITS ETF (continued)

Top 10 Countries*

30 June 2018

Geographic	% of Total Net Asset
United States	95.58
Ireland	1.04
Netherlands	0.97
Panama	0.44
Jersey	0.33
Virgin Islands	0.28
Bermuda	0.25
Guernsey	0.24
Switzerland	0.19

*The index provider may adopt a classification based on different criteria.

Franklin LibertyQ Emerging Markets UCITS ETF

This annual report for Franklin LibertyQ Emerging Markets UCITS ETF covers the period ended 30 June 2018.

Summary of Investment Objective/Policy

The Fund invests in large and mid-capitalisation stocks in emerging market countries globally and seeks to track the performance of the LibertyQ Emerging Markets Index (the "Underlying Index") as closely as possible. The Fund aims to replicate the Underlying Index by holding all of its securities in a similar proportion to their weighting in the Underlying Index. The holdings of the Underlying Index are selected from the MSCI Emerging Markets Index (the "Investment Universe"), using a transparent multi-factor selection process that applies four investment style factors (quality, value, momentum and low volatility).

Performance Overview

Sub-Fund	Sub-Fund return based on Market Price for the period ended 30 June 2018	Sub-Fund return based on Net Asset Value for the period ended 30 June 2018	Benchmark return for the period ended 30 June 2018
Franklin LibertyQ Emerging Markets UCITS ETF*†	(5.59)%	(5.20)%	(4.70)%

*Sub-Fund performance is calculated net of fees and expenses comprising the Total Expense Ratio (TER) and does not take account of commissions and costs incurred on the issue and redemption of shares. Past performance is no indication of current or future performance.

†The base currency of the Sub-Fund is USD.

Top 10 Holdings

30 June 2018

Security Name	% of Total Net Asset
Infosys Ltd.	1.21
President Chain Store Corp.	1.18
Rosneft PJSC	1.16
Wal-Mart de Mexico SAB de CV, V	1.14
PT Telkom Indonesia (Persero) Tbk	1.14
Alrosa PJSC	1.11
Tata Consultancy Services Ltd.	1.11
KT&G Corp.	1.09
Hindustan Unilever Ltd.	1.09
HCL Technologies	1.09

Franklin LibertyShares ICAV

Investment Manager's Report (continued)

Franklin LibertyQ Emerging Markets UCITS ETF (continued)

Top 10 Sectors/Industries

30 June 2018

Sector	% of Total Net Asset
Energy	15.40
Information Technology	14.05
Materials	13.39
Consumer Staples	12.50
Telecommunication Services	11.51
Financials	10.56
Consumer Discretionary	10.19
Industrials	5.83
Utilities	2.80
Others	3.20

Top 10 Countries*

30 June 2018

Geographic	% of Total Net Asset
South Korea	13.32
India	13.30
Taiwan	13.08
Russia	12.46
China	6.94
Thailand	5.69
Brazil	5.18
Hong Kong	4.89
South Africa	4.45
Indonesia	3.99
Others	15.99

*The index provider may adopt a classification based on different criteria.

Franklin Liberty Euro Short Maturity UCITS ETF

This annual report for Franklin Liberty Euro Short Maturity UCITS ETF covers the period ended 30 June 2018.

Summary of Investment Objective/Policy

Franklin Liberty Euro Short Maturity UCITS ETF (the "Fund") aims to provide current income whilst maximising total returns in the Euro-denominated short term fixed income market.

The Fund invests mainly in:

- short-term fixed and floating rate investment grade debt securities denominated in Euro issued by sovereign and corporate issuers including non-European issuers

The Fund can invest to a lesser extent in:

- lower quality debt securities such as non-investment grade securities or securities in default (limited to 20% of the Fund's assets)
- derivatives for hedging, efficient portfolio management and/or investment purposes

The Fund pursues an actively managed investment strategy. Therefore, the Fund will hold a portfolio of actively selected and managed investments rather than seek to track the performance of a benchmark. Any benchmark referred to is as a point of reference against which the performance of the Fund may be measured.

Franklin LibertyShares ICAV

Investment Manager's Report (continued)

Franklin Liberty Euro Short Maturity UCITS ETF (continued)

Summary of Investment Objective/Policy (continued)

The securities in which the fund invests will be primarily listed or traded on recognised markets globally in accordance with the limits set out in the UCITS Regulations.

Performance Overview

Sub-Fund	Sub-Fund return based on Market Price for the period ended 30 June 2018	Sub-Fund return based on Net Asset Value for the period ended 30 June 2018	Benchmark return for the period ended 30 June 2018
Franklin Liberty Euro Short Maturity UCITS ETF*†	0.20%	0.12%	(0.0035)%

*Sub-Fund performance is calculated net of fees and expenses comprising the Total Expense Ratio (TER) and does not take account of commissions and costs incurred on the issue and redemption of shares. Past performance is no indication of current or future performance.

†The base currency of the Sub-Fund is EUR.

Top 10 Holdings

30 June 2018

Security Name	% of Total Net Asset
Belgium Kingdom	11.94
Netherlands Government	10.99
Buoni Poliennali Del Tes	10.73
Bonos Y Oblig Del Estado	10.02
Buoni Poliennali Del Tes	9.48
Republic Of Indonesia	3.85
United Mexican States	3.79
Lloyds Bank Plc	3.78
Bank Of Nova Scotia	3.72
Republic Of Latvia	3.69

Top 10 Sectors/Industries

30 June 2018

Sector	% of Total Net Asset
Treasury	57.52
Industrials	12.98
Sovereign	9.62
Securitised	7.54
Financials	5.73
Utilities	1.89
Agencies	1.83

Franklin LibertyShares ICAV

Investment Manager's Report (continued)

Franklin Liberty Euro Short Maturity UCITS ETF (continued)

Top 10 Countries*

30 June 2018

Geographic	% of Total Net Asset
Italy	22.10
Netherlands	12.83
Belgium	11.94
Spain	11.91
United States	7.43
Mexico	5.57
Indonesia	3.86
United Kingdom	3.78
Australia	3.74
Canada	3.72
Others	9.22

*The index provider may adopt a classification based on different criteria.

Franklin Liberty USD Investment Grade Corporate Bond UCITS ETF

This annual report for Franklin Liberty USD Investment Grade Corporate Bond UCITS ETF covers the period ended 30 June 2018.

Summary of Investment Objective/Policy

Franklin Liberty USD Investment Grade Corporate Bond UCITS ETF (the "Fund") aims to provide current income from the USD fixed income market while seeking to preserve capital.

The Fund invests mainly in:

- U.S. dollar denominated fixed and floating rate investment grade corporate debt securities and investments issued by U.S. companies.

The Fund can invest to a lesser extent in:

- non-U.S. securities including those issued by issuers in emerging markets · derivatives for hedging, efficient portfolio management and/or investment purposes

The Fund pursues an actively managed investment strategy. Therefore, the Fund will hold a portfolio of actively selected and managed investments rather than seek to track the performance of a benchmark. Any benchmark referred to is as a point of reference against which the performance of the Fund may be measured.

The securities in which the fund invests will be primarily listed or traded on recognised markets globally in accordance with the limits set out in the UCITS Regulations.

Performance Overview

Sub-Fund	Sub-Fund return based on Market Price for the period ended 30 June 2018	Sub-Fund return based on Net Asset Value for the period ended 30 June 2018	Benchmark return for the period ended 30 June 2018
Franklin Liberty USD Investment Grade Corporate Bond UCITS ETF*†	0.40%	0.28%	0.29%

*Sub-Fund performance is calculated net of fees and expenses comprising the Total Expense Ratio (TER) and does not take account of commissions and costs incurred on the issue and redemption of shares. Past performance is no indication of current or future performance.

†The base currency of the Sub-Fund is EUR.

Franklin LibertyShares ICAV

Investment Manager's Report (continued)

Franklin Liberty USD Investment Grade Corporate Bond UCITS ETF (continued)

Top 10 Holdings

30 June 2018

Security Name	% of Total Net Asset
Alibaba Group Holding	3.17
Standard Chartered Plc	3.14
Ubs Ag London	3.12
Santander Uk Group Holdings	3.10
Sinopec Capital 2013 Ltd.	3.09
Goldman Sachs Group Inc	2.59
Aercap Ireland Cap/Global	2.47
Hsbc Usa Inc	2.46
JpMorgan Chase & Co	2.41
Bank Of America Corp	2.41

Top 10 Sectors/Industries

30 June 2018

Sector	% of Total Net Asset
Industrials	50.75
Financials	34.02
Treasury	5.76
Agencies	5.31
Utilities	3.66

Top 10 Countries*

30 June 2018

Geographic	% of Total Net Asset
United States	76.04
United Kingdom	6.23
Switzerland	3.12
China	3.09
Ireland	2.47
Netherlands	2.23
France	1.56
Spain	1.15
Canada	1.07
Colombia	0.61

*The index provider may adopt a classification based on different criteria.

Franklin LibertyShares ICAV

Investment Manager's Report (continued)

Tracking Error

The sub-funds of the Franklin Liberty Shares ICAV that are passively managed intend to track as closely as possible the performance of their respective systematic rules-based proprietary index as described in the prospectus. The tool commonly used to measure achievement of this objective is the realised tracking error.

Realised tracking error is the standard deviation of the delivered excess returns over an annual period. It is a measurement of the consistency of the returns relative to the benchmark index over a defined period of time.

Realised tracking error can be affected by several factors, including but not limited to, the Total Expense Ratio (TER) of the Sub-fund, the timing of trades when index is rebalanced, efficient portfolio management techniques employed in attempting to replicate benchmark returns, and the tax rate applied to dividends or interests received by the fund as opposed to the tax rate assumed in the total return calculation of the benchmark.

The table below compares the anticipated tracking error of the Funds (as disclosed in the prospectus on an ex ante basis) against the actual realised tracking error of the Funds as at 30th June 2018.

Realised tracking error is calculated using data from preceding 36 month observation period. Where a Sub-fund has not been trading for 36 months, which is the case for all five Sub-funds below, the annualised tracking error since inception is presented.

Fund	Anticipated tracking error †	Annualised realised tracking error †
Franklin LibertyQ Global Equity SRI UCITS ETF*	Up to 0.50%	0.25%
Franklin LibertyQ Global Dividend UCITS ETF*	Up to 0.50%	0.12%
Franklin LibertyQ Emerging Markets UCITS ETF*	Up to 0.80%	0.37%
Franklin LibertyQ European Dividend UCITS ETF*	Up to 0.50%	0.24%
Franklin LibertyQ US Equity UCITS ETF*	Up to 0.20%	0.19%

*Realised tracking error is normally computed from 36 months of returns. The Fund's return history is too short to give a statistically significant tracking error.

† Each of the Sub-Funds performed in line with its respective anticipated tracking error

**Franklin Advisers Inc.
August 2018**

Franklin LibertyShares ICAV

Report of the Depositary to the Shareholders

We have enquired into the conduct of Franklin LibertyShares ICAV (the "ICAV") for the period ended 30 June 2018, in our capacity as Depositary to the ICAV. This report including the opinion has been prepared for and solely for the shareholders in the Sub-Funds of the ICAV. This report has been prepared in accordance with Regulation 34, (1), (3) and (4) in Part 5 of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended (the "UCITS Regulations"), and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

Responsibilities of the Depositary

Our duties and responsibilities are outlined in Regulation 34, (1), (3) and (4) in Part 5 of the UCITS Regulations. One of those duties is to enquire into the conduct of the ICAV in each annual accounting period and report thereon to the shareholders.

Our report shall state whether, in our opinion, the ICAV has been managed in that period in accordance with the provisions of the ICAV's Instrument of Incorporation and the UCITS Regulations. It is the overall responsibility of the ICAV to comply with these provisions. If the ICAV has not so complied, we as Depositary must state why this is the case and outline the steps which we have taken to rectify the situation.

Basis of Depositary Opinion

The Depositary conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties as outlined in Regulation 34, (1), (3) and (4) in Part 5 of the UCITS Regulations and to ensure that, in all material respects, the ICAV has been managed:

- (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of the constitutional documentation and the appropriate regulations; and
- (ii) otherwise in accordance with the ICAV's constitutional documentation (the "Instrument of Incorporation") and the appropriate regulations.

Opinion

In our opinion, the ICAV has been managed during the period, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the ICAV by the Instrument of Incorporation, the UCITS Regulations and the Central Bank's UCITS Regulations; and
- (ii) otherwise in accordance with the provisions of the Instrument of Incorporation, the UCITS Regulations and the Central Bank UCITS Regulations.



State Street Custodial Services (Ireland) Limited
78 Sir John Rogerson's Quay
Dublin 2
Ireland

Date: 22 October 2018



Independent auditors' report to the shareholders of the Sub-Funds of Franklin LibertyShares ICAV

Report on the audit of the financial statements

Opinion

In our opinion, Franklin LibertyShares ICAV's financial statements:

- give a true and fair view of the Sub-Funds' (as listed on page 5) ("the Sub-Funds") assets, liabilities and financial position as at 30 June 2018 and of their results for the period from 11 July 2017 (date of registration) to 30 June 2018 (the "period");
- have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council of the UK, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and Irish law); and
- have been properly prepared in accordance with the requirements of the Irish Collective Asset-management Vehicles Act 2015 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended).

We have audited the financial statements, included within the Audited Annual Financial Statements, which comprise:

- the Statement of Financial Position for each of the Sub-Funds as at 30 June 2018;
- the Statement of Comprehensive Income for each of the Sub-Funds for the period then ended;
- the Statement of Changes in Net assets attributable to holders of Redeemable Participating Shares for each of the Sub-Funds for the period then ended;
- the Schedule of Investments for each of the Sub-Funds as at 30 June 2018; and
- the notes to the financial statements for each of the Sub-Funds, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Board of Directors.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law.

Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities 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.

Independence

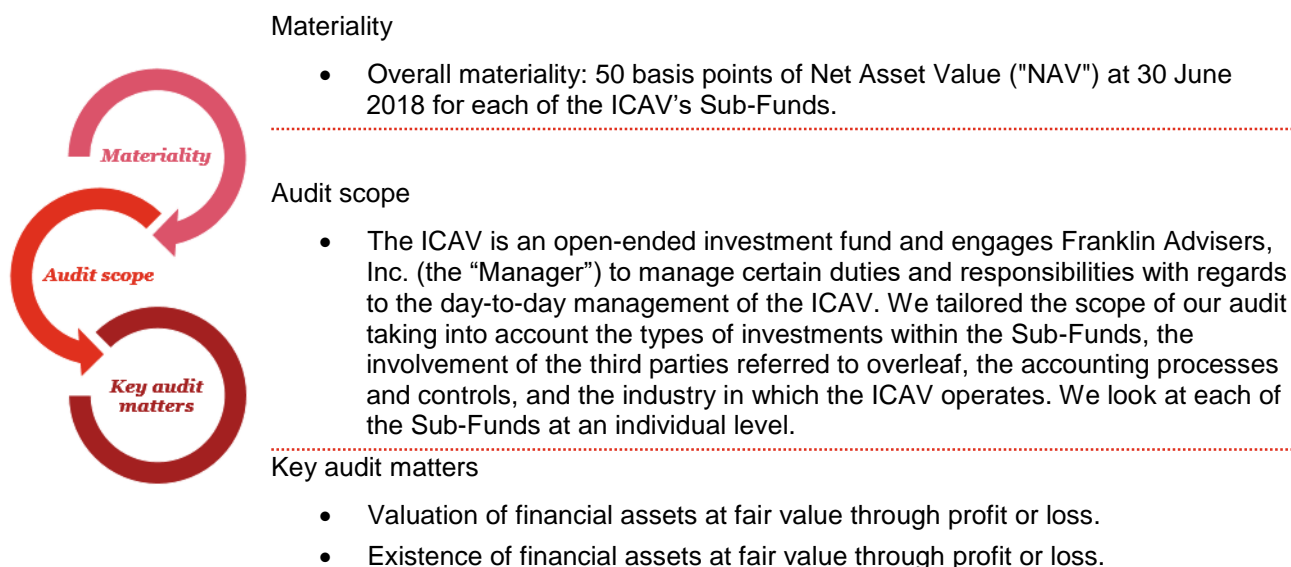
We remained independent of the ICAV in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, which includes IAASA's Ethical Standard as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by IAASA's Ethical Standard were not provided to the ICAV.

We have provided no non-audit services to the ICAV in the period from 11 July 2017 to 30 June 2018.

Our audit approach

Overview



The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example the selection of pricing sources to value the investment portfolio. As in all of our audits, we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
<p><i>Valuation of financial assets at fair value through profit or loss.</i></p> <p>See accounting policy 1(c) of the financial statements of the ICAV for further details.</p> <p>The financial assets at fair value through profit or loss included in the Statement of Financial Position for each of the Sub-Funds as at 30 June 2018 are measured at fair value in accordance with Financial Reporting Standard 102.</p>	<p>We tested each Sub-Fund's investment portfolio by independently verifying the valuation of the investments to third party vendor sources. No material matters were noted as a result of performing these procedures.</p>

This is considered a key audit matter as it represents



Key audit matter

How our audit addressed the key audit matter

the principal element of the financial statements.

Existence of financial assets at fair value through profit or loss.

See accounting policy 1(c) of the financial statements of the ICAV for further details.

The financial assets at fair value through profit or loss included in the Statement of Financial Position for each of the Sub-Funds are held in the Sub-Fund's name as at 30 June 2018.

We obtained independent confirmation from the Depositary and counterparty of the investment portfolio of each Sub-Fund as at 30 June 2018 and reconciled the Depositary and counterparty confirmations to the accounting records. No material matters were noted as a result of performing these procedures.

This is considered a key audit matter as it represents the principal element in the financial statements.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the ICAV, the accounting processes and controls, and the industry in which it operates.

The Board of Directors control the affairs of the ICAV and are responsible for the overall investment policy which is determined by them. The ICAV engages the Manager to manage certain duties and responsibilities with regards to the day to day management of the ICAV. The Manager has delegated certain responsibilities to Franklin Templeton Management Limited and Franklin Templeton Institutional, LLC (the 'Investment Manager') and to State Street Fund Services (Ireland) Limited (the 'Administrator'). The financial statements, which remain the responsibility of the directors, are prepared on their behalf by the Administrator. The ICAV has appointed State Street Custodial Services (Ireland) Limited (the "Depositary") to act as Depositary of the ICAV's assets. In establishing the overall approach to our audit we assessed the risk of material misstatement at a Sub-Fund level, taking into account the nature, likelihood and potential magnitude of any misstatement. As part of our risk assessment, we considered the ICAV's interaction with the Administrator, and we assessed the control environment in place at the Administrator.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements of each of the ICAV's Sub-Funds as follows:

Overall materiality and how we determined it	50 basis points of Net Asset Value ("NAV") at 30 June 2018 for each of the ICAV's Sub-Funds.
Rationale for benchmark applied	We have applied this benchmark because the main objective of the ICAV is to provide investors with a total return at a Sub-Fund level, taking account of the capital and income returns.

We agreed with the Board of Directors that we would report to them misstatements identified during our audit above 5 basis points of each sub-fund's NAV, for NAV per share impacting differences as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Sub-Funds' ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Sub-Funds' ability to continue as going concerns.

Reporting on other information

The other information comprises all of the information in the Audited Annual Financial Statements other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information 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 we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

Based on the responsibilities described above and our work undertaken in the course of the audit, the Irish Collective Asset-management Vehicles Act 2015 requires us to also report the opinion as described below:

Directors' Report

- In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the period ended 30 June 2018 is consistent with the financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 7, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view.

The directors are also responsible for such internal control as they determine 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 directors are responsible for assessing the Sub-Funds' ability to continue as going concerns, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the ICAV or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives 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 auditors' 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 ISAs (Ireland) 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.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at:

https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf.

This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the shareholders of each of the Sub-Funds as a body in accordance with section 120 of the Irish Collective Asset-management Vehicles Act 2015 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Irish Collective Asset-management Vehicles Act 2015 exception reporting

Directors' remuneration

Under the Irish Collective Asset-management Vehicles Act 2015 we are required to report to you if, in our opinion, the disclosures of directors' remuneration specified by section 117 of that Act have not been made. We have no exceptions to report arising from this responsibility.

Appointment

We were appointed by the Board of Directors on 13 June 2017 to audit the financial statements for the period from 11 July 2017 to 30 June 2018 ended 30 June 2018 and subsequent financial periods. This is therefore our first uninterrupted engagement.

A handwritten signature in black ink, appearing to read 'Joanne Kelly', with a stylized flourish at the end.

Joanne Kelly
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin
22 October 2018

Franklin LibertyShares ICAV

Statement of Financial Position

As at 30 June 2018

Note	Franklin LibertyQ Emerging Markets UCITS ETF USD	Franklin LibertyQ European Dividend UCITS ETF EUR	Franklin Liberty Euro Short Maturity UCITS ETF EUR	Franklin LibertyQ Global Dividend UCITS ETF USD	Franklin LibertyQ Global Equity SRI UCITS ETF USD	Franklin LibertyQ U.S. Equity UCITS ETF USD	Franklin Liberty USD Investment Grade Corporate Bond UCITS ETF USD
	23,898,823	2,409,814	5,291,406	4,901,700	5,275,426	14,179,574	6,114,764
1(d), 7	69,505	1,623	734,719	3,785	21,454	79,689	89,743
8	107,981	11,327	53,480	12,568	12,680	1,437,449	62,661
	<u>24,076,289</u>	<u>2,422,764</u>	<u>6,080,150</u>	<u>4,918,053</u>	<u>5,309,560</u>	<u>15,696,712</u>	<u>6,267,168</u>
Current assets							
Financial assets at fair value through profit or loss:							
Transferable securities							
Unrealised gain on futures contracts							
Cash and cash equivalents							
Other receivables							
Total current assets							
Current liabilities							
Unrealised loss on futures contracts							
Other payables							
Total current liabilities excluding net assets attributable to holders of redeemable participating shares							
Net assets attributable to holders of redeemable participating shares ("Net Assets")							
	<u>24,066,375</u>	<u>2,422,256</u>	<u>5,506,502</u>	<u>4,915,387</u>	<u>5,307,053</u>	<u>14,277,256</u>	<u>6,266,868</u>

Robert Burke
Director

Frank Ennis
Director

Date: 22 October 2018

The accompanying notes are an integral part of the financial statements

Franklin LibertyShares ICAV

Statement of Comprehensive Income

For the period from 11 July 2017 (date of registration) to 30 June 2018

	Note	Franklin LibertyQ Emerging Markets UCITS ETF USD	Franklin LibertyQ European Dividend UCITS ETF EUR	Franklin Liberty Euro Short Maturity UCITS ETF EUR	Franklin LibertyQ Global Dividend UCITS ETF USD	Franklin LibertyQ Global Equity SRI UCITS ETF USD	Franklin LibertyQ U.S. Equity UCITS ETF USD	Franklin Liberty USD Investment Grade Corporate Bond UCITS ETF USD
Income								
Investment income	1(f)	535,392	121,991	898	167,196	132,504	241,245	2,797
Net gains/(loss) on financial assets/liabilities at fair value through profit or loss	1(b), 1(c), 4	(1,261,118)	(70,034)	2,915	(133,266)	162,592	820,110	14,371
Total investment income		(725,726)	51,957	3,813	33,930	295,096	1,061,355	17,168
Expenses								
Operating expenses	5	(24,741)	(5,054)	(205)	(18,820)	(17,396)	(21,869)	(300)
Net income		(750,467)	46,903	3,608	15,110	277,700	1,039,486	16,868
Finance costs								
Distributions to holders of redeemable participating shares	12	-	(103,265)	-	(119,989)	-	-	-
Taxation								
Withholding tax	1(j), 2	(25,386)	(7,081)	-	(20,075)	(16,587)	(32,028)	-
Net movement in Net assets attributable to holders of redeemable participating shares from operations		(775,853)	(63,443)	3,608	(124,954)	261,113	1,007,458	16,868

Gains and losses arose solely from continuing operations. There were no gains or losses other than those dealt with in the Statement of Comprehensive Income.

The accompanying notes are an integral part of the financial statements.

Franklin LibertyShares ICAV

Statement of Changes in Net assets attributable to holders of Redeemable Participating Shares

For the period from 11 July 2017 (date of registration) to 30 June 2018

	Franklin LibertyQ Emerging Markets UCITS ETF USD	Franklin LibertyQ European Dividend UCITS ETF EUR	Franklin Liberty Euro Short Maturity UCITS ETF EUR	Franklin LibertyQ Global Dividend UCITS ETF USD	Franklin LibertyQ Global Equity SRI UCITS ETF USD	Franklin LibertyQ U.S. Equity UCITS ETF USD	Franklin Liberty USD Investment Grade Corporate Bond UCITS ETF USD
Net assets attributable to holders of Redeemable Participating Shares at the beginning of the period	-	-	-	-	-	-	-
Net movement in Net assets attributable to holders of redeemable participating shares resulting from operations	(775,853)	(63,443)	3,608	(124,954)	261,113	1,007,458	16,868
Proceeds from the issuance of redeemable participating shares	24,842,228	2,485,699	5,502,894	5,040,341	5,045,940	13,269,798	6,250,000
Movement in net assets resulting from share transactions	24,842,228	2,485,699	5,502,894	5,040,341	5,045,940	13,269,798	6,250,000
Net assets attributable to holders of redeemable participating shares at the end of the period	24,066,375	2,422,256	5,506,502	4,915,387	5,307,053	14,277,256	6,266,868

The accompanying notes are an integral part of the financial statements.

Franklin LibertyShares ICAV

Franklin LibertyQ Emerging Markets UCITS ETF

Schedule of Investments as at 30 June 2018

Holding	Investment	Fair Value USD	% of Total Net Asset
	Transferable Securities: 99.30%		
	Equities: 99.30%		
	Bermuda: 0.32%		
35,000	Nine Dragons Paper Holdings Ltd	44,612	0.18
150,000	Sihuan Pharmaceutical Holdings Group Ltd	33,459	0.14
		<u>78,071</u>	<u>0.32</u>
	Brazil: 5.18%		
45,500	Ambev SA	212,635	0.89
35,000	BB Seguridade Participacoes SA	222,515	0.93
12,000	Cia de Saneamento Basico do Estado de Sao Paulo	72,641	0.30
50,500	Cielo SA	216,837	0.90
8,000	Engie Brasil Energia SA	71,175	0.30
3,000	IRB Brasil Resseguros S/A	37,701	0.16
88,000	Itausa - Investimentos Itau SA	209,970	0.87
3,500	M Dias Branco SA	34,023	0.14
14,500	Odontoprev SA	49,258	0.20
10,000	Telefonica Brasil SA	118,885	0.49
		<u>1,245,640</u>	<u>5.18</u>
	Cayman Islands: 5.22%		
17,500	AAC Technologies Holdings Inc	246,480	1.02
45,000	ANTA Sports Products Ltd	238,323	0.99
30,000	China Medical System Holdings Ltd	59,958	0.25
40,000	China Zhongwang Holdings Ltd	21,159	0.09
50,000	Dali Foods Group Co Ltd	38,557	0.16
25,000	Kingboard Laminates Holdings Ltd	30,878	0.13
50,000	Lee & Man Paper Manufacturing Ltd	50,603	0.21
62,500	Longfor Properties Co Ltd	168,489	0.70
20,000	Shenzhou International Group Holdings Ltd	246,895	1.03
1,545	YY Inc	155,226	0.64
		<u>1,256,568</u>	<u>5.22</u>
	Chile: 0.70%		
115,965	Aguas Andinas SA	63,541	0.26
1,069,875	Enel Chile SA	105,978	0.44
		<u>169,519</u>	<u>0.70</u>
	China: 5.92%		
485,000	Agricultural Bank of China Ltd	226,877	0.94
1,000	Anhui Conch Cement Co Ltd	5,055	0.02
190,000	Bank of Communications Co Ltd 'H' Shares	145,549	0.60
3,500	Bank of Communications Co Ltd 'A' Shares	3,032	0.01
1,500	Bank of Guiyang Co Ltd	2,798	0.01
325,000	China CITIC Bank Corp Ltd	203,398	0.85
110,000	China Everbright Bank Co Ltd	47,250	0.20
144,000	China Minsheng Banking Corp Ltd	102,969	0.43
77,500	China Shenhua Energy Co Ltd	183,936	0.76
2,500	China Yangtze Power Co Ltd	6,087	0.03
20,000	Chongqing Changan Automobile Co Ltd	20,216	0.08
140,000	Dongfeng Motor Group Co Ltd	148,111	0.62
4,800	Focus Media Information Technology Co Ltd	6,933	0.03
500	Foshan Haitian Flavouring & Food Co Ltd	5,554	0.02
130,000	Guangzhou Automobile Group Co Ltd	127,093	0.53
1,500	Heilan Home Co Ltd	2,882	0.01
1,000	Henan Shuanghui Investment & Development Co Ltd	3,986	0.02
3,500	Industrial Bank Co Ltd	7,607	0.03
1,000	Inner Mongolia Yili Industrial Group Co Ltd	4,214	0.02
50,000	Jiangsu Expressway Co Ltd	59,589	0.25
500	Shanghai International Airport Co Ltd	4,187	0.02
500	Shenzhen Salubris Pharmaceuticals Co Ltd	2,805	0.01
170,000	Sinopec Shanghai Petrochemical Co Ltd	103,576	0.43
		<u>1,423,704</u>	<u>5.92</u>

Franklin LibertyShares ICAV

Franklin LibertyQ Emerging Markets UCITS ETF (continued)

Schedule of Investments as at 30 June 2018 (continued)

Holding	Investment	Fair Value USD	% of Total Net Asset
	Transferable Securities: 99.30% (continued)		
	Equities: 99.30% (continued)		
	Czech Republic: 0.44%		
20,215	Moneta Money Bank AS	69,223	0.29
3,235	O2 Czech Republic AS	37,095	0.15
		<u>106,318</u>	<u>0.44</u>
	Egypt: 0.26%		
3,500	Eastern Tobacco	35,317	0.15
2,410	EISewedy Electric Co	26,890	0.11
		<u>62,207</u>	<u>0.26</u>
	Hong Kong: 1.02%		
27,500	China Mobile Ltd	244,314	1.02
		<u>244,314</u>	<u>1.02</u>
	Hungary: 0.63%		
15,755	MOL Hungarian Oil & Gas Plc	152,132	0.63
		<u>152,132</u>	<u>0.63</u>
	India: 13.30%		
3,305	Bajaj Auto Ltd	135,562	0.56
30,205	Bharat Petroleum Corp Ltd	164,570	0.68
34,935	Coal India Ltd	134,789	0.56
21,060	Dabur India Ltd	120,323	0.50
575	Eicher Motors Ltd	239,940	1.00
19,460	HCL Technologies Ltd	263,079	1.09
2,565	Hero MotoCorp Ltd	130,038	0.54
31,250	Hindustan Petroleum Corp Ltd	118,222	0.49
10,985	Hindustan Unilever Ltd	263,125	1.09
55,285	Indian Oil Corp Ltd	125,877	0.52
15,180	Infosys Ltd	289,621	1.21
2,500	InterGlobe Aviation Ltd	39,718	0.17
61,285	ITC Ltd	238,109	0.99
19,045	Marico Ltd	92,188	0.38
2,040	Maruti Suzuki India Ltd	262,778	1.09
595	Nestle India Ltd	85,193	0.35
2,720	Pidilite Industries Ltd	42,220	0.18
9,820	Tata Consultancy Services Ltd	264,831	1.11
19,985	Tech Mahindra Ltd	191,187	0.79
		<u>3,201,370</u>	<u>13.30</u>
	Indonesia: 3.99%		
337,000	Adaro Energy Tbk PT	42,096	0.17
469,500	Hanjaya Mandala Sampoerna Tbk PT	117,293	0.49
143,000	Matahari Department Store Tbk PT	87,816	0.36
313,000	Surya Citra Media Tbk PT	44,995	0.19
1,044,500	Telekomunikasi Indonesia Persero Tbk PT	273,334	1.14
77,000	Unilever Indonesia Tbk PT	247,711	1.03
66,500	United Tractors Tbk PT	146,643	0.61
		<u>959,888</u>	<u>3.99</u>
	Malaysia: 3.46%		
51,000	AirAsia Group Bhd	37,750	0.16
72,500	Astro Malaysia Holdings Bhd	28,537	0.12
9,000	British American Tobacco Malaysia Bhd	77,490	0.32
167,000	DiGi.Com Bhd	171,568	0.71
2,500	Fraser & Neave Holdings Bhd	24,149	0.10
55,000	Hartalega Holdings Bhd	81,557	0.34
2,500	Nestle Malaysia Bhd	91,286	0.38
109,000	Petronas Chemicals Group Bhd	226,932	0.94
8,500	Petronas Dagangan Bhd	52,185	0.22
48,500	Westports Holdings Bhd	40,702	0.17
		<u>832,156</u>	<u>3.46</u>

Franklin LibertyShares ICAV

Franklin LibertyQ Emerging Markets UCITS ETF (continued)

Schedule of Investments as at 30 June 2018 (continued)

Holding	Investment	Fair Value USD	% of Total Net Asset
Transferable Securities: 99.30% (continued)			
Equities: 99.30% (continued)			
Mexico: 2.14%			
14,215	Grupo Aeroportuario del Pacifico SAB de CV	132,989	0.55
63,275	Kimberly-Clark de Mexico SAB de CV	108,003	0.45
103,195	Wal-Mart de Mexico SAB de CV	274,896	1.14
		515,888	2.14
Pakistan: 0.34%			
5,250	Lucky Cement Ltd	21,957	0.09
16,500	MCB Bank Ltd	26,869	0.11
26,000	Oil & Gas Development Co Ltd	33,314	0.14
		82,140	0.34
Philippines: 0.53%			
161,500	DMCI Holdings Inc	31,775	0.13
1,275	Globe Telecom Inc	36,792	0.15
8,750	Manila Electric Co	58,303	0.25
		126,870	0.53
Poland: 0.14%			
1,690	Jastrzebska Spolka Weglowa SA	34,622	0.14
		34,622	0.14
Qatar: 1.42%			
2,095	Barwa Real Estate Co	19,678	0.08
6,750	Doha Bank QPSC	49,591	0.21
6,480	Industries Qatar QSC	190,432	0.79
1,580	Qatar Electricity & Water Co QSC	81,569	0.34
		341,270	1.42
Russia: 12.46%			
168,455	Alrosa PJSC	268,658	1.11
108,735	Gazprom PJSC	244,531	1.02
1,694,695	Inter RAO UES PJSC	110,813	0.46
3,645	LUKOIL PJSC	252,873	1.05
76,575	Magnitogorsk Iron & Steel Works PJSC	51,964	0.22
1,425	MMC Norilsk Nickel PJSC	259,058	1.08
24,230	Mobile TeleSystems PJSC	213,951	0.89
1,580	Novatek PJSC (United States listed)	234,314	0.97
395	Novatek PJSC (United Kingdom listed)	58,579	0.24
55,115	Novolipetsk Steel PJSC	133,466	0.55
4,804	PhosAgro PJSC (United States listed)	61,731	0.26
1,201	PhosAgro PJSC (United Kingdom listed)	15,433	0.06
640	Polyus PJSC	42,930	0.18
44,195	Rosneft Oil Co PJSC	279,220	1.16
4,387,840	RusHydro PJSC	47,278	0.20
12,685	Severstal PJSC	188,163	0.78
263,650	Surgutneftegas OJSC (non-voting rights)	132,976	0.55
243,135	Surgutneftegas OJSC (voting rights)	110,434	0.46
23,385	Tatneft PJSC	252,097	1.05
15	Transneft PJSC	39,807	0.17
		2,998,276	12.46
South Africa: 4.45%			
5,735	Clicks Group Ltd	82,233	0.34
8,825	Exxaro Resources Ltd	80,934	0.34
43,505	Fortress REIT Ltd	48,881	0.20
2,675	Kumba Iron Ore Ltd	57,527	0.24
12,685	Mr Price Group Ltd	209,401	0.87
15,255	RMB Holdings Ltd	84,354	0.35
8,770	Telkom SA SOC Ltd	31,378	0.13
6,550	Tiger Brands Ltd	158,371	0.66
21,130	Truworths International Ltd	119,091	0.49

Franklin LibertyShares ICAV

Franklin LibertyQ Emerging Markets UCITS ETF (continued)

Schedule of Investments as at 30 June 2018 (continued)

Holding	Investment	Fair Value USD	% of Total Net Asset
	Transferable Securities: 99.30% (continued)		
	Equities: 99.30% (continued)		
	South Africa: 4.45% (continued)		
22,275	Vodacom Group Ltd	199,555	0.83
		<u>1,071,725</u>	<u>4.45</u>
	South Korea: 13.33%		
10,010	BNK Financial Group Inc	83,978	0.35
2,460	Coway Co Ltd	191,149	0.79
7,515	DGB Financial Group Inc	69,115	0.29
5,985	Hana Financial Group Inc	230,110	0.96
3,060	Hankook Tire Co Ltd	115,591	0.48
3,330	Hanwha Chemical Corp	65,285	0.27
11,020	Hanwha Life Insurance Co Ltd	52,406	0.22
410	Hyundai Glovis Co Ltd	42,490	0.18
2,515	Hyundai Marine & Fire Insurance Co Ltd	76,048	0.32
11,625	Industrial Bank of Korea	160,633	0.67
4,910	Kangwon Land Inc	115,205	0.48
4,860	KB Financial Group Inc	230,245	0.95
2,745	KT&G Corp	263,539	1.09
315	LG Chem Ltd	56,952	0.24
3,030	LG Corp	196,019	0.81
8,595	LG Display Co Ltd	141,129	0.59
695	Lotte Chemical Corp	217,012	0.90
785	S-1 Corp	68,181	0.28
4,805	Samsung Electronics Co Ltd (voting rights)	201,125	0.84
1,000	Samsung Electronics Co Ltd (non-voting rights)	33,782	0.14
3,145	SK Hynix Inc	241,836	1.00
950	SK Telecom Co Ltd	198,609	0.83
1,590	S-Oil Corp	156,218	0.65
		<u>3,206,657</u>	<u>13.33</u>
	Taiwan: 13.08%		
200,000	AU Optronics Corp	84,622	0.35
20,000	Catcher Technology Co Ltd	223,691	0.93
20,000	Chicony Electronics Co Ltd	45,066	0.19
70,000	Chunghwa Telecom Co Ltd	252,554	1.05
70,000	Far EasTone Telecommunications Co Ltd	180,921	0.75
15,000	Feng TAY Enterprise Co Ltd	75,274	0.31
65,000	Formosa Chemicals & Fibre Corp	259,033	1.08
55,000	Formosa Petrochemical Corp	220,985	0.92
70,000	Formosa Plastics Corp	258,294	1.07
25,000	Micro-Star International Co Ltd	77,242	0.32
85,000	Nan Ya Plastics Corp	243,108	1.01
45,000	Nanya Technology Corp	122,800	0.51
7,000	Nien Made Enterprise Co Ltd	59,809	0.25
25,000	Novatek Microelectronics Corp	112,747	0.47
7,000	Phison Electronics Corp	55,332	0.23
25,000	President Chain Store Corp	283,305	1.18
70,000	Taiwan Mobile Co Ltd	253,702	1.05
35,000	Taiwan Semiconductor Manufacturing Co Ltd	248,536	1.03
40,000	Vanguard International Semiconductor Corp	91,576	0.38
		<u>3,148,597</u>	<u>13.08</u>
	Thailand: 5.69%		
42,500	Advanced Info Service PCL	237,322	0.99
115,000	Airports of Thailand PCL	218,684	0.91
15,000	Bumrungrad Hospital PCL	75,385	0.31
58,000	Central Pattana PCL	122,110	0.51
20,500	Delta Electronics Thailand PCL	36,198	0.15
19,500	Glow Energy PCL	55,769	0.23
77,500	PTT Global Chemical PCL	170,767	0.71
141,500	PTT PCL	205,011	0.85
8,000	Siam Cement PCL (voting rigths)	99,487	0.41

Franklin LibertyShares ICAV

Franklin LibertyQ Emerging Markets UCITS ETF (continued)

Schedule of Investments as at 30 June 2018 (continued)

Holding	Investment	Fair Value USD	% of Total Net Asset
	Transferable Securities: 99.30% (continued)		
	Equities: 99.30% (continued)		
	Thailand: 5.69% (continued)		
3,000	Siam Cement PCL (non-voting rights)	37,489	0.16
47,000	Thai Oil PCL	110,300	0.46
		1,368,522	5.69
	Turkey: 3.37%		
6,025	Aselsan Elektronik Sanayi Ve Ticaret AS	30,433	0.13
10,020	BIM Birlesik Magazalar AS	146,870	0.61
68,515	Eregli Demir ve Celik Fabrikalari TAS	152,548	0.63
3,810	Ford Otomotiv Sanayi AS	50,981	0.21
30,445	Petkim Petrokimya Holding AS	32,165	0.13
8,500	TAV Havalimanlari Holding AS	41,635	0.17
5,640	Tofas Turk Otomobil Fabrikasi AS	29,621	0.12
6,755	Tupras Turkiye Petrol Rafinerileri AS	159,246	0.67
23,530	Turkcell Iletisim Hizmetleri AS	62,508	0.26
22,020	Turkiye Halk Bankasi AS	35,569	0.15
56,405	Turkiye Is Bankasi AS	70,180	0.29
		811,756	3.37
	United Arab Emirates: 1.91%		
150,345	Aldar Properties PJSC	82,680	0.34
72,075	Dubai Islamic Bank PJSC	95,560	0.40
19,175	Emaar Development PJSC	26,415	0.11
58,215	Emirates Telecommunications Group Co PJSC	255,958	1.06
		460,613	1.91
	Total Equities	23,898,823	99.30
	Total Transferable Securities	23,898,823	99.30
	Financial Derivative Instruments: (0.01)%		
	Futures contracts: (0.01)%		
Notional Amount USD	Average Cost Price USD	Unrealised Loss USD	% of Total Net Asset
109,315	1,093.15	2 of MSCI Emgmkt Long Futures Contracts Expiring September 2018	(0.01)
		Net unrealised loss on futures contracts	(0.01)
		Total Financial Derivative Instruments	(0.01)
		Fair Value USD	% of Total Net Asset
	Portfolio of Investments	23,895,838	99.29
	Other Net Assets	170,537	0.71
	Net Assets	24,066,375	100.00
Analysis of Total Assets			% of Total Assets
Transferable securities admitted to an official stock exchange listing			99.26
Other Current Assets			0.74
Total Assets			100.00

Country classifications are based upon country of incorporation and/or country of domicile.

The counterparty for the futures contracts is J.P. Morgan. The value of margin cash at broker as at 30 June 2018 is USD 10,038.

Franklin LibertyShares ICAV

Franklin LibertyQ European Dividend UCITS ETF

Schedule of Investments as at 30 June 2018

Holding	Investment	Fair Value EUR	% of Total Net Asset
	Transferable Securities: 99.49%		
	Equities: 99.49%		
	Austria: 0.84%		
521	Oesterreichische Post AG	20,371	0.84
		<u>20,371</u>	<u>0.84</u>
	Belgium: 1.73%		
2,164	Proximus SADP	41,787	1.73
		<u>41,787</u>	<u>1.73</u>
	Denmark: 1.27%		
1,531	Tryg A/S	30,781	1.27
		<u>30,781</u>	<u>1.27</u>
	Finland: 10.32%		
1,801	Elisa OYJ	71,446	2.95
1,410	Nokian Renkaat OYJ	47,714	1.97
1,897	Orion OYJ	43,802	1.81
1,712	Sampo OYJ	71,561	2.95
560	Tieto OYJ	15,546	0.64
		<u>250,069</u>	<u>10.32</u>
	France: 4.98%		
1,540	SCOR SE	49,003	2.02
1,372	TOTAL SA	71,632	2.96
		<u>120,635</u>	<u>4.98</u>
	Germany: 12.25%		
391	Allianz SE	69,215	2.86
1,065	Freenet AG	24,165	1.00
655	Hannover Rueck SE	69,954	2.89
954	HUGO BOSS AG	74,183	3.05
2,729	ProSiebenSat.1 Media SE	59,301	2.45
		<u>296,818</u>	<u>12.25</u>
	Gibraltar: 0.72%		
5,690	888 Holdings Plc	17,347	0.72
		<u>17,347</u>	<u>0.72</u>
	Italy: 1.41%		
982	Banca Generali SpA	20,956	0.87
2,250	Banca Mediolanum SpA	13,061	0.54
		<u>34,017</u>	<u>1.41</u>
	Norway: 4.80%		
624	Atea ASA	7,698	0.32
4,150	Telenor ASA	72,895	3.01
1,129	TGS NOPEC Geophysical Co ASA	35,593	1.47
		<u>116,186</u>	<u>4.80</u>
	Spain: 8.11%		
1,126	Bolsas y Mercados Espanoles SHMSF SA	31,843	1.31
3,376	Endesa SA	63,790	2.63
9,917	Mapfre SA	25,635	1.06
4,315	Red Electrica Corp SA	75,254	3.11
		<u>196,522</u>	<u>8.11</u>

Franklin LibertyShares ICAV

Franklin LibertyQ European Dividend UCITS ETF (continued)

Schedule of Investments as at 30 June 2018 (continued)

Holding	Investment	Fair Value EUR	% of Total Net Asset
Transferable Securities: 99.49% (continued)			
Equities: 99.49% (continued)			
Sweden: 11.92%			
1,969	Axfood AB	32,481	1.34
414	Modern Times Group MTG AB	14,856	0.61
932	NCC AB	13,291	0.55
202	Nolato AB	13,983	0.58
8,676	Nordea Bank AB	71,668	2.96
7,729	Svenska Handelsbanken AB	73,671	3.04
17,552	Telia Co AB	68,831	2.84
		288,781	11.92
Switzerland: 6.46%			
1,029	GAM Holding AG	12,160	0.50
193	Swisscom AG	73,783	3.05
278	Zurich Insurance Group AG	70,524	2.91
		156,467	6.46
United Kingdom: 34.68%			
3,333	Admiral Group Plc	71,892	2.97
5,893	Ashmore Group Plc	24,856	1.03
1,209	AstraZeneca Plc	71,815	2.96
10,019	BAE Systems Plc	73,278	3.03
44,337	Centrica Plc	79,038	3.26
1,352	Close Brothers Group Plc	22,718	0.94
5,500	Electrocomponents Plc	47,143	1.95
4,362	GlaxoSmithKline Plc	75,457	3.12
6,573	IG Group Holdings Plc	63,995	2.64
2,345	Imperial Brands Plc	74,831	3.09
3,831	Inmarsat Plc	23,826	0.98
38,319	ITV Plc	75,395	3.11
17,993	Marks & Spencer Group Plc	60,042	2.48
4,588	SSE Plc	70,298	2.90
4,589	TalkTalk Telecom Group Plc	5,449	0.22
		840,033	34.68
Total Equities		2,409,814	99.49
Total Transferable Securities		2,409,814	99.49
Portfolio of Investments		2,409,814	99.49
Other Net Assets		12,442	0.51
Net Assets		2,422,256	100.00
Analysis of Total Assets			% of Total Assets
Transferable securities admitted to an official stock exchange listing			99.47
Other Current Assets			0.53
Total Assets			100.00

Country classifications are based upon country of incorporation and/or country of domicile.

Franklin LibertyShares ICAV

Franklin Liberty Euro Short Maturity UCITS ETF

Schedule of Investments as at 30 June 2018

Holding	Investment	Fair Value EUR	% of Total Net Asset
	Transferable Securities: 96.09%		
	Corporate Bonds: 27.93%		
	Australia: 3.74%		
100,000	APT Pipelines Ltd 1.38% 22/03/2022	102,968	1.87
100,000	Origin Energy Finance Ltd 4.00% 16/09/2074	102,957	1.87
		205,925	3.74
	Canada 3.72%:		
200,000	Bank of Nova Scotia 0.75% 17/09/2021	204,988	3.72
		204,988	3.72
	France: 1.86%		
100,000	TOTAL SA 2.25% Perp.	102,309	1.86
		102,309	1.86
	Italy: 1.88%		
100,000	Intesa Sanpaolo SpA 2.75% 20/03/2020	103,352	1.88
		103,352	1.88
	Mexico: 1.79%		
100,000	America Movil SAB de CV 0.00% 28/05/2020	98,375	1.79
		98,375	1.79
	Netherlands: 1.84%		
100,000	Bharti Airtel International Netherlands BV 4.00% 10/12/2018	101,536	1.84
		101,536	1.84
	Spain: 1.89%		
100,000	Telefonica Emisiones SAU 1.48% 14/09/2021	103,904	1.89
		103,904	1.89
	United Kingdom: 3.78%		
200,000	Lloyds Bank Plc 1.38% 16/04/2021	208,219	3.78
		208,219	3.78
	United States: 7.43%		
100,000	Citigroup Inc 0.18% 21/03/2023	99,726	1.82
100,000	Johnson & Johnson 0.25% 20/01/2022	100,820	1.83
100,000	JPMorgan Chase & Co 3.88% 23/09/2020	108,669	1.97
100,000	Toyota Motor Credit Corp 0.00% 21/07/2021	99,875	1.81
		409,090	7.43
	Total Corporate Bonds	1,537,698	27.93
	Government Bonds: 68.16%		
	Belgium: 11.94%		
550,000	Kingdom of Belgium Government Bond 4.25% 28/09/2022	657,527	11.94
		657,527	11.94
	France: 1.83%		
100,000	SNCF Reseau EPIC 0.10% 27/05/2021	100,968	1.83
		100,968	1.83
	Iceland: 1.84%		
100,000	Iceland Government International Bond 0.50% 20/12/2022	101,164	1.84
		101,164	1.84

Franklin LibertyShares ICAV

Franklin Liberty Euro Short Maturity UCITS ETF (continued)

Schedule of Investments as at 30 June 2018 (continued)

Schedule of Investments as at 30 June 2018 (continued)			Fair Value EUR	% of Total Net Asset
Holding	Investment			
	Transferable Securities: 96.09% (continued)			
	Corporate Bonds: 27.93% (continued)			
	Indonesia: 3.85%			
200,000	Indonesia Government International Bond 2.88% 08/07/2021		212,598	3.85
			212,598	3.85
	Italy: 20.21%			
600,000	Italy Buoni Poliennali Del Tesoro 0.20% 15/10/2020		591,274	10.73
500,000	Italy Buoni Poliennali Del Tesoro 4.25% 01/09/2019		521,810	9.48
			1,113,084	20.21
	Latvia: 3.69%			
200,000	Latvia Government International Bond 0.50% 15/12/2020		202,915	3.69
			202,915	3.69
	Mexico: 3.79%			
200,000	Mexico Government International Bond 1.88% 23/02/2022		208,491	3.79
			208,491	3.79
	Netherlands: 10.99%			
550,000	Netherlands Government Bond 1.75% 15/07/2023		605,156	10.99
			605,156	10.99
	Spain: 10.02%			
550,000	Spain Government Bond 0.05% 31/01/2021		551,805	10.02
			551,805	10.02
	Total Government Bonds		3,753,708	68.16
	Total Transferable Securities		5,291,406	96.09
	Financial Derivative Instruments: 0.01%			
	Futures contracts: 0.01%			
Notional Amount EUR	Average Cost Price EUR		Unrealised Profit EUR	% of Total Net Asset
(1,850)	132.17	14 of Euro-Bobl Short Futures Contracts Expiring September 2018	170	0.00
(2,802)	112.09	25 of Euro-Schatz Short Futures Contracts Expiring September 2018	375	0.01
		Net unrealised gain on futures contracts	545	0.01
		Total Financial Derivative Instruments	545	0.01
			Fair Value EUR	% of Total Net Asset
	Portfolio of Investments		5,291,951	96.10
	Other Net Assets		214,551	3.90
	Net Assets		5,506,502	100.00

Analysis of Total Assets	% of Total Assets
Transferable securities admitted to an official stock exchange listing	87.03
Exchange-Traded Derivative Instruments	0.01
Other Current Assets	12.96
Total Assets	100.00

Country classifications are based upon country of incorporation and/or country of domicile.

The counterparty for the futures contracts is J.P. Morgan. The value of margin cash at broker as at 30 June 2018 is EUR 25,243.

Franklin LibertyShares ICAV

Franklin LibertyQ Global Dividend UCITS ETF

Schedule of Investments as at 30 June 2018

Holding	Investment	Fair Value USD	% of Total Net Asset
	Transferable Securities: 99.72%		
	Equities: 99.72%		
	Australia: 10.28%		
3,409	Amcor Ltd	36,295	0.74
5,137	Brambles Ltd	33,704	0.69
1,613	Challenger Ltd	14,099	0.29
1,890	Commonwealth Bank of Australia	101,758	2.06
163	Flight Centre Travel Group Ltd	7,666	0.16
3,826	National Australia Bank Ltd	77,484	1.58
14,155	Telstra Corp Ltd	27,401	0.56
2,931	Wesfarmers Ltd	106,891	2.16
4,623	Westpac Banking Corp	100,080	2.04
		<u>505,378</u>	<u>10.28</u>
	Belgium: 0.22%		
479	Proximus SADP	10,799	0.22
		<u>10,799</u>	<u>0.22</u>
	Brazil: 1.77%		
8,300	Itau Unibanco Holding SA	87,026	1.77
		<u>87,026</u>	<u>1.77</u>
	Canada: 8.67%		
1,602	Bank of Nova Scotia	90,656	1.84
1,109	Canadian Imperial Bank of Commerce	96,412	1.96
702	CI Financial Corp	12,610	0.26
282	IGM Financial Inc	8,170	0.17
1,282	Royal Bank of Canada	96,473	1.96
420	TELUS Corp	14,910	0.30
1,706	Toronto-Dominion Bank	98,681	2.01
227	Vermilion Energy Inc	8,181	0.17
		<u>426,093</u>	<u>8.67</u>
	Cayman Islands: 1.04%		
2,000	ANTA Sports Products Ltd	10,592	0.22
7,600	Sands China Ltd	40,638	0.82
		<u>51,230</u>	<u>1.04</u>
	China: 0.21%		
2,900	China Vanke Co Ltd	10,146	0.20
100	Henan Shuanghui Investment & Development Co Ltd	399	0.01
		<u>10,545</u>	<u>0.21</u>
	Denmark: 0.21%		
440	Tryg A/S	10,329	0.21
		<u>10,329</u>	<u>0.21</u>
	Finland: 1.67%		
408	Elisa OYJ	18,897	0.38
969	Kone OYJ	49,396	1.01
344	Nokian Renkaat OYJ	13,591	0.28
		<u>81,884</u>	<u>1.67</u>
	France: 2.10%		
1,286	Sanofi	103,076	2.10
		<u>103,076</u>	<u>2.10</u>
	Germany: 2.72%		
524	Deutsche Boerse AG	69,836	1.42
152	Hannover Rueck SE	18,954	0.39
261	HUGO BOSS AG	23,696	0.48
836	ProSiebenSat.1 Media SE	21,210	0.43
		<u>133,696</u>	<u>2.72</u>

Franklin LibertyShares ICAV

Franklin LibertyQ Global Dividend UCITS ETF (continued)

Schedule of Investments as at 30 June 2018 (continued)

Holding	Investment	Fair Value USD	% of Total Net Asset
Transferable Securities: 99.72% (continued)			
Equities: 99.72% (continued)			
Indonesia: 0.39%			
73,900	Telekomunikasi Indonesia Persero Tbk PT	19,339	0.39
		19,339	0.39
Ireland: 0.97%			
845	Seagate Technology Plc	47,717	0.97
		47,717	0.97
Japan: 3.47%			
400	Daito Trust Construction Co Ltd	65,039	1.32
100	Lawson Inc	6,247	0.13
3,900	NTT DOCOMO Inc	99,379	2.02
		170,665	3.47
Malaysia: 0.15%			
200	Nestle Malaysia Bhd	7,303	0.15
		7,303	0.15
Mexico: 0.16%			
4,514	Kimberly-Clark de Mexico SAB de CV	7,705	0.16
		7,705	0.16
Netherlands: 5.44%			
848	LyondellBasell Industries NV	93,153	1.90
3,528	RELX NV	75,236	1.53
1,771	Unilever NV	98,806	2.01
		267,195	5.44
Norway: 0.65%			
1,560	Telenor ASA	31,993	0.65
		31,993	0.65
Qatar: 0.94%			
1,108	Qatar National Bank QPSC	46,255	0.94
		46,255	0.94
Singapore: 1.44%			
6,200	ComfortDelGro Corp Ltd	10,686	0.22
2,100	SATS Ltd	7,701	0.16
20,800	Singapore Telecommunications Ltd	46,984	0.95
400	Venture Corp Ltd	5,234	0.11
		70,605	1.44
South Africa: 2.66%			
1,422	Barclays Africa Group Ltd	16,599	0.34
10,049	FirstRand Ltd	46,842	0.94
756	Mr Price Group Ltd	12,480	0.25
1,910	Rand Merchant Investment Holdings Ltd	5,219	0.11
2,728	RMB Holdings Ltd	15,085	0.31
4,285	Sanlam Ltd	21,906	0.45
400	SPAR Group Ltd	5,411	0.11
1,319	Truworths International Ltd	7,434	0.15
		130,976	2.66
Spain: 0.39%			
938	Red Electrica Corp SA	19,100	0.39
		19,100	0.39

Franklin LibertyShares ICAV

Franklin LibertyQ Global Dividend UCITS ETF (continued)

Schedule of Investments as at 30 June 2018 (continued)

Holding	Investment	Fair Value USD	% of Total Net Asset
Transferable Securities: 99.72% (continued)			
Equities: 99.72% (continued)			
Sweden: 2.97%			
1,337	Atlas Copco AB	35,069	0.71
1,337	Epiroc AB	12,255	0.25
3,963	Hennes & Mauritz AB	59,139	1.21
965	Investor AB	39,362	0.80
		145,825	2.97
Switzerland: 6.94%			
335	Garmin Ltd	20,435	0.42
1,300	Novartis AG	98,559	2.00
445	Roche Holding AG	98,842	2.00
11	SGS SA	29,268	0.60
318	Zurich Insurance Group AG	94,188	1.92
		341,292	6.94
Taiwan: 0.20%			
1,000	Feng TAY Enterprise Co Ltd	5,018	0.11
2,000	Vanguard International Semiconductor Corp	4,579	0.09
		9,597	0.20
United Kingdom: 6.56%			
7,412	BAE Systems Plc	63,294	1.29
24,213	BT Group Plc	69,625	1.42
2,683	Direct Line Insurance Group Plc	12,146	0.25
12,407	Legal & General Group Plc	43,572	0.89
3,848	Marks & Spencer Group Plc	14,992	0.31
883	Smiths Group Plc	19,795	0.40
1,788	Unilever Plc	98,956	2.00
		322,380	6.56
United States: 37.50%			
939	AbbVie Inc	86,998	1.77
1,803	Altria Group Inc	102,392	2.08
532	Clorox Co	71,953	1.46
389	Darden Restaurants Inc	41,646	0.85
1,221	Eli Lilly & Co	104,187	2.12
1,237	Emerson Electric Co	85,526	1.74
1,251	General Mills Inc	55,369	1.13
528	H&R Block Inc	12,028	0.24
345	Hasbro Inc	31,847	0.65
1,839	Intel Corp	91,417	1.86
688	International Business Machines Corp	96,114	1.96
811	Johnson & Johnson	98,407	2.00
958	Kimberly-Clark Corp	100,916	2.05
1,177	Las Vegas Sands Corp	89,876	1.83
393	Leggett & Platt Inc	17,544	0.36
309	Lockheed Martin Corp	91,288	1.86
969	Maxim Integrated Products Inc	56,842	1.16
618	McDonald's Corp	96,834	1.97
1,709	Merck & Co Inc	103,735	2.11
1,190	Paychex Inc	81,337	1.65
1,246	Philip Morris International Inc	100,602	2.05
1,350	Procter & Gamble Co	105,380	2.13
1,282	Sysco Corp	87,548	1.78
726	Tapestry Inc	33,911	0.69
		1,843,697	37.50
Total Equities		4,901,700	99.72
Total Transferable Securities		4,901,700	99.72
Portfolio of Investments		4,901,700	99.72
Other Net Assets		13,687	0.28
Net Assets		4,915,387	100.00

Franklin LibertyShares ICAV

Franklin LibertyQ Global Dividend UCITS ETF (continued)

Schedule of Investments as at 30 June 2018 (continued)

Analysis of Total Assets	% of Total Assets
Transferable securities admitted to an official stock exchange listing	99.67
Other Current Assets	0.33
Total Assets	100.00

Country classifications are based upon country of incorporation and/or country of domicile.

Franklin LibertyShares ICAV

Franklin LibertyQ Global Equity SRI UCITS ETF

Schedule of Investments as at 30 June 2018

Holding	Investment	Fair Value USD	% of Total Net Asset
	Transferable Securities: 99.40%		
	Equities: 99.40%		
	Australia: 4.99%		
245	ASX Ltd	11,656	0.22
3,841	Aurizon Holdings Ltd	12,288	0.23
585	BlueScope Steel Ltd	7,460	0.14
3,531	Brambles Ltd	23,167	0.44
564	Coca-Cola Amatil Ltd	3,834	0.07
2,064	Dexus	14,808	0.28
3,664	GPT Group	13,698	0.26
2,180	Insurance Australia Group Ltd	13,739	0.26
234	Ramsay Health Care Ltd	9,333	0.18
1,625	Wesfarmers Ltd	59,263	1.12
2,487	Westpac Banking Corp	53,839	1.01
1,578	Woodside Petroleum Ltd	41,343	0.78
		<u>264,428</u>	<u>4.99</u>
	Austria: 0.26%		
247	OMV AG	14,007	0.26
		<u>14,007</u>	<u>0.26</u>
	Brazil: 0.37%		
1,400	Cielo SA	6,011	0.11
300	Cosan SA Industria e Comercio	2,743	0.05
700	EDP - Energias do Brasil SA	2,524	0.05
400	Engie Brasil Energia SA	3,559	0.07
400	Telefonica Brasil SA	4,755	0.09
		<u>19,592</u>	<u>0.37</u>
	Canada: 6.07%		
700	Bank of Montreal	54,076	1.01
834	Bank of Nova Scotia	47,195	0.89
616	Canadian Imperial Bank of Commerce	53,553	1.01
653	Canadian National Railway Co	53,379	1.01
118	Canadian Tire Corp Ltd	15,393	0.29
375	CGI Group Inc	23,749	0.45
245	First Capital Realty Inc	3,848	0.07
421	Gildan Activewear Inc	11,851	0.22
446	Metro Inc	15,152	0.29
663	Rogers Communications Inc	31,470	0.59
491	Teck Resources Ltd	12,500	0.24
		<u>322,166</u>	<u>6.07</u>
	Cayman Islands: 0.75%		
2,000	Chailease Holding Co Ltd	6,560	0.12
8,000	Geely Automobile Holdings Ltd	20,751	0.40
1,000	Shenzhou International Group Holdings Ltd	12,345	0.23
		<u>39,656</u>	<u>0.75</u>
	Chile: 0.05%		
4,500	Aguas Andinas SA	2,466	0.05
		<u>2,466</u>	<u>0.05</u>
	China: 0.26%		
11,400	China Minsheng Banking Corp Ltd	8,152	0.15
6,000	Guangzhou Automobile Group Co Ltd	5,866	0.11
		<u>14,018</u>	<u>0.26</u>
	Czech Republic: 0.09%		
116	Komerční banka as	4,870	0.09
		<u>4,870</u>	<u>0.09</u>

Franklin LibertyShares ICAV

Franklin LibertyQ Global Equity SRI UCITS ETF (continued)

Schedule of Investments as at 30 June 2018 (continued)

Holding	Investment	Fair Value USD	% of Total Net Asset
Transferable Securities: 99.40% (continued)			
Equities: 99.40% (continued)			
Denmark: 2.13%			
279	Coloplast A/S	27,885	0.53
1,109	Novo Nordisk A/S	51,440	0.96
249	Novozymes A/S	12,630	0.24
303	Pandora A/S	21,167	0.40
		<u>113,122</u>	<u>2.13</u>
Finland: 0.36%			
85	Orion OYJ	2,291	0.04
471	UPM-Kymmene OYJ	16,839	0.32
		<u>19,130</u>	<u>0.36</u>
France: 2.95%			
2,002	AXA SA	49,121	0.92
142	Cie Generale des Etablissements Michelin SCA	17,292	0.33
356	CNP Assurances	8,101	0.15
230	L'Oreal SA	56,795	1.07
52	Societe BIC SA	4,821	0.09
93	Unibail-Rodamco-Westfield	20,473	0.39
		<u>156,603</u>	<u>2.95</u>
Germany: 1.20%			
238	Allianz SE	49,190	0.93
130	Henkel AG & Co KGaA	14,457	0.27
		<u>63,647</u>	<u>1.20</u>
Hong Kong: 0.54%			
4,500	BOC Hong Kong Holdings Ltd	21,194	0.40
2,000	Swire Properties Ltd	7,393	0.14
		<u>28,587</u>	<u>0.54</u>
Hungary: 0.16%			
856	MOL Hungarian Oil & Gas Plc	8,266	0.16
		<u>8,266</u>	<u>0.16</u>
India: 3.00%			
1,349	Bharat Petroleum Corp Ltd	7,350	0.14
472	Dabur India Ltd	2,697	0.05
1,163	HCL Technologies Ltd	15,723	0.30
2,658	Infosys Ltd ADR	51,645	0.96
400	Infosys Ltd	7,632	0.14
40	Nestle India Ltd	5,727	0.11
2,058	Tata Consultancy Services Ltd	55,501	1.05
414	Titan Co Ltd	5,308	0.10
2,050	Wipro Ltd	7,824	0.15
		<u>159,407</u>	<u>3.00</u>
Indonesia: 0.11%			
9,300	Bank Negara Indonesia Persero Tbk PT	4,575	0.09
2,100	Indofood CBP Sukses Makmur Tbk PT	1,297	0.02
		<u>5,872</u>	<u>0.11</u>
Ireland: 1.29%			
355	Accenture Plc	58,074	1.10
133	Allegion Plc	10,289	0.19
		<u>68,363</u>	<u>1.29</u>
Israel: 0.24%			
1,898	Bank Hapoalim BM	12,833	0.24
		<u>12,833</u>	<u>0.24</u>

Franklin LibertyShares ICAV

Franklin LibertyQ Global Equity SRI UCITS ETF (continued)

Schedule of Investments as at 30 June 2018 (continued)

Holding	Investment	Fair Value USD	% of Total Net Asset
Transferable Securities: 99.40% (continued)			
Equities: 99.40% (continued)			
Italy: 1.24%			
1,085	Assicurazioni Generali SpA	18,204	0.34
15,373	Intesa Sanpaolo SpA (voting rights)	44,629	0.84
1,022	Intesa Sanpaolo SpA (non-voting rights)	3,100	0.06
		<u>65,933</u>	<u>1.24</u>
Japan: 9.57%			
2,300	Asahi Kasei Corp	29,237	0.55
3,800	Astellas Pharma Inc	57,944	1.09
1,000	Daiwa House Industry Co Ltd	34,090	0.64
200	Hitachi Chemical Co Ltd	4,036	0.08
400	Hitachi Metals Ltd	4,153	0.08
400	Kaneka Corp	3,586	0.07
800	Kao Corp	61,029	1.14
2,000	KDDI Corp	54,728	1.03
1,500	Komatsu Ltd	42,902	0.81
300	Murata Manufacturing Co Ltd	50,431	0.95
300	Nitto Denko Corp	22,705	0.43
2,100	NTT DOCOMO Inc	53,512	1.01
1,400	Obayashi Corp	14,573	0.27
200	Omron Corp	9,335	0.18
800	Sekisui Chemical Co Ltd	13,636	0.26
1,200	Sekisui House Ltd	21,234	0.40
300	Stanley Electric Co Ltd	10,238	0.19
1,000	Sumitomo Chemical Co Ltd	5,670	0.11
100	Sysmex Corp	9,335	0.18
300	Teijin Ltd	5,504	0.10
		<u>507,878</u>	<u>9.57</u>
Jersey: 0.55%			
362	Ferguson Plc	29,393	0.55
		<u>29,393</u>	<u>0.55</u>
Malaysia: 1.00%			
3,500	Astro Malaysia Holdings Bhd	1,378	0.03
8,600	DiGi.Com Bhd	8,835	0.17
800	HAP Seng Consolidated Bhd	1,941	0.04
6,100	Malayan Banking Bhd	13,591	0.25
3,600	Maxis Bhd	4,866	0.09
100	Nestle Malaysia Bhd	3,651	0.07
400	Petronas Dagangan Bhd	2,456	0.05
2,500	Public Bank Bhd	14,457	0.26
700	Top Glove Corp Bhd	2,104	0.04
		<u>53,279</u>	<u>1.00</u>
Mexico: 0.22%			
352	Grupo Aeroportuario del Sureste SAB de CV	5,648	0.11
3,459	Kimberly-Clark de Mexico SAB de CV	5,904	0.11
		<u>11,552</u>	<u>0.22</u>
Netherlands: 0.71%			
1,767	RELX NV	37,682	0.71
		<u>37,682</u>	<u>0.71</u>
New Zealand: 0.13%			
854	Ryman Healthcare Ltd	6,921	0.13
		<u>6,921</u>	<u>0.13</u>
Norway: 0.38%			
642	Orkla ASA	5,624	0.11
698	Telenor ASA	14,315	0.27
		<u>19,939</u>	<u>0.38</u>

Franklin LibertyShares ICAV

Franklin LibertyQ Global Equity SRI UCITS ETF (continued)

Schedule of Investments as at 30 June 2018 (continued)

Holding	Investment	Fair Value USD	% of Total Net Asset
Transferable Securities: 99.40% (continued)			
Equities: 99.40% (continued)			
Portugal: 0.09%			
321	Jeronimo Martins SGPS SA	4,636	0.09
		<u>4,636</u>	<u>0.09</u>
Russia: 0.56%			
68,485	Inter RAO UES PJSC	4,478	0.08
169	Novatek PJSC	25,063	0.48
		<u>29,541</u>	<u>0.56</u>
Singapore: 1.09%			
2,100	CapitaLand Mall Trust	3,188	0.06
2,400	DBS Group Holdings Ltd	46,838	0.88
1,000	Singapore Airlines Ltd	7,840	0.15
		<u>57,866</u>	<u>1.09</u>
South Africa: 1.30%			
1,113	Barclays Africa Group Ltd	12,992	0.23
206	Clicks Group Ltd	2,954	0.06
2,912	FirstRand Ltd	13,574	0.25
327	Foschini Group Ltd	4,151	0.08
68	Kumba Iron Ore Ltd	1,462	0.03
528	Mr Price Group Ltd	8,716	0.16
1,589	RMB Holdings Ltd	8,787	0.17
339	SPAR Group Ltd	4,586	0.09
1,336	Vodacom Group Ltd	11,969	0.23
		<u>69,191</u>	<u>1.30</u>
South Korea: 2.12%			
109	Coway Co Ltd	8,470	0.16
340	DGB Financial Group Inc	3,127	0.06
150	Hankook Tire Co Ltd	5,666	0.11
117	Hyundai Marine & Fire Insurance Co Ltd	3,538	0.07
621	KB Financial Group Inc	29,419	0.55
17	LG Chem Ltd	3,074	0.06
169	LG Corp	10,933	0.21
365	LG Display Co Ltd	5,993	0.11
629	Shinhan Financial Group Co Ltd	24,438	0.46
56	SK Innovation Co Ltd	10,150	0.19
78	S-Oil Corp	7,664	0.14
		<u>112,472</u>	<u>2.12</u>
Spain: 2.01%			
373	Enagas SA	10,905	0.21
1,657	Industria de Diseno Textil SA	56,607	1.07
809	Red Electrica Corp SA	16,473	0.31
1,124	Repsol SA (voting rights)	22,001	0.41
1,124	Repsol SA (non-voting rights)	638	0.01
		<u>106,624</u>	<u>2.01</u>
Sweden: 0.87%			
290	Boliden AB	9,420	0.18
144	ICA Gruppen AB	4,422	0.08
2,227	Skandinaviska Enskilda Banken AB	21,199	0.40
605	Skanska AB	11,010	0.21
		<u>46,051</u>	<u>0.87</u>
Switzerland: 3.26%			
89	Kuehne & Nagel International AG	13,373	0.25
237	Roche Holding AG	52,641	1.00
455	Swiss Re AG	39,270	0.74
35	Swisscom AG	15,622	0.29
577	TE Connectivity Ltd	51,965	0.98
		<u>172,871</u>	<u>3.26</u>

Franklin LibertyShares ICAV

Franklin LibertyQ Global Equity SRI UCITS ETF (continued)

Schedule of Investments as at 30 June 2018 (continued)

Holding	Investment	Fair Value USD	% of Total Net Asset
Transferable Securities: 99.40% (continued)			
Equities: 99.40% (continued)			
Taiwan: 2.20%			
8,000	Chunghwa Telecom Co Ltd	28,863	0.54
3,000	Far EasTone Telecommunications Co Ltd	7,754	0.15
3,000	Inventec Corp	2,357	0.04
3,000	Lite-On Technology Corp	3,631	0.07
1,000	President Chain Store Corp	11,332	0.21
1,000	Standard Foods Corp	2,024	0.04
3,000	Taiwan Mobile Co Ltd	10,873	0.20
7,000	Taiwan Semiconductor Manufacturing Co Ltd	49,707	0.95
		116,541	2.20
Thailand: 0.40%			
2,800	Central Pattana PCL	5,895	0.11
6,100	Home Product Center PCL	2,467	0.05
4,800	Krung Thai Bank PCL	2,420	0.05
500	Siam Cement PCL	6,218	0.11
1,900	Thai Oil PCL	4,459	0.08
		21,459	0.40
United Arab Emirates: 0.12%			
3,273	Abu Dhabi Commercial Bank PJSC	6,291	0.12
		6,291	0.12
United Kingdom: 5.76%			
2,396	Barratt Developments Plc	16,304	0.31
323	Berkeley Group Holdings Plc	16,141	0.30
9,692	BT Group Plc	27,869	0.53
240	Croda International Plc	15,216	0.29
320	easyJet Plc	7,068	0.13
8,161	ITV Plc	18,748	0.35
2,817	J Sainsbury Plc	11,946	0.23
273	Johnson Matthey Plc	13,044	0.25
4,200	Kingfisher Plc	16,469	0.31
3,432	Marks & Spencer Group Plc	13,371	0.25
561	Mondi Plc	15,191	0.29
662	Pearson Plc	7,735	0.15
2,064	RELX Plc	44,212	0.82
1,342	SSE Plc	24,008	0.45
284	Travis Perkins Plc	5,334	0.10
962	Unilever Plc	53,241	1.00
		305,897	5.76
United States: 41.00%			
318	Air Products & Chemicals Inc	49,522	0.93
520	American Express Co	50,960	0.96
395	American Tower Corp	56,947	1.07
234	Anthem Inc	55,699	1.05
911	Applied Materials Inc	42,079	0.79
571	Best Buy Co Inc	42,585	0.80
194	Biogen Inc	56,307	1.06
417	Campbell Soup Co	16,905	0.32
288	CH Robinson Worldwide Inc	24,094	0.45
301	Cigna Corp	51,155	0.96
299	Clorox Co	40,440	0.76
346	CME Group Inc	56,716	1.07
574	Consolidated Edison Inc	44,761	0.84
313	Cummins Inc	41,629	0.78
154	Delta Air Lines Inc	7,629	0.14
345	Edwards Lifesciences Corp	50,222	0.95
520	Eversource Energy	30,477	0.57
333	Expeditors International of Washington Inc	24,342	0.46

Franklin LibertyShares ICAV

Franklin LibertyQ Global Equity SRI UCITS ETF (continued)

Schedule of Investments as at 30 June 2018 (continued)

Holding	Investment	Fair Value USD	% of Total Net Asset
	Transferable Securities: 99.40% (continued)		
	Equities: 99.40% (continued)		
	United States: 41.00% (continued)		
558	Gap Inc	18,074	0.34
1,063	General Mills Inc	47,048	0.89
796	Gilead Sciences Inc	56,388	1.06
520	Hanesbrands Inc	11,450	0.22
221	Hasbro Inc	20,401	0.38
1,008	Intel Corp	50,108	0.94
372	International Business Machines Corp	51,968	0.98
133	International Flavors & Fragrances Inc	16,487	0.31
278	Intuit Inc	56,796	1.07
440	Kellogg Co	30,743	0.58
264	Liberty Property Trust	11,703	0.22
647	Marsh & McLennan Cos Inc	53,035	1.00
186	McCormick & Co Inc	21,593	0.41
332	McDonald's Corp	52,021	0.98
50	Mettler-Toledo International Inc	28,932	0.55
581	Microsoft Corp	57,292	1.08
81	Mohawk Industries Inc	17,356	0.33
776	NIKE Inc	61,831	1.17
261	Nordstrom Inc	13,515	0.25
220	NVIDIA Corp	52,118	0.98
633	People's United Financial Inc	11,451	0.22
525	PepsiCo Inc	57,156	1.09
386	Phillips 66	43,352	0.82
345	Praxair Inc	54,562	1.03
703	Procter & Gamble Co	54,876	1.03
201	Quest Diagnostics Inc	22,098	0.42
268	ResMed Inc	27,759	0.52
288	Robert Half International Inc	18,749	0.35
220	Rockwell Automation Inc	36,571	0.69
73	Snap-on Inc	11,733	0.22
310	Southwest Airlines Co	15,773	0.30
448	T Rowe Price Group Inc	52,008	0.98
194	Tiffany & Co	25,530	0.48
263	Tractor Supply Co	20,117	0.38
463	United Parcel Service Inc	49,184	0.93
53	Vail Resorts Inc	14,532	0.27
130	Varian Medical Systems Inc	14,784	0.28
659	VF Corp	53,722	1.01
512	Walt Disney Co	53,663	1.01
104	WW Grainger Inc	32,074	0.60
415	Zoetis Inc	35,354	0.67
		2,176,376	41.00
	Total Equities	5,275,426	99.40
	Total Transferable Securities	5,275,426	99.40

Franklin LibertyShares ICAV

Franklin LibertyQ Global Equity SRI UCITS ETF (continued)

Schedule of Investments as at 30 June 2018 (continued)

		Financial Derivative Instruments: (0.01%) Futures contracts: (0.01%)		
Notional Amount USD	Average Cost Price USD		Unrealised Loss USD	% of Total Net Asset
25,485	254.85	1 of MSCI ACWI Long Futures Contracts Expiring September 2018	(745)	(0.01)
		Net unrealised loss on futures contracts	(745)	(0.01)
		Total Financial Derivative Instruments	(745)	(0.01)
			Fair Value USD	% of Total Net Asset
		Portfolio of Investments	5,274,681	99.39
		Other Net Assets	32,372	0.61
		Net Assets	5,307,053	100.00
Analysis of Total Assets				% of Total Assets
Transferable securities admitted to an official stock exchange listing				99.36
Other Current Assets				0.64
Total Assets				100.00

Country classifications are based upon of incorporation and/or country of domicile.

The counterparty for the futures contracts is J.P. Morgan. The value of margin cash at broker as at 30 June 2018 is USD 2,268.

Franklin LibertyShares ICAV

Franklin LibertyQ U.S. Equity UCITS ETF

Schedule of Investments as at 30 June 2018

Holding	Investment	Fair Value USD	% of Total Net Asset
	Transferable Securities: 99.32%		
	Equities: 99.32%		
	Bermuda: 0.25%		
40	Everest Re Group Ltd	9,219	0.06
220	Genpact Ltd	6,365	0.04
410	Lazard Ltd	20,053	0.15
		<u>35,637</u>	<u>0.25</u>
	British Virgin Islands: 0.28%		
590	Michael Kors Holdings Ltd	39,294	0.28
		<u>39,294</u>	<u>0.28</u>
	Guernsey: 0.24%		
520	Amdocs Ltd	34,419	0.24
		<u>34,419</u>	<u>0.24</u>
	Ireland: 1.04%		
910	Accenture Plc	148,867	1.04
		<u>148,867</u>	<u>1.04</u>
	Jersey: 0.33%		
510	Aptiv Plc	46,731	0.33
		<u>46,731</u>	<u>0.33</u>
	Netherlands: 0.97%		
1,260	LyondellBasell Industries NV	138,411	0.97
		<u>138,411</u>	<u>0.97</u>
	Panama: 0.44%		
990	Carnival Corp	56,737	0.39
70	Copa Holdings SA	6,623	0.05
		<u>63,360</u>	<u>0.44</u>
	Switzerland: 0.19%		
440	Garmin Ltd	26,840	0.19
		<u>26,840</u>	<u>0.19</u>
	United States: 95.58%		
720	3M Co	141,638	0.99
1,430	AbbVie Inc	132,490	0.93
470	Adobe Systems Inc	114,591	0.80
910	AGNC Investment Corp	16,917	0.12
450	Alaska Air Group Inc	27,176	0.19
590	Alliant Energy Corp	24,969	0.17
2,530	Altria Group Inc	143,679	1.01
80	AMC Networks Inc	4,976	0.03
1,510	American Electric Power Co Inc	104,568	0.73
30	American National Insurance Co	3,588	0.03
780	Amgen Inc	143,979	1.01
1,860	Annaly Capital Management Inc	19,139	0.13
760	Apple Inc	140,684	0.99
2,710	Applied Materials Inc	125,175	0.88
510	Archer-Daniels-Midland Co	23,373	0.16
50	Arista Networks Inc	12,875	0.09
5,400	AT&T Inc	173,393	1.21
310	Atmos Energy Corp	27,943	0.20
1,080	Automatic Data Processing Inc	144,870	1.01
20	AutoZone Inc	13,419	0.09
180	Avery Dennison Corp	18,378	0.13
890	Best Buy Co Inc	66,376	0.46
480	Biogen Inc	139,315	0.98
1,560	Bristol-Myers Squibb Co	86,330	0.60
450	Broadridge Financial Solutions Inc	51,795	0.36
210	Brown-Forman Corp (voting rights)	10,261	0.07
570	Brown-Forman Corp (non-voting rights)	27,936	0.20

Franklin LibertyShares ICAV

Franklin LibertyQ U.S. Equity UCITS ETF (continued)

Schedule of Investments as at 30 June 2018 (continued)

Holding	Investment	Fair Value USD	% of Total Net Asset
	Transferable Securities: 99.32% (continued)		
	Equities: 99.32% (continued)		
	United States: 95.58% (continued)		
270	BWX Technologies Inc	16,826	0.12
1,040	CA Inc	37,076	0.26
630	Campbell Soup Co	25,540	0.18
150	Carter's Inc	16,259	0.11
110	Casey's General Stores Inc	11,559	0.08
590	Cerner Corp	35,276	0.25
540	CH Robinson Worldwide Inc	45,176	0.32
10	Chemed Corp	3,218	0.02
530	Chimera Investment Corp	9,688	0.07
120	Choice Hotels International Inc	9,072	0.06
860	Church & Dwight Co Inc	45,718	0.32
280	Cintas Corp	51,820	0.36
3,300	Cisco Systems Inc	141,999	0.99
520	Clorox Co	70,330	0.49
530	Cognizant Technology Solutions Corp	41,865	0.29
2,160	Colgate-Palmolive Co	139,990	0.98
4,280	Comcast Corp	140,427	0.98
900	Consolidated Edison Inc	70,182	0.49
590	Copart Inc	33,370	0.23
670	Costco Wholesale Corp	140,017	0.98
440	Cummins Inc	58,520	0.41
2,190	CVS Health Corp	140,927	0.99
460	Darden Restaurants Inc	49,248	0.34
1,770	Delta Air Lines Inc	87,686	0.61
290	Dick's Sporting Goods Inc	10,223	0.07
440	Dollar General Corp	43,384	0.30
150	Domino's Pizza Inc	42,326	0.30
640	Dr Pepper Snapple Group Inc	78,080	0.55
590	DTE Energy Co	61,142	0.43
1,690	Duke Energy Corp	133,645	0.94
130	Eastman Chemical Co	12,995	0.09
1,660	Eli Lilly & Co	141,648	0.99
1,970	Emerson Electric Co	136,206	0.95
90	Encompass Health Corp	6,095	0.04
200	EPR Properties	12,958	0.09
80	Erie Indemnity Co	9,381	0.07
800	Estee Lauder Cos Inc	114,152	0.80
40	Evercore Inc	4,218	0.03
610	Eversource Energy	35,752	0.25
460	Exelixis Inc	9,899	0.07
3,130	Exelon Corp	133,338	0.93
580	Expeditors International of Washington Inc	42,398	0.30
570	Express Scripts Holding Co	44,010	0.31
240	F5 Networks Inc	41,388	0.29
100	FactSet Research Systems Inc	19,810	0.14
1,060	Fastenal Co	51,018	0.36
370	FLIR Systems Inc	19,229	0.13
480	Flowers Foods Inc	9,998	0.07
550	FNF Group	20,691	0.14
510	Foot Locker Inc	26,852	0.19
3,780	Ford Motor Co	41,845	0.29
130	Fortinet Inc	8,116	0.06
500	Gaming and Leisure Properties Inc	17,900	0.13
950	Gap Inc	30,771	0.22
1,890	General Mills Inc	83,651	0.59
820	Gentex Corp	18,876	0.13
500	Genuine Parts Co	45,895	0.32
2,090	Gilead Sciences Inc	148,055	1.04
510	Graco Inc	23,062	0.16
40	Grand Canyon Education Inc	4,464	0.03
860	H&R Block Inc	19,591	0.14
400	Hasbro Inc	36,924	0.26

Franklin LibertyShares ICAV

Franklin LibertyQ U.S. Equity UCITS ETF (continued)

Schedule of Investments as at 30 June 2018 (continued)

Holding	Investment	Fair Value USD	% of Total Net Asset
	Transferable Securities: 99.32% (continued)		
	Equities: 99.32% (continued)		
	United States: 95.58% (continued)		
300	Hawaiian Electric Industries Inc	10,290	0.07
250	HCA Healthcare Inc	25,650	0.18
200	HEICO Corp	12,190	0.09
560	Hershey Co	52,114	0.37
1,440	Hewlett Packard Enterprise Co	21,038	0.15
760	Home Depot Inc	148,275	1.04
960	Hormel Foods Corp	35,722	0.25
6,030	HP Inc	136,821	0.96
130	Huntington Ingalls Industries Inc	28,183	0.20
190	Ingredion Inc	21,033	0.15
2,560	Intel Corp	127,258	0.89
1,010	International Business Machines Corp	141,097	0.99
360	Interpublic Group of Cos Inc	8,438	0.06
700	Intuit Inc	143,014	1.00
230	Intuitive Surgical Inc	110,050	0.77
50	IPG Photonics Corp	11,032	0.08
270	Jack Henry & Associates Inc	35,197	0.25
330	JB Hunt Transport Services Inc	40,112	0.28
110	JM Smucker Co	11,823	0.08
40	John Wiley & Sons Inc	2,496	0.02
1,180	Johnson & Johnson	143,181	1.00
840	Kimco Realty Corp	14,272	0.10
380	KLA-Tencor Corp	38,961	0.27
650	Kohl's Corp	47,385	0.33
870	L Brands Inc	32,086	0.22
340	Lam Research Corp	58,769	0.41
350	Lamb Weston Holdings Inc	23,979	0.17
120	Landstar System Inc	13,104	0.09
620	Las Vegas Sands Corp	47,343	0.33
180	Lear Corp	33,446	0.23
430	Leggett & Platt Inc	19,195	0.13
440	Lockheed Martin Corp	129,989	0.91
1,320	Lowe's Cos Inc	126,152	0.88
320	Lululemon Athletica Inc	39,952	0.28
910	Macy's Inc	34,061	0.24
90	MarketAxess Holdings Inc	17,807	0.12
1,350	Marsh & McLennan Cos Inc	110,660	0.78
740	Mastercard Inc	145,424	1.02
80	Match Group Inc	3,099	0.02
840	Maxim Integrated Products Inc	49,274	0.35
390	McCormick & Co Inc/MD	45,275	0.32
880	McDonald's Corp	137,887	0.97
100	Mercury General Corp	4,556	0.03
80	Mettler-Toledo International Inc	46,290	0.32
270	Michaels Cos Inc	5,176	0.04
690	Microchip Technology Inc	62,756	0.44
1,960	Micron Technology Inc	102,782	0.72
1,430	Microsoft Corp	141,012	0.99
640	Monster Beverage Corp	36,672	0.26
60	Morningstar Inc	7,695	0.05
440	Motorola Solutions Inc	51,203	0.36
130	MSC Industrial Direct Co Inc	11,031	0.08
210	MSCI Inc	34,740	0.24
550	National Retail Properties Inc	24,178	0.17
640	NetApp Inc	50,259	0.35
430	Newell Brands Inc	11,090	0.08
30	NewMarket Corp	12,135	0.08
850	NextEra Energy Inc	141,976	0.99
1,970	NIKE Inc	156,969	1.10
430	Nordstrom Inc	22,265	0.16
430	Northrop Grumman Corp	132,311	0.93
160	Nu Skin Enterprises Inc	12,510	0.09

Franklin LibertyShares ICAV

Franklin LibertyQ U.S. Equity UCITS ETF (continued)

Schedule of Investments as at 30 June 2018 (continued)

Holding	Investment	Fair Value USD	% of Total Net Asset
	Transferable Securities: 99.32% (continued)		
	Equities: 99.32% (continued)		
	United States: 95.58% (continued)		
560	NVIDIA Corp	132,664	0.93
6	NVR Inc	17,822	0.12
480	OGE Energy Corp	16,901	0.12
190	Old Dominion Freight Line Inc	28,302	0.20
690	Omega Healthcare Investors Inc	21,390	0.15
610	Omnicom Group Inc	46,525	0.33
300	O'Reilly Automotive Inc	82,071	0.57
140	Packaging Corp of America	15,651	0.11
1,220	Paychex Inc	83,387	0.58
30	Penske Automotive Group Inc	1,406	0.01
1,000	People's United Financial Inc	18,090	0.13
1,410	PepsiCo Inc	153,506	1.08
3,920	Pfizer Inc	142,218	1.00
1,550	PG&E Corp	65,968	0.46
1,770	Philip Morris International Inc	142,910	1.00
400	Phillips 66	44,924	0.31
230	Pilgrim's Pride Corp	4,630	0.03
370	Pinnacle West Capital Corp	29,807	0.21
220	Polaris Industries Inc	26,880	0.19
110	Pool Corp	16,665	0.12
420	Praxair Inc	66,423	0.47
1,930	Procter & Gamble Co	150,655	1.06
1,210	Progressive Corp	71,572	0.50
1,830	Public Service Enterprise Group Inc	99,076	0.69
550	Public Storage	124,773	0.87
50	Ralph Lauren Corp	6,286	0.04
680	Raytheon Co	131,362	0.92
960	Realty Income Corp	51,638	0.36
160	Red Hat Inc	21,499	0.15
470	ResMed Inc	48,683	0.34
490	Robert Half International Inc	31,899	0.22
430	Rockwell Automation Inc	71,479	0.50
370	Rollins Inc	19,455	0.14
1,580	Ross Stores Inc	133,905	0.94
580	S&P Global Inc	118,256	0.83
250	Santander Consumer USA Holdings Inc	4,773	0.03
40	Schneider National Inc	1,100	0.01
160	Sealed Air Corp	6,792	0.05
210	SEI Investments Co	13,129	0.09
810	Senior Housing Properties Trust	14,653	0.10
500	Simon Property Group Inc	85,095	0.60
1,200	Sirius XM Holdings Inc	8,124	0.06
70	Six Flags Entertainment Corp	4,904	0.03
690	Skyworks Solutions Inc	66,689	0.47
310	Sonoco Products Co	16,275	0.11
1,530	Southwest Airlines Co	77,846	0.55
1,660	Spirit Realty Capital Inc	13,330	0.09
120	Sprouts Farmers Market Inc	2,648	0.02
2,490	Starbucks Corp	121,637	0.85
470	STORE Capital Corp	12,878	0.09
1,640	Sysco Corp	111,996	0.78
1,060	Tapestry Inc	49,513	0.35
1,430	Target Corp	108,852	0.76
1,260	Texas Instruments Inc	138,915	0.97
150	Thor Industries Inc	14,609	0.10
280	Tiffany & Co	36,848	0.26
1,560	TJX Cos Inc	148,480	1.04
420	Toro Co	25,305	0.18
420	Tractor Supply Co	32,126	0.23
830	Tyson Foods Inc	57,146	0.40
20	Ubiquiti Networks Inc	1,694	0.01
180	Ulta Salon Cosmetics & Fragrance Inc	42,023	0.29

Franklin LibertyShares ICAV

Franklin LibertyQ U.S. Equity UCITS ETF (continued)

Schedule of Investments as at 30 June 2018 (continued)

Schedule of Investments as at 30 June 2018 (continued)			Fair Value	% of Total
Holding	Investment		USD	Net Asset
	Transferable Securities: 99.32% (continued)			
	Equities: 99.32% (continued)			
	United States: 95.58% (continued)			
990	Union Pacific Corp		140,263	0.98
180	United Therapeutics Corp		20,367	0.14
580	UnitedHealth Group Inc		142,297	1.00
260	Urban Outfitters Inc		11,583	0.08
1,160	Valero Energy Corp		128,563	0.90
310	Varian Medical Systems Inc		35,253	0.25
260	Vectren Corp		18,577	0.13
3,230	VEREIT Inc		24,031	0.17
350	VeriSign Inc		48,097	0.34
2,960	Verizon Communications Inc		148,917	1.04
1,150	VF Corp		93,748	0.66
360	Viacom Inc		10,858	0.08
260	VMware Inc		38,212	0.27
800	Walgreens Boots Alliance Inc		48,012	0.34
1,710	Walmart Inc		146,461	1.03
1,400	Walt Disney Co		146,733	1.03
80	Watsco Inc		14,262	0.10
480	WEC Energy Group Inc		31,032	0.22
440	Western Union Co		8,945	0.06
330	Williams-Sonoma Inc		20,255	0.14
230	WP Carey Inc		15,261	0.11
190	WW Grainger Inc		58,596	0.41
1,560	Xcel Energy Inc		71,261	0.50
890	Xilinx Inc		58,081	0.41
1,380	Yum! Brands Inc		107,944	0.76
			13,646,015	95.58
	Total Equities		14,179,574	99.32
	Total Transferable Securities		14,179,574	99.32
	Financial Derivative Instruments: (0.01)%			
	Futures contracts: (0.01)%			
Notional Amount USD	Average Cost Price USD		Unrealised Loss USD	% of Total Net Assets
77,393	1,547.85	1 of E-Mini Russ 1000 Long Futures Contracts Expiring September 2018	(1,793)	(0.02)
		Net unrealised loss on futures contracts	(1,793)	(0.02)
		Total Financial Derivative Instruments	(1,793)	(0.02)

Franklin LibertyShares ICAV

Franklin LibertyQ U.S. Equity UCITS ETF (continued)

Schedule of Investments as at 30 June 2018 (continued)

	Fair Value USD	% of Total Net Asset
Portfolio of Investments	14,177,781	99.30
Other Net Assets	99,475	0.70
Net Assets	14,277,256	100.00

	% of Total Assets
Analysis of Total Assets	
Transferable securities admitted to an official stock exchange listing	90.33
Other Current Assets	9.67
Total Assets	100.00

Country classifications are based upon country of incorporation and/or country of domicile.

The counterparty for the futures contracts is J.P. Morgan. The value of margin cash at broker as at 30 June 2018 is USD 4,178.

Franklin LibertyShares ICAV

Franklin Liberty USD Investment Grade Corporate Bond UCITS ETF

Schedule of Investments as at 30 June 2018

Holding	Investment	Fair Value USD	% of Total Net Asset
	Transferable Securities: 97.57%		
	Corporate Bonds: 91.84%		
	British Virgin Islands: 3.09%		
200,000	Sinopec Capital 2013 Ltd 3.13% 24/04/2023	193,737	3.09
		<u>193,737</u>	<u>3.09</u>
	Canada: 1.07%		
65,000	Canadian Natural Resources Ltd 4.95% 01/06/2047	67,347	1.07
		<u>67,347</u>	<u>1.07</u>
	Cayman Islands: 3.17%		
200,000	Alibaba Group Holding Ltd 2.50% 28/11/2019	198,706	3.17
		<u>198,706</u>	<u>3.17</u>
	Colombia: 0.61%		
40,000	Ecopetrol SA 5.88% 28/05/2045	38,088	0.61
		<u>38,088</u>	<u>0.61</u>
	France: 1.56%		
100,000	Electricite de France SA 5.25% Perp.	97,975	1.56
		<u>97,975</u>	<u>1.56</u>
	Ireland: 2.47%		
150,000	AerCap Ireland Capital DAC / AerCap Global Aviation Trust 5.00% 01/10/2021	154,677	2.47
		<u>154,677</u>	<u>2.47</u>
	Netherlands: 2.23%		
65,000	CNH Industrial NV 4.50% 15/08/2023	65,514	1.05
75,000	Shell International Finance BV 2.13% 11/05/2020	74,121	1.18
		<u>139,635</u>	<u>2.23</u>
	Spain: 1.15%		
60,000	Telefonica Emisiones SAU 7.05% 20/06/2036	72,319	1.15
		<u>72,319</u>	<u>1.15</u>
	Switzerland: 3.12%		
200,000	UBS AG 2.45% 01/12/2020	195,753	3.12
		<u>195,753</u>	<u>3.12</u>
	United Kingdom: 6.24%		
200,000	Santander UK Group Holdings Plc 2.88% 05/08/2021	193,980	3.10
200,000	Standard Chartered Plc 3.89% 15/03/2024	196,588	3.14
		<u>390,568</u>	<u>6.24</u>
	United States of America: 67.13%		
70,000	21st Century Fox America Inc 6.40% 15/12/2035	84,202	1.34
55,000	Anadarko Petroleum Corp 6.20% 15/03/2040	62,159	0.99
100,000	Anheuser-Busch InBev Finance Inc 4.70% 01/02/2036	101,652	1.62
70,000	Anthem Inc 4.10% 01/03/2028	68,612	1.09
80,000	AT&T Inc 5.35% 01/09/2040	78,326	1.25
155,000	Bank of America Corp 4.18% 25/11/2027	151,244	2.41
60,000	Biogen Inc 5.20% 15/09/2045	63,908	1.02
85,000	Burlington Northern Santa Fe LLC 3.25% 15/06/2027	82,430	1.32
125,000	Capital One Financial Corp 2.50% 12/05/2020	123,283	1.97
70,000	Celgene Corp 3.25% 20/02/2023	68,453	1.09
60,000	Charter Communications Operating LLC 4.46% 23/07/2022	60,791	0.97
150,000	Chevron Corp 2.95% 16/05/2026	144,058	2.30
125,000	Citigroup Inc 4.05% 30/07/2022	125,792	2.01
70,000	CSX Corp 3.25% 01/06/2027	65,905	1.05
100,000	CVS Health Corp 4.10% 25/03/2025	99,615	1.59

Franklin LibertyShares ICAV

Franklin Liberty USD Investment Grade Corporate Bond UCITS ETF (continued)

Schedule of Investments as at 30 June 2018 (continued)

Holding	Investment	Fair Value USD	% of Total Net Asset
Transferable Securities: 97.57% (continued)			
Corporate Bonds: 91.84% (continued)			
United States: 67.13% (continued)			
60,000	Dell International LLC / EMC Corp 4.42% 15/06/2021	60,918	0.97
50,000	Dollar Tree Inc 3.70% 15/05/2023	49,606	0.79
65,000	Dominion Energy Inc 3.90% 01/10/2025	64,308	1.03
60,000	Duke Energy Corp 4.80% 15/12/2045	63,008	1.01
30,000	Energy Transfer Partners LP 6.50% 01/02/2042	31,002	0.49
75,000	Enterprise Products Operating LLC 5.10% 15/02/2045	77,494	1.24
70,000	FedEx Corp 4.75% 15/11/2045	69,976	1.12
100,000	Ford Motor Credit Co LLC 8.13% 15/01/2020	107,127	1.71
85,000	General Electric Co 5.88% 14/01/2038	96,626	1.54
100,000	Georgia Power Co 4.30% 15/03/2042	100,025	1.60
75,000	Glencore Funding LLC 4.13% 30/05/2023	74,918	1.20
165,000	Goldman Sachs Group Inc 4.25% 21/10/2025	162,732	2.59
60,000	HCA Inc 6.50% 15/02/2020	62,438	1.00
100,000	Home Depot Inc 3.00% 01/04/2026	95,650	1.53
150,000	HSBC USA Inc 5.00% 27/09/2020	154,492	2.46
155,000	JPMorgan Chase & Co 3.38% 01/05/2023	151,489	2.41
40,000	Kohl's Corp 5.55% 17/07/2045	38,995	0.62
60,000	Kraft Heinz Foods Co 5.20% 15/07/2045	58,578	0.93
80,000	Kroger Co 4.00% 01/02/2024	80,278	1.28
75,000	MetLife Inc 6.40% 15/12/2036	79,688	1.27
100,000	Microsoft Corp 4.45% 03/11/2045	107,920	1.72
110,000	Mondelez International Inc 3.63% 07/05/2023	109,747	1.75
135,000	Morgan Stanley 3.95% 23/04/2027	128,930	2.06
70,000	MPLX LP 4.13% 01/03/2027	66,893	1.07
100,000	NBCUniversal Media LLC 4.38% 01/04/2021	102,632	1.64
80,000	Prudential Financial Inc 5.20% 15/03/2044	79,800	1.27
90,000	Realty Income Corp 3.00% 15/01/2027	82,525	1.32
55,000	Reynolds American Inc 5.85% 15/08/2045	60,254	0.96
65,000	Sabine Pass Liquefaction LLC 4.20% 15/03/2028	63,051	1.01
120,000	Verizon Communications Inc 5.50% 16/03/2047	126,206	2.01
65,000	Walgreens Boots Alliance Inc 4.80% 18/11/2044	61,425	0.98
65,000	Walmart Inc 3.40% 26/06/2023	65,528	1.05
65,000	Wells Fargo & Co 4.75% 07/12/2046	63,044	1.01
30,000	Western Digital Corp 4.75% 15/02/2026	29,231	0.47
		4,206,964	67.13
Total Corporate Bonds		5,755,769	91.84
GOVERNMENT BONDS: 5.73%			
United States: 5.73%			
65,000	United States Treasury Note/Bond 2.50% 31/05/2020	64,976	1.04
80,000	United States Treasury Note/Bond 2.50% 31/03/2023	79,209	1.26
130,000	United States Treasury Note/Bond 2.75% 15/02/2028	128,911	2.06
90,000	United States Treasury Note/Bond 2.75% 15/11/2047	85,899	1.37
		358,995	5.73
Total Government Bonds		358,995	5.73
Total Transferable Securities		6,114,764	97.57
		Fair Value USD	% of Total Net Asset
Portfolio of Investments		6,114,764	97.57
Other Net Assets		152,104	2.43
Net Assets		6,266,868	100.00

Franklin LibertyShares ICAV

Franklin Liberty USD Investment Grade Corporate Bond UCITS ETF (continued)

Schedule of Investments as at 30 June 2018 (continued)

Analysis of Total Assets	% of Total Assets
Transferable securities admitted to an official stock exchange listing	97.57
Other Current Assets	2.43
Total Assets	100.00

Country classifications are based upon country of incorporation and/or country of domicile.

Franklin LibertyShares ICAV

Notes to the Financial Statements for the period from 11 July 2017 (date of registration) to 30 June 2018

1. Significant Accounting Policies

The principal accounting policies and estimation techniques applied in the preparation of these financial statements are set out below. Please refer to the general information section of the financial statements for details of how the ICAV is structured.

These financial statements are the first set of audited annual financial statements of the ICAV and are prepared for the period from 11 July 2017 (date of registration) to 30 June 2018. As all Sub-Funds launched during the period, comparative data is not available.

a) Basis of Preparation

The ICAV's financial statements have been prepared in accordance with Financial Reporting Standard 102 ("FRS 102"), Irish statute comprising the Irish Collective Asset-management Vehicles Act 2015 (as amended) (the "ICAV Act") and the UCITS Regulations.

The financial statements are prepared under the historical cost convention as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss.

In preparation of financial statements in conformity with FRS 102, the ICAV is required to make certain accounting estimates and assumptions. Actual results may differ from these estimates and assumptions. The Directors believe that any estimates used in preparing the financial statements are reasonable and prudent. Critical accounting estimates are those which involve the most complex or subjective judgments or assessments. The areas of the ICAV's business that typically require such estimates are the determination of the fair value of financial assets and financial liabilities.

The Directors have a reasonable expectation that the ICAV has adequate resources to continue in operation and existence for the foreseeable future. Therefore the Sub-Funds of the ICAV continue to adopt the going concern basis of accounting in preparing its financial statements.

The ICAV is availing of the exemption available to open-ended investment funds under FRS 102 and is not presenting a cash flow statement.

Fair value of financial instruments

FRS 102, the accounting standard applicable in the United Kingdom and Ireland, requires that a reporting entity, in accounting for its financial instruments apply either a) the full provisions of Section 11 "Basis Financial Instruments" and Section 12 "Other Financial Instruments" of FRS 102, b) the recognition and measurement provisions of IAS 39 "Financial Instruments: Recognition and Measurement" and only the disclosure requirements of Sections 11 and 12 of FRS 102; or c) the recognition and measurement provisions of International Financial Reporting Standards ("IFRS") 9, "Financial Instruments" and/or IAS 39 (as amended following the publication of IFRS 9) and only the disclosure requirements of Sections 11 and 12 of FRS 102. The ICAV has chosen to implement the recognition and measurement provisions of IAS 39 and only the disclosure requirements of Sections 11 and 12.

b) Functional and Presentation Currency

Items included in each Sub-Fund's financial statements are measured using the currency of the primary economic environment in which the relevant Sub-Fund operates (the "functional currency"). The functional or base currency of each Sub-Fund is detailed in the General Information section. The ICAV also has adopted these functional currencies as the presentation currency of each of the Sub-Funds.

Franklin LibertyShares ICAV

Notes to the Financial Statements for the period from 11 July 2017 (date of registration) to 30 June 2018 (continued)

1. Significant Accounting Policies (continued)

b) Functional and Presentation Currency (continued)

Transactions in foreign currencies are translated into the functional currency at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated into the functional currency of the Sub-Fund at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into the functional currency of the Sub-Fund at the exchange rate at the date on which fair value was determined.

Any foreign currency differences arising on retranslation are recognised in the Statement of Comprehensive Income in net gain/(loss) on investment activities, including those arising on financial instruments at fair value through profit or loss ("FVTPL"), which are recognised as a component of net gain/(loss) on investment activities at FVTPL.

c) Financial Assets and Financial Liabilities at Fair Value Through Profit or Loss

Classification

Financial assets and liabilities at FVTPL have two sub-categories: financial assets and financial liabilities held for trading and those designated by management at FVTPL at inception.

All instruments on the Sub-Funds' Schedule of Investments are classified at FVTPL. Gains and losses from changes in the fair value of the financial assets and financial liabilities at FVTPL category are included in the Statement of Comprehensive Income in net gain/(loss) on investment activities.

Recognition and Derecognition

Recognition and initial measurement

Purchases and sales of investments are recognised as of the day the transaction takes place (trade date), the date on which the Sub-Fund commits to purchase or sell the asset. Other financial assets and liabilities are recognised on the date in which they originated. Investments are initially recognised at fair value, and transaction costs for all financial assets and financial liabilities carried at FVTPL are expensed as incurred. Financial assets and financial liabilities not at FVTPL are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue.

De-recognition

Investments are de-recognised when the rights to receive cash flows from the investments have expired or the relevant Sub-Fund has transferred substantially all risks and rewards of ownership. On de-recognition of a financial asset, the difference between the carrying amount of the asset and consideration received is recognised in the Statement of Comprehensive Income using the average cost methodology. Financial liabilities are derecognised when the contractual obligations are discharged, cancelled or expired.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the relevant Sub-Fund has access at that date.

i) Transferable Securities

When available, the Sub-Funds measure the fair value of an investment using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. Sub-Funds measure instruments quoted in an active market at a last traded price, because this price provides a reasonable approximation of exit price.

Franklin LibertyShares ICAV

Notes to the Financial Statements for the period from 11 July 2017 (date of registration) to 30 June 2018 (continued)

1. Significant Accounting Policies (continued)

c) Financial Assets and Financial Liabilities at Fair Value Through Profit or Loss (continued)

i) Transferable Securities (continued)

If there is no quoted price in an active market, then the Sub-Fund uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction. The Sub-Fund recognises transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred.

ii) Forward Currency Contracts

A Sub-Fund may enter into forward currency contracts to hedge against exchange rate risk or, in the case of actively managed Sub-Funds, take currency positions reflecting portfolio managers views. A forward currency contract allows the Sub-Funds to purchase or sell a specific currency on a future date at a price set at the time of the contract. Performance may be significantly influenced by movements in foreign exchange rates because currency positions held by a Sub-Fund may not correspond with the currency of the securities invested in.

The unrealised gain or loss on forward currency contracts is calculated as the difference between the contract price and the spot price as at the reporting period end. All changes in fair value are recognised within net gain/(loss) on financial assets/liabilities at FVTPL in the Statement of Comprehensive Income.

iii) Futures contracts

Futures contracts are commitments either to purchase or sell a designated financial instrument, currency, commodity or an index at a specified future date for a specified price and may be settled in cash or another financial asset. Futures are standardised exchange-traded contracts. Initial margin requirements for futures are met in cash or other instruments, and changes in the future contract values are settled daily.

Daily fluctuations in the value of a futures contract are recorded as unrealised gains or losses and as realised gains or losses when the position is closed. Realised gains and losses are recognised using the First In First Out ("FIFO") costing methodology. All changes in fair value are recognised within net gain/(loss) on financial assets/liabilities at FVTPL in the Statement of Comprehensive Income.

d) Amortised Cost

Financial assets and financial liabilities other than those at FVTPL are held at amortised cost. The amortised cost of the financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the accumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

i) Cash and Cash Equivalents

Cash comprises current deposits with banks. Cash and cash equivalents are short-term highly liquid investments with a maturity date of 3 months or less that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents are held with State Street Bank and Trust Company ("State Street") and are stated at fair value.

ii) Debtors and Creditors

Debtors are recognised at fair value plus transaction costs that are directly attributable to their acquisition origination. Creditors are recognised initially at fair value plus transaction costs that are directly attributable to their acquisition origination.

Franklin LibertyShares ICAV

Notes to the Financial Statements for the period from 11 July 2017 (date of registration) to 30 June 2018 (continued)

1. Significant Accounting Policies (continued)

e) Right of Offset

Financial assets and financial liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the ICAV or the Sub-Funds have a legal right to set off the amounts and intend either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis for gains and losses from financial instruments at fair value through profit and loss and foreign exchange gains and losses. The ICAV's financial assets and financial liabilities are not subject to offsetting, enforceable master netting arrangements and similar agreements.

f) Investment Income

i) Dividend income

Dividend income arising on the underlying equity investments of the ICAV is recognised as income of the relevant Sub-Fund on the ex-dividend date. Income is shown gross of any non-recoverable withholding taxes, which is disclosed separately in the Statement of Comprehensive Income, and net of any tax credits.

ii) Interest income/interest expense

Interest income/interest expense is recognised as income/expense of the relevant Sub-Fund of the ICAV on an effective interest basis in line with the contractual terms in the Statement of Comprehensive Income.

g) Expenses

All expenses are recognised in the Statement of Comprehensive Income on an accruals basis. Note 5 provides additional details of the fees and expenses of the Sub-Funds.

Expenses arising on the disposal of investments are deducted from the disposal proceeds.

h) Realised Gains and Losses

Realised gains and losses on sale of investments are calculated based on the average book cost of the investment in local currency and are included in net gains/(losses) on investment activities in the Statement of Comprehensive Income.

i) Unrealised Gains & Losses

Unrealised gains and losses on investments are the difference between the original cost of the investment and its value at the reporting period end and are included in net gain/(loss) on investment activities in the Statement of Comprehensive Income.

j) Taxation

Dividend and interest income received by the Sub-Funds may be subject to withholding tax imposed in the country of origin. Investment income is recorded gross of such taxes and the corresponding withholding tax is recognised as a tax expense. Withholding tax reclaims receivable are recorded as other receivables in the Statement of Financial Position.

k) Redeemable Participating Shares

The ICAV issues redeemable participating shares in each Sub-Fund, which are redeemable at the holder's option and are classified as financial liabilities. Redeemable participating shares can be put back to the relevant Sub-Fund at any time for cash, securities or a combination of cash and securities equal to a proportionate share of the Sub-Fund's Net Asset Value in accordance with the Prospectus.

Franklin LibertyShares ICAV

Notes to the Financial Statements for the period from 11 July 2017 (date of registration) to 30 June 2018 (continued)

1. Significant Accounting Policies (continued)

k) Redeemable Participating Shares (continued)

The Sub-Fund's Net Asset Value per share is calculated by dividing the net assets attributable to the redeemable participating shareholders by the total number of outstanding redeemable participating shares. Investment positions are valued in accordance with the valuation methodology laid out in the Prospectus for the purpose of determining the Net Asset Value per share for subscriptions and redemptions.

l) Transaction Costs

Transaction costs are defined as the incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or a financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument. When a financial asset or a financial liability is recognised initially, an entity shall measure it at its fair value through profit or loss plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on purchases and sales of securities and other investments are included in net gain/(loss) on investment activities in the Statement of Comprehensive Income account. Separately identifiable Depositary transaction costs are borne by the Manager through the TER of the Sub-Funds of the ICAV as detailed on page 68.

m) Distribution Policy

The ICAV may issue either or both distributing share classes and accumulating share classes. The Directors may declare dividends in respect of shares in any distributing class out of net income (including dividend and interest income) and/or the excess of realised and unrealised capital gains over realised and unrealised losses in respect of investments of the Sub-Fund. In the case of Sub-Funds with accumulating share classes, the Directors have determined to accumulate all net income (including dividend and interest income) and/or the excess of realised and unrealised capital gains over realised and unrealised losses in respect of investments of the Sub-Fund attributable to such accumulating classes and therefore do not intend to declare dividends in respect of shares in such classes.

n) Significant Accounting Estimates and Assumptions

Critical accounting estimates are those which involve the most complex or subjective judgments or assessments. The areas of the ICAV's business that typically require such estimates are the determination of the fair value of financial assets and financial liabilities as outlined in Note 1(a).

2. Taxation

The ICAV is an investment undertaking as defined in section 739B of the Taxes Consolidation Act, 1997, as amended (the "TCA"). On that basis, the ICAV is not liable to Irish tax in respect of its income and gains, provided the ICAV is resident for tax purposes in Ireland. The ICAV shall be regarded as resident for tax purposes in Ireland provided it is authorised by the Central Bank of Ireland and it is centrally managed and controlled in Ireland.

However, Irish tax can arise on the happening of a "chargeable event" in the ICAV. A chargeable event arises on any distributions, redemption, repurchase, cancellation, transfer of Shares or the ending of a "relevant period". A relevant period is an eight year period beginning with the acquisition of the Shares by the shareholder and each subsequent period of eight years beginning immediately after the preceding relevant period.

Franklin LibertyShares ICAV

Notes to the Financial Statements for the period from 11 July 2017 (date of registration) to 30 June 2018 (continued)

2. Taxation (continued)

No Irish tax will arise in respect of chargeable events in respect of a Shareholder who is an Exempt Irish Investor (as defined in Section 739D TCA) or in respect of a Shareholder who is neither Irish resident nor ordinarily resident in Ireland at the time of the chargeable event provided that a relevant declaration is in place (in accordance with Schedule 2B of the TCA) and the ICAV is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct.

In the absence of an appropriate declaration, the ICAV will be liable for Irish tax on the occurrence of a chargeable event, and the ICAV reserves its right to withhold such taxes from the relevant shareholders. There were no chargeable events during the period under review.

Dividends, interest and capital gains (if any) received on investments made by the ICAV may be subject to withholding taxes imposed by the country from which the investments income/gains are received and such taxes may not be recoverable by the ICAV and its shareholders. Withholding tax and reclaims incurred on dividends are recorded on ex-date. Dividends receivable are shown net of withholding taxes payable, if any, in the Statement of Financial Position.

The ICAV may be subject to taxes imposed on realised and unrealised gains on securities of certain foreign countries in which the ICAV invests. The foreign tax expense, if any, is recorded on an accrual basis and is included in "Capital gains taxes" in the Statement of Comprehensive Income. The amount of foreign tax owed, if any, is included in "Capital gains tax payable" in the Statement of Financial Position. Capital gains, dividends and interest received may be subject to withholding taxes imposed by the country of origin and such taxes may not be recoverable by the ICAV or its shareholders. The dividend withholding tax charge for the period ended 30 June 2018 is presented in the Statement of Comprehensive Income. There was no capital gains tax charge for the period from 11 July 2017 (date of registration) to 30 June 2018.

Reporting Fund Status

The ICAV has received confirmation from HM Revenue & Customs (HMRC) in the UK that it has been granted UK Reporting Fund Status with effect from the launch dates of all Sub-Funds for UK tax purposes.

3. Share Capital & Net Asset Value per Share

Authorised

The authorised share capital of the ICAV is 500,000,000,002 shares of no par value divided into 2 subscriber shares of no par value and 500,000,000,000 redeemable participating shares of no par value. The Directors have the power to issue all of the shares of the ICAV on such terms as they think fit.

Subscriber Shares

The ICAV issued the 2 subscriber shares of no par value at €1 each for the purpose of the registration of the ICAV. The subscriber shares entitle the holders to attend and vote at general meetings of the ICAV but do not entitle the holders to participate in the profits or assets of the ICAV except for a return of capital on a winding-up. They do not form part of the Net Asset Value of the ICAV and are thus disclosed in the financial statements by way of this note only.

Redeemable Participating Shares

Each of the shares entitles the holder to attend and vote at any general meetings of the ICAV and to participate equally in the profits and assets of the Sub-Fund to which the shares relate, subject to any differences between fees, charges and expenses applicable to different classes. Each shareholder shall have one vote for each whole share held. The liability of the shareholders shall be limited to the amount, if any, unpaid on the shares respectively held by them, and the shareholders shall not be liable for the debts of the Sub-Fund. Minimum subscription and redemption amounts are specified in the relevant Supplement for each Sub-Fund.

Franklin LibertyShares ICAV

Notes to the Financial Statements for the period from 11 July 2017 (date of registration) to 30 June 2018 (continued)

3. Share Capital & Net Asset Value per Share (continued)

The issued share capital, Net Asset Value and Net Asset Value per share at 30 June 2018 is as follows:

	Franklin LibertyQ Emerging Markets UCITS ETF USD Accumulating Shares	Franklin LibertyQ European Dividend UCITS ETF EUR Distributing Shares	Franklin Liberty Euro Short Maturity UCITS ETF EUR Distributing Shares	Franklin LibertyQ Global Dividend UCITS ETF USD Distributing Shares	Franklin LibertyQ Global Equity SRI UCITS ETF USD Accumulating Shares	Franklin LibertyQ U.S. Equity UCITS ETF USD Accumulating Shares	Franklin Liberty USD Investment Grade Corporate Bond UCITS ETF USD Distributing Shares
Shares in issue at the beginning of the period	-	-	-	-	-	-	-
Shares issued	1,000,000	100,000	220,000	200,000	200,000	500,000	250,000
Shares in issue at the end of the period	1,000,000	100,000	220,000	200,000	200,000	500,000	250,000
Net Asset Value	24,066,375	2,422,256	5,506,502	4,915,387	5,307,053	14,277,256	6,266,868
Net Asset Value per share	24.07	24.22	25.03	24.58	26.54	28.55	25.07
Subscriptions during the period	24,842,228	2,485,699	5,502,894	5,040,341	5,045,940	13,269,798	6,250,000
Redemptions during the period	-	-	-	-	-	-	-

Franklin LibertyShares ICAV

Notes to the Financial Statements for the period from 11 July 2017 (date of registration) to 30 June 2018 (continued)

4. Net Gain/(Loss) on Investment Activities

Period ended 30 June 2018:

	Franklin LibertyQ Emerging Markets UCITS ETF USD	Franklin LibertyQ European Dividend UCITS ETF EUR	Franklin Liberty Euro Short Maturity UCITS ETF EUR	Franklin LibertyQ Global Dividend UCITS ETF USD	Franklin LibertyQ Global Equity SRI UCITS ETF USD	Franklin LibertyQ U.S. Equity UCITS ETF USD	Franklin Liberty USD Investment Grade Corporate Bond UCITS ETF USD
Gain/(Loss) on:							
Realised gain / (loss) on investments and foreign currency	(24,131)	12,271	2,402	17,074	38,352	232,160	-
Movement in unrealised appreciation / (depreciation) on investments and foreign currency	(1,236,987)	(82,305)	513	(150,340)	124,240	587,950	14,371
Net gain/(loss) on investment activities	(1,261,118)	(70,034)	2,915	(133,266)	162,592	820,110	14,371

Franklin LibertyShares ICAV

Notes to the Financial Statements for the period from 11 July 2017 (date of registration) to 30 June 2018 (continued)

5. Operating Expenses

All of the fees and expenses payable in respect of a Sub-Fund are paid as one single fee. This is referred to as the Total Expense Ratio ("TER"). The following fees and expenses will be discharged out of the TER:

- the fees and expenses of the Manager, Directors, Auditor, Investment Manager (including the costs and expenses of any investment adviser appointed by the Investment Manager), legal advisers, Secretary, Administrator and Depositary;
- the cost of registering any Sub-Fund for sale in any jurisdiction listing and maintaining a listing of Shares on any Listing Stock Exchange;
- the cost of convening and holding Directors' and Shareholders' meetings;
- professional fees and expenses for legal and other consulting services;
- the costs and expenses of preparing, printing, publishing and distributing prospectuses, supplements, annual and semi-annual reports and other documents to current and prospective investors;
- the costs and expenses arising from any licensing or other fees payable to any Index Provider or other licensor of intellectual property, trademarks or service marks used by the ICAV;
- the fees of any local paying, centralisation, registration or other similar agent (which must be at normal commercial rates);
- all establishment costs of the Fund and the Sub-Funds; and
- such other costs and expenses (excluding non-recurring and extraordinary costs and expenses) as may arise from time to time and which have been approved by the Directors as necessary or appropriate for the continued operation of the ICAV or of any Sub-Fund.

The TER does not include extraordinary costs and certain transaction costs (including but not limited to transaction charges, stamp duty or other taxes on the investments of the Fund, including duties and charges for portfolio re-balancing, withholding taxes, commissions and brokerage fees incurred with respect to the Fund's investments, interest on borrowings and bank charges incurred in negotiating, effecting or varying the terms of such borrowings, any commissions charged by intermediaries in relation to an investment in the Sub-Fund and such extraordinary or exceptional costs and expenses (if any) as may arise from time to time, such as material litigation in relation to a Sub-Fund or the Fund) as may arise from time to time, which will be paid separately out of the assets of the relevant Sub-Fund. Subject to applicable law and regulation, the Manager or Investment Manager may pay part or all of its fees to any person that invests in or provides services to the ICAV or in respect of any Sub-Fund.

The TER is calculated and accrued daily from the Net Asset Value of each Sub-Fund and payable monthly in arrears. The TER of each Sub-Fund of the ICAV is as listed in the relevant Supplement. If a Sub-Fund's expenses exceed the TER in relation to operating the relevant Sub-Fund, the Manager will cover any shortfall from its own assets.

The TER payable in respect of each Sub-Fund is listed below.

Sub-Fund	TER (% of NAV)
Franklin LibertyQ Emerging Markets UCITS ETF	0.55
Franklin LibertyQ European Dividend UCITS ETF	0.25
Franklin Liberty Euro Short Maturity UCITS ETF	0.30
Franklin LibertyQ Global Dividend UCITS ETF	0.45
Franklin LibertyQ Global Equity SRI UCITS ETF	0.40
Franklin LibertyQ U.S. Equity UCITS ETF	0.25
Franklin Liberty USD Investment Grade Corporate Bond UCITS ETF	0.35

Franklin LibertyShares ICAV

Notes to the Financial Statements for the period from 11 July 2017 (date of registration) to 30 June 2018 (continued)

5. Operating Expenses (continued)

Directors Fees

Robert Burke, Frank Ennis and Gregory McGowan received Directors' fees amounting to EUR 75,000 during the period ended 30 June 2018, of which EUR Nil remained payable at 30 June 2018.

Independent Auditor's Remuneration

The remuneration for all work carried out by the statutory audit firm in respect of the current year is as follows:

	30 June 2018 EUR
Statutory audit	58,500
Total	58,500

The fees for the statutory audit of the financial statements disclosed in the table above are exclusive of VAT and inclusive of out of pocket expenses. The audit fees recognised in the Statement of Comprehensive Income are inclusive of VAT. There were no fees charged for other assurance services or other non audit services in respect of the current financial period.

Transaction Costs

Transaction costs are any fees and expenses incurred in buying and selling investments held by the Sub-Funds, e.g. brokerage costs and commissions and correspondence fees for transferring securities or investments or other interests, unless otherwise specified in the relevant Supplements to the Prospectus.

Transaction costs on purchases and sales of equity investments and futures contracts during the period are included in net gain/(loss) on investment activities in the Statement of Comprehensive Income. Transaction costs on the purchase and sale of Corporate Bonds and Government Bonds, are included in the purchase and sale price of the investment. They cannot be practically or reliably gathered as they are embedded in the cost of the investment and cannot be separately verified or disclosed. Separately identifiable Depositary transaction costs are borne by the Manager through the TER of the Sub-Funds of the ICAV as detailed on page 68.

The Sub-Funds incurred total transaction costs during the period ended 30 June 2018 as follows:

Sub-Fund	Currency	30 June 2018
		Cost
Franklin LibertyQ Emerging Markets UCITS ETF	USD	19,453
Franklin LibertyQ European Dividend UCITS ETF	EUR	168
Franklin Liberty Euro Short Maturity UCITS ETF	EUR	98
Franklin LibertyQ Global Dividend UCITS ETF	USD	1,866
Franklin LibertyQ Global Equity SRI UCITS ETF	USD	1,985
Franklin LibertyQ U.S. Equity UCITS ETF	USD	1,743
Franklin Liberty USD Investment Grade Corporate Bond UCITS ETF	USD	-

Franklin LibertyShares ICAV

Notes to the Financial Statements for the period from 11 July 2017 (date of registration) to 30 June 2018 (continued)

6. Risk Management Policies and Disclosure

Introduction and overview

Franklin LibertyShares ICAV is exposed to a variety of financial risks in pursuing its stated investment objective and policy such as: credit and counterparty risk, liquidity risk and market risk (which in turn includes currency risk, interest rate risk and price risk). The ICAV takes exposure to certain of these risks to generate investment returns on its portfolio, although these risks can also potentially result in a reduction in the ICAV's net assets. The Investment Manager will use its best endeavours to minimise the potentially adverse effects of these risks on the ICAV's performance where it can do so while still managing the investments of the ICAV in a way that is consistent with the ICAV's investment objective and policy.

The ability of a LibertyQ Sub-Fund ("Index Tracking Sub-Fund") to achieve significant correlation between the performance of the Sub-Fund and the Index it tracks may be affected by changes in securities markets, changes in the composition of the Index, cash flows into and out of the Sub-Fund and the fees and expenses of the Sub-Fund. The Sub-Fund will seek to track Index returns regardless of the current or projected performance of the Index or of securities comprising the Index. As a result, the Sub-Fund's performance may be less favourable than that of a portfolio managed using an active investment strategy. The structure and composition of the Index will affect the performance, volatility and risk of the Index (in absolute terms and by comparison with other indices), and consequently, the performance, volatility and risk of the Sub-Fund.

For Sub-Funds where investments are actively managed, the Investment Manager will use an investment approach that typically involves research such as fundamental analysis, micro and macroeconomic analysis and/or technical analysis rather than seeking to deliver the performance of an Index, because it believes actively selecting investments can deliver a better outcome than owning the market in its entirety. Such Sub-Funds could experience losses if the Investment Manager's judgment about markets, future volatility, interest rates, industries, sectors and regions or the attractiveness, relative values, liquidity, effectiveness or potential appreciation of particular investments made for a Sub-Fund prove to be incorrect.

Risk mitigation techniques applied to Index Tracking Sub-Funds will be different than those traditionally applied to actively managed Sub-Funds. These Sub-Funds seek to achieve a return that corresponds to or tracks the return of an Index or customised benchmark. Index Tracking Sub-Funds are not actively managed and do not attempt to take defensive positions under any market conditions. Therefore an Index Tracking Sub-Fund will be negatively affected by general declines in the securities and asset classes represented in its Index. Currency and interest rate exposures will also be determined by the Index. Such Sub-Funds' performance could therefore be lower than funds that may actively shift their portfolio assets to take advantage of market opportunities or to lessen the impact of a market decline or a decline in the value of one or more issuers.

(a) Market price risk

Market price risk is defined as risk that the fair value of a financial instrument or its future cash flows will fluctuate because of changes in market prices. Each Sub-Fund holding equity investments is directly affected by movements in market prices.

The management of market risk is effected through asset allocation and diversification based on the Sub-Fund's investment objective as well as the Investment Manager's developed investment process. For the actively managed Sub-Funds; Franklin Liberty Euro Short Maturity UCITS ETF and Franklin Liberty USD Investment Grade Corporate Bond UCITS ETF, this includes in-depth research as well as monthly analysis of invested companies and the macroeconomics of the invested areas. For passively managed Sub-Funds this may include factor based or weight diversification rules built in the customised index that is tracked.

The maximum risk arising from an investment in a financial instrument is determined by the fair value of the financial instruments, except for short positions in derivatives and securities where the loss may potentially be unlimited. The value of market price risk that the Sub-Funds are exposed to at 30 June 2018 is the fair value of investments as disclosed in the relevant Sub-Fund's Schedule of Investments.

Franklin LibertyShares ICAV

Notes to the Financial Statements for the period from 11 July 2017 (date of registration) to 30 June 2018 (continued)

6. Risk Management Policies and Disclosure (continued)

(a) Market price risk (continued)

Price Sensitivity Analysis

If the price of each equity security held by the Sub-Funds had increased by 5% at 30 June 2018, with all other variables remaining constant, this would have increased the net assets of the Sub-Funds as disclosed in the table below. A 5% decrease would have an equal and opposite effect on the value of the Sub-Funds.

Sub-Fund	Currency	30 June 2018
Franklin LibertyQ Emerging Markets UCITS ETF	USD	1,194,941
Franklin LibertyQ European Dividend UCITS ETF	EUR	120,491
Franklin Liberty Euro Short Maturity UCITS ETF	EUR	264,570
Franklin LibertyQ Global Dividend UCITS ETF	USD	245,085
Franklin LibertyQ Global Equity SRI UCITS ETF	USD	263,771
Franklin LibertyQ U.S. Equity UCITS ETF	USD	708,979
Franklin Liberty USD Investment Grade Corporate Bond UCITS ETF	USD	305,738

b) Foreign Currency risk

Currency risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Each Sub-Fund is exposed to currency risk as monetary assets and liabilities of the Sub-Funds may be denominated in a currency other than the functional currency of the Sub-Funds.

The fluctuations in the rate of exchange between the currency in which the asset or liability is denominated and the functional currency could result in an appreciation or depreciation in the fair value of that asset.

For the actively managed Sub-Funds, the Investment Manager monitors each Sub Fund's currency exposure on a regular basis and the Investment Manager may attempt to mitigate this risk by using financial derivative instruments ("FDI").

A Sub-Fund may use FDIs on behalf of a specific class in order to hedge some or all of the foreign exchange risk for such class. A Sub-Fund that hedges foreign exchange risk for any class may enter into forward currency contracts in order to hedge some or all of the foreign exchange risk for the relevant class. To the extent that hedging is successful, the performance of the relevant class is likely to move in line with the performance of the underlying assets. The use of hedged currency classes may substantially limit holders of the relevant classes from benefiting if the currency of each of these classes falls against the base currency and/or the currency in which the assets of the Sub-Fund are denominated.

The foreign currency risk exposure and currency sensitivity analysis, which detail the approximate increase or decrease in net assets attributable to redeemable participating shareholders of each relevant Sub-Fund if the exchange rate of the base currency increased or decreased by 5% relative to the non-base exposure for each Sub-Fund, as at 30 June 2018 are detailed in the tables below, for those Sub-Funds with material exposure.

Franklin LibertyShares ICAV

Notes to the Financial Statements for the period from 11 July 2017 (date of registration) to 30 June 2018 (continued)

6. Risk Management Policies and Disclosure (continued)

b) Foreign Currency risk (continued)

Franklin LibertyQ Emerging Markets UCITS ETF

	Monetary USD	Non- Monetary USD	Total USD	Currency Sensitivity USD
Brazilian Real	3,256	1,245,640	1,248,896	62,445
Chilean peso	-	169,519	169,519	8,476
Chinese Yuan Renminbi	8,331	55,142	63,473	3,174
Czech Koruna	548	106,318	106,866	5,343
Egyptian pound	-	62,207	62,207	3,110
Hong Kong Dollar	34,915	2,792,289	2,827,204	141,360
Hungarian Forint	45	152,132	152,177	7,609
Indian Rupee	4,617	3,201,370	3,205,987	160,299
Indonesian Rupiah	2,887	959,888	962,775	48,139
Malaysian Ringgit	1,998	832,155	834,153	41,708
Mexican Peso	99	515,888	515,987	25,799
Pakistani Rupee	100	82,140	82,240	4,112
Philippine Peso	407	126,870	127,277	6,364
Polish Zloty	63	34,622	34,685	1,734
Qatari Riyal	192	341,270	341,462	17,073
Russian Ruble	24,762	2,414,268	2,439,030	121,952
South African Rand	13,115	1,071,725	1,084,840	54,242
South Korean Won	6,447	3,206,658	3,213,105	160,655
Taiwan Dollar	16,992	3,148,597	3,165,589	158,279
Thai baht	-	1,368,522	1,368,522	68,426
Turkish Lira	1,292	811,756	813,048	40,652
United Arab Emirates Dirham	152	460,613	460,765	23,038
	120,218	23,159,589	23,279,807	1,163,989

Franklin LibertyQ European Dividend UCITS ETF

	Monetary EUR	Non- Monetary EUR	Total EUR	Currency Sensitivity EUR
Danish Krone	31	30,781	30,812	1,541
Norwegian Krone	402	116,186	116,588	5,829
Pound Sterling	4,997	857,380	862,377	43,119
Swedish Krona	17	288,781	288,798	14,440
Swiss Franc	25	156,467	156,492	7,825
	5,472	1,449,595	1,455,067	72,754

Franklin LibertyQ Global Dividend UCITS ETF

	Monetary USD	Non- Monetary USD	Total USD	Currency Sensitivity USD
Australian Dollar	3,010	505,377	508,387	25,419
Brazilian Real	33	87,026	87,059	4,353
Canadian Dollar	1,906	426,093	427,999	21,400
Chinese yuan	-	399	399	20
Danish Krone	26	10,329	10,355	518
Euro	760	522,596	523,356	26,168
Indonesian Rupiah	1	19,339	19,340	967
Japanese Yen	8	170,665	170,673	8,534
Hong Kong dollar	-	61,376	61,376	3,069
Malaysian Ringgit	100	7,303	7,403	370
Mexican Peso	43	7,705	7,748	387
Norwegian Krone	36	31,993	32,029	1,601

Franklin LibertyShares ICAV

Notes to the Financial Statements for the period from 11 July 2017 (date of registration) to 30 June 2018 (continued)

6. Risk Management Policies and Disclosure (continued)

b) Foreign Currency risk (continued)

Franklin LibertyQ Global Dividend UCITS ETF (continued)

	Monetary USD	Non- Monetary USD	Total USD	Currency Sensitivity USD
Pound Sterling	2,166	322,380	324,546	16,227
Qatari Riyal	523	46,255	46,778	2,339
Singapore Dollar	19	70,605	70,624	3,531
South African Rand	3	130,976	130,979	6,549
Swedish Krona	53	145,825	145,878	7,294
Swiss Franc	51	320,857	320,908	16,045
Taiwan Dollar	121	9,597	9,718	486
United Arab Emirates Dirham	272	-	272	14
	9,131	2,896,696	2,905,827	145,291

Franklin LibertyQ Global Equity SRI UCITS ETF

	Monetary USD	Non- Monetary USD	Total USD	Currency Sensitivity USD
Australian Dollar	3,605	264,428	268,033	13,402
Brazilian Real	282	19,592	19,874	994
Canadian Dollar	1,324	322,167	323,491	16,175
Chilean peso	-	2,466	2,466	123
Czech Koruna	208	4,870	5,078	254
Danish Krone	27	113,122	113,149	5,657
Euro	896	468,262	469,158	23,458
Hong Kong Dollar	948	75,700	76,648	3,832
Hungarian Forint	387	8,266	8,653	433
Indian rupee	-	107,762	107,762	5,388
Indonesian Rupiah	24	5,872	5,896	295
Israeli Shekel	190	12,833	13,023	651
Japanese Yen	3,239	507,877	511,116	25,555
Malaysian Ringgit	835	53,279	54,114	2,706
Mexican Peso	306	11,552	11,858	593
New Zealand Dollar	469	6,921	7,390	370
Norwegian Krone	242	19,939	20,181	1,009
Polish Zloty	104	-	104	5
Pound Sterling	4,143	335,290	339,433	16,972
Russian ruble	-	4,478	4,478	224
Singapore Dollar	121	57,867	57,988	2,899
South African Rand	632	69,191	69,823	3,491
South Korean Won	657	112,472	113,129	5,656
Swedish Krona	35	46,051	46,086	2,304
Swiss Franc	89	120,907	120,996	6,050
Taiwan Dollar	1,472	123,101	124,573	6,229
Thai baht	-	21,459	21,459	1,073
Turkish Lira	142	-	142	7
United Arab Emirates Dirham	374	6,291	6,665	333
	20,751	2,902,015	2,922,766	146,138

As at 30 June 2018, Franklin Liberty Euro Short Maturity UCITS ETF and Franklin Liberty USD Investment Grade Corporate Bond UCITS ETF have no foreign currency risk exposure, therefore there is no data presented for those Funds.

Franklin LibertyShares ICAV

Notes to the Financial Statements for the period from 11 July 2017 (date of registration) to 30 June 2018 (continued)

6. Risk Management Policies and Disclosure (continued)

c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The ICAV is subject to interest rate risk on any debt securities and cash and may have an indirect exposure to interest rate risk through investments in financial derivative instruments whereby the value of the underlying asset may fluctuate as a result of a change in interest rates. Generally, the value of fixed income securities will change inversely with changes in interest rates, the effect being greater the longer the maturity of the security.

The value of cash and interest-bearing debt securities, on which there may be interest rate risk exposure, as at 30 June 2018 is as follows for each Sub-Fund:

Franklin LibertyQ Emerging Markets UCITS ETF

Assets	Fixed Interest Rate USD	Floating Interest Rate USD	Non-Interest Bearing USD	Total Value USD
Transferable securities	-	-	23,898,823	23,898,823
Cash and cash equivalent	-	69,505	-	69,505
Other receivables	-	-	107,961	107,961
Total Assets	-	69,505	24,006,784	24,076,289
Liabilities				
Financial derivative liabilities	-	-	(2,985)	(2,985)
Other payables	-	-	(6,929)	(6,929)
Total Liabilities	-	-	(9,914)	(9,914)
Total Net Assets				24,066,375
5% Interest sensitivity gap				3,475

Franklin LibertyQ European Dividend UCITS ETF

Assets	Fixed Interest Rate EUR	Floating Interest Rate EUR	Non-Interest Bearing EUR	Total Value EUR
Transferable securities	-	-	2,409,814	2,409,814
Cash and cash equivalent	-	1,623	-	1,623
Other receivables	-	-	11,327	11,327
Total Assets	-	1,623	2,421,141	2,422,764
Liabilities				
Other payables	-	-	(508)	(508)
Total Liabilities	-	-	(508)	(508)
Total Net Assets				2,422,256
5% Interest sensitivity gap				81

Franklin LibertyShares ICAV

Notes to the Financial Statements for the period from 11 July 2017 (date of registration) to 30 June 2018 (continued)

6. Risk Management Policies and Disclosure (continued)

c) Interest rate risk (continued)

Franklin Liberty Euro Short Maturity UCITS ETF

Assets	Fixed Interest Rate EUR	Floating Interest Rate EUR	Non-Interest Bearing EUR	Total Value EUR
Transferable securities	5,191,680	99,726	-	5,291,406
Cash and cash equivalent	-	734,719	-	734,719
Financial derivative assets	-	-	545	545
Other receivables	-	-	53,480	53,480
Total Assets	5,191,680	834,445	54,025	6,080,150
Liabilities				
Other payables	-	-	(573,648)	(573,648)
Total Liabilities	-	-	(573,648)	(573,648)
Total Net Assets				5,506,502
5% Interest sensitivity gap				301,306

Franklin LibertyQ Global Dividend UCITS ETF

Assets	Fixed Interest Rate USD	Floating Interest Rate USD	Non-Interest Bearing USD	Total Value USD
Transferable securities	-	-	4,901,700	4,901,700
Cash and cash equivalent	-	3,785	-	3,785
Other receivables	-	-	12,568	12,568
Total Assets	-	3,785	4,914,268	4,918,053
Liabilities				
Other payables	-	-	(2,666)	(2,666)
Total Liabilities	-	-	(2,666)	(2,666)
Total Net Assets				4,915,387
5% Interest sensitivity gap				189

Franklin LibertyShares ICAV

Notes to the Financial Statements for the period from 11 July 2017 (date of registration) to 30 June 2018 (continued)

6. Risk Management Policies and Disclosure (continued)

c) Interest rate risk (continued)

Franklin LibertyQ Global Equity SRI UCITS ETF

Assets	Fixed Interest Rate USD	Floating Interest Rate USD	Non-Interest Bearing USD	Total Value USD
Transferable securities	-	-	5,275,426	5,275,426
Cash and cash equivalent	-	21,454	-	21,454
Other receivables	-	-	12,680	12,680
Total Assets	-	21,454	5,288,106	5,309,560
Liabilities				
Financial derivative liabilities	-	-	(745)	(745)
Other payables	-	-	(1,762)	(1,762)
Total Liabilities	-	-	(2,507)	(2,507)
Total Net Assets				5,307,053
5% Interest sensitivity gap				1,073

Franklin LibertyQ U.S. Equity UCITS ETF

Assets	Fixed Interest Rate USD	Floating Interest Rate USD	Non-Interest Bearing USD	Total Value USD
Transferable securities	-	-	14,179,574	14,179,574
Cash and cash equivalent	-	79,689	-	79,689
Other receivables	-	-	1,437,449	1,437,449
Total Assets	-	79,689	15,617,023	15,696,712
Liabilities				
Financial derivative liabilities	-	-	(1,793)	(1,793)
Other payables	-	-	(1,417,663)	(1,417,663)
Total Liabilities	-	-	(1,419,456)	(1,419,456)
Total Net Assets				14,277,256
5% Interest sensitivity gap				3,984

Franklin LibertyShares ICAV

Notes to the Financial Statements for the period from 11 July 2017 (date of registration) to 30 June 2018 (continued)

6. Risk Management Policies and Disclosure (continued)

c) Interest rate risk (continued)

Franklin Liberty USD Investment Grade Corporate Bond UCITS ETF

Assets	Fixed Interest Rate USD	Floating Interest Rate USD	Non-Interest Bearing USD	Total Value USD
Transferable securities	6,114,764	-	-	6,114,764
Cash and cash equivalent	-	89,743	-	89,743
Financial derivative assets	-	-	-	-
Other receivables	-	-	62,661	62,661
Total Assets	6,114,764	89,743	62,661	6,267,168
Liabilities				
Cash and cash equivalent	-	-	-	-
Financial derivative liabilities	-	-	-	-
Other payables	-	-	(300)	(300)
Total Liabilities	-	-	(300)	(300)
Total Net Assets				6,266,868
5% Interest sensitivity gap				310,225

d) Credit risk and Counterparty risk

Credit risk is the probable risk of loss resulting from a borrower's failure to repay a loan or meet its contractual obligations. Investments in equity securities are not exposed to credit risk. The sub-funds bear credit risk on any debt securities held. Credit risk generally encompasses default risk, spread risk, counterparty risk and settlement risk.

The Investment Manager may use forward currency contracts to hedge against foreign currency exposure. These have a similar credit or default risk to a regular currency spot transaction. Forward currency contracts are 'Over the Counter' traded and therefore have counterparty risk which arises from the potential failure of counterparties to meet their obligations under the contract or arrangement.

Counterparty risk is a sub-set of credit risk and is the risk to each party of a contract that the counterparty will not live up to its contractual obligations. The Sub-Funds have exposure to counterparty risk on any bilateral agreement such as over the counter derivatives transactions where both sides face credit risk, (i.e. forward currency contracts).

Derivatives, cash deposited as margin or other similar investments/monies deposited by or entered into on behalf of the ICAV with a counterparty, options exchange, clearing broker or other parties are not held within the State Street custodial network. The Depositary is therefore not liable in any way for the default of any counterparty.

Franklin Templeton Investment Management Limited, as Investment Adviser, has a Counterparty Credit Committee which meets regularly to review and update a list of approved counterparties, change exposure limits and counterparty approval status. The committee has the authority to block trading with a particular counterparty should they believe that exposure to that particular counterparty is too high. Total firm wide exposures to each counterparty and each counterparties' credit rating, credit default swap spread and share price movements are also monitored and reported to the Trading and Portfolio Management teams on a weekly basis.

Franklin LibertyShares ICAV

Notes to the Financial Statements for the period from 11 July 2017 (date of registration) to 30 June 2018 (continued)

6. Risk Management Policies and Disclosure (continued)

d) Credit risk and Counterparty risk (continued)

The ICAV's Depositary is State Street Custodial Services (Ireland) Limited. Substantially all of the assets and cash of the Sub-Funds are held within the custodial network of the Depositary. Bankruptcy or insolvency of the Depositary or of its parent company, State Street Corporation, may cause the Sub-Funds' rights with respect to its investments held by the Depositary to be delayed or limited. The credit rating of State Street Corporation as at 30 June 2018 is AA-.

e) Liquidity risk

The Sub-Funds' assets generally comprise of highly liquid debt and equity securities. For actively managed Sub-Funds, liquidity is a factor that the Investment Manager considers when investing in any financial instrument. For Index Tracking Sub-Funds, the financial instruments invested in will be determined by the relevant Index tracked.

The main financial liability of the Sub-Funds is the redemption of redeemable participating shares. As the Sub-Funds are open ended, the relevant Sub-Fund is required to redeem shares on request by shareholders at a price equivalent to the Net Asset Value per share, subject to settlement and dealing restrictions laid down in the Prospectus.

The Investment Manager manages each Sub-Fund's liquidity position on a daily basis. Also the Investment Manager is able, through the provisions in the Prospectus, to defer the processing of redemptions of significant size to facilitate an orderly disposition of securities in order to protect the interest of the remaining shareholders. The maximum number of redeemable participating shares available for redemption on any given day can be restricted to 10% of the total number of shares in issue in the relevant Sub-Fund.

The liquidity profile of the Sub-Funds' financial liabilities as at 30 June 2018 is as follows:

Franklin LibertyQ Emerging Markets UCITS ETF

	1-3 months USD	3 months to 1 year USD	> 1 year USD	Total Value USD
Unrealised loss on futures contracts	2,985	-	-	2,985
Other payables	6,929	-	-	6,929
Net assets attributable to holders of redeemable participating shares	24,066,375	-	-	24,066,375
Total Liabilities	24,076,289	-	-	24,076,289

Franklin LibertyQ European Dividend UCITS ETF

	1-3 months EUR	3 months to 1 year EUR	> 1 year EUR	Total Value EUR
Unrealised loss on futures contracts	-	-	-	-
Other payables	508	-	-	508
Net assets attributable to holders of redeemable participating shares	2,422,256	-	-	2,422,256
Total Liabilities	2,422,764	-	-	2,422,764

Franklin LibertyShares ICAV

Notes to the Financial Statements for the period from 11 July 2017 (date of registration) to 30 June 2018 (continued)

6. Risk Management Policies and Disclosure (continued)

e) Liquidity risk (continued)

Franklin Liberty Euro Short Maturity UCITS ETF

	1-3 months EUR	3 months to 1 year EUR	> 1 year EUR	Total Value EUR
Unrealised loss on futures contracts	-	-	-	-
Other payables	573,648	-	-	573,648
Net assets attributable to holders of redeemable participating shares	5,506,502	-	-	5,506,502
Total Liabilities	6,080,150	-	-	6,080,150

Franklin LibertyQ Global Dividend UCITS ETF

	1-3 months USD	3 months to 1 year USD	> 1 year USD	Total Value USD
Unrealised loss on futures contracts	-	-	-	-
Other payables	2,666	-	-	2,666
Net assets attributable to holders of redeemable participating shares	4,915,387	-	-	4,915,387
Total Liabilities	4,918,053	-	-	4,918,053

Franklin LibertyQ Global Equity SRI UCITS ETF

	1-3 months USD	3 months to 1 year USD	> 1 year USD	Total Value USD
Unrealised loss on futures contracts	745	-	-	745
Other payables	1,762	-	-	1,762
Net assets attributable to holders of redeemable participating shares	5,307,053	-	-	5,307,053
Total Liabilities	5,309,560	-	-	5,309,560

Franklin LibertyQ U.S Equity UCITS ETF

	1-3 months USD	3 months to 1 year USD	> 1 year USD	Total Value USD
Unrealised loss on futures contracts	1,793	-	-	1,793
Other payables	1,417,663	-	-	1,417,663
Net assets attributable to holders of redeemable participating shares	14,277,256	-	-	14,277,256
Total Liabilities	15,696,712	-	-	15,696,712

Franklin LibertyShares ICAV

Notes to the Financial Statements for the period from 11 July 2017 (date of registration) to 30 June 2018 (continued)

6. Risk Management Policies and Disclosure (continued)

e) Liquidity risk (continued)

Franklin Liberty USD Investment Grade Corporate Bond UCITS ETF

	1-3 months USD	3 months to 1 year USD	> 1 year USD	Total Value USD
Unrealised loss on futures contracts	-	-	-	-
Other payables	300	-	-	300
Net assets attributable to holders of redeemable participating shares	6,266,868	-	-	6,266,868
Total Liabilities	6,267,168	-	-	6,267,168

f) Fair Value Hierarchy

The ICAV is required to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The standard requires an entity to provide a quantitative and qualitative analysis of those instruments recognised at fair value based on a three-level measurement hierarchy. The fair value hierarchy has the following levels:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Furthermore, for those instruments which have significant unobservable inputs (Level 3), the amendment requires disclosures on the transfers into and out of Level 3, a reconciliation of the opening and closing balances, total gains and losses for the period split between those recognised in the Statement of Comprehensive Income and recognised through the statement of total recognised gains and losses, purchases, sales issues and settlements. The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Sub-Funds. The Sub-Funds consider observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. Assets and liabilities not carried at fair value are carried at amortised cost, their carrying values are a reasonable approximation of fair value.

Franklin LibertyShares ICAV

Notes to the Financial Statements for the period from 11 July 2017 (date of registration) to 30 June 2018 (continued)

6. Risk Management Policies and Disclosure (continued)

f) Fair Value Hierarchy (continued)

The following tables analyse within the fair value hierarchy the Sub-Funds' financial assets and financial liabilities measured at fair value at 30 June 2018.

Franklin LibertyQ Emerging Markets UCITS ETF

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial Assets:				
Equities	23,898,823	-	-	23,898,823
Future Contracts*	(2,985)	-	-	(2,985)
	<u>23,895,838</u>	<u>-</u>	<u>-</u>	<u>23,895,838</u>

Franklin LibertyQ European Dividend UCITS ETF

	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
Financial Assets:				
Equities	2,409,814	-	-	2,409,814
	<u>2,409,814</u>	<u>-</u>	<u>-</u>	<u>2,409,814</u>

Franklin Liberty Euro Short Maturity UCITS ETF

	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
Financial Assets:				
Bonds	-	5,291,406	-	5,291,406
Future Contracts*	545	-	-	545
	<u>545</u>	<u>5,291,406</u>	<u>-</u>	<u>5,291,951</u>

Franklin LibertyQ Global Dividend UCITS ETF

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial Assets:				
Equities	4,901,700	-	-	4,901,700
	<u>4,901,700</u>	<u>-</u>	<u>-</u>	<u>4,901,700</u>

Franklin LibertyQ Global Equity SRI UCITS ETF

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial Assets and Liabilities:				
Equities	5,275,426	-	-	5,275,426
Future Contracts*	(745)	-	-	(745)
	<u>5,274,681</u>	<u>-</u>	<u>-</u>	<u>5,274,681</u>

*Represents net unrealised gain/(loss) which comprises of unrealised gains and unrealised losses.

Franklin LibertyShares ICAV

Notes to the Financial Statements for the period from 11 July 2017 (date of registration) to 30 June 2018 (continued)

6. Risk Management Policies and Disclosure (continued)

f) Fair Value Hierarchy (continued)

Franklin LibertyQ U.S. Equity UCITS ETF

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial Assets:				
Equities	14,179,574	-	-	14,179,574
Future Contracts*	(1,793)	-	-	(1,793)
	<u>14,177,781</u>	<u>-</u>	<u>-</u>	<u>14,177,781</u>

Franklin Liberty USD Investment Grade Corporate Bond UCITS ETF

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial Assets:				
Bonds	-	6,114,764	-	6,114,764
	<u>-</u>	<u>6,114,764</u>	<u>-</u>	<u>6,114,764</u>

*Represents net unrealised gain/(loss) which comprises of unrealised gains and unrealised losses.

Investments whose values are based on quoted market prices in active markets are classified within level 1. For the ICAV these include active listed equities and exchange traded derivatives.

Financial instruments that are not listed but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. These include bonds.

There were no transfers between levels of the fair value hierarchy during the period ended 30 June 2018. There were no level 3 securities held on the Sub-Funds as at 30 June 2018.

g) Global Exposure and Leverage

The Sub-Funds' global exposure and leverage are calculated using the commitment approach and do not exceed 100% of Net Asset Value. The commitment approach converts each Sub-Fund's Financial Derivative Instruments ("FDI") positions into the equivalent positions in the underlying assets and seeks to ensure that the FDI risk is monitored in terms of any future commitments to which it is, or may be obligated.

Any leverage resulting from the use of FDIs and efficient portfolio management techniques are in accordance with the requirements of the Central Bank and will not exceed 100% of the Net Asset Value of the relevant Sub-Fund.

7. Cash & Cash Equivalents

At 30 June 2018, all cash & cash equivalents are held with State Street Bank and Trust Company, with the exception of the margin cash below. All margin cash balances were held with J.P. Morgan, whose credit rating at 30 June 2018 was A+.

Franklin LibertyShares ICAV

Notes to the Financial Statements for the period from 11 July 2017 (date of registration) to 30 June 2018 (continued)

7. Cash & Cash Equivalents (continued)

The following margin cash balances held with brokers at 30 June 2018 are included within cash and cash equivalents in the Statement of Financial Position.

Sub-Fund	Currency	30 June 2018
Franklin LibertyQ Emerging Markets UCITS ETF	USD	10,038
Franklin LibertyQ European Dividend UCITS ETF	EUR	3
Franklin Liberty Euro Short Maturity UCITS ETF	EUR	25,243
Franklin LibertyQ Global Dividend UCITS ETF	USD	(18)
Franklin LibertyQ Global Equity SRI UCITS ETF	USD	2,268
Franklin LibertyQ U.S. Equity UCITS ETF	USD	4,178
Franklin Liberty USD Investment Grade Corporate Bond UCITS ETF	USD	-

8. Other receivables

As at 30 June 2018

	Franklin LibertyQ Emerging Markets UCITS ETF USD	Franklin LibertyQ European Dividend UCITS ETF EUR	Franklin Liberty Euro Short Maturity UCITS ETF EUR	Franklin LibertyQ Global Dividend UCITS ETF USD	Franklin LibertyQ Global Equity SRI UCITS ETF USD	Franklin LibertyQ U.S. Equity UCITS ETF USD	Franklin Liberty USD Investment Grade Corporate Bond UCITS ETF USD
Dividends receivable	95,573	11,327	-	12,568	12,180	10,927	-
Interest receivable	-	-	53,480	-	-	-	62,661
Miscellaneous receivable	12,272	-	-	-	500	-	-
Receivable for shares issued	-	-	-	-	-	1,426,522	-
Sale of securities awaiting settlement	116	-	-	-	-	-	-
	107,961	11,327	53,480	12,568	12,680	1,437,449	62,661

9. Other payables

As at 30 June 2018

	Franklin LibertyQ Emerging Markets UCITS ETF USD	Franklin LibertyQ European Dividend UCITS ETF EUR	Franklin Liberty Euro Short Maturity UCITS ETF EUR	Franklin LibertyQ Global Dividend UCITS ETF USD	Franklin LibertyQ Global Equity SRI UCITS ETF USD	Franklin LibertyQ U.S. Equity UCITS ETF USD	Franklin Liberty USD Investment Grade Corporate Bond UCITS ETF USD
Management fees payable	(6,929)	(508)	(205)	(1,837)	(1,762)	(2,639)	(300)
Distributions payable	-	-	(573,443)	-	-	(1,415,024)	-
Miscellaneous payable	-	-	-	(829)	-	-	-
	(6,929)	(508)	(573,648)	(2,666)	(1,762)	(1,417,663)	(300)

Franklin LibertyShares ICAV

Notes to the Financial Statements for the period from 11 July 2017 (date of registration) to 30 June 2018 (continued)

10. Related Party Disclosures

The Directors who are listed on page 3, the Investment Manager, Franklin Advisers, Inc., the Sub-Investment Managers, Franklin Templeton Investment Management Limited and Franklin Templeton Institutional, LLC, the Manager, Franklin Templeton International Services S.à r.l., the Swiss Representative, Franklin Templeton Switzerland Limited and the German Information Agent, Franklin Templeton Investment Services GmbH are considered related parties for the purposes of the accounting standards to which the ICAV is subject. Amounts earned by the Directors and the Investment Manager during the period and payable at the period ended 30 June 2018 are included in the TER for each Sub-Fund and are disclosed in Note 5.

Transactions with Entities with Significant Influence

As at 30 June 2018, none of the shareholders are deemed to be related parties.

Transactions with Key Management Personnel

The interests of the Directors in related parties are as follows:

Kathleen Davidson is a chief administration officer and director of International Business Development at Franklin Templeton. She is also a director of a number of Franklin Templeton corporate entities, including the Manager. She is a UK national.

William Jackson is Chief Administration Officer for Technology & Operations at Franklin Templeton. He is also a director of a number of Franklin Templeton corporate entities, including the Manager, and fund entities based in the UK, Luxembourg and the Cayman Islands. He is a UK national.

Gregory E. McGowan joined Franklin Templeton in 1986 and resigned in 2016. Mr. McGowan held various senior appointments including executive vice president, director and general counsel of Templeton International Inc. and Templeton Worldwide Inc. He is a US national.

Patrick O'Connor is head of global exchange traded funds for Franklin Templeton Investments. He is a US national.

During the period from 11 July 2017 (date of registration) to 30 June 2018, other than as disclosed above, no Director or connected person of any Director has any interest, beneficial or non-beneficial, in the share capital of the ICAV, or any material interest in the ICAV or in any agreement or arrangement with the ICAV.

During the period from 11 July 2017 (date of registration) to 30 June 2018, the Directors earned fees amounting to EUR 75,000 of which EUR 0 was payable at the end of the period.

All related party transactions as noted above were carried out at arm's length in the ordinary course of business.

Franklin LibertyShares ICAV

Notes to the Financial Statements for the period from 11 July 2017 (date of registration) to 30 June 2018 (continued)

10. Related Party Disclosures (continued)

Significant Shareholders

The following table details the number of shareholders with significant holdings (at least 20%) of the relevant Sub-Fund and the percentage of that holding as at 30 June 2018.

Sub-Fund	Number of significant shareholders	Total holding as at 30 June 2018	Aggregate shareholding as a % of the Sub-Fund as at 30 June 2018
Franklin LibertyQ Emerging Markets UCITS ETF	1	1,000,000	100.00
Franklin LibertyQ European Dividend UCITS ETF	1	100,000	100.00
Franklin Liberty Euro Short Maturity UCITS ETF	1	200,000	90.91
Franklin LibertyQ Global Dividend UCITS ETF	1	200,000	100.00
Franklin LibertyQ Global Equity SRI UCITS ETF	1	200,000	100.00
Franklin LibertyQ U.S. Equity UCITS ETF	2	450,000	90.00
Franklin Liberty USD Investment Grade Corporate Bond UCITS ETF	1	250,000	100.00

11. Efficient Portfolio Management

The ICAV may, on behalf of each Sub-Fund, engage in techniques and instruments such as in FDIs, repurchase/reverse repurchase and stock lending agreements for the purposes of efficient portfolio management meaning the reduction of risk, including the risk of tracking error between the performance of a Sub-Fund and the performance of the Index tracked by the relevant Sub-Fund, the reduction of costs to the Sub-Funds, the generation of additional capital or income for the Sub-Fund and hedging against market movements, currency exchange or interest rate risks, taking into account the risk profile of each Sub-Fund and the general provisions of the UCITS Regulations. Such transactions may include foreign exchange transactions which alter the currency characteristics of transferable securities held by each Sub-Fund. No securities lending took place during the period ended 30 June 2018.

12. Distributions

The following distributions were declared by the Sub-Funds during the period ended 30 June 2018:

Franklin LibertyQ European Dividend UCITS ETF	Value EUR	Per Share EUR	Ex-date
EUR Distributing Shares	17,768	0.18	12 Dec 2017
EUR Distributing Shares	12,251	0.12	13 Mar 2018
EUR Distributing Shares	73,246	0.73	13 Jun 2018
Total	103,265		

Franklin LibertyQ Global Dividend UCITS ETF	Value USD	Per Share USD	Ex-date
USD Distributing Shares	27,190	0.14	12 Dec 2017
USD Distributing Shares	36,575	0.18	13 Mar 2018
USD Distributing Shares	56,224	0.28	13 Jun 2018
Total	119,989		

13. Soft Commissions & Directed Brokerage Services

The Investment Manager did not enter into any soft commission arrangements or directed brokerage services on behalf of the Sub-Funds during the period from 11 July 2017 (date of registration) to 30 June 2018.

Franklin LibertyShares ICAV

Notes to the Financial Statements for the period from 11 July 2017 (date of registration) to 30 June 2018 (continued)

14. Exchange Rates

The rates of exchange ruling at 30 June 2018 were as follows:

USD1 =	Currency	Rate	EUR1 =	Currency	Rate
	AED	3.6732		CHF	1.1593
	AUD	1.3535		DKK	7.4507
	BRL	3.8474		GBP	0.8843
	CAD	1.3155		NOK	9.5160
	CHF	0.9930		SEK	10.4449
	CLP	651.0450			
	CNY	6.6253			
	CZK	22.2817			
	DKK	6.3815			
	EGP	17.8900			
	EUR	0.8565			
	GBP	0.7574			
	HKD	7.8455			
	HUF	281.8938			
	IDR	14330.0000			
	ILS	3.6606			
	INR	68.5150			
	JPY	110.7650			
	KRW	1114.5000			
	MXN	19.6558			
	MYR	4.0395			
	NOK	8.1504			
	NZD	1.4770			
	PHP	53.3675			
	PKR	121.4500			
	PLN	3.7440			
	QAR	3.6410			
	RUB	62.7025			
	SEK	8.9460			
	SGD	1.3635			
	THB	33.1300			
	TRY	4.5812			
	TWD	30.4885			
	ZAR	13.7063			

15. Significant Events During the Period

Franklin LibertyShares ICAV was approved by the Central Bank on 11 July 2017. The Prospectus was issued on the same date. An updated Prospectus was issued on 23 May 2018. The seven sub-funds which have been launched during the period are stated on page 5.

Franklin LibertyShares ICAV

Notes to the Financial Statements for the period from 11 July 2017 (date of registration) to 30 June 2018 (continued)

16. Significant Events Since the Period End

An additional Sub-Fund of the ICAV, Franklin LibertyQ AC Asia ex Japan UCITS ETF launched on 12 September 2018.

On 13 September 2018, State Street Fund Services Ireland Limited resigned as Secretary. Matsack Trust Limited was appointed as Secretary on the same date.

An additional Sub-Fund of the ICAV, Franklin LibertyQ European Equity UCITS ETF launched on 27 September 2018.

Other than the above, there have been no significant events affecting the ICAV since the year end date.

17. Comparative Figures

The ICAV was approved by the Central Bank on 11 July 2017. All Sub-Funds launched during the period, therefore comparative data is not available.

18. Approval of the Financial Statements

The financial statements were approved by the Board of Directors on 22 October 2018.

Franklin LibertyShares ICAV

Remuneration Disclosure (Unaudited)

Remuneration Policy

FTIS is a management company licensed to manage UCITS funds and following the implementation of EU Directive 2014/91/EU amending the Undertaking for Collective Investment in Transferable Securities Directive (EU Directive 2009/65/EC) ("UCITS V") on 18 March 2016, it has been subject to the UCITS Remuneration Code.

Purpose and scope of the Remuneration Policy Statement

The Remuneration Policy of FTIS has been designed to align the personal objectives of staff with the long term interests of FTIS and the UCITS and AIFs managed by FTIS. It aims at mitigating incentives practices which may encourage employees to take unnecessary risk.

The Policy applies to a certain category of staff called the identified staff which includes members of the Board of Directors, Conducting Officers, members of control functions, risk takers, and any employee with remuneration which takes them into the same bracket as Conducting Officers or risk takers whose activities have a material impact on the risk profiles of the management company or the UCITS it manages.

Description of the structure of remuneration

The remuneration includes a fixed and variable component.

Fixed remuneration: Fixed remuneration is defined as base salary plus material company provided benefits which may include company cars, company pension contributions, private medical insurance premiums and life assurance premiums.

Base salary levels (including benefits) are set with reference to market benchmarking data (third party industry surveys), which are reviewed regularly.

Fixed salaries are set as a sufficiently high proportion of the total remuneration so that FTIS is able to operate a fully flexible bonus policy, including the possibility to pay no bonus.

Variable remuneration: Variable remuneration is defined as annual bonuses paid under the Annual Incentive Plan (AIP), Long Term Awards in the form of performance share grants and Sales Bonus payments. Bonus levels are set with reference to overall corporate and business unit performance as well as individual performance achieved in FTIS.

As the first full performance period of the management company applicable to the ICAV in accordance with the UCITS Remuneration Code will be the period from 1 October 2017 to 30 September 2018, this information is not yet available for this annual accounting period of the ICAV. As such no remuneration disclosures have been included in these financial statements because information applicable to only part of the accounting period would not provide materially relevant, reliable, comparable and clear information to shareholders. A full remuneration disclosure will be included in the annual financial statements of the ICAV from the year ended 30 June 2019.

Details of the Remuneration Policy are available from the management company's website at:

<https://www.franklintempleton.lu/investor/our-approach/our-company/regulatory-information>

A paper copy of FTIS Remuneration Policy is available free of charge upon request at our office.

Franklin LibertyShares ICAV

Schedule of Portfolio Changes (Unaudited)

Franklin LibertyQ Emerging Markets UCITS ETF

Schedule of Portfolio Changes for the period from 17 October 2017, the date the Sub-Fund commenced trading, to 30 June 2018.

In accordance with the UCITS Regulations this statement presents the aggregate purchases and aggregate sales of a security exceeding 1.00% of the total value of purchases or sales for the period or at least the top 20 purchases and sales.

Major Purchases	Shares	Cost USD
AAC Technologies Holdings Inc	19,000	307,239
Telekomunikasi Indonesia Persero Tbk PT	1,044,500	286,197
Infosys Ltd	15,883	278,193
SK Hynix Inc	3,495	276,163
Taiwan Semiconductor Manufacturing Co Ltd	36,000	274,750
Novatek PJSC	2,021	273,251
HCL Technologies Ltd	19,460	270,490
Maruti Suzuki India Ltd	2,080	270,418
Emirates Telecommunications Group Co PJSC	58,215	270,041
Rosneft Oil Co PJSC	44,613	269,821
Hindustan Unilever Ltd	11,862	269,127
MMC Norilsk Nickel PJSC	1,463	266,761
KT&G Corp	2,789	261,118
Advanced Info Service PCL	43,200	256,730
Taiwan Mobile Co Ltd	70,000	256,719
Chunghwa Telecom Co Ltd	71,000	256,205
Eicher Motors Ltd	575	256,006
Tata Consultancy Services Ltd	9,070	255,517
Hana Financial Group Inc	6,070	255,065
China Mobile Ltd	27,500	254,101

Franklin LibertyShares ICAV

Schedule of Portfolio Changes (Unaudited)

Franklin LibertyQ Emerging Markets UCITS ETF (continued)

Major Sales	Shares	Proceeds USD
Sunny Optical Technology Group Co Ltd	4,000	77,589
CSPC Pharmaceutical Group Ltd	24,000	75,025
Sunac China Holdings Ltd	14,000	64,442
Country Garden Holdings Co Ltd	33,000	63,470
Yum China Holdings Inc	1,300	51,218
Kia Motors Corp	1,644	47,425
NAVER Corp	64	46,893
Asustek Computer Inc	5,000	45,281
Bank Rakyat Indonesia Persero Tbk PT	202,700	44,851
Hyundai Mobis Co Ltd	220	44,345
Hon Hai Precision Industry Co Ltd	15,000	42,763
Asian Paints Ltd	2,320	41,212
Largan Precision Co Ltd	300	40,917
NetEase Inc	164	39,149
Wipro Ltd	8,630	33,668
Polski Koncern Naftowy ORLEN SA	1,494	32,717
Yageo Corp	1,000	31,636
AAC Technologies Holdings Inc	1,500	29,977
Hyundai Motor Co	283	28,122
First Abu Dhabi Bank PJSC	9,939	27,323
Guangdong Investment Ltd	20,000	26,788
Great Wall Motor Co Ltd	26,500	26,118
Bidvest Group Ltd	1,847	25,900
SK Hynix Inc	350	25,452
Tatneft PJSC	2,178	21,995
Eclat Textile Co Ltd	2,000	21,097
Maxis Bhd	14,500	20,991
Fibria Celulose SA	1,500	20,717
Advantech Co Ltd	3,000	20,247
Hindustan Unilever Ltd	877	19,022
Pegatron Corp	9,000	18,952
PGE Polska Grupa Energetyczna SA	6,882	18,552
Huaneng Power International Inc	28,000	17,914
Sibanye Gold Ltd	12,991	17,868

Franklin LibertyShares ICAV

Schedule of Portfolio Changes (Unaudited)

Franklin LibertyQ European Dividend UCITS ETF

Schedule of Portfolio Changes for the period from 6 September 2017, the date the Sub-Fund commenced trading, to 30 June 2018.

In accordance with the UCITS Regulations this statement presents the aggregate purchases and aggregate sales of a security exceeding 1.00% of the total value of purchases or sales for the period or at least the top 20 purchases and sales.

Major Purchases	Shares	Cost EUR
Telenor ASA	6,080	102,180
Swisscom AG	227	93,797
Nordea Bank AB	8,814	93,235
Centrica PLC	45,006	92,604
Svenska Handelsbanken AB	7,843	91,879
Allianz SE	508	91,211
Orion OYJ	2,270	86,292
Red Electrica Corp SA	4,573	85,466
Sampo Oyj	1,945	85,174
Telia Co AB	21,357	84,513
Imperial Brands Plc	2,374	82,767
GlaxoSmithKline Plc	5,038	82,270
ProSiebenSat.1 Media SE	2,863	79,927
BAE Systems Plc	12,145	79,260
Zurich Insurance Group AG	318	78,398
SSE Plc	4,976	78,162
TOTAL SA	1,710	75,521
Endesa SA	3,603	74,690
Admiral Group Plc	3,587	74,064
Elisa Oyj	2,010	71,925
Hannover Rueck SE	734	71,731
ITV Plc	38,841	70,934
AstraZeneca Plc	1,399	70,531
HUGO BOSS AG	969	70,200
British American Tobacco Plc	1,321	69,953
Marks & Spencer Group Plc	19,563	69,828
Proximus SADP	2,392	69,269
SCOR SE	1,558	52,879
IG Group Holdings Plc	7,411	51,394
Nokian Renkaat Oyj	1,419	50,904
Electrocomponents Plc	5,529	37,998
Freenet AG	1,330	36,849
Bolsas y Mercados Espanoles SHMSF SA	1,270	36,508
Inmarsat Plc	4,821	34,997
Axfood AB	2,302	34,388
TGS NOPEC Geophysical Co ASA	1,138	32,776
Tryg A/S	1,550	30,118
Banca Generali SpA	1,055	29,963

Franklin LibertyShares ICAV

Schedule of Portfolio Changes (Unaudited)

Franklin LibertyQ European Dividend UCITS ETF (continued)

Major Sales	Shares	Proceeds EUR
British American Tobacco Plc	1,321	70,316
Telenor ASA	1,930	36,301
Axel Springer Se	378	25,064
Allianz SE	117	23,063
Provident Financial Plc	2,679	20,112
TOTAL SA	384	19,261
BAE Systems Plc	2,126	15,507
Telia Co AB	3,805	14,919
Swisscom AG	34	14,827
GlaxoSmithKline Plc	676	11,749
Go-Ahead Group Plc	650	11,466
Lancashire Holdings Ltd	1,658	11,331
AstraZeneca Plc	190	11,286
Halfords Group Plc	2,812	10,962
Sampo OYJ	233	10,338
Zurich Insurance Group AG	40	10,206
Orion OYJ	373	9,477
Betsson AB	1,580	9,373
Hannover Rueck SE	79	8,679
Elisa OYJ	209	8,039
Freenet AG	265	7,644
IG Group Holdings Plc	838	6,933
SSE Plc	388	6,007
Provident Financial Plc	1,371	5,806
Admiral Group Plc	254	5,482
Axfood AB	333	5,301
Proximus SADP	228	5,193
Marks & Spencer Group Plc	1,570	5,184
Inmarsat Plc	990	4,988
Red Electrica Corp SA	258	4,861

Franklin LibertyShares ICAV

Schedule of Portfolio Changes (Unaudited)

Franklin Liberty Euro Short Maturity UCITS ETF

Schedule of Portfolio Changes for the period from 25 June 2018, the date the Sub-Fund commenced trading, to 30 June 2018.

In accordance with the UCITS Regulations this statement presents the aggregate purchases and aggregate sales of a security exceeding 1.00% of the total value of purchases or sales for the period or at least the top 20 purchases and sales.

Major Purchases*	Shares	Cost EUR
Kingdom of Belgium Government Bond 4.25% 28/09/2022	550,000	657,510
Netherlands Government Bond 1.75% 15/07/2023	550,000	605,272
Italy Buoni Poliennali Del Tesoro 0.20% 15/10/2020	600,000	588,041
Spain Government Bond 0.05% 31/01/2021	550,000	551,835
Italy Buoni Poliennali Del Tesoro 4.25% 01/09/2019	500,000	521,485
Indonesia Government International Bond 2.88% 08/07/2021	200,000	213,000
Mexico Government International Bond 1.88% 23/02/2022	200,000	208,880
Lloyds Bank PLC 1.38% 16/04/2021	200,000	208,282
Bank of Nova Scotia/The 0.75% 17/09/2021	200,000	205,058
Latvia Government International Bond 0.50% 15/12/2020	200,000	203,420
JPMorgan Chase & Co 3.88% 23/09/2020	100,000	108,834
Telefonica Emisiones SAU 1.48% 14/09/2021	100,000	104,254
Origin Energy Finance Ltd 4.00% 16/09/2074	100,000	103,295
Intesa Sanpaolo SpA 2.75% 20/03/2020	100,000	103,258
APT Pipelines Ltd 1.38% 22/03/2022	100,000	103,172
TOTAL SA 2.25% Perp.	100,000	102,560
Bharti Airtel International Netherlands BV 4.00% 10/12/2018	100,000	101,633
Iceland Government International Bond 0.50% 20/12/2022	100,000	101,541
SNCF Reseau EPIC 0.10% 27/05/2021	100,000	100,904
Johnson & Johnson 0.25% 20/01/2022	100,000	100,896
Toyota Motor Credit Corp 0.00% 21/07/2021	100,000	99,977
Citigroup Inc 0.18% 21/03/2023	100,000	99,833
America Movil SAB de CV 0.00% 28/05/2020	100,000	98,500

*All purchases during the period are presented in the table above.

There were no sales during the period.

Franklin LibertyShares ICAV

Schedule of Portfolio Changes (Unaudited)

Franklin LibertyQ Global Dividend UCITS ETF

Schedule of Portfolio Changes for the period from 6 September 2017, the date the Sub-Fund commenced trading, to 30 June 2018.

In accordance with the UCITS Regulations this statement presents the aggregate purchases and aggregate sales of a security exceeding 1.00% of the total value of purchases or sales for the period or at least the top 20 purchases and sales.

Major Purchases	Shares	Cost USD
Philip Morris International Inc	1,252	136,017
Itau Unibanco Holding SA	9,700	129,977
Sanofi	1,292	122,916
Procter & Gamble Co	1,356	121,724
Merck & Co Inc	1,866	116,711
Toronto-Dominion Bank	2,115	115,152
Bank of Nova Scotia	1,831	114,538
Kimberly-Clark Corp	958	113,515
Westpac Banking Corp	4,623	113,181
Altria Group Inc	1,803	112,608
Ambev Sa	17,300	111,840
Roche Holding AG	445	111,774
GlaxoSmithKline Plc	5,777	111,601
Johnson & Johnson	854	110,867
Commonwealth Bank of Australia	1,890	109,729
Bristol-Myers Squibb Co	1,832	109,715
Lockheed Martin Corp	361	108,856
Hennes & Mauritz AB	4,351	108,689
Novartis AG	1,300	108,414
Unilever Plc	1,831	108,190
Unilever NV	1,795	107,819
McDonald's Corp	678	107,331
Canadian Imperial Bank of Commerce	1,249	107,209
Royal Bank of Canada	1,433	106,494
Wesfarmers Ltd	3,131	105,720
Eli Lilly & Co	1,265	101,876
Intel Corp	2,795	99,979
BT Group PLC	26,519	98,989
Zurich Insurance Group AG	334	98,987
International Business Machines Corp	688	97,221
NTT DOCOMO Inc	4,100	95,205
AbbVie Inc	945	93,498
LyondellBasell Industries NV	974	90,612
British American Tobacco Plc	1,397	88,328
Paychex Inc	1,437	82,221
Emerson Electric Co	1,237	81,743
RELX NV	3,874	81,449
Sysco Corp	1,515	80,183
Clorox Co	581	79,255
Las Vegas Sands Corp	1,184	78,973
National Australia Bank Ltd	3,826	77,592
Daito Trust Construction Co Ltd	400	69,711
General Mills Inc	1,263	69,568
Singapore Telecommunications Ltd	23,300	63,698
BAE Systems Plc	8,018	62,580
Deutsche Boerse AG	558	61,994

Franklin LibertyShares ICAV

Schedule of Portfolio Changes (Unaudited)

Franklin LibertyQ Global Dividend UCITS ETF (continued)

Major Sales	Shares	Proceeds USD
GlaxoSmithKline Plc	5,777	117,151
Bristol-Myers Squibb Co	1,832	115,727
Ambev Sa	17,300	92,061
British American Tobacco Plc	1,397	88,643
Microchip Technology Inc	537	52,292
Macquarie Group Ltd	697	51,961
Intel Corp	956	47,514
Resona Holdings Inc	6,300	33,538
Toronto-Dominion Bank	409	23,341
Cincinnati Financial Corp	329	22,822
Itau Unibanco Holding SA	1,400	17,666
Lockheed Martin Corp	52	16,516
Paychex Inc	247	16,341
Skanska AB	880	16,237
Bank of Nova Scotia	229	14,484
Sysco Corp	233	14,286
LyondellBasell Industries NV	126	14,182
Mattel Inc	884	13,891
Canadian Imperial Bank of Commerce	140	12,733
IMI Plc	818	12,626
Royal Bank of Canada	151	11,794

Franklin LibertyShares ICAV

Schedule of Portfolio Changes (Unaudited)

Franklin LibertyQ Global Equity SRI UCITS ETF

Schedule of Portfolio Changes for the period from 6 September 2017, the date the Sub-Fund commenced trading, to 30 June 2018.

In accordance with the UCITS Regulations this statement presents the aggregate purchases and aggregate sales of a security exceeding 1.00% of the total value of purchases or sales for the period or at least the top 20 purchases and sales.

Major Purchases	Shares	Cost USD
Biogen Inc	221	69,568
Gilead Sciences Inc	825	67,572
Procter & Gamble Co	703	62,645
Cigna Corp	343	62,079
Microsoft Corp	833	61,421
Novo Nordisk A	1,268	60,786
Industria de Diseno Textil SA	1,657	60,527
Westpac Banking Corp	2,487	60,211
Murata Manufacturing Co Ltd	400	60,188
AXA SA	2,092	59,215
Roche Holding AG	237	58,974
Taiwan Semiconductor Manufacturing Co Ltd	8,000	57,968
Accenture Plc	438	57,448
Allianz SE	266	56,964
Unilever Plc	962	56,725
American Tower Corp	395	56,618
General Mills Inc	1,063	56,597
Kao Corp	800	56,557
Intuit Inc	278	56,117
Bank of Nova Scotia	893	55,821

Franklin LibertyShares ICAV

Schedule of Portfolio Changes (Unaudited)

Franklin LibertyQ Global Equity SRI UCITS ETF (continued)

Major Sales	Shares	Proceeds USD
Cisco Systems Inc	1,632	69,019
Texas Instruments Inc	608	67,410
Becton Dickinson and Co	271	60,273
HP Inc	2,594	57,037
Sherwin-Williams Co	147	55,949
Unilever NV	926	51,603
National Australia Bank Ltd	2,319	47,020
Corning Inc	1,704	46,297
Kimberly-Clark Corp	431	43,466
Macquarie Group Ltd	510	38,020
Cardinal Health Inc	555	29,186
AT&T Inc	794	25,710
Waters Corp	130	25,040
Sysmex Corp	300	22,834
Microsoft Corp	252	22,674
HCP Inc	851	22,493
AGL Energy Ltd	1,261	21,084
Goodman Group	3,016	19,891
Intel Corp	393	19,556
Amcor Ltd	1,745	18,562
Whitbread Plc	324	18,171
Intertek Group Plc	249	18,109
Snam SpA	4,118	16,863
AmerisourceBergen Corp	198	16,789
Taylor Wimpey Plc	6,003	15,188
MTR Corp Ltd	2,500	14,688
Nomura Research Institute Ltd	300	14,625
Murata Manufacturing Co Ltd	100	13,548
Accenture Plc	83	12,522

Franklin LibertyShares ICAV

Schedule of Portfolio Changes (Unaudited)

Franklin LibertyQ U.S. Equity UCITS ETF

Schedule of Portfolio Changes for the period from 6 September 2017, the date the Sub-Fund commenced trading, to 30 June 2018.

In accordance with the UCITS Regulations this statement presents the aggregate purchases and aggregate sales of a security exceeding 1.00% of the total value of purchases or sales for the period or at least the top 20 purchases and sales.

Major Purchases	Shares	Cost USD
AT&T Inc	5,400	190,860
Philip Morris International Inc	1,770	180,301
Procter & Gamble Co	1,930	170,131
Gilead Sciences Inc	2,160	169,687
CVS Health Corp	2,190	167,590
Biogen Inc	522	164,570
Altria Group Inc	2,530	161,019
PepsiCo Inc	1,410	160,647
3M Co	755	160,051
AbbVie Inc	1,791	158,147
Walmart Inc	1,836	157,823
Johnson & Johnson	1,180	155,945
Colgate-Palmolive Co	2,160	154,349
International Business Machines Corp	1,010	149,982
Boeing Co	571	149,237
Walt Disney Co	1,400	148,657
Verizon Communications Inc	2,960	147,616
Mastercard Inc	988	146,135
McDonald's Corp	901	145,608
Comcast Corp	4,280	144,202

Franklin LibertyShares ICAV

Schedule of Portfolio Changes (Unaudited)

Franklin LibertyQ U.S. Equity UCITS ETF (continued)

Major Sales	Shares	Proceeds USD
Boeing Co	571	188,478
Baxter International Inc	1,902	140,032
General Motors Co	3,291	135,643
United Parcel Service Inc	1,086	123,657
Honeywell International Inc	850	122,900
Sherwin-Williams Co	302	119,737
Coca-Cola Co	2,736	118,330
QUALCOMM Inc	1,547	100,174
Kimberly-Clark Corp	686	81,293
Alphabet Inc (non-voting rights)	70	81,168
Alphabet Inc (voting rights)	63	72,794
Rockwell Collins Inc	498	66,966
Valero Energy Corp	507	54,884
Marriott International Inc	420	54,521
eBay Inc	1,395	53,135
Corning Inc	1,728	49,230
Analog Devices Inc	539	46,722
Mastercard Inc	248	46,264
United Continental Holdings Inc	637	40,611
Intel Corp	798	39,559
Intuit Inc	185	37,457
Illinois Tool Works Inc	252	35,647
AbbVie Inc	361	35,106
Align Technology Inc	140	32,696
Microsoft Corp	328	31,415
Cboe Global Markets Inc	245	30,959

Franklin LibertyShares ICAV

Schedule of Portfolio Changes (Unaudited)

Franklin Liberty USD Investment Grade Corporate Bond UCITS ETF

Schedule of Portfolio Changes for the period from 25 June 2018, the date the Sub-Fund commenced trading, to 30 June 2018.

In accordance with the UCITS Regulations this statement presents the aggregate purchases and aggregate sales of a security exceeding 1.00% of the total value of purchases or sales for the period or at least the top 20 purchases and sales.

Major Purchases	Shares	Cost USD
Alibaba Group Holding Ltd 2.50% 28/11/2019	200,000	198,712
Standard Chartered PLC 3.89% 15/03/2024	200,000	196,204
UBS AG/London 2.45% 01/12/2020	200,000	195,696
Santander UK Group Holdings PLC 2.88% 05/08/2021	200,000	193,968
Sinopec Capital 2013 Ltd 3.13% 24/04/2023	200,000	193,638
Goldman Sachs Group Inc/The 4.25% 21/10/2025	165,000	162,212
HSBC USA Inc 5.00% 27/09/2020	150,000	155,351
AerCap Ireland Capital DAC 5.00% 01/10/2021	150,000	154,590
JPMorgan Chase & Co 3.38% 01/05/2023	155,000	151,441
Bank of America Corp 4.18% 25/11/2027	155,000	151,108
Chevron Corp 2.95% 16/05/2026	150,000	143,456
Morgan Stanley 3.95% 23/04/2027	135,000	128,717
United States Treasury Note/Bond 2.75% 15/02/2028	130,000	128,619
Citigroup Inc 4.05% 30/07/2022	125,000	125,624
Verizon Communications Inc 5.50% 16/03/2047	120,000	123,997
Capital One Financial Corp 2.50% 12/05/2020	125,000	123,234
Mondelez International Inc 3.63% 07/05/2023	110,000	109,841
Ford Motor Credit Co LLC 8.13% 15/01/2020	100,000	107,154
Microsoft Corp 4.45% 03/11/2045	100,000	106,932
NBCUniversal Media LLC 4.38% 01/04/2021	100,000	102,590
Anheuser-Busch InBev Finance Inc 4.70% 01/02/2036	100,000	101,123
CVS Health Corp 4.10% 25/03/2025	100,000	99,486
Georgia Power Co 4.30% 15/03/2042	100,000	99,084
Electricite de France SA 5.25% Perp.	100,000	98,410
Home Depot Inc/The 3.00% 01/04/2026	100,000	95,605
General Electric Co 5.88% 14/01/2038	85,000	93,892
United States Treasury Note/Bond 2.75% 15/11/2047	90,000	85,180
21st Century Fox America Inc 6.40% 15/12/2035	70,000	84,202
Realty Income Corp 3.00% 15/01/2027	90,000	82,405
Burlington Northern Santa Fe LLC 3.25% 15/06/2027	85,000	82,216
Kroger Co/The 4.00% 01/02/2024	80,000	80,280
Prudential Financial Inc 5.20% 15/03/2044	80,000	80,100
MetLife Inc 6.40% 15/12/2036	75,000	79,916
United States Treasury Note/Bond 2.50% 31/03/2023	80,000	79,144
AT&T Inc 5.35% 01/09/2040	80,000	78,789
Enterprise Products Operating LLC 5.10% 15/02/2045	75,000	76,635
Glencore Funding LLC 4.13% 30/05/2023	75,000	74,998
Shell International Finance BV 2.13% 11/05/2020	75,000	74,120
Telefonica Emisiones SAU 7.05% 20/06/2036	60,000	71,979
FedEx Corp 4.75% 15/11/2045	70,000	69,467
Anthem Inc 4.10% 01/03/2028	70,000	68,691
Celgene Corp 3.25% 20/02/2023	70,000	68,372
MPLX LP 4.13% 01/03/2027	70,000	66,876

Franklin LibertyShares ICAV

Schedule of Portfolio Changes (Unaudited)

Franklin Liberty USD Investment Grade Corporate Bond UCITS ETF (continued)

Major Purchases	Shares	Cost USD
Canadian Natural Resources Ltd 4.95% 01/06/2047	65,000	66,502
CSX Corp 3.25% 01/06/2027	70,000	65,843
CNH Industrial NV 4.50% 15/08/2023	65,000	65,643
Walmart Inc 3.40% 26/06/2023	65,000	65,235
United States Treasury Note/Bond 2.50% 31/05/2020	65,000	64,985
Dominion Energy Inc 3.90% 01/10/2025	65,000	64,167
Biogen Inc 5.20% 15/09/2045	60,000	63,512
Duke Energy Corp 4.80% 15/12/2045	60,000	62,679
HCA Inc 6.50% 15/02/2020	60,000	62,586
Sabine Pass Liquefaction LLC 4.20% 15/03/2028	65,000	62,420
Wells Fargo & Co 4.75% 07/12/2046	65,000	62,289
Walgreens Boots Alliance Inc 4.80% 18/11/2044	65,000	61,590
Anadarko Petroleum Corp 6.20% 15/03/2040	55,000	61,480

There were no sales during the period.