



Franklin Templeton Asia Fund Series

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

Contents

Report of the Manager	3
Report of the Trustee to the Unitholders	14
Independent Auditor's Report	15
Statement of Financial Position	18
Statement of Comprehensive Income	21
Statement of Changes in Net Assets Attributable to Unitholders	24
Statement of Cash Flows	27
Notes to the Financial Statements	30
Investment Portfolio (Unaudited)	84
Statement of Movement in Portfolio Holdings (Unaudited)	108
Information on Exposure Arising from Financial Derivative Instruments (Unaudited)	113
Performance Table (Unaudited)	114
Administration	119

REPORT OF THE MANAGER

FOR THE YEAR ENDED 31 DECEMBER 2023

Templeton Select Global Leaders Fund

Market Review

Global developed and emerging market equities, as measured by the MSCI All Country World Index, posted a strong total return for the 12 months ended December 31, 2023. Inflationary pressure had led many of the world's central banks to tighten monetary policy, driving interest rates significantly higher and pressuring economic growth. However, monetary tightening eased as the year progressed, and investors foresaw an end to major central banks' rate-hiking cycles, bolstering equity market sentiment. However, equity performance varied notably by region, as the impact of changing economic conditions differed depending on local circumstances.

In the United States ("US"), the economy was strong, posting solid gross domestic product ("GDP") growth in the first half of 2023 and then accelerating in the third quarter. The labour market was tight, as unemployment remained low by historical standards and wages continued to grow. In its efforts to reduce inflation, the US Federal Reserve ("Fed") restricted monetary policy during the period. The Fed raised the federal funds target rate four times, ending the period at a range of 5.25%–5.50% and pushing borrowing costs to their highest levels since 2001. However, at four of its meetings, the Fed declined to adjust interest rates, signalling that its rate-hiking cycle was at or near an end. Nonetheless, the Fed indicated at its December 2023 meeting that it would continue to reduce its US Treasury and agency debt and mortgage-backed security holdings. Several prominent bank failures in the early part of the year drove increased uncertainty amongst investors, but government intervention led to swift reorganisations, and US equities recovered from a brief decline and ended 2023 with significant gains.

Economic growth in the eurozone was tepid during the period, with the currency bloc's GDP contracting sequentially in the third quarter amidst higher interest rates, declining business confidence and stalled consumer spending. Lower corporate profits pressured equity prices as Europe's economies struggled with tighter financial conditions. Nonetheless, inflation decelerated significantly, driving expectations that interest-rate increases were nearing an end. The European Central Bank increased interest rates six times in 2023 and began to reduce its bond holdings, although it left rates unchanged at its final two meetings of the year. In this environment, European developed and emerging market equities, as measured by the MSCI All Country Europe Index, posted a robust total return for the 12 months under review.

Asian developed and emerging market equities, as measured by the MSCI All Country Asia Index, posted a solid total return for the 12-month period. Japan's GDP contracted sequentially in the third quarter of 2023 following solid growth in the first half of the year. However, the end of pandemic-related border controls, investor-friendly corporate reforms, and Japan's cabinet approval of an economic stimulus package bolstered Japanese stocks. The Bank of Japan left its benchmark interest rate unchanged during the year but loosened its yield curve control on the 10-year Japanese government bond. On an annual basis, China's economic growth improved, helped by a number of government initiatives aimed at improving the economy. However, continued regulatory uncertainty and weakness in the property sector negatively impacted Chinese markets. A disappointing post-COVID reopening recovery led the People's Bank of China to implement a raft of measures to ease monetary policy and support various sectors, including real estate, to stimulate the economy.

Global emerging market stocks, as measured by the MSCI Emerging Markets Index, posted a healthy total return for the 12 months under review. Emerging market equities, which are sensitive to interest-rate changes in developed markets, benefitted from indications that major central banks were at or nearing the end of their rate-hiking cycles. The declining value of the US dollar relative to some other currencies also boosted emerging market stocks.

Templeton Select Global Leaders Fund (continued)

Portfolio Review

The fund significantly outperformed its benchmark MSCI All Country World Index - NR for the 12-month period ended December 31, 2023. In our view, the successful year is a validation of our investment approach, which we sharpened in 2022 to focus on quality and growth stocks within the value-investing universe.

During the period under review, stock selection in the industrials and consumer discretionary sectors supported relative returns, as did our underweight exposure to the financials sector. In contrast, overweight exposure and stock selection in the health care sector dragged on performance; stock selection in the communication services sector also detracted.

The top-contributing stock of 2023 was Rolls-Royce Holdings in the industrials sector. Rolls-Royce's shares saw a significant jump during fourth-quarter and full-year 2023, as strong earnings and bullish forecasts continued to impress the market. In our view, the jet engine maker is a key beneficiary of the post-pandemic recovery of international travel demand, despite the global economic slowdown. Meanwhile, we like its strong market positioning and robust balance sheet, with the maturation of the XWB engine programme set to potentially drive further earnings and cash flow growth. We have slightly trimmed our position and switched capital to other ideas, but Rolls-Royce remains one of the top 10 holdings in the portfolio.

In the consumer discretionary sector, Booking Holdings and Amazon.com were strong contributors to full-year relative gain. These are also amongst our core holdings, which in our view represent the kind of quality growth companies that we favour. For instance, we like Booking Holdings—the world's leading online travel agent—for its improving fundamentals and ability to consistently win market share amidst the secular growth of online travel. As for Amazon.com—we favour the company for its ability to sustain earnings growth given the efficiency gains and the ongoing shift in business mix towards higher-margin market segments, particularly the cloud and artificial intelligence-related Amazon Web Services. Strong third quarter results (announced on 26 October 2023) supported our thesis on the tech giant.

At the other end of the spectrum, health care stock Bayer was the top detracting stock of 2023. We have exited the position in Bayer as well as pharmaceutical firm AstraZeneca as our conviction in these companies has weakened. However, health care remains an important sector to the portfolio and we maintain a modestly overweight exposure relative to the benchmark. In broad terms, the sector can help anchor our portfolio resilience with its defensive qualities, including strong free cash flow generation and robust earnings growth supported by visible near-term catalysts as well as secular drivers.

Our relative performance in the information technology ("IT") sector was mainly dragged down by a lack of exposure to several of the index's outperforming sector components, particularly NVIDIA and Apple. Nonetheless, most of our selected IT stocks were contributors to full-year performance. Overall, IT remains the biggest sector in the portfolio by weighting. While we maintain a positive view on the sector, we will be careful not to overly extend our exposure to a sector in which valuations may have become stretched by US large-capitalisation tech stocks. Our current positions are broadly balanced between semiconductor and software names—we believe these selected stocks sufficiently position us for the most compelling structural growth drivers of the digital age.

Regionally, stock selection in the United Kingdom, the United States and France aided relative performance in 2023. Our lack of exposure to China also helped. In contrast, stock selection in Germany, Denmark and India detracted from relative returns.

Templeton Select Global Leaders Fund (continued)

Outlook & Strategy

As the new year begins, hopes of impending Fed rate cuts—with as many as six cuts currently priced in by the market, which is double the Fed's latest projection—and a US soft landing abound. If these macro drivers come through and translate to broad-based earnings growth, US equities may have further upside in 2024 despite their relatively high valuations; a lively Wall Street may in turn bode well for the global markets. At the same time, a weaker US dollar may create easier financial conditions outside of the United States, potentially encouraging capital flows to other major regions.

The reasons for optimism are not lost on us—neither are the downside risks. We are cognisant of the likelihood that global economic growth will slow further in 2024, as projected by the United Nations recently. With geopolitical disruptions and mixed consumer sentiment also at play, we will not be surprised if corporate earnings and profit margin growth in 2024 proves weaker than widely expected. Importantly, even if central banks cut their policy rates, financing costs will not return to the low levels of yesteryears. This may be particularly challenging for companies with weaker fundamentals.

Against this backdrop, we will move forward with a balanced approach. This means we may be more agnostic on the sources of value creation going forward, especially given that the opportunity set in the quality and growth segments has narrowed somewhat. Nonetheless, with our consistent focus on bottom-up fundamentals and valuation discipline, we believe we can identify ample opportunities within our investment universe.

More specifically, a key part of our investment focus in 2024 is to ensure a diverse combination of sectors and companies that we believe can help us position the portfolio for both short-cycle trends and long-cycle growth drivers. On the short-cycle end, the prospect of falling central bank policy rates and the low probability of a global recession may require us to consider how well we are positioned in interest rate-sensitive names over the next 12 months. Broadly, we believe we have sufficient interest-rate exposure, having added Equifax and HDFC Bank to the portfolio in the fourth quarter to strengthen the position relative to this trend.

On the long-cycle end, we are looking for companies that, in our analysis, have sustainable properties that can potentially spur multiple years of above-market earnings growth. These include existing market leaders that are gaining further share in a growing market; oligopolistic providers in a fragmented growth industry; or companies in cyclical industries where capital cycle and investment recovery is underway, just to name a few examples. Other areas and themes that we are exploring include corporate reforms in Japan, robotics and automation, and life sciences. We see these various long-cycle growth algorithms as industry agnostic and may drive outperformance at the company level. As part of this thinking, we initiated new positions in LVMH Moët Hennessy Louis Vuitton and SMC Corp in the fourth quarter; we are keen to identify more of such companies in 2024, in line with our belief that a portfolio that can combine industry tailwinds, low valuations on future earnings power, durable growth algorithms and quality business models should help lead to wealth creation for our clients.

*The comments, opinions, and estimates contained herein are based on or derived from publicly available information from sources that Franklin Templeton believes to be reliable. Franklin Templeton does not guarantee their accuracy. This report is for informational purposes only. Any views expressed are the views of respective portfolio management team of Franklin Templeton and may differ from other portfolio management team/ investment affiliates or of the firm as a whole. The security provided (if any) is for illustration purpose only and is not necessarily indicative of a portfolio's holding at any one time. It is not a recommendation to purchase, sell or hold any particular security. This document is not intended to provide investment advice. **Investments involve risks. Where past performance is quoted, such figures are not indicative of future performance.***

The underlying assumptions and these views are subject to change without notice. There is no guarantee that any forecasts expressed will be realized. Neither Franklin Templeton, its affiliates nor any officer or employee of Franklin Templeton accepts any liability whatsoever for any direct or indirect consequential loss arising from use of this document or any information, opinion or estimate herein.

Franklin Select Global Multi-Asset Income Fund

Market Overview

Global developed and emerging market equities, as measured by the MSCI All Country World Index, posted a strong total return for the 12 months ended December 31, 2023. While inflation remained elevated in most parts of the world, it moderated substantially, bolstering equities. This inflationary pressure had led many of the world's central banks to tighten monetary policy, driving interest rates significantly higher and pressuring economic growth. However, monetary tightening eased as the year progressed, and investors foresaw an end to major central banks' rate-hiking cycles. Equity performance varied notably by region, as the impact of changing economic conditions differed depending on local circumstances. In the United States ("US"), solid gross domestic product ("GDP") growth in the first half of 2023 and accelerating growth in the third quarter provided support to US equities.

The US Federal Reserve ("Fed") raised interest rates four times over the year, ending the period with a Federal Funds rate in the range of 5.25%–5.50%. US Treasury ("UST") bonds, as measured by the Bloomberg UST Index, posted a positive total return for the 12-month period, with the benchmark 10-year note ending the period flat despite bouts of heightened volatility. Corporate bonds also generated positive returns overall, as improved confidence in the economy's resilience mitigated concerns about the health of corporate balance sheets, with high-yield corporate bonds outperforming investment-grade corporate bonds over the period.

Economic growth in the eurozone was tepid, with GDP contracting sequentially in the third quarter amid higher interest rates, declining business confidence and stalled consumer spending. Lower corporate profits pressured equity prices as Europe's economies struggled with tighter financial conditions. Nonetheless, inflation decelerated significantly over the year, increasing expectations that interest-rate hikes were nearing an end, helping European developed and emerging market equities to generate a robust total return for the year.

Asian developed and emerging market equities, as measured by the MSCI All Country Asia Index, also posted a solid total return in 2023. Japan's GDP contracted sequentially in the third quarter of 2023 following a robust growth in the first half of the year. Nevertheless, the end of pandemic-related border controls, investor-friendly corporate reforms, and the Japanese cabinet's approval of an economic stimulus package bolstered Japanese stocks. On an annual basis, China's economic growth improved, helped by a number of government initiatives. However, continued regulatory uncertainty and weakness in the property sector negatively impacted Chinese markets.

Franklin Select Global Multi-Asset Income Fund (continued)

Outlook

We have retained our positive view of equities into January, as we believe the recent market rally could extend further into 2024, helped by falling inflation and a stabilisation of growth in major developed market economies. The probability of a recession in the United States (US) has become more remote amidst ongoing economic resilience, although we continue to be concerned about high interest rates, which could still create recessionary conditions in many developed markets. As a result, we retain a nimble approach to cross-asset positioning.

Core inflation remains relatively persistent in the US and Europe, although central banks in both regions should still pivot to easier monetary policy this year, in our view, particularly if economic conditions weaken and employment data cools sufficiently. Whilst some of the lagged effects of previous interest-rate rises are still to be felt, a more stable outlook for growth should support risk assets. We recognise that weaker consumer demand, alongside a lessening of employers' ability to pass on higher wages in the form of price increases, could impact profitability and earnings, but early signs of easing in labour markets should help to moderate wage demands and tame inflation more generally.

We maintain a neutral view of the Japanese and Pacific markets. Japan faces weaker foreign demand, weighing on manufacturing exports, as real-term wage declines hit domestic consumption. However, equity valuations remain attractive relative to other markets, in our view. The Pacific ex Japan region remains vulnerable due to tensions in relations with China, and higher interest rates are likely to impact consumers. We remain neutral on Chinese equities as ongoing property market risks, which have led to an easier policy environment, are holding back the economy. Additionally, trade disputes remain unresolved in the longer term and are a symptom of broader tensions as heightened geopolitical stresses persist.

In fixed income markets, long-term valuations remain attractive, in our assessment, but may fully discount a monetary policy pivot. We have taken a more cautious view of bonds overall, relative to stocks, but still find government bond yields attractive. We maintain greater interest-rate sensitivity to Treasuries, with a slightly cautious stance on investment grade bonds primarily owing to valuation reasons.

*The comments, opinions, and estimates contained herein are based on or derived from publicly available information from sources that Franklin Templeton believes to be reliable. Franklin Templeton does not guarantee their accuracy. This report is for informational purposes only. Any views expressed are the views of respective portfolio management team of Franklin Templeton and may differ from other portfolio management team/ investment affiliates or of the firm as a whole. The security provided (if any) is for illustration purpose only and is not necessarily indicative of a portfolio's holding at any one time. It is not a recommendation to purchase, sell or hold any particular security. This document is not intended to provide investment advice. **Investments involve risks. Where past performance is quoted, such figures are not indicative of future performance.***

The underlying assumptions and these views are subject to change without notice. There is no guarantee that any forecasts expressed will be realized. Neither Franklin Templeton, its affiliates nor any officer or employee of Franklin Templeton accepts any liability whatsoever for any direct or indirect consequential loss arising from use of this document or any information, opinion or estimate herein.

Franklin Select APAC Quality Income Fund

Market Review

Despite volatility throughout the year, global aggregate bonds posted positive returns in 2023. However, Asia-Pacific aggregate bonds were down slightly in US-dollar terms over the period.

In China, data released in January 2023 showed that year-on-year economic growth slowed to 2.9% in the fourth quarter of 2022, after expanding by 3.9% in the third quarter, while 2022 growth slumped to one of its lowest levels in nearly half a century. February was notable for the weak performance of Chinese corporate debt, with property developers suffering most; after a strong run from November 2022, sparked by policy support and China's unexpectedly rapid unwinding of its zero-Covid policies, the property sector saw heavy selling over the month. In March, Chinese government bond yields were down significantly, although corporate issues continued to underperform, driven by weaker risk appetite amongst investors worried about the potential economic ramifications of the banking sector turmoil in the United States ("US") and Europe.

April saw geopolitical tensions overshadowing news that the Chinese economy had grown by a better-than-expected 4.5% year-on-year in the first quarter of 2023. In May, continued geopolitical tensions between China and the West, and concerns about the US debt-ceiling negotiations helped dampen investor sentiment further. Although the People's Bank of China ("PBoC") kept its key rate unchanged for the sixth consecutive meeting in May, disappointing economic data saw the central bank lower its benchmark lending rate by 10 basis points ("bps") in June.

Data released in July showed that China's gross domestic product ("GDP") had grown 6.3% year-on-year in the second quarter, falling short of market expectations as export demand remained lackluster and falling property prices weighed on consumer confidence.

In August, the country saw deflation for the first time since February 2021, with consumer prices falling at a 0.3% annual rate in July. In an effort to boost economic growth and mitigate deflationary risks, the PBoC unexpectedly cut both its short- and medium-term rates, as well as lowering the one-year loan prime rate ("LPR"), which is used in corporate and household loans, by 10 bps to a record-low 3.45%.

In September, Asian investors remained worried about China's weaker economic growth and troubled property market, along with higher global sovereign bond yields and energy prices. Nonetheless, China's manufacturing activity expanded for the second successive month in September, while its services activity expanded for the ninth consecutive month. Despite these encouraging data, the PBoC cut the cash reserve requirement ratio for banks to the lowest level since 2007.

The prolonged weakness of China's property market and new US restrictions on Artificial Intelligence ("AI") chip exports to China weighed on investor sentiment in October. Nonetheless, the country's GDP grew 1.3% quarter-on-quarter in the third quarter of 2023, beating investor expectations of 1.0%. At its October meeting, the PBoC left its monetary policy unchanged.

Despite overall positive feedback from a meeting between US President Joe Biden and Chinese President Xi Jinping at the Asia-Pacific Economic Cooperation Leaders' Meeting in November, the slump in China's property market continued to dampen sentiment. The country slipped into deflation for the second time during the year. Meanwhile, the PBoC injected additional liquidity into the country's financial system through its medium-term lending facility in an effort to support the economy.

December saw weaker-than-expected economic growth and further problems in the Chinese property market. Nonetheless, the country's manufacturing activity expanded in December for the second consecutive month. Services activity also expanded for the 12th consecutive month in December, with the overall reading rising to the highest level in five months as new business grew at its fastest rate since May. The PBoC left the one- and five-year LPRs unchanged at its monthly meeting but injected further liquidity into the financial system.

In the US, although the US Federal Reserve ("Fed") raised rates in its February meeting by only 25 bps, increasing investor concerns that US inflation was reaccelerating, and therefore rates would stay elevated for longer than previously expected, precipitated a wide sell-off in bonds. March saw further volatility, amid concerns about the banking sector, after the collapse of a tech-oriented bank in the US and subsequent worries about a large Swiss lender, which led to its acquisition by a rival Swiss bank. Nonetheless, rapid responses from the relevant authorities helped stabilise the financial system. In the face of concerns about contagion across the banking sector, the Fed raised rates by a further 25 bps in March.

Franklin Select APAC Quality Income Fund (continued)

Market Review (continued)

Central banks then returned their focus to persistent levels of core inflation. In May, the Fed raised the fed funds rate once again by 25 bps. However, the central bank kept rates unchanged for the first time in over a year in June, although it signaled support for further increases in 2023. Indeed, the Fed then hiked its fed funds rate by 25 bps to a target range of 5.25-5.50% in July, its highest level in more than 22 years, but opted for a pause at its September meeting. Although Fed Chair Jerome Powell suggested he was hesitant to call an end to the central bank's tightening cycle until a more sustained return of inflation to its target was evident, the central bank left its policy rate unchanged over the fourth quarter. The accompanying statements of its December meeting were relatively dovish, although the Fed did highlight that, while it seems that the peak policy rate has been reached, additional hikes could be delivered, if necessary. Against this backdrop, benchmark US 10-year Treasury yields ended the first quarter markedly lower, although they rebounded in the second quarter. They also rose significantly over the third quarter but fell back in the fourth quarter to end the review period at 3.88%, up only marginally for the 12-month period.

Assessment, Outlook and Risks

We continue to see potential relative value in Asian corporate bonds, particularly once the developed market tightening cycles end. Moderating inflation should also see higher growth across emerging markets and strong corporate fundamentals should, in our opinion, draw investor interest to the sector. Robust corporate balance sheets and low net leverage point to the likelihood of a muted default cycle, outside of a few concentrated countries and sectors. Our outlook remains neutral with reason for optimism, while acknowledging that the forecast for the near term is uncertain.

The US economy has remained resilient, supported by robust excess savings and still loose fiscal policy. We expect GDP growth to moderate but remain positive throughout 2024. Even though job market imbalances are unwinding somewhat, unemployment remains low and wages continue to grow faster than they should, according to the Fed's 2% inflation target. Consequently, purchasing power that remains strong will likely provide a buffer for economic growth over the coming months. Inflation is easing but has proved to be relatively sticky. The "supercore" core price index (i.e., non-housing services inflation), in particular, has even gained momentum recently. For the last mile of disinflation, it will be important to see to what extent the deceleration so far was caused by the unwinding of supply shocks, as alluded to by Fed Chair Powell, and to what extent by monetary tightening. In our view, the strength of the US economy implies that monetary policy is not too restrictive and rate cuts in the second half of 2024 would make the most sense to us at the moment. However, considering the Fed's dovish tone, monetary policy easing earlier in the year would also not come as a surprise.

*The comments, opinions, and estimates contained herein are based on or derived from publicly available information from sources that Franklin Templeton believes to be reliable. Franklin Templeton does not guarantee their accuracy. This report is for informational purposes only. Any views expressed are the views of respective portfolio management team of Franklin Templeton and may differ from other portfolio management team/ investment affiliates or of the firm as a whole. The security provided (if any) is for illustration purpose only and is not necessarily indicative of a portfolio's holding at any one time. It is not a recommendation to purchase, sell or hold any particular security. This document is not intended to provide investment advice. **Investments involve risks. Where past performance is quoted, such figures are not indicative of future performance.***

The underlying assumptions and these views are subject to change without notice. There is no guarantee that any forecasts expressed will be realized. Neither Franklin Templeton, its affiliates nor any officer or employee of Franklin Templeton accepts any liability whatsoever for any direct or indirect consequential loss arising from use of this document or any information, opinion or estimate herein.

Franklin Templeton Select APAC Income Fund

Market Review

Global developed and emerging market (“EM”) equities, as measured by the MSCI All Country World Index, posted a strong total return for the 12 months ended December 31, 2023. While inflation remained elevated in most parts of the world, it moderated substantially, bolstering equities. This inflationary pressure had led many of the world’s central banks to tighten monetary policy, driving interest rates significantly higher and pressuring economic growth. However, monetary tightening eased as the year progressed, and investors foresaw an end to major central banks’ rate-hiking cycles. Equity performance varied notably by region, as the impact of changing economic conditions differed depending on local circumstances. In the United States (“US”), solid gross domestic product (“GDP”) growth in the first half of 2023 and accelerating growth in the third quarter provided support to US equities.

The US Federal Reserve (“Fed”) raised interest rates four times over the year, ending the period with a Federal Funds rate in the range of 5.25%–5.50%. US Treasury (“UST”) bonds, as measured by the Bloomberg UST Index, posted a positive total return for the 12-month period, with the benchmark 10-year note ending the period flat despite bouts of heightened volatility. Corporate bonds also generated positive returns overall, as improved confidence in the economy’s resilience mitigated concerns about the health of corporate balance sheets, with high-yield corporate bonds outperforming investment-grade corporate bonds over the period.

Economic growth in the eurozone was tepid, with GDP contracting sequentially in the third quarter amid higher interest rates, declining business confidence and stalled consumer spending. Lower corporate profits pressured equity prices as Europe’s economies struggled with tighter financial conditions. Nonetheless, inflation decelerated significantly over the year, increasing expectations that interest-rate hikes were nearing an end, helping European developed and EM equities to generate a robust total return for the year.

Asian developed and EM equities, as measured by the MSCI All Country Asia Index, also posted a solid total return in 2023. Japan’s GDP contracted sequentially in the third quarter of 2023 following a robust growth in the first half of the year. Nevertheless, the end of pandemic-related border controls, investor-friendly corporate reforms and the Japanese cabinet’s approval of an economic stimulus package bolstered Japanese stocks. On an annual basis, China’s economic growth improved, helped by a number of government initiatives. However, continued regulatory uncertainty and weakness in the property sector negatively impacted Chinese markets. South Korea and Taiwan led the region’s gains, powered by corporate earnings and a tech rally on Wall Street. South Korean equities further benefited from a short-selling ban. Indian equities also gained on the back of strong macroeconomic data, a drop in oil prices and expectations of continued economic growth.

Outlook

We have retained our positive view of equities into January, as we believe the recent market rally could extend further into 2024, helped by falling inflation and a stabilisation of growth in major developed market economies. The probability of a recession in the US has become more remote amidst ongoing economic resilience, although we continue to be concerned about high interest rates, which could still create recessionary conditions in many developed markets. As a result, we retain a nimble approach to cross-asset positioning.

Franklin Templeton Select APAC Income Fund (continued)

Outlook (continued)

Core inflation remains relatively persistent in the US and Europe, although central banks in both regions should still pivot to easier monetary policy this year, in our view, particularly if economic conditions weaken and employment data cools sufficiently. Whilst some of the lagged effects of previous interest-rate rises are still to be felt, a more stable outlook for growth should support risk assets. We recognise that weaker consumer demand, alongside a lessening of employers' ability to pass on higher wages in the form of price increases, could impact profitability and earnings, but early signs of easing in labour markets should help to moderate wage demands and tame inflation more generally.

We maintain a neutral view of the Japanese and Asia Pacific markets. Japan faces weaker foreign demand, weighing on manufacturing exports, as real-term wage declines hit domestic consumption. However, equity valuations remain attractive relative to other markets, in our view. The Asia Pacific ex-Japan region remains vulnerable due to tensions in relations with China, and higher interest rates are likely to impact consumers. We remain neutral on Chinese equities as ongoing property market risks, which have led to an easier policy environment, are holding back the economy. Additionally, trade disputes remain unresolved in the longer term and are a symptom of broader tensions as heightened geopolitical stresses persist.

In fixed income markets, long-term valuations remain attractive, in our assessment, but may fully discount a monetary policy pivot. We have taken a more cautious view of bonds overall, relative to stocks, but still find government bond yields attractive and maintain greater interest-rate sensitivity to treasuries, while retaining a slightly wary stance on investment-grade bonds, primarily owing to valuations.

*The comments, opinions, and estimates contained herein are based on or derived from publicly available information from sources that Franklin Templeton believes to be reliable. Franklin Templeton does not guarantee their accuracy. This report is for informational purposes only. Any views expressed are the views of respective portfolio management team of Franklin Templeton and may differ from other portfolio management team/ investment affiliates or of the firm as a whole. The security provided (if any) is for illustration purpose only and is not necessarily indicative of a portfolio's holding at any one time. It is not a recommendation to purchase, sell or hold any particular security. This document is not intended to provide investment advice. **Investments involve risks. Where past performance is quoted, such figures are not indicative of future performance.***

The underlying assumptions and these views are subject to change without notice. There is no guarantee that any forecasts expressed will be realized. Neither Franklin Templeton, its affiliates nor any officer or employee of Franklin Templeton accepts any liability whatsoever for any direct or indirect consequential loss arising from use of this document or any information, opinion or estimate herein.

Templeton Select APAC Equity Income Fund

Market Review

Global developed and emerging market equities, as measured by the MSCI All Country World Index, posted a strong total return for the 12 months ended December 31, 2023. While inflation remained elevated in most parts of the world, it moderated substantially, bolstering equities. This inflationary pressure had led many of the world's central banks to tighten monetary policy, driving interest rates significantly higher and pressuring economic growth. However, monetary tightening eased as the year progressed, and investors foresaw an end to major central banks' rate-hiking cycles. Equity performance varied notably by region, as the impact of changing economic conditions differed depending on local circumstances.

Against this backdrop, Asian equities posted a solid total return for the 12-month period, with the fund's benchmark MSCI All Country Asia Pacific Index - NR recording a full-year total return of 11.45% in US-dollar terms. Japan was the biggest contributor to the benchmark's performance, as the country's equity market went through its strongest rally in decades. Japan's gross domestic product contracted sequentially in the third quarter of 2023 following a solid growth in the first half of the year. However, the end of pandemic-related border controls, investor-friendly corporate reforms, and Japan's cabinet approval of an economic stimulus package bolstered Japanese stocks. The Bank of Japan left its benchmark interest rate unchanged during the year but loosened its yield curve control on the 10-year Japanese government bond.

In contrast, China and Hong Kong were a notable drag on the benchmark's performance in 2023. On an annual basis, China's economic growth improved, helped by a number of government initiatives aimed at improving the economy. However, continued regulatory uncertainty and weakness in the property sector negatively impacted Chinese and Hong Kong equities. A disappointing post-COVID reopening recovery led the People's Bank of China to implement a raft of measures to ease monetary policy and support various sectors, including real estate, to stimulate the economy.

Assessment, Outlook and Risks

As the new year begins, hopes of impending US Federal Reserve ("Fed") rate cuts—with as many as six cuts currently priced in by the market, which is double the Fed's latest projection—and a US soft landing abound. If these macro drivers come through and translate to broad-based earnings growth, US equities may have further upside in 2024 despite their relatively high valuations; a lively Wall Street may in turn bode well for the global markets. At the same time, a weaker US dollar may create easier financial conditions outside of the United States, potentially encouraging capital flows to other major regions.

The reasons for optimism are not lost on us—neither are the downside risks. We are cognisant of the likelihood that global economic growth will slow further in 2024, as projected by the United Nations recently. With geopolitical disruptions and mixed consumer sentiment also at play, we will not be surprised if corporate earnings and profit margin growth in 2024 proves weaker than widely expected. Importantly, even if central banks cut their policy rates, financing costs will not return to the low levels of yesteryears. This may be particularly challenging for companies with weaker fundamentals.

Against this global backdrop, the Asia Pacific ("APAC") market environment remains somewhat uncertain in the near term, with different factors to consider across the region. In China and Hong Kong—which together account for 29% of the portfolio—equities are coming off a multiyear slide. On this front, we will stay nimble as market sentiment will likely remain vulnerable. However, the depressed valuations of Chinese and especially Hong Kong equities suggest that a high level of bearishness may have been priced in, implying a rebound potential on the back of macroeconomic and policy news. With our consistent focus on bottom-up fundamentals and valuation discipline, we believe we can continue to identify opportunities to position for China's long-term growth while enhancing our dividend yield.

Meanwhile, diversification remains a priority. In addition to India and Taiwan, which we discussed above, we will continue to look at how we can enhance our exposure to Japan. This is the fund's single-largest market by weighting, but we are still underweighted relative to the benchmark. Our conviction in Japanese equities remains high, and our preferences are for beneficiaries of domestic economic resilience, monetary policy normalisation and corporate governance reforms, amongst others. However, we will be selective in our investments, as Japanese equities have become less cheap following the 2023 rally, with the strength of the Japanese yen posing another potential risk, especially to exporters.

Templeton Select APAC Equity Income Fund (continued)

Assessment, Outlook and Risks (continued)

More broadly, we keep in mind several key questions that may impact the portfolio's performance as the year progresses. In macro terms, 2024 will be a busy election calendar, with the presidential election in Taiwan—which has recently concluded—and the United States potentially creating geopolitical tensions versus China. At the same time, we are hopeful that the Fed's interest-rate cuts will be positive for the performance of yield stocks, and the AI-driven demand will continue to benefit the APAC information technology value chain, but that is by no means guaranteed. We are ready to adjust the portfolio where necessary as these developments unfold, aiming to position the fund for another successful year.

*The comments, opinions, and estimates contained herein are based on or derived from publicly available information from sources that Franklin Templeton believes to be reliable. Franklin Templeton does not guarantee their accuracy. This report is for informational purposes only. Any views expressed are the views of respective portfolio management team of Franklin Templeton and may differ from other portfolio management team/ investment affiliates or of the firm as a whole. The security provided (if any) is for illustration purpose only and is not necessarily indicative of a portfolio's holding at any one time. It is not a recommendation to purchase, sell or hold any particular security. This document is not intended to provide investment advice. **Investments involve risks. Where past performance is quoted, such figures are not indicative of future performance.***

The underlying assumptions and these views are subject to change without notice. There is no guarantee that any forecasts expressed will be realized. Neither Franklin Templeton, its affiliates nor any officer or employee of Franklin Templeton accepts any liability whatsoever for any direct or indirect consequential loss arising from use of this document or any information, opinion or estimate herein.

**REPORT OF THE TRUSTEE TO THE UNITHOLDERS OF
FRANKLIN TEMPLETON ASIA FUND SERIES (THE “FUNDS”)
FOR THE YEAR ENDED 31 DECEMBER 2023**

We hereby confirm that, in our opinion, the Manager has, in all material respects, managed Templeton Select Global Leaders Fund, Franklin Select Global Multi-Asset Income Fund, Franklin Select APAC Quality Income Fund, Franklin Templeton Select APAC Income Fund and Templeton Select APAC Equity Income Fund in accordance with the provisions of the Trust Deed dated 5 January 2016 and Supplemental Deeds dated 27 December 2019 and 18 February 2021 for the year ended 31 December 2023.

For and on behalf of
Cititrust Limited

Director

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF TEMPLETON SELECT GLOBAL LEADERS FUND, FRANKLIN SELECT GLOBAL MULTI-ASSET INCOME FUND, FRANKLIN SELECT APAC QUALITY INCOME FUND, FRANKLIN TEMPLETON SELECT APAC INCOME FUND AND TEMPLETON SELECT APAC EQUITY INCOME FUND (THE SUB-FUNDS OF FRANKLIN TEMPLETON ASIA FUND SERIES)

Report on the Audit of the Financial Statements

Opinion

What we have audited

The financial statements of Templeton Select Global Leaders Fund, Franklin Select Global Multi-Asset Income Fund, Franklin Select APAC Quality Income Fund, Franklin Templeton Select APAC Income Fund and Templeton Select APAC Equity Income Fund (each a separate sub-fund of Franklin Templeton Asia Fund Series and referred to as the "Funds"), which are set out on pages 18 to 83, comprise:

- the statement of financial position as at 31 December 2023;
- the statement of comprehensive income for the year then ended;
- the statement of changes in net assets attributable to unitholders for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of each of the Funds as at 31 December 2023, and of each of their financial transactions and each of their cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's 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 are independent of the Funds in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

Emphasis of Matter

We draw attention to Notes 1 and 2 to these financial statements which state that the Manager has an intention to liquidate Templeton Select Global Leaders Fund and Franklin Select Global Multi-Asset Income Fund. As a result, the financial statements of Templeton Select Global Leaders Fund and Franklin Select Global Multi-Asset Income Fund have been prepared on a non-going concern basis, and are prepared in accordance with the basis set out in Note 2. Our opinion is not modified in respect of this matter.

Other Information

The Trustee and the Manager (the "Management") of the Funds are responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information 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.

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF TEMPLETON SELECT GLOBAL LEADERS FUND, FRANKLIN SELECT GLOBAL MULTI-ASSET INCOME FUND, FRANKLIN SELECT APAC QUALITY INCOME FUND, FRANKLIN TEMPLETON SELECT APAC INCOME FUND AND TEMPLETON SELECT APAC EQUITY INCOME FUND (THE SUB-FUNDS OF FRANKLIN TEMPLETON ASIA FUND SERIES) (CONTINUED)

Other Information (continued)

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management for the Financial Statements

The Management of the Funds is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

In addition, the Management of the Funds is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 5 January 2016, as amended ("Trust Deed") and Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission (the "SFC Code").

Auditor's 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 auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs 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. In addition, we are required to assess whether the financial statements of the Funds have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and Appendix E of the SFC Code.

As part of an audit in accordance with HKSAAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Funds to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF TEMPLETON SELECT GLOBAL LEADERS FUND, FRANKLIN SELECT GLOBAL MULTI-ASSET INCOME FUND, FRANKLIN SELECT APAC QUALITY INCOME FUND, FRANKLIN TEMPLETON SELECT APAC INCOME FUND AND TEMPLETON SELECT APAC EQUITY INCOME FUND (THE SUB-FUNDS OF FRANKLIN TEMPLETON ASIA FUND SERIES) (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Matters under the Relevant Disclosure Provisions of the Trust Deed and Appendix E of the SFC Code

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and Appendix E of the SFC Code.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 24 April 2024

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	<u>Templeton Select Global</u> <u>Leaders Fund</u>		<u>Franklin Select Global</u> <u>Multi-Asset Income Fund</u>	
		2023 USD	2022 USD	2023 USD	2022 USD
Assets					
Current assets					
Investments	3	6,072,813	4,671,565	6,502,384	7,231,659
Financial derivative instruments	4	17,579	15,181	14,088	13,994
Dividends, interest and other accounts receivable		2,966	1,068	10,021	7,966
Amounts receivable from subscription		–	–	4,070	–
Management fee rebates receivable	5(e),(f)	–	–	132	280
Cash and cash equivalents	6	347,319	445,666	110,147	101,991
Total assets		6,440,677	5,133,480	6,640,842	7,355,890
Liabilities					
Current liabilities					
Financial derivative instruments	4	–	434	214	424
Amounts payable on redemption		–	–	100,907	885
Other accounts payable		35,242	41,241	35,407	50,675
Liabilities (excluding net assets attributable to unitholders)		35,242	41,675	136,528	51,984
Net assets attributable to unitholders	7	6,405,435	5,091,805	6,504,314	7,303,906

Signed for and on behalf of

Franklin Templeton Investments (Asia) Limited
as the Manager

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2023

	Note	<u>Franklin Select APAC Quality</u>		<u>Franklin Templeton Select APAC</u>	
		<u>Income Fund</u>		<u>Income Fund</u>	
		2023	2022	2023	2022
		USD	USD	USD	USD
Assets					
Current assets					
Investments	3	62,930,793	65,395,395	135,106,144	135,417,281
Financial derivative instruments	4	93,347	38,722	981	638
Dividends, interest and other accounts receivable		545,098	549,880	–	–
Margin cash	6	240,000	1,180,000	–	–
Cash and cash equivalents	6	3,033,523	4,852,745	1,156,807	876,330
Total assets		66,842,761	72,016,742	136,263,932	136,294,249
Liabilities					
Current liabilities					
Financial derivative instruments	4	460,550	1,316,854	10	–
Amounts payable on redemption		–	–	103,813	188,072
Other accounts payable		26,356	33,198	122,873	226,543
Liabilities (excluding net assets attributable to unitholders)		486,906	1,350,052	226,696	414,615
Net assets attributable to unitholders	7	66,355,855	70,666,690	136,037,236	135,879,634

Signed for and on behalf of

Franklin Templeton Investments (Asia) Limited
as the Manager

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2023

	Note	Templeton Select APAC Equity Income Fund	
		2023	2022
		USD	USD
Assets			
Current assets			
Investments	3	122,219,511	114,354,624
Financial derivative instruments	4	650	641
Dividends receivable		116,494	146,643
Due from brokers		2,459,143	61,158
Cash and cash equivalents	6	3,405,344	2,007,563
Total assets		<u>128,201,142</u>	<u>116,570,629</u>
Liabilities			
Current liabilities			
Financial derivative instruments	4	8	–
Amounts payable on redemption		21,917	43,670
Due to brokers		1,121,507	–
Other accounts payable		382,891	237,262
Liabilities (excluding net assets attributable to unitholders)		<u>1,526,323</u>	<u>280,932</u>
Net assets attributable to unitholders	7	<u>126,674,819</u>	<u>116,289,697</u>

Signed for and on behalf of

Franklin Templeton Investments (Asia) Limited
as the Manager

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	<u>Templeton Select Global</u> <u>Leaders Fund</u>		<u>Franklin Select Global</u> <u>Multi-Asset Income Fund</u>	
		2023 USD	2022 USD	2023 USD	2022 USD
Income					
Dividend income		91,172	81,082	198,954	215,624
Interest on bank deposits	5(j)	515	–	15	20
Interest on investments		–	–	19,877	5,412
Other income	5(e)	–	–	1,676	3,039
Change in unrealised gain/loss on fair value of investments		1,157,017	(1,305,286)	762,868	(1,272,003)
Realised gain/(loss) on sale of investments		331,074	(48,117)	(149,909)	(378,028)
Change in unrealised gain/loss on financial derivative instruments and foreign currency exchange		2,832	8,854	384	6,669
Realised loss on financial derivative instruments and foreign currency exchange		(114,122)	(163,495)	(97,588)	(171,434)
Total investment income/(loss)		1,468,488	(1,426,962)	736,277	(1,590,701)
Expenses					
Management fee	5(f)	57,267	55,711	59,194	68,552
Trustee fee	5(f)	2,291	2,228	2,786	3,226
Custody fee	5(f)	6,326	9,771	30,840	54,304
Registrar fee	5(f)	2,291	2,228	2,785	3,226
Fund administration fee	5(f)	11,454	11,142	13,928	16,130
Distribution fee		28,634	27,856	34,820	40,325
Audit fee		24,165	23,602	24,182	22,310
Interest charge	5(j)	–	2	29	5
Legal and professional fees		1,747	12,717	4,681	6,563
Transaction costs		4,920	8,081	2,525	6,030
Other operating expenses		219	1,844	61	2,907
Total expenses		139,314	155,182	175,831	223,578
Profit/(loss) before distribution and tax		1,329,174	(1,582,144)	560,446	(1,814,279)
Finance cost					
Distribution to unitholders	8	–	–	(354,246)	(443,154)
Profit/(loss) after distribution and before tax		1,329,174	(1,582,144)	206,200	(2,257,433)
Withholding taxes		(18,208)	(16,839)	(21,990)	(16,648)
Increase/(decrease) in net assets attributable to unitholders from operations		1,310,966	(1,598,983)	184,210	(2,274,081)

STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	<u>Franklin Select APAC Quality</u> <u>Income Fund</u>		<u>Franklin Templeton Select APAC</u> <u>Income Fund</u>	
		From 13 August 2021 to		From 13 August 2021 to	
		2023	31 December 2022*	2023	31 December 2022*
		USD	USD	USD	USD
Income					
Dividend income		–	–	6,563,398	7,244,699
Interest on bank deposits	5(j)	1,353	116	13	21
Interest on investments		1,805,529	1,919,228	29,663	–
Other income		54,487	1,200	–	–
Change in unrealised gain/loss on fair value of investments		4,477,286	(9,507,054)	10,091,257	(23,467,110)
Realised loss on sale of investments		(1,801,278)	(3,129,540)	(2,815,666)	(3,107,826)
Change in unrealised gain/loss on financial derivative instruments and foreign currency exchange		853,538	(1,215,449)	333	638
Realised (loss)/gain on financial derivative instruments and foreign currency exchange		(371,178)	3,369,214	(4,023)	(13,766)
Total investment income/(loss)		5,019,737	(8,562,285)	13,864,975	(19,343,344)
Expenses					
Management fee	5(f)	613	993	877,118	1,362,423
Trustee fee	5(f)	27,953	40,515	53,893	83,811
Custody fee	5(f)	11,996	76,062	1,414	5,420
Registrar fee	5(f)	31	56	53,890	83,811
Fund administration fee	5(f)	171	283	269,462	419,056
Distribution fee		260	428	1,940	703
Audit fee		26,501	29,302	17,019	19,102
Interest charge	5(j)	–	6,061	–	–
Legal and professional fees		93	–	93	–
Transaction costs		–	–	2,407	29,843
Other operating expenses		4,180	4,442	2,586	1,348
Total expenses		71,798	158,142	1,279,822	2,005,517
Profit/(loss) before distribution and tax		4,947,939	(8,720,427)	12,585,153	(21,348,861)
Finance cost					
Distribution to unitholders	8	(4,061,942)	(4,313,239)	(15,461)	(6,157)
Profit/(loss) after distribution and before tax		885,997	(13,033,666)	12,569,692	(21,355,018)
Withholding taxes		(6,013)	(13,247)	–	–
Increase/(decrease) in net assets attributable to unitholders from operations		879,984	(13,046,913)	12,569,692	(21,355,018)

*13 August 2021 is the date of commencement of operations

STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

		Templeton Select	
		APAC Equity Income Fund	
		From 13 August 2021 to	
	Note	2023	31 December 2022*
		USD	USD
Income			
Dividend income		4,694,526	8,251,733
Interest on bank deposits	5(j)	176	408
Change in unrealised gain/loss on fair value of investments		14,160,842	(14,268,099)
Realised loss on sale of investments		(1,395,447)	(7,466,102)
Change in unrealised gain/loss on financial derivative instruments and foreign currency exchange		32,384	38,274
Realised loss on financial derivative instruments and foreign currency exchange		(144,059)	(490,999)
Total investment income/(loss)		17,348,422	(13,934,785)
Expenses			
Management fee	5(f)	390,959	579,438
Trustee fee	5(f)	46,966	69,993
Custody fee	5(f)	43,392	61,119
Registrar fee	5(f)	22,321	33,086
Fund administration fee	5(f)	111,623	165,432
Distribution fee		450	712
Audit fee		26,852	29,302
Interest charge	5(j)	7	-
Legal and professional fees		3,068	2,675
Transaction costs		149,415	347,153
Other operating expenses		6,306	6,791
Total expenses		801,359	1,295,701
Profit/(loss) before distribution and tax		16,547,063	(15,230,486)
Finance cost			
Distribution to unitholders	8	(2,509,754)	(2,933,290)
Profit/(loss) after distribution and before tax		14,037,309	(18,163,776)
Withholding taxes		(771,162)	(954,306)
Increase/(decrease) in net assets attributable to unitholders from operations		13,266,147	(19,118,082)

*13 August 2021 is the date of commencement of operations

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	<u>Templeton Select Global Leaders Fund</u>		<u>Franklin Select Global Multi-Asset Income Fund</u>	
		2023 USD	2022 USD	2023 USD	2022 USD
Balance at the beginning of the year		5,091,805	6,690,788	7,303,906	9,765,085
Subscription of units		2,664	–	394,482	676,581
Redemption of units		–	–	(1,421,244)	(915,320)
Reinvestment of distributions	8	–	–	42,960	51,641
Increase/(Decrease) in net assets attributable to unitholders from operations		1,310,966	(1,598,983)	184,210	(2,274,081)
Balance at the end of the year	7	6,405,435	5,091,805	6,504,314	7,303,906

	Note	<u>Franklin Select APAC Quality Income Fund</u>		<u>Franklin Templeton Select APAC Income Fund</u>	
		2023 USD	From 13 August 2021 to 31 December 2022* USD	2023 USD	From 13 August 2021 to 31 December 2022* USD
Balance at the beginning of the year		70,666,690	–	135,879,634	–
Subscription of units		3,333,540	102,212,803	2,170,903	178,062,323
Redemption of units		(8,524,359)	(18,499,200)	(14,582,993)	(20,827,671)
Increase/(Decrease) in net assets attributable to unitholders from operations		879,984	(13,046,913)	12,569,692	(21,355,018)
Balance at the end of the year/period	7	66,355,855	70,666,690	136,037,236	135,879,634

	Note	<u>Templeton Select APAC Equity Income Fund</u>	
		2023 USD	From 13 August 2021 to 31 December 2022* USD
Balance at the beginning of the year		116,289,697	–
Subscription of units		7,631,184	152,202,855
Redemption of units		(10,512,209)	(16,795,076)
Increase/(Decrease) in net assets attributable to unitholders from operations		13,266,147	(19,118,082)
Balance at the end of the year/period	7	126,674,819	116,289,697

*13 August 2021 is the date of commencement of operations

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Number of units in issue

Templeton Select Global Leaders Fund

Note	Classes of units as at 31 December 2023			Classes of units as at 31 December 2022		
	Class A (Acc) HKD	Class A (Acc) RMB-H1	Class A (Acc) USD	Class A (Acc) HKD	Class A (Acc) RMB-H1	Class A (Acc) USD
Number of units in issue at the beginning of the year	1,188,756.83	1,015,841.41	150,000.00	1,188,756.83	1,015,841.41	150,000.00
Subscription of units	–	–	207.13	–	–	–
Redemption of units	–	–	–	–	–	–
Number of units in issue at the end of the year	7 1,188,756.83	1,015,841.41	150,207.13	1,188,756.83	1,015,841.41	150,000.00

Franklin Select Global Multi-Asset Income Fund

Note	Classes of units as at 31 December 2023			Classes of units as at 31 December 2022		
	Class A (Mdis) HKD	Class A (Mdis) RMB-H1	Class A (Mdis) USD	Class A (Mdis) HKD	Class A (Mdis) RMB-H1	Class A (Mdis) USD
Number of units in issue at the beginning of the year	3,582,810.87	1,452,053.48	301,221.50	3,806,804.48	1,512,981.54	285,098.35
Subscription of units	92,671.16	266,451.42	1,781.06	243,224.22	65,847.20	36,081.03
Redemption of units	(794,166.19)	(160,367.47)	(63,580.30)	(494,480.92)	(135,442.07)	(21,434.39)
Reinvestments	8 27,782.57	5,633.60	1,325.25	27,263.09	8,666.81	1,476.51
Number of units in issue at the end of the year	7 2,909,098.41	1,563,771.03	240,747.51	3,582,810.87	1,452,053.48	301,221.50

Franklin Select APAC Quality Income Fund

Note	Classes of units as at 31 December 2023				
	Class A (acc) USD	Class A (Mdis) HKD	Class A (Mdis) RMB-H1	Class A (Mdis) USD	Class Y (Mdis) USD
Number of units in issue at the beginning of the year	500.00	4,122.33	64,846.00	500.00	8,400,738.37
Subscription of units	–	–	–	–	394,049.49
Redemption of units	–	(233.58)	–	–	(1,033,050.44)
Number of units in issue at the end of the year	7 500.00	3,888.75	64,846.00	500.00	7,761,737.42

Note	Classes of units from 13 August 2021 to 31 December 2022*				
	Class A (acc) USD	Class A (Mdis) HKD	Class A (Mdis) RMB-H1	Class A (Mdis) USD	Class Y (Mdis) USD
Number of units in issue at the beginning of the period	–	–	–	–	–
Subscription of units	500.00	4,122.33	64,846.00	500.00	10,368,440.37
Redemption of units	–	–	–	–	(1,967,702.00)
Number of units in issue at the end of the period	7 500.00	4,122.33	64,846.00	500.00	8,400,738.37

*13 August 2021 is the date of commencement of operations

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Franklin Templeton Select APAC Income Fund

	Note	Classes of units as at 31 December 2023				
		Class A (acc) USD	Class A (Mdis) HKD	Class A (Mdis) RMB-H1	Class A (Mdis) USD	Class C (acc) USD
Number of units in issue at the beginning of the year		500.00	3,888.75	64,846.00	500.00	15,494,273.11
Subscription of units		–	325,473.77	37,075.34	51,505.25	150,048.04
Redemption of units		–	(245.17)	–	–	(1,606,634.34)
Number of units in issue at the end of the year	7	500.00	329,117.35	101,921.34	52,005.25	14,037,686.81

	Note	Classes of units from 13 August 2021 to 31 December 2022*				
		Class A (acc) USD	Class A (Mdis) HKD	Class A (Mdis) RMB-H1	Class A (Mdis) USD	Class C (acc) USD
Number of units in issue at the beginning of the period		–	–	–	–	–
Subscription of units		500.00	3,888.75	64,846.00	500.00	17,752,909.85
Redemption of units		–	–	–	–	(2,258,636.74)
Number of units in issue at the end of the period	7	500.00	3,888.75	64,846.00	500.00	15,494,273.11

Templeton Select APAC Equity Income Fund

	Note	Classes of units as at 31 December 2023					
		Class A (acc) USD	Class A (Mdis) HKD	Class A (Mdis) RMB-H1	Class A (Mdis) USD	Class C (acc) USD	Class Y (Mdis) USD
Number of units in issue at the beginning of the year		500.00	3,888.75	64,846.00	500.00	6,237,916.94	7,236,139.46
Subscription of units		–	–	–	–	164,010.98	703,898.12
Redemption of units		–	–	–	–	(597,338.39)	(568,883.15)
Number of units in issue at the end of the year	7	500.00	3,888.75	64,846.00	500.00	5,804,589.53	7,371,154.43

	Note	Classes of units from 13 August 2021 to 31 December 2022*					
		Class A (acc) USD	Class A (Mdis) HKD	Class A (Mdis) RMB-H1	Class A (Mdis) USD	Class C (acc) USD	Class Y (Mdis) USD
Number of units in issue at the beginning of the period		–	–	–	–	–	–
Subscription of units		500.00	3,888.75	64,846.00	500.00	7,073,471.19	8,163,564.58
Redemption of units		–	–	–	–	(835,554.25)	(927,425.12)
Number of units in issue at the end of the period	7	500.00	3,888.75	64,846.00	500.00	6,237,916.94	7,236,139.46

*13 August 2021 is the date of commencement of operations

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	<u>Templeton Select Global</u>		<u>Franklin Select Global</u>	
		<u>Leaders Fund</u>		<u>Multi-Asset Income Fund</u>	
		2023 USD	2022 USD	2023 USD	2022 USD
Cash flows from operating activities					
Purchase of investments		(3,519,471)	(4,369,670)	(3,046,201)	(6,787,541)
Disposal of investments		3,606,316	4,564,550	4,386,945	7,678,190
Settlement of financial derivative instruments		(114,123)	(163,495)	(97,588)	(171,434)
Dividend income received		89,275	83,280	199,734	214,598
Interest on bank deposits received		515	–	15	20
Interest on investments received		–	–	18,531	13,441
Management fee paid		(60,482)	(52,777)	(63,090)	(62,069)
Distribution fee paid		(30,241)	(26,387)	(38,185)	(38,320)
Trustee fee paid		(2,420)	(2,111)	(3,055)	(3,066)
Custody fee paid		(6,326)	(9,771)	(30,840)	(54,304)
Registrar fee paid		(2,420)	(2,111)	(3,054)	(3,065)
Fund administration fee paid		(12,097)	(10,556)	(15,274)	(15,328)
Audit fee paid		(24,055)	(25,504)	(24,073)	(25,732)
Interest charge paid		–	(2)	(29)	(5)
Legal and professional fees paid		(1,747)	(12,717)	(9,752)	(4,087)
Other operating expenses paid		(607)	(5,170)	(592)	(6,576)
Transaction costs paid		(4,920)	(8,081)	(2,525)	(6,030)
Withholding taxes paid		(18,208)	(16,839)	(20,796)	(19,699)
Net cash (used in)/generated from operating activities		(101,011)	(57,361)	1,250,171	708,993
Cash flows from financing activities					
Subscription of units		2,664	–	390,412	676,581
Redemption of units		–	–	(1,321,221)	(979,892)
Distributions		–	–	(311,286)	(391,513)
Net cash generated from/ (used in) financing activities		2,664	–	(1,242,095)	(694,824)
Net (decrease)/increase in cash and cash equivalents		(98,347)	(57,361)	8,076	14,169
Cash and cash equivalents at the beginning of the year	6	445,666	503,027	101,991	88,631
Effect of foreign exchange rate changes		–	–	80	(809)
Cash and cash equivalents at the end of the year	6	347,319	445,666	110,147	101,991

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	<u>Franklin Select APAC Quality</u> <u>Income Fund</u>		<u>Franklin Templeton Select APAC</u> <u>Income Fund</u>	
		From 13 August 2021 2023 to 31 December 2022*		From 13 August 2021 2023 to 31 December 2022*	
		USD	USD	USD	USD
Cash flows from operating activities					
Purchase of investments		(15,592,146)	(99,617,771)	(13,223,258)	(224,428,436)
Disposal of investments		20,282,121	20,612,506	20,839,648	62,436,220
Settlement of financial derivative instruments		(371,178)	3,369,214	(4,023)	(13,766)
Margin cash paid/received		940,000	(1,180,000)	–	–
Dividend income received		–	–	6,563,398	7,244,699
Interest on bank deposits received		1,353	116	13	21
Interest on investments received		2,260,946	2,342,625	–	–
Other income received		54,487	1,200	–	–
Management fee paid		(665)	(889)	(948,581)	(1,216,936)
Distribution fee paid		(284)	(383)	(1,646)	(631)
Trustee fee paid		(30,294)	(35,918)	(58,303)	(74,861)
Custody fee paid		(11,996)	(76,062)	(1,414)	(5,420)
Registrar fee paid		(33)	(51)	(58,299)	(74,862)
Fund administration fee paid		(186)	(254)	(291,513)	(374,307)
Audit fee paid		(29,220)	–	(19,736)	–
Interest charge paid		–	(6,061)	–	–
Legal and professional fees paid		(93)	–	(93)	–
Other operating expenses paid		(5,869)	(5,326)	(1,500)	(2,115)
Transaction costs paid		–	–	(2,407)	(29,843)
Withholding taxes paid		(6,013)	(13,247)	–	–
Net cash generated from/(used in) operating activities		7,490,930	(74,610,301)	12,792,286	(156,540,237)
Cash flows from financing activities					
Subscription of units		3,333,540	102,212,803	2,170,904	178,062,323
Redemption of units		(8,524,359)	(18,499,201)	(14,667,252)	(20,639,599)
Distributions		(4,061,942)	(4,313,239)	(15,461)	(6,157)
Net cash (used in)/generated from financing activities		(9,252,761)	79,400,363	(12,511,809)	157,416,567
Net (decrease)/increase in cash and cash equivalents		(1,761,831)	4,790,062	280,477	876,330
Cash and cash equivalents at the beginning of the year	6	4,852,745	–	876,330	–
Effect of foreign exchange rate changes		(57,391)	62,683	–	–
Cash and cash equivalents at the end of the year/period	6	3,033,523	4,852,745	1,156,807	876,330

*13 August 2021 is the date of commencement of operations

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

	Templeton Select APAC Equity Income Fund	
Cash flows from operating activities		
Purchase of investments	(45,140,043)	(222,323,582)
Disposal of investments	48,764,072	86,173,598
Settlement of financial derivative instruments	(144,059)	(490,998)
Dividend income received	4,724,675	8,105,090
Interest on bank deposits received	176	408
Management fee paid	(419,522)	(517,419)
Distribution fee paid	(483)	(641)
Trustee fee paid	(50,295)	(62,484)
Custody fee paid	(43,392)	(61,119)
Registrar fee paid	(23,952)	(29,545)
Fund administration fee paid	(119,777)	(147,725)
Audit fee paid	(29,571)	–
Interest charge paid	(7)	–
Legal and professional fees paid	(3,445)	(2,298)
Other operating expenses paid	(11,722)	(7,832)
Transaction costs paid	(149,415)	(347,153)
Withholding taxes paid	(575,311)	(836,530)
Net cash generated from/(used in) operating activities	6,777,929	(130,548,230)
Cash flows from financing activities		
Subscription of units	7,631,184	152,202,855
Redemption of units	(10,533,962)	(16,751,406)
Distributions	(2,509,754)	(2,933,290)
Net cash (used in)/generated from financing activities	(5,412,532)	132,518,159
Net increase in cash and cash equivalents	1,365,397	1,969,929
Cash and cash equivalents at the beginning of the year	6 2,007,563	–
Effect of foreign exchange rate changes	32,384	37,634
Cash and cash equivalents at the end of the year/period	6 3,405,344	2,007,563

*13 August 2021 is the date of commencement of operations

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 General Information

Franklin Templeton Asia Fund Series (the "Trust") was constituted under a Trust Deed dated 5 January 2016 and Supplemental Deeds dated 27 December 2019 and 18 February 2021, between Franklin Templeton Investments (Asia) Limited (the "Manager") and Cititrust Limited (the "Trustee"). The terms of the Trust Deed are governed by the laws of Hong Kong Special Administrative Region of the People's Republic of China ("Hong Kong"). The Trust is authorised by the Securities and Futures Commission of Hong Kong (the "SFC").

The Trust is an umbrella fund, whereby comprising five sub-funds, namely Templeton Select Global Leaders Fund, Franklin Select Global Multi-Asset Income Fund, Franklin Select APAC Quality Income Fund, Franklin Templeton Select APAC Income Fund and Templeton Select APAC Equity Income Fund (collectively the "Funds"). Templeton Select Global Leaders Fund and Franklin Select Global Multi-Asset Income Fund were launched and commenced operations on 5 July 2016. Franklin Select APAC Quality Income Fund, Franklin Templeton Select APAC Income Fund and Templeton Select APAC Equity Income Fund were launched and commenced operations on 13 August 2021.

Investment Fund	Objective
Templeton Select Global Leaders Fund	To achieve capital appreciation through a policy of investing in equity securities of companies throughout the world, including emerging markets.
Franklin Select Global Multi-Asset Income Fund	To achieve a level of total return consisting of income and capital appreciation, allowing it to support a steady level of distribution.
Franklin Select APAC Quality Income Fund	To maximise, consistent with prudent investment management, total investment return consisting of a combination of interest income, capital appreciation and currency gains.
Franklin Templeton Select APAC Income Fund	To achieve a level of total return consisting of income and capital appreciation, allowing it to support a steady level of distribution.
Templeton Select APAC Equity Income Fund	To achieve capital appreciation and income generation.

Subsequent to the year ended 31 December 2023, the Manager is assessing the economic viability and has an intention to liquidate Templeton Select Global Leaders Fund and Franklin Select Global Multi-Asset Income Fund.

The financial statements of the Funds were authorised by the Manager and the Trustee for issue on 24 April 2024.

2 Summary of material accounting policies

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the year presented unless otherwise stated.

2.1 Basis of presentation

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss.

As referred to Note 1, the Manager is assessing the economic viability and has an intention to liquidate Templeton Select Global Leaders Fund and Franklin Select Global Multi-Asset Income Fund. As a result, the financial statements of these sub-funds during the year ended 31 December 2023 have been prepared on a non-going concern basis. The Manager and the Trustee have assessed that the values of all assets and liabilities at the reporting date approximate their net realisable value, and therefore no changes of accounting policies or adjustments have been made in the financial statements in order to reflect the fact that such funds will be able to realise its assets or to extinguish its liabilities in the normal course of business.

The preparation of financial statements in conformity with HKFRSs requires the use of certain accounting estimates. It also requires the Trustee and Manager (collectively, the "Management") to exercise their judgement in the process of applying the Funds' accounting policies.

2 Summary of material accounting policies (continued)

2.1 Basis of presentation (continued)

(a) Standards and amendments to existing standards effective 1 January 2023

The Funds have applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2023:

- Definition of Accounting Estimates – amendments to HKAS 8
- Disclosure of Accounting Policies – Amendments to HKAS 1 and HKFRS Practice Statement 2

There are no material impact on the financial statements of the Funds.

(b) New standards, amendments and interpretations effective after 1 January 2023 and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2023 and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the respective Funds.

2.2 Foreign currency translation

(a) Functional and presentation currency

The Funds' net assets are invested globally. The Management considers the United States dollar ("USD") to be the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The USD is the currency in which the Funds measure their performance and report their results. The financial statements are presented in USD which are the Funds' functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the year end date.

Foreign exchange gains and losses arising from translation are included in the statement of comprehensive income.

Foreign exchange gain and loss relating to cash and cash equivalents are presented in the statement of comprehensive income within "change in unrealised gain/loss on financial derivative instruments and foreign currency exchange" and "realised gain/(loss) on financial derivative instruments and foreign currency exchange".

Foreign exchange gain and loss relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the statement of comprehensive income within "change in unrealised gain/loss on fair value of investments", "realised gain/(loss) on sale of investments", "change in unrealised gain/loss on financial derivative instruments and foreign currency exchange" and "realised gain/(loss) on financial derivative instruments and foreign currency exchange".

2.3 Financial assets

2.3.1 Classification

(a) Assets

The Funds classify their investments based on both the Funds' business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Funds are primarily focused on fair value information and use that information to assess the assets' performance and to make decisions. The Funds have not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the Funds' debt securities are solely principal and interest. However, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Funds' business model's objective. Consequently, all investments are measured at fair value through profit or loss.

2 Summary of material accounting policies (continued)

2.3 Financial assets (continued)

2.3.1 Classification (continued)

(b) Liabilities

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

As such, the Funds classify all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

The Funds' policy requires the Manager to evaluate the information about these financial assets and liabilities on a fair value basis together with other related financial information.

2.3.2 Recognition, derecognition and measurement

Regular purchases and sales of investments are recognised on the trade date – the date on which the Funds commit to purchase or sell the investment. Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the statement of comprehensive income.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Funds have transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the “financial assets or financial liabilities at fair value through profit or loss” category are presented in the statement of comprehensive income within “change in unrealised gain/loss on fair value of investments” and “change in unrealised gain/loss on financial derivative instruments and foreign currency exchange” in the year in which they arise.

2.4 Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. A structured entity often has some or all of the following features or attributes; (a) restricted activities, (b) a narrow and well-defined objective, such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity to investors, (c) insufficient equity to permit the structured entity to finance its activities without subordinated financial support and (d) financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks (tranches).

Franklin Select Global Multi-Asset Income Fund, Franklin Templeton Select APAC Income Fund and Templeton Select APAC Equity Income Fund considers all of its investments in quoted funds, exchange traded funds and real estate investment trusts together the “Underlying Funds”, to be investments in unconsolidated structured entities. The sub-funds invest in Underlying Funds whose objectives range from achieving medium to long term investment returns. The Underlying Funds apply various investment strategies to accomplish their respective investment objectives. The Underlying Funds finance their operations by issuing redeemable units which are puttable at the holder's option and entitles the holder to a proportional stake in the respective fund's net assets. The sub-funds hold redeemable units in each of its Underlying Funds.

The change in fair value of each Underlying Fund is included in the statement of comprehensive income in “change in unrealised gain/loss on fair value of investments” and “realised gain/(loss) on sale of investments”.

2.5 Financial derivative instruments

The financial derivative instruments represent forward foreign exchange contracts and warrants. These instruments are entered into principally to manage foreign currency exposures or for trading purposes.

The Funds may enter into forward foreign exchange contracts to mitigate the risks associated with fluctuations in foreign exchange rates. A forward foreign exchange contract is an agreement between two parties to exchange different currencies at an agreed upon exchange rate at a future date. These contracts are valued daily by the Funds and the net unrealised gain or loss on the contracts, as measured by the difference between the contractual forward foreign exchange rates and the forward rates at the year end date, is included in the statement of financial position.

2 Summary of material accounting policies (continued)

2.5 Financial derivative instruments (continued)

A warrant is a security that gives the holder the right, but not the obligation, to buy a certain number of securities at a certain price before a certain time. In the event that quoted prices of such warrants are unavailable, the Manager will use other valuation methods that the Manager deems appropriate, such as pricing them using the option pricing model.

Unrealised gains and losses on financial derivative instruments are presented as assets and liabilities respectively in the statement of financial position. Realised gains and losses and the net change in fair values are recognised in the statement of comprehensive income.

2.6 Fair value estimation

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. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the reporting date. The Funds utilise the last traded market price as fair valuation inputs for both financial assets and financial liabilities where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, management will determine the point within the bid-ask spread that is most representative of fair value. Fixed income securities are valued by using quotes from brokers.

The valuation point of the Funds is at 4:00 pm New York (Eastern time) in the United States on each valuation day. Due to certain markets closing before the valuation point, certain financial assets are valued based on their last traded price with fair value adjustment factors provided by an independent price vendor to adjust the price by an expected market shift. Fair value of those financial assets is determined using observable market data and such financial assets are classified as Level 2.

The fair value of financial assets and liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Funds use a variety of methods and make assumptions that are based on market conditions existing at each reporting date. Valuation techniques used include the use of comparable recent ordinary transactions between market participants, reference to other instruments that are substantially the same, discounted cash flow analysis, options pricing models and other valuation techniques commonly used by market participants.

Franklin Select Global Multi-Asset Income Fund's, Franklin Templeton Select APAC Income Fund's and Templeton Select APAC Equity Income Fund's investments in the Underlying Funds are subject to the terms and conditions of the Underlying Funds' constitutional documents. The investments in the Underlying Funds are valued at fair value which are based on the latest net asset value or market price of the Underlying Funds' redeemable units, as the case maybe.

2.7 Transfers between levels of the fair value hierarchy

Transfers between levels of the fair value hierarchy have occurred at the date of the event or change in circumstances that caused the transfer.

2.8 Income and expenses

(a) Dividend income

Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income within dividend income when the Funds' right to receive payments is established, it is probable that the economic benefits associated with the dividend will flow to the Funds, and the amount of the dividend can be measured reliably.

(b) Interest income

Interest income is recognised in the statement of comprehensive income on a time-proportion basis using the effective interest method.

(c) Other income

Other income is recognised in the statement of comprehensive income on an accrual basis.

(d) Expenses

Expenses are recognised in the statement of comprehensive income on an accrual basis.

2 Summary of material accounting policies (continued)

2.9 Taxation

No provision for Hong Kong profits tax has been made as the Funds were authorised as collective investment schemes under Section 104 of the Hong Kong Securities and Futures Ordinance and hence their profits are excluded from the charge to profits tax under Section 26A of the Inland Revenue Ordinance.

The Funds may incur withholding taxes on certain investment income. Such income is recorded gross of withholding taxes in the statement of comprehensive income. Withholding taxes are shown as a separate item in the statement of comprehensive income.

2.10 Proceeds and payments on subscription and redemption of units

The net asset values of the Funds are computed for each dealing day. Prices for subscriptions and redemptions of units are calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day.

Units in the Funds are classified as liabilities in the statements of financial position. This represents the price at which the unitholders can redeem the units.

2.11 Distributions payable to unitholders

Proposed distributions to unitholders are recognised in the statement of comprehensive income as finance cost when they are appropriately approved by the Manager.

The Manager may at its discretion determine to pay out of income or capital in respect of the distribution of the Funds.

2.12 Receivables

Receivables are initially recorded at fair value, and subsequently carried at amortised cost using the effective interest method. These are short term in nature and the carrying amounts approximate the fair values.

2.13 Cash and cash equivalents

Cash and cash equivalents includes deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less and bank overdrafts.

2.14 Due from and due to brokers

Amounts due from and due to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the year end date respectively. The due from brokers balance is held for collection.

These amounts are recognised initially at fair value and subsequently measured at amortised cost.

The amounts due from and due to brokers are short term in nature and the carrying amounts approximate the fair values.

2.15 Expected credit losses on financial assets measured at amortised cost

At each reporting date, the Fund shall measure the loss allowance on financial assets measured at amortised cost at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that amounts may be credit impaired. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the net carrying amount (after deduction of the loss allowance). A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

2 Summary of material accounting policies (continued)

2.16 Accrued expenses

Accrued expenses are recognised initially at fair value, and subsequently stated at amortised cost using the effective interest method. These are short term in nature and the carrying amounts approximate the fair values.

2.17 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously.

The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.18 Collateral

Cash collateral provided by Franklin Select APAC Quality Fund is identified in the statement of financial position as margin cash and is not included as a component of cash and cash equivalents. For collateral other than cash, if the party to whom the collateral is provided has the right by contract or custom to sell or re-pledge the collateral, Franklin Select APAC Quality Fund classifies that asset in its statement of financial position separately from other assets and identifies the asset as pledged collateral. Where the party to whom the collateral is provided does not have the right to sell or re-pledge, a disclosure of the collateral provided is made in the notes to the financial statements.

2.19 Transaction costs

Transaction costs are costs incurred to acquire financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and security exchanges, and transfer taxes and duties. Transaction costs, when incurred, are immediately recognised in the statement of comprehensive income as an expense.

3 Financial risk management

The Funds' activities expose it to a variety of financial risks: market risk (including market price risk, currency risk and interest rate risk), credit risk and liquidity risk.

Risks arising from holding financial instruments are inherent in the Funds' activities and are managed through a process of ongoing identification, measurement and monitoring. The risks are measured using a method that reflects the expected impact on the results and net assets attributable to unitholders of the Funds from reasonably possible changes in the relevant risk variables. Information about these risk exposures at the reporting date and risk management policies employed are disclosed in Notes 3.1 to 3.5.

Risks associated with Underlying Funds

Franklin Select Global Multi-Asset Income Fund, Franklin Templeton Select APAC Income Fund and Templeton Select APAC Equity Income Fund's investments in the Underlying Funds are subject to the terms and conditions of the Underlying Funds' offering documentation and is susceptible to market price risk arising from uncertainties about future values of the Underlying Funds.

The right of the sub-funds to request redemption of its investments in the Underlying Funds are on a daily basis. The exchange traded funds are listed on stock exchanges and can be traded daily.

The exposure to the investments in the Underlying Funds at fair value by strategy employed is disclosed in the following tables. These investments are included under "Investments" in the statement of financial position.

3 Financial risk management (continued)

Risks associated with Underlying Funds (continued)

Franklin Select Global Multi-Asset Income Fund

31 December 2023	Strategy	Net asset value of the Underlying Funds USD(in 000s)	Investment fair value USD	% of net assets attributable to holders of redeemable units
Quoted Investment Funds				
Franklin High Yield Fund*	Fixed income - high yield	951,503	477,496	7.34
Templeton Emerging Markets Bond Fund*	Emerging markets bonds	1,994,174	274,227	4.22
Exchange Traded Funds				
Amundi Index Solutions - Amundi Prime US Corporates	US Corporate bonds	49,740	479,841	7.38
Franklin Global Quality Dividend UCITS ETF	Global equities	40,940	342,237	5.26
iShares Core Global Aggregate Bond UCITS ETF	Global bonds	8,412,197	520,515	8.00
iShares Global Corp. Bond UCITS ETF	Global corporate bonds	3,901,479	91,345	1.40
iShares International Treasury Bond ETF	Global government bonds (Ex-US)	582,266	392,842	6.04
Vanguard Total International Bond ETF	Global bonds	54,487,000	602,500	9.26
Listed Real Estate Investment Trusts ("REITs")				
AvalonBay Communities, Inc.	Properties	23,537,585 [©]	2,995	0.05
Camden Property Trust	Properties	9,913,706 [^]	2,284	0.04
CapitaLand Ascendas REIT	Properties	9,655,228 ^α	2,981	0.05
Extra Space Storage, Inc.	Properties	22,357,419 ^β	3,207	0.05
Gaming and Leisure Properties, Inc.	Properties	12,384,190 [!]	2,714	0.04
Healthpeak Properties, Inc.	Properties	8,982,961 [~]	2,970	0.05
Host Hotels & Resorts, Inc.	Properties	11,004,817 ^μ	3,154	0.05
Mid-America Apartment Communities, Inc.	Properties	14,863,654 [#]	2,151	0.03
NET Lease Office Properties	Properties	228,086 ^φ	37	-
Prologis, Inc.	Properties	91,232,897 [±]	3,999	0.06
Public Storage	Properties	41,847,248 [#]	8,235	0.13
Scentre Group	Properties	9,177,171 [§]	2,664	0.04
Simon Property Group, Inc.	Properties	35,243,644 ⁺	5,848	0.09
VICI Properties, Inc.	Properties	28,222,036 [#]	2,295	0.04
WP Carey, Inc.	Properties	11,615,850 ⁻	2,463	0.04

* These Underlying Funds are managed by related companies of the Manager within the same group.

© Latest available information as at 31 October 2023.

[^] Latest available information as at 20 October 2023.

^α Latest available information as at 18 December 2023.

^β Latest available information as at 06 November 2023.

[!] Latest available information as at 18 October 2023.

[~] Latest available information as at 27 October 2023.

^μ Latest available information as at 01 November 2023.

[#] Latest available information as at 23 October 2023.

^φ Latest available information as at 13 November 2023.

[±] Latest available information as at 25 October 2023.

[§] Latest available information as at 30 June 2023.

⁺ Latest available information as at 30 September 2023.

Except as otherwise indicated, the net asset values of the Underlying Funds are the latest available information as at 31 December 2023.

3 Financial risk management (continued)

Risks associated with Underlying Funds (continued)

Franklin Select Global Multi-Asset Income Fund (continued)

31 December 2022	Strategy	Net asset value of the Underlying Funds USD (in 000s)	Investment fair value USD	% of net assets attributable to holders of redeemable units
Quoted Investment Funds				
Franklin High Yield Fund*	Fixed income - high yield	954,973	511,563	7.00
Templeton Emerging Markets Bond Fund*	Emerging markets bonds	2,193,218	297,676	4.08
Exchange Traded Funds				
Franklin LibertyQ Global Dividend UCITS ETF*	Global equities	318	317,922	4.35
HSBC MSCI WORLD UCITS ETF	MSCI World Index	4,581,499	516,825	7.08
iShares China CNY Bond UCITS ETF	China bonds	3,423,027	112,906	1.55
iShares Core Global Aggregate Bond UCITS ETF	Global bonds	6,367,449	646,697	8.85
iShares Core MSCI Pacific ex-Japan UCITS ETF	Asia -Pacific equities (Ex -Japan)	2,698,429	45,942	0.63
iShares Global Corp. Bond UCITS ETF	Global corporate bonds	2,797,149	671,089	9.19
iShares International Treasury Bond ETF	Global government bonds (Ex-US)	1,137,627	408,922	5.60
Vanguard Total International Bond ETF	Global bonds	44,489,000	620,622	8.50
Listed Real Estate Investment Trusts ("REITs")				
AvalonBay Communities, Inc.	Properties	22,600,583	2,261	0.03
Camden Property Trust	Properties	12,321,904	2,461	0.03
CapitaLand Ascendas REIT	Properties	7,235,446	2,662	0.04
Extra Space Storage, Inc.	Properties	19,710,496	2,944	0.04
Gaming and Leisure Properties, Inc.	Properties	13,581,271	2,605	0.04
Host Hotels & Resorts, Inc.	Properties	11,450,070	2,408	0.03
Medical Properties Trust, Inc.	Properties	6,655,883	2,507	0.03
Mid-America Apartment Communities, Inc.	Properties	18,626,121	2,512	0.03
Prologis, Inc.	Properties	106,625,896	3,156	0.04
Public Storage	Properties	49,107,688	20,174	0.28
Scentre Group	Properties	12,744,918	3,297	0.04
Simon Property Group, Inc.	Properties	40,284,786	5,874	0.08
WP Carey, Inc.	Properties	16,460,027	2,970	0.04

*These Underlying Funds are managed by related companies of the Manager within the same group.

Except as otherwise indicated, the net asset values of the Underlying Funds are the latest available information as at 31 December 2022.

Franklin Templeton Select APAC Income Fund

31 December 2023	Strategy	Net asset value of the Underlying Funds USD(in 000s)	Investment fair value USD	% of net assets attributable to holders of redeemable units
Quoted Investment Funds				
Franklin Select APAC Quality Income Fund*	APAC Fixed Income	66,356	66,268,752	48.72
Templeton Select APAC Equity Income Fund*	APAC Equities	126,675	68,837,392	50.60
Exchange Traded Funds				

*These Underlying Funds are managed by related companies of the Manager within the same group.

Except as otherwise indicated, the net asset values of the Underlying Funds are the latest available information as at 31 December 2023.

3 Financial risk management (continued)

Risks associated with Underlying Funds (continued)

Franklin Templeton Select APAC Income Fund (continued)

31 December 2022	Strategy	Net asset value of the Underlying Funds USD (in 000s)	Investment fair value USD	% of net assets attributable to holders of redeemable units
Quoted Investment Funds				
Franklin Select APAC Quality Income Fund*	APAC Fixed Income	70,667	70,575,610	51.94
Templeton Select APAC Equity Income Fund*	APAC Equities	116,290	61,480,678	45.25
Exchange Traded Funds				
Amundi MSCI EM Asia UCITS ETF	Emerging markets - equities	1,921,580*	1,433,684	1.05
iShares Asia Trust - iShares Core MSCI China ETF	Chinese equities	763,860	57,077	0.04
iShares Core MSCI Japan IMI UCITS ETF	Japanese equities	3,539,850	1,248,371	0.92
iShares Core MSCI Pacific ex-Japan UCITS ETF	Non Japan Pacific equities	2,698,429	621,861	0.46

* These Underlying Funds are managed by related companies of the Manager within the same group.

* Latest available information as at 30 December 2022.

Except as otherwise indicated, the net asset values of the Underlying Funds are the latest available information as at 31 December 2022.

Templeton Select APAC Equity Income Fund

31 December 2023	Strategy	Net asset value of the Underlying Funds USD (in 000s)	Investment fair value USD	% of net assets attributable to holders of redeemable units
Exchange Traded Funds				
iShares MSCI India ETF	Indian equities	7,903,485	3,145,170	2.48
Listed Real Estate Investment Trusts ("REITs")				
Digital Core REIT Management Pte. Ltd.	Properties	933,562*	1,294,352	1.02
Link REIT	Properties	23,135,735 [§]	2,095,081	1.65

* Latest available information as at 30 June 2023.

[§] Latest available information as at 30 September 2023.

Except as otherwise indicated, the net asset values of the Underlying Funds are the latest available information as at 31 December 2023.

31 December 2022	Strategy	Net asset value of the Underlying Funds USD (in 000s)	Investment fair value USD	% of net assets attributable to holders of redeemable units
Exchange Traded Funds				
iShares MSCI India ETF	Indian equities	4,560,474	5,243,295	4.51
Listed Real Estate Investment Trusts ("REITs")				
Link REIT	Properties	21,729,504*	2,753,550	2.37

* Latest available information as at 30 September 2022.

Except as otherwise indicated, the net asset values of the Underlying Funds are the latest available information as at 31 December 2022.

3 Financial risk management (continued)

Risks associated with Underlying Funds (continued)

The sub-funds holding in the Underlying Funds, as a percentage of the respective Underlying Funds' total net asset value, will vary from time to time dependent on the volume of subscriptions and redemptions at the Underlying Funds level. It is possible that the sub-funds may, at any point in time, hold a majority of the Underlying Funds' total units in issue.

Franklin Select Global Multi-Asset Income Fund, Franklin Templeton Select APAC Income Fund and Templeton Select APAC Equity Income Fund maximum exposure to loss from its interests in the Underlying Funds is equal to the total fair value of its investments in the Underlying Funds.

Once the sub-funds has disposed of its units in the Underlying Funds, the sub-funds cease to be exposed to any risk from the Underlying Funds.

The sub-funds investment strategy is stated in Note 1. The following table details the total purchases and sales in the Underlying Funds during the year/period ended 31 December 2023 and 2022.

	2023	2022
	USD	USD
Purchases		
Franklin Select Global Multi-Asset Income Fund	1,628,511	3,289,783
Franklin Templeton Select APAC Income Fund	10,469,105	224,432,013
Templeton Select APAC Equity Income Fund	2,814,244	11,775,696

	2023	2022
	USD	USD
Sales		
Franklin Select Global Multi-Asset Income Fund	2,798,260	3,811,586
Franklin Templeton Select APAC Income Fund	18,054,264	62,409,924
Templeton Select APAC Equity Income Fund	4,176,030	2,771,268

As at 31 December 2023, there was no capital commitment obligation and no amount due to the Underlying Funds for unsettled purchase (2022: Nil).

The following table details the total net gain/loss derived from investments in the Underlying Funds during the year/period ended 31 December 2023 and 2022.

	2023	2022
	USD	USD
Franklin Select Global Multi-Asset Income Fund	1,596,139	(2,260,666)
Franklin Templeton Select APAC Income Fund	7,275,591	(26,587,691)
Templeton Select APAC Equity Income Fund	(157,944)	(1,007,631)

3 Financial risk management (continued)

3.1 Market risk

Information on the total fair value of financial instruments exposed to risk, as well as compliance with the established investment guidelines as defined in the Explanatory Memorandum, is monitored by the Manager. These investment guidelines reflect the strategy and market environment of the Funds, as well as the acceptable risk levels. In order to avoid excessive concentration of risk, the Manager monitors the exposure to ensure concentration of risk remains within acceptable levels. The Manager either reduces exposure or uses derivative instruments to manage excessive risk concentrations when they arise.

Although the Manager does not manage the Franklin Select Global Multi-Asset Income Fund, Franklin Templeton Select APAC Income Fund and Templeton Select APAC Equity Income Fund based on specific risk exposures of the Underlying Funds, the sub-funds are exposed to various risks, including market price risk, currency risk, interest rate risk, liquidity risk and credit risk, through the investments of the Underlying Funds.

(a) Market price risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Funds might suffer through holding market positions in the face of price movements. The Funds' market positions are being monitored by the Manager on a daily basis. The risk is minimised through selection of securities in accordance with the investment guidelines and investment strategies.

Value-at-risk ("VaR")

One of the principal tools used to monitor market risk exposure is VaR; which estimates the probability of portfolio losses based on the statistical analysis of historical price trends and volatilities, taking into account inter-relationships between different markets and rates, for example between interest rates and foreign exchange rates. The Funds track VaR as a percentage of Net Asset Value ("NAV"), taking into account its portfolio, cash and outstanding trade positions, on a 20-day holding period at a 99% confidence level.

For the year/period ended 31 December 2023 and 2022, MSCI Barra risk factor model and Bloomberg PORT risk factor model outputs were used to forecast the ex-ante Monte Carlo VaR at the 99% confidence level over a 20-day horizon.

The Manager recognises that while VaR is a valuable guide to risk, it has its limitations. The use of historical data to derive correlations may not encompass all potential events, particularly events which may be extreme in nature. In addition, both the size and probability of actual portfolio losses can differ significantly from the losses predicted by VaR. As a result, VaR may be under-estimated or over-estimated due to the assumptions placed on the risk factors and the relationship between such factors.

Using VaR, the market risk of the Funds have been computed using a 20-day holding period at 99% as follows:

	31 December 2023		31 December 2022	
	%	USD	%	USD
Templeton Select Global Leaders Fund	10.477	674,479	12.085	620,200
Franklin Select Global Multi-Asset Income Fund	6.650	440,656	7.047	517,759
Franklin Select APAC Quality Income Fund	3.856	2,538,679	2.521	1,768,482
Franklin Templeton Select APAC Income Fund	5.522	7,524,494	6.063	8,263,520
Templeton Select APAC Equity Income Fund	8.074	10,143,003	11.253	13,094,309

3 Financial risk management (continued)

3.1 Market risk (continued)

(a) Market price risk (continued)

As at year end, the overall market exposures for the Funds were as follows:

Templeton Select Global Leaders Fund

	31 December 2023		31 December 2022	
	Fair value USD	% of net assets	Fair value USD	% of net assets
Listed Equities				
Denmark	–	–	108,800	2.14
France	171,432	2.67	120,791	2.37
Germany	268,511	4.20	304,874	5.99
India	270,897	4.23	156,856	3.08
Japan	631,139	9.85	636,633	12.51
Taiwan	165,535	2.59	104,366	2.05
United Kingdom	469,450	7.33	445,055	8.74
United States of America	4,095,849	63.94	2,794,190	54.87
Total Investments	6,072,813	94.81	4,671,565	91.75

Franklin Select Global Multi-Asset Income Fund

	31 December 2023		31 December 2022	
	Fair value USD	% of net assets	Fair value USD	% of net assets
Quoted Investment Funds				
Luxembourg	751,723	11.56	809,239	11.08
Exchange Traded Funds				
Ireland	954,097	14.66	2,311,381	31.65
Luxembourg	479,841	7.38	–	–
United States of America	995,342	15.30	1,029,544	14.10
Listed Real Estate Investment Trusts ("REITs")				
Australia	2,664	0.04	3,297	0.04
Singapore	2,981	0.05	2,662	0.04
United States of America	42,352	0.67	49,872	0.67
Listed Equities				
Australia	44,873	0.70	47,699	0.66
Belgium	9,482	0.14	6,258	0.09
Brazil	27,755	0.42	20,228	0.28
Canada	70,516	1.07	60,250	0.84
Chile	1,857	0.03	2,100	0.03
China	49,792	0.78	68,929	0.94
Denmark	62,059	0.95	22,479	0.30
Finland	8,315	0.12	9,445	0.13
France	90,037	1.38	85,972	1.18
Germany	72,561	1.13	66,161	0.91
Hong Kong	24,704	0.38	23,525	0.33
India	46,130	0.71	50,552	0.70
Indonesia	6,012	0.09	6,547	0.09
Ireland	–	–	3,420	0.05
Israel	10,072	0.15	11,845	0.16
Italy	6,541	0.10	3,414	0.05
Japan	177,363	2.73	201,749	2.73
Malaysia	5,421	0.08	5,904	0.08
Mexico	10,299	0.16	7,332	0.10
Netherlands	38,554	0.60	34,667	0.47
New Zealand	2,431	0.04	3,047	0.04
Norway	6,909	0.11	10,492	0.14
Singapore	11,273	0.17	16,617	0.23
South Africa	7,943	0.13	9,764	0.13

3 Financial risk management (continued)

3.1 Market risk (continued)

(a) Market price risk (continued)

Franklin Select Global Multi-Asset Income Fund (continued)

	31 December 2023		31 December 2022	
	Fair value USD	% of net assets	Fair value USD	% of net assets
Listed Equities (continued)				
South Korea	31,168	0.49	28,725	0.39
Spain	26,038	0.41	22,395	0.31
Sweden	29,625	0.45	21,087	0.29
Switzerland	53,972	0.82	35,847	0.48
Taiwan	45,695	0.69	36,833	0.50
Thailand	7,630	0.11	7,181	0.10
United Arab Emirates	7,336	0.11	6,082	0.09
United Kingdom	122,285	1.89	116,186	1.59
United States of America	1,658,424	25.48	1,503,989	20.60
Quoted Fixed Income Securities				
United States of America	500,312	7.69	468,943	6.42
Quoted Warrant				
Canada	—*	—*	—	—
Total Investments	6,502,384	99.97	7,231,659	99.01

Franklin Select APAC Quality Income Fund

	31 December 2023		31 December 2022	
	Fair value USD	% of net assets	Fair value USD	% of net assets
Quoted Fixed Income Securities (Unlisted)				
British Pound	251,680	0.38	365,656	0.52
Euro	2,889,263	4.36	4,815,695	6.82
Japanese Yen	2,668,463	4.03	3,653,292	5.17
Renminbi	422,616	0.64	436,763	0.62
United States Dollar	56,698,771	85.43	56,123,989	79.41
Total Investments	62,930,793	94.84	65,395,395	92.54

Franklin Templeton Select APAC Income Fund

	31 December 2023		31 December 2022	
	Fair value USD	% of net assets	Fair value USD	% of net assets
Quoted Investment Funds				
Hong Kong	135,106,144	99.32	132,056,288	97.19
Exchange Traded Funds				
China	—	—	57,077	0.04
Ireland	—	—	1,870,232	1.38
Luxembourg	—	—	1,433,684	1.05
Total Investments	135,106,144	99.32	135,417,281	99.66

* The warrant Constellation Software Inc is fair valued at transaction cost of CAD0.00. Please refer to the write up in Note 3.5.

3 Financial risk management (continued)

3.1 Market risk (continued)

(a) Market price risk (continued)

Templeton Select APAC Equity Income Fund

	31 December 2023		31 December 2022	
	Fair value USD	% of net assets	Fair value USD	% of net assets
Exchange Traded Funds				
United States of America	3,145,170	2.48	5,243,295	4.51
Listed Real Estate Investment Trusts ("REITs")				
Hong Kong	2,095,081	1.65	2,753,550	2.37
Singapore	1,294,352	1.02	–	–
Listed Equities				
Australia	6,282,923	4.96	5,977,801	5.14
China	18,558,135	14.65	20,441,158	17.57
Hong Kong	14,369,336	11.35	18,919,949	16.28
India	7,628,211	6.02	6,201,900	5.33
Japan	34,737,493	27.42	28,223,156	24.28
Singapore	1,359,845	1.07	1,443,068	1.24
South Korea	11,091,314	8.75	7,970,957	6.85
Taiwan	17,420,747	13.76	11,296,821	9.71
Thailand	–	–	3,991,465	3.43
United Kingdom	4,236,904	3.35	1,891,504	1.63
Total Investments	122,219,511	96.48	114,354,624	98.34

There were no individual investments with market value exceeding 10% of each Funds' net asset value at 31 December 2023 and/or 2022 except as disclosed in the table below:

Franklin Templeton Select APAC Income Fund

	2023		2022	
	Fair value USD	% of net assets	Fair value USD	% of net assets
Franklin Select APAC Quality Income Fund	66,268,752	48.72	70,575,610	51.94
Templeton Select APAC Equity Income Fund	68,837,392	50.60	61,480,678	45.25

The tables below summarise the sector allocation with concentrations exceeding 10% of the Funds' net asset value at 31 December 2023 and 2022.

Templeton Select Global Leaders Fund

Sector Allocation	2023	2022
	% of net assets	% of net assets
Communication Services	6.16	12.23
Consumer Discretionary	16.84	10.72
Health Care	13.73	18.77
Industrials	13.82	16.02
Information Technology	22.70	22.59

3 Financial risk management (continued)

3.1 Market risk (continued)

(a) Market price risk (continued)

Franklin Select Global Multi-Asset Income Fund

	2023	2022
Sector Allocation	% of net assets	% of net assets
Financials	63.05	68.03

Franklin Select APAC Quality Income Fund

	2023	2022
Sector Allocation	% of net assets	% of net assets
Financials	48.89	48.09
Utilities	16.14	14.33

Franklin Templeton Select APAC Income Fund

	2023	2022
Sector Allocation	% of net assets	% of net assets
Financials	99.32	99.66

Templeton Select APAC Equity Income Fund

	2023	2022
Sector Allocation	% of net assets	% of net assets
Communication Services	10.54	11.48
Consumer Discretionary	8.78	12.91
Financials	17.72	17.85
Information Technology	27.98	20.43
Real Estate	8.80	12.10

(b) Currency risk

The Funds hold assets and liabilities denominated/quoted in currencies other than the USD, the functional currency. The Funds are therefore exposed to currency risk, as the values of the assets and liabilities denominated/quoted in other currencies will fluctuate due to changes in exchange rates.

The Manager monitors the Funds' currency risk position on a daily basis and may enter into forward foreign exchange contracts to minimise the foreign exchange risk arising from the purchase or sale of foreign securities from the trade date to settlement date.

The outstanding forward foreign exchange contracts at the year end are disclosed in Note 4. The risks of these contracts include movements in the values of the foreign currencies relative to the USD and the possible inability of the counterparties to fulfill their obligations under the contracts, which may be in excess of the amount reflected in the statement of financial position.

The following tables summarise the Funds' net exposure, monetary and non-monetary, which are denominated/quoted in the currencies other than USD and Hong Kong dollar, which are pegged within a narrow range, as at year end.

Templeton Select Global Leaders Fund

	Monetary USD	Non-monetary USD
As at 31 December 2023		
CNH	2,111,834	–
EUR	–	708,522
GBP	–	469,450
JPY	1,738	631,139
TWD	667	165,535

3 Financial risk management (continued)

3.1 Market risk (continued)

(b) Currency risk (continued)

Templeton Select Global Leaders Fund (continued)

	Monetary USD	Non-monetary USD
As at 31 December 2022		
CNH	1,773,618	–
DKK	–	108,800
EUR	–	639,116
GBP	–	445,055
JPY	252	636,633
TWD	508	104,366

Franklin Select Global Multi-Asset Income Fund

	Monetary USD	Non-monetary USD
As at 31 December 2023		
AED	–	7,336
AUD	44	49,993
BRL	301	16,754
CAD	111	70,516
CHF	–	58,326
CLP	–	1,857
CNH	1,696,363	–
CNY	7,191	2,300
DKK	–	62,059
EUR	204	281,467
GBP	541	131,709
IDR	–	6,012
ILS	17	2,891
INR	511	46,131
JPY	3,603	177,364
KRW	3	31,168
MXN	–	10,299
MYR	–	5,421
NOK	–	6,909
NZD	19	2,431
SEK	–	29,624
SGD	–	12,633
THB	10	7,631
TWD	15	45,697
ZAR	–	7,943

	Monetary USD	Non-monetary USD
As at 31 December 2022		
AED	–	6,081
AUD	39	50,412
BRL	1,529	18,535
CAD	62	56,599
CHF	8	54,506
CLP	–	2,100
CNH	1,631,977	–
DKK	–	22,478
EUR	103	266,941
GBP	467	117,177
IDR	–	6,547
ILS	35	5,915
INR	628	50,552
JPY	400	201,751
KRW	864	28,726

3 Financial risk management (continued)

3.1 Market risk (continued)

(b) Currency risk (continued)

Franklin Select Global Multi-Asset Income Fund (continued)

	Monetary USD	Non-monetary USD
As at 31 December 2022 (continued)		
MXN	–	7,332
MYR	–	5,904
NOK	1	10,492
NZD	24	3,047
QAR	–	–
RUB	–	–
SEK	–	21,087
SGD	–	8,903
THB	–	7,181
TWD	21	36,833
ZAR	–	9,764

Franklin Select APAC Quality Income Fund

	Monetary USD	Non-monetary USD
As at 31 December 2023		
CNH	(908,897)	–
CNY	752,575	–
EUR	(1,743,628)	–
GBP	(51,603)	–
JPY	(31,742)	–

	Monetary USD	Non-monetary USD
As at 31 December 2022		
CNH	(934,139)	–
CNY	763,712	–
EUR	(787,286)	–
GBP	(44,373)	–
JPY	(143,432)	–
PLN	(79,566)	–

Franklin Templeton Select APAC Income Fund

	Monetary USD	Non-monetary USD
As at 31 December 2023		
CNH	117,973	–

	Monetary USD	Non-monetary USD
As at 31 December 2022		
CNH	76,907	–

Templeton Select APAC Equity Income Fund

	Monetary USD	Non-monetary USD
As at 31 December 2023		
AUD	–	6,282,923
CNH	888,818	–
CNY	(813,705)	–
INR	(267,125)	7,628,211

3 Financial risk management (continued)

3.1 Market risk (continued)

(b) Currency risk (continued)

Templeton Select APAC Equity Income Fund (continued)

	Monetary USD	Non-monetary USD
As at 31 December 2023 (continued)		
JPY	46,920	34,737,493
KRW	23,041	11,091,314
SGD	–	1,359,845
TWD	219,275	17,420,748
	Monetary USD	Non-monetary USD
As at 31 December 2022		
AUD	–	5,977,801
CNH	76,445	–
INR	(117,777)	6,201,900
JPY	–	28,223,156
KRW	120,285	7,970,957
SGD	–	1,443,068
THB	–	3,991,465
TWD	87,457	11,296,821

Foreign currency risk, as defined in HKFRS 7, arises as the value of future transactions, recognised monetary assets and liabilities denominated/quoted in other currencies fluctuate due to changes in foreign exchange rates. HKFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk, not foreign currency risk. However, the Manager monitors the exposure on all foreign currency denominated/quoted assets and liabilities. The sensitivity analysis of currency risk is covered under VaR analysis in Note 3.1(a).

(c) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the future cash flows or fair values of financial instruments. The Franklin Select Global Multi-Asset Income Fund and Franklin Select APAC Quality Income Fund invests in interest-bearing securities, as dictated by its investment objectives. The sub-funds are exposed to risks associated with fluctuations in market interest rates which could result in an increase or decrease in the value of the securities held. The Manager monitors overall interest sensitivity on a daily basis.

The Templeton Select Global Leaders Fund, Franklin Templeton Select APAC Income Fund and Templeton Select APAC Equity Income Fund do not hold interest-bearing securities and exposure to cash and cash equivalents is short term in nature, hence it is not subject to significant interest rate risk.

The tables below summarise the interest rate risk exposure in the Franklin Select Global Multi-Asset Income Fund and Franklin Select APAC Quality Income Fund. It includes the sub-fund's assets and liabilities at fair value, categorised by the earlier of contractual re-pricing or maturity dates.

3 Financial risk management (continued)

3.1 Market risk (continued)

(c) Interest rate risk (continued)

Franklin Select Global Multi-Asset Income Fund

	Less than 1 month USD	More than 1 year USD	Non-interest bearing USD	Total USD
As at 31 December 2023				
Assets				
Current assets				
Investments	–	500,312	6,002,072	6,502,384
Financial derivative instruments	–	–	14,088	14,088
Dividends, interest and other accounts receivable	–	–	10,021	10,021
Amounts receivable from subscription	–	–	4,070	4,070
Management fee rebates receivable	–	–	132	132
Cash and cash equivalents	110,147	–	–	110,147
Total assets	110,147	500,312	6,030,383	6,640,842
Liabilities				
Current liabilities				
Financial derivative instruments	–	–	214	214
Amounts payable on redemption	–	–	100,907	100,907
Other accounts payable	–	–	35,407	35,407
Total liabilities	–	–	136,528	136,528
Total interest sensitivity gap	110,147	500,312		

	Less than 1 month USD	1 - 12 months USD	More than 1 year USD	Non-interest bearing USD	Total USD
As at 31 December 2022					
Assets					
Current assets					
Investments	–	200,756	268,187	6,762,716	7,231,659
Financial derivative instruments	–	–	–	13,994	13,994
Dividends, interest and other accounts receivable	–	–	–	7,966	7,966
Management fee rebates receivable	–	–	–	280	280
Cash and cash equivalents	101,991	–	–	–	101,991
Total assets	101,991	200,756	268,187	6,784,956	7,355,890
Liabilities					
Current liabilities					
Financial derivative instruments	–	–	–	424	424
Amounts payable on redemption	–	–	–	885	885
Other accounts payable	–	–	–	50,675	50,675
Total liabilities	–	–	–	51,984	51,984
Total interest sensitivity gap	101,991	200,756	268,187		

3 Financial risk management (continued)

3.1 Market risk (continued)

(c) Interest rate risk (continued)

Franklin Select APAC Quality Income Fund

	Less than 1 month USD	1 - 12 months USD	More than 1 year USD	Non-interest bearing USD	Total USD
As at 31 December 2023					
Assets					
Current assets					
Investments	1,197,577	7,001,930	54,731,286	–	62,930,793
Financial derivative instruments	–	–	–	93,347	93,347
Dividends, interest and other accounts receivable	–	–	–	545,098	545,098
Margin cash	240,000	–	–	–	240,000
Cash and cash equivalents	3,033,523	–	–	–	3,033,523
Total assets	4,471,100	7,001,930	54,731,286	638,445	66,842,761
Liabilities					
Current liabilities					
Financial derivative instruments	–	–	–	460,550	460,550
Other accounts payable	–	–	–	26,356	26,356
Total liabilities	–	–	–	486,906	486,906
Total interest sensitivity gap	4,471,100	7,001,930	54,731,286		

	Less than 1 month USD	1 - 12 months USD	More than 1 year USD	Non-interest bearing USD	Total USD
As at 31 December 2022					
Assets					
Current assets					
Investments	–	5,013,243	60,382,152	–	65,395,395
Financial derivative instruments	–	–	–	38,722	38,722
Dividends and other accounts receivable	–	–	–	549,880	549,880
Margin cash	1,180,000	–	–	–	1,180,000
Cash and cash equivalents	4,852,745	–	–	–	4,852,745
Total assets	6,032,745	5,013,243	60,382,152	588,602	72,016,742
Liabilities					
Current liabilities					
Financial derivative instruments	–	–	–	1,316,854	1,316,854
Other accounts payable	–	–	–	33,198	33,198
Total liabilities	–	–	–	1,350,052	1,350,052
Total interest sensitivity gap	6,032,745	5,013,243	60,382,152		

Cash and cash equivalents held in the Funds are also subject to interest rate risk. However, the exposure to interest rate risk is considered immaterial as the cash and cash equivalents are short-term in nature. The sensitivity analysis of interest rate risk of the interest-bearing securities is covered under VaR analysis in Note 3.1(a).

3 Financial risk management (continued)

3.2 Liquidity risk

Liquidity risk is the risk that the Funds will encounter difficulty in meeting obligations associated with financial liabilities. The Funds are exposed to daily cash redemption of units. Therefore, assets of the Funds are mainly invested in securities which are traded in active markets and can be readily disposed of. The Manager is entitled to limit the number of units redeemed on each dealing day to 10% of the total value of units in issue. In addition, sufficient cash and cash equivalents are maintained to meet normal operating requirements.

The following tables analyse the financial assets and liabilities for the Funds into relevant maturity groupings based on the remaining period at the year end date to the contractual maturity date. The amounts in the tables are the contractual undiscounted cash flow. Balances due within 12 months approximate their carrying balances, as the impact of discounting is not significant.

Templeton Select Global Leaders Fund

	Less than 1 month USD	1-12 months USD	Total USD
As at 31 December 2023			
Assets			
Current assets			
Investments	6,072,813	–	6,072,813
Financial derivative instruments	17,579	–	17,579
Dividends and other accounts receivable	1,101	1,865	2,966
Cash and cash equivalents	347,319	–	347,319
Total assets	6,438,812	1,865	6,440,677
Liabilities			
Current liabilities			
Other accounts payable	9,455	25,787	35,242
Net assets attributable to unitholders	6,405,435	–	6,405,435
Total liabilities	6,414,890	25,787	6,440,677
	Less than 1 month USD	1-12 months USD	Total USD
As at 31 December 2022			
Assets			
Current assets			
Investments	4,671,565	–	4,671,565
Financial derivative instruments	15,181	–	15,181
Dividends and other accounts receivable	591	477	1,068
Cash and cash equivalents	445,666	–	445,666
Total assets	5,133,003	477	5,133,480
Liabilities			
Current liabilities			
Financial derivative instruments	434	–	434
Other accounts payable	15,178	26,063	41,241
Net assets attributable to unitholders	5,091,805	–	5,091,805
Total liabilities	5,107,417	26,063	5,133,480

3 Financial risk management (continued)

3.2 Liquidity risk (continued)

Franklin Select Global Multi-Asset Income Fund

	Less than 1 month USD	1-12 months USD	1-5 years USD	More than 5 years USD	Total USD
As at 31 December 2023					
Assets					
Current assets					
Investments	6,002,072	–	174,025	326,287	6,502,384
Financial derivative instruments	14,088	–	–	–	14,088
Dividends, interest and other accounts receivable	1,987	8,034	–	–	10,021
Amounts receivable from subscription	4,070	–	–	–	4,070
Management fee rebates receivable	132	–	–	–	132
Cash and cash equivalents	110,147	–	–	–	110,147
Total assets	6,132,496	8,034	174,025	326,287	6,640,842
Liabilities					
Current liabilities					
Financial derivative instruments	214	–	–	–	214
Amounts payable on redemption	100,907	–	–	–	100,907
Other accounts payable	9,616	25,791	–	–	35,407
Net assets attributable to unitholders	6,504,314	–	–	–	6,504,314
Total liabilities	6,615,051	25,791	–	–	6,640,842
	Less than 1 month USD	1-12 months USD	1-5 years USD	More than 5 years USD	Total USD
As at 31 December 2022					
Assets					
Current assets					
Investments	6,762,717	200,756	77,762	190,424	7,231,659
Financial derivative instruments	13,994	–	–	–	13,994
Dividends, interest and other accounts receivable	2,098	5,868	–	–	7,966
Management fee rebates receivable	280	–	–	–	280
Cash and cash equivalents	101,991	–	–	–	101,991
Total assets	6,881,080	206,624	77,762	190,424	7,355,890
Liabilities					
Current liabilities					
Financial derivative instruments	424	–	–	–	424
Amounts payable on redemption	885	–	–	–	885
Other accounts payable	19,365	31,310	–	–	50,675
Net assets attributable to unitholders	7,303,906	–	–	–	7,303,906
Total liabilities	7,324,580	31,310	–	–	7,355,890

3 Financial risk management (continued)

3.2 Liquidity risk (continued)

Franklin Select APAC Quality Income Fund

	Less than 1 month USD	1-12 months USD	1-5 years USD	More than 5 years USD	Total USD
As at 31 December 2023					
Assets					
Current assets					
Investments	1,197,577	7,001,930	22,510,095	32,221,191	62,930,793
Financial derivative instruments	93,347	–	–	–	93,347
Dividends and other accounts receivable	179,581	365,517	–	–	545,098
Margin cash	240,000	–	–	–	240,000
Cash and cash equivalents	3,033,523	–	–	–	3,033,523
Total assets	4,744,028	7,367,447	22,510,095	32,221,191	66,842,761
Liabilities					
Current liabilities					
Financial derivative instruments	460,550	–	–	–	460,550
Other accounts payable	2,346	24,010	–	–	26,356
Net assets attributable to unitholders	66,355,855	–	–	–	66,355,855
Total liabilities	66,818,751	24,010	–	–	66,842,761

	Less than 1 month USD	1-12 months USD	1-5 years USD	More than 5 years USD	Total USD
As at 31 December 2022					
Assets					
Current assets					
Investments	–	5,013,243	32,629,628	27,752,524	65,395,395
Financial derivative instruments	38,722	–	–	–	38,722
Dividends and other accounts receivable	198,539	351,341	–	–	549,880
Margin cash	1,180,000	–	–	–	1,180,000
Cash and cash equivalents	4,852,745	–	–	–	4,852,745
Total assets	6,270,006	5,364,584	32,629,628	27,752,524	72,016,742
Liabilities					
Current liabilities					
Financial derivative instruments	1,316,854	–	–	–	1,316,854
Other accounts payable	4,781	28,417	–	–	33,198
Net assets attributable to unitholders	70,666,690	–	–	–	70,666,690
Total liabilities	71,988,325	28,417	–	–	72,016,742

Franklin Templeton Select APAC Income Fund

	Less than 1 month USD	1-12 months USD	Total USD
As at 31 December 2023			
Assets			
Current assets			
Investments	135,106,144	–	135,106,144
Financial derivative instruments	981	–	981
Cash and cash equivalents	1,156,807	–	1,156,807
Total assets	136,263,932	–	136,263,932
Liabilities			
Current liabilities			
Financial derivative instruments	10	–	10
Amounts payable on redemption	103,813	–	103,813
Other accounts payable	106,168	16,705	122,873
Net assets attributable to unitholders	136,037,236	–	136,037,236
Total liabilities	136,247,227	16,705	136,263,932

3 Financial risk management (continued)

3.2 Liquidity risk (continued)

Franklin Templeton Select APAC Income Fund (continued)

	Less than 1 month USD	1-12 months USD	Total USD
As at 31 December 2022			
Assets			
Current assets			
Investments	135,417,281	–	135,417,281
Financial derivative instruments	638	–	638
Cash and cash equivalents	876,330	–	876,330
Total assets	136,294,249	–	136,294,249
Liabilities			
Current liabilities			
Amounts payable on redemption	188,072	–	188,072
Other accounts payable	208,207	18,336	226,543
Net assets attributable to unitholders	135,879,634	–	135,879,634
Total liabilities	136,275,913	18,336	136,294,249

Templeton Select APAC Equity Income Fund

	Less than 1 month USD	1-12 months USD	Total USD
As at 31 December 2023			
Assets			
Current assets			
Investments	122,219,511	–	122,219,511
Financial derivative instruments	650	–	650
Dividends receivable	46,533	69,961	116,494
Due from brokers	2,459,143	–	2,459,143
Cash and cash equivalents	3,405,344	–	3,405,344
Total assets	128,131,181	69,961	128,201,142
Liabilities			
Current liabilities			
Financial derivative instruments	8	–	8
Amounts payable on redemption	21,917	–	21,917
Due to brokers	1,121,507	–	1,121,507
Other accounts payable	363,709	19,182	382,891
Net assets attributable to unitholders	126,674,819	–	126,674,819
Total liabilities	128,181,960	19,182	128,201,142

3 Financial risk management (continued)

3.2 Liquidity risk (continued)

Templeton Select APAC Equity Income Fund (continued)

	Less than 1 month USD	1-12 months USD	Total USD
As at 31 December 2022			
Assets			
Current assets			
Investments	114,354,624	–	114,354,624
Financial derivative instruments	641	–	641
Dividends and other accounts receivable	26,358	120,285	146,643
Due from brokers	61,158	–	61,158
Cash and cash equivalents	2,007,563	–	2,007,563
Total assets	116,450,344	120,285	116,570,629
Liabilities			
Current liabilities			
Amounts payable on redemption	43,670	–	43,670
Other accounts payable	208,624	28,638	237,262
Net assets attributable to unitholders	116,289,697	–	116,289,697
Total liabilities	116,541,991	28,638	116,570,629

Units are redeemed on demand at unitholder's option. However, the Management does not envisage that contractual maturity disclosed in the table above will be representative of the actual cash outflows, as the unitholders typically retain their units for the medium term. The table below summarises the number of unitholders who held more than 10% of the Funds' net assets attributable to unitholders as at 31 December 2023 and 2022:

	2023 Number of unitholders	2022 Number of unitholders
Templeton Select Global Leaders Fund	1	1
Franklin Select Global Multi-Asset Income Fund	3	3
Franklin Select APAC Quality Income Fund	1	1
Franklin Templeton Select APAC Income Fund	1	1
Templeton Select APAC Equity Income Fund	2	2

3.3 Credit risk

This relates to the risk that an issuer or counterparty is unable or unwilling to meet a commitment or obligation it has entered into with the Funds. The Funds are exposed to credit risk on its investments in debt securities and balances with banks and brokers. Impairment provisions are made for losses that have been incurred by the reporting date, if any.

All transactions in listed/quoted securities are settled on a delivery versus payment basis using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made when the Funds' custodian banks have received payments. For a purchase, payments are made once the securities have been received by the Funds' custodian bank. The trade will fail if either party fails to meet its obligation.

The Funds only buy and sell securities through brokers who have been approved as an acceptable counterparty according to the Manager's internal counterparty credit review procedures. The Funds measure credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management consider both historical analysis and forward looking information in determining any expected credit loss. At 31 December 2023, all investments, amounts due from brokers, financial derivative instruments, margin cash and cash and cash equivalents are held with counterparties with a Moody's credit rating of A1 or higher (31 December 2022: A1 or higher). Applying the requirements of HKFRS 9, the expected credit loss is immaterial for the Funds and, as such, no expected credit loss has been recognised within the financial statements.

Investments in Underlying Funds are managed by reputable investment managers that have passed the review process of the Manager.

3 Financial risk management (continued)

3.3 Credit risk (continued)

The table below summarises the credit ratings of the issuers of the fixed income securities held as a percentage of net assets attributable to unitholders.

Franklin Select Global Multi-Asset Income Fund

	2023 %	2022 %
Portfolio by rating category		
Standard & Poor's/ Moody's Rating		
AAA/ Aaa	7.69	6.42

Franklin Select APAC Quality Income Fund

	2023 %	2022 %
Portfolio by rating category		
Standard & Poor's/ Moody's Rating		
AAA/ Aaa	2.47	6.30
AA+/ Aa1	3.69	–
AA/ Aa2	7.61	8.81
AA-/ Aa3	3.02	4.32
A+/ A1	10.18	14.72
A/ A2	1.39	2.40
A-/ A3	11.41	11.66
BBB+/ Baa1	13.45	10.22
BBB/ Baa2	22.82	13.74
BBB-/ Baa3	12.33	13.59
BB+/Ba1	0.28	0.12
BB/Ba2	1.86	3.11
BB-/Ba3	1.74	1.91
B+/B1	1.70	0.97
B/B2	0.29	0.46
B-/B3	0.28	0.21
CCC+/Caa1	0.32	–

The Fund's maximum exposure to credit risks at 31 December 2023 and 2022 corresponds to the carrying amount of the financial assets.

3.4 Capital risk management

The capital of the Funds is represented by the net assets attributable to unitholders which is presented in the statement of financial position. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Funds are subject to daily subscriptions and redemptions at the discretion of unitholders.

The Funds' objectives when managing capital are to safeguard the Funds' ability to continue as a going concern in order to provide returns for unitholders and benefits for other stakeholders; and to maintain a strong capital base to support the development of the investment activities of the Funds. The Manager monitors capital on the basis of the net asset value and the subscriptions and redemptions of the Funds.

3.5 Fair value estimation

The fair value of financial assets and financial liabilities traded in active markets are based on quoted market prices at the close of trading on the year end date. The Funds used the last traded market price as their fair valuation inputs for both financial assets and financial liabilities.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker and industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

3 Financial risk management (continued)

3.5 Fair value estimation (continued)

The carrying value (after the deduction of the loss allowance) of assets and liabilities, except investments and financial derivative instruments, included in the statement of financial position and net assets attributable to unitholders are a reasonable approximation of their fair value due to their short term maturity.

HKFRS 13 requires the Funds to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (Level 1).
- 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 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

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 Funds. The Funds consider observable data to be that market data that are readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following tables analyse, within the fair value hierarchy, the Funds’ investments measured at fair value as at year end:

Templeton Select Global Leaders Fund

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
31 December 2023				
Assets				
Equity securities	4,098,167	1,974,646	–	6,072,813
Forward foreign exchange contracts	–	17,579	–	17,579
	4,098,167	1,992,225	–	6,090,392
31 December 2022				
Assets				
Equity securities	2,580,738	2,090,827	–	4,671,565
Forward foreign exchange contracts	–	15,181	–	15,181
	2,580,738	2,106,008	–	4,686,746
Liabilities				
Forward foreign exchange contracts	–	434	–	434
	–	434	–	434

3 Financial risk management (continued)

3.5 Fair value estimation (continued)

Franklin Select Global Multi-Asset Income Fund

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
31 December 2023				
Assets				
Quoted investment funds	751,723	–	–	751,723
Exchange traded funds	1,475,183	954,097	–	2,429,280
Real estate investment trusts	42,352	5,645	–	47,997
Equity securities	1,739,614	1,033,458	–	2,773,072
Fixed income securities	–	500,312	–	500,312
Forward foreign exchange contracts	–	14,088	–	14,088
Quoted Warrant*	–	–	–*	–
	4,008,872	2,507,600	–	6,516,472
Liabilities				
Forward foreign exchange contracts	–	214	–	214
	–	214	–	214

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
31 December 2022				
Assets				
Quoted investment funds	809,239	–	–	809,239
Exchange traded funds	1,029,544	2,311,381	–	3,340,925
Real estate investment trusts	49,872	5,959	–	55,831
Equity securities	1,551,439	1,005,282	–	2,556,721
Fixed income securities	–	468,943	–	468,943
Forward foreign exchange contracts	–	13,994	–	13,994
	3,440,094	3,805,559	–	7,245,653
Liabilities				
Forward foreign exchange contracts	–	424	–	424
	–	424	–	424

Franklin Select APAC Quality Income Fund

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
31 December 2023				
Assets				
Fixed income securities	–	62,930,793	–	62,930,793
Forward foreign exchange contracts	–	93,347	–	93,347
	–	63,024,140	–	63,024,140
Liabilities				
Forward foreign exchange contracts	–	460,550	–	460,550
	–	460,550	–	460,550

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
31 December 2022				
Assets				
Fixed income securities	–	65,395,395	–	65,395,395
Forward foreign exchange contracts	–	38,722	–	38,722
	–	65,434,117	–	65,434,117
Liabilities				
Forward foreign exchange contracts	–	1,316,854	–	1,316,854
	–	1,316,854	–	1,316,854

* The warrant Constellation Software Inc is fair valued at transaction cost of CAD0.00. Please refer to the details in Note 3.5.

3 Financial risk management (continued)

3.5 Fair value estimation (continued)

Franklin Templeton Select APAC Income Fund

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
31 December 2023				
Assets				
Quoted investment funds	135,106,144	–	–	135,106,144
Forward foreign exchange contracts	–	981	–	981
	135,106,144	981	–	135,107,125
Liabilities				
Forward foreign exchange contracts	–	10	–	10
	–	10	–	10
	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
31 December 2022				
Assets				
Quoted investment funds	132,056,288	–	–	132,056,288
Exchange traded funds	–	3,360,993	–	3,360,993
Forward foreign exchange contracts	–	638	–	638
	132,056,288	3,361,631	–	135,417,919

Templeton Select APAC Equity Income Fund

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
31 December 2023				
Assets				
Exchange traded funds	3,145,170	–	–	3,145,170
Real estate investment trusts	–	3,389,433	–	3,389,433
Equity securities	–	115,684,908	–	115,684,908
Forward foreign exchange contracts	–	650	–	650
	3,145,170	119,074,991	–	122,220,161
Liabilities				
Forward foreign exchange contracts	–	8	–	8
	–	8	–	8
	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
31 December 2022				
Assets				
Exchange traded funds	5,243,295	–	–	5,243,295
Real estate investment trusts	–	2,753,550	–	2,753,550
Equity securities	–	106,357,779	–	106,357,779
Forward foreign exchange contracts	–	641	–	641
	5,243,295	109,111,970	–	114,355,265

Investments whose values are based on quoted market prices in active markets, and therefore classified within Level 1, include active listed equities, exchange traded funds, real estate investment trusts and future contracts. The Funds do not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2, include fixed income securities and forward foreign exchange contracts. As such Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

3 Financial risk management (continued)

3.5 Fair value estimation (continued)

Level 2 investments may also include securities whose last traded prices have been adjusted by fair value adjustment factors provided by an independent price vendor. Refer to Note 2.6.

Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently. As observable prices are not available for these securities, these securities use valuation techniques to derive the fair value.

The following table presents the movement in the Level 3 instrument in Franklin Select Global Multi-Asset Income Fund for the year ended 31 December 2023 and 2022.

	2023	2022
	USD	USD
Opening balance	–	–
Transfers from Level 2 to Level 3	–	29
Sales	(549)	–
Gain/(loss) recognized in statement of comprehensive income	549	(29)
Closing balance	–	–
Total unrealized gain for the year included in statement of comprehensive income for investments held at the end of the year	–	–

As of 31 December 2022, Franklin Select Global Multi-Income Fund held an equity security of TCS Group Holding plc, a company incorporated in Cyprus and listed in Moscow Exchange (“MOEX”). TCS Group Holding plc is still trading in MOEX, however, the Manager has taken into consideration of the trading restrictions in MOEX imposed on foreign investors, and the impact on business of TCS Group due to the economic sanctions in relation to Russia, and has subsequently arrived at a best estimation and marked down the fair value of such equity security to zero as at 31 December 2022 from USD3,312 as at 31 December 2021. As at 31 December 2023, the fair value of such investment remains at zero.

As at 31 December 2023, Franklin Select Global Multi-Asset Income Fund held warrants of Constellation Software Inc. On 23 August 2023, the warrants are valued based on their transaction cost of CAD0.00. The warrants are exercisable only if Constellation Software Inc exercises its call option on their series 1 debentures. The management is of the view that Constellation Software Inc has no incentive to call the series 1 debentures early. As such, such warrants are classified under Level 3 at zero value. On 14 March 2024, such warrants were disposed with the consideration of CAD2.00 (approximately USD1.51).

As of 31 December 2023 and 2022, Templeton Select Global Leaders Fund, Franklin Select APAC Quality Income Fund, Franklin Templeton Select APAC Income Fund and Templeton Select APAC Equity Income Fund did not have investments classified within Level 3.

The following table presents the transfers between levels for the year ended 31 December 2023.

	Level 1	Level 2	Level 3
	USD	USD	USD
Templeton Select Global Leaders Fund			
Transfers between levels 1 and 2:			
Equity Securities			
Energy	201,572	(201,572)	–
Franklin Select Global Multi-Asset Income Fund			
Transfers between levels 1 and 2:			
Equity Securities			
Financials	2,506	(2,506)	–
Industrials	12,361	(12,361)	–

3 Financial risk management (continued)

3.5 Fair value estimation (continued)

The following table presents the transfers between levels for the year/period ended 31 December 2022.

	Level 1 USD	Level 2 USD	Level 3 USD
Franklin Select Global Multi-Asset Income Fund			
Transfers between levels 1 and 2:			
Exchange Traded Funds			
Financials	(1,597,742)	1,597,742	–
Franklin Select Global Multi-Asset Income Fund			
Transfers between levels 2 and 3:			
Equity Securities			
Financials	–	(29)	29
	Level 1 USD	Level 2 USD	Level 3 USD
Templeton Select APAC Equity Income Fund			
Transfers between levels 1 and 2:			
Equity Securities			
Consumer Discretionary	(2,514,540)	2,514,540	–
Information Technology	(2,982,660)	2,982,660	–

The equity securities that were transferred out of Level 2 to Level 1 due to fair value adjustment factors were not being applied during the year ended 31 December 2023.

There were no transfers between levels for Franklin Select APAC Quality Income Fund, Franklin Templeton Select APAC Income Fund and Templeton Select APAC Equity Income Fund for the year ended 31 December 2023.

The assets and liabilities, except investments and financial derivative instruments, included in the statement of financial position are carried at amortised cost; their carrying values are a reasonable approximation of fair value.

The exchange traded funds and equity securities that were transferred out of Level 1 to Level 2 relate to positions whose last traded prices were adjusted by fair value adjustment factors.

There were no transfers between levels for Templeton Select Global Leaders Fund, Franklin Select APAC Quality Income Fund and Franklin Templeton Select APAC Income Fund for the year/period ended 31 December 2022.

4 Financial derivative instruments

Financial derivative instruments as at year end comprises unrealised gain/(loss) on forward foreign exchange contracts, future contracts and warrants.

	<u>Templeton Select Global Leaders Fund</u>		<u>Franklin Select Global Multi-Asset Income Fund</u>	
	2023 USD	2022 USD	2023 USD	2022 USD
Assets				
Current assets				
Financial derivative instruments				
- Forward foreign exchange contracts	17,579	15,181	14,088	13,994
Total	17,579	15,181	14,088	13,994
Liabilities				
Current liabilities				
Financial derivative instruments				
- Forward foreign exchange contracts	–	434	214	424
Total	–	434	214	424

4 Financial derivative instruments (continued)

	<u>Franklin Select APAC</u>		<u>Franklin Templeton Select</u>	
	<u>Quality</u>		<u>APAC</u>	
	<u>Income Fund</u>		<u>Income Fund</u>	
	2023	2022	2023	2022
	USD	USD	USD	USD
Assets				
Current assets				
Financial derivative instruments				
- Forward foreign exchange contracts	93,347	38,722	981	638
Total	<u>93,347</u>	<u>38,722</u>	<u>981</u>	<u>638</u>
Liabilities				
Current liabilities				
Financial derivative instruments				
- Forward foreign exchange contracts	460,550	1,316,854	10	-
Total	<u>460,550</u>	<u>1,316,854</u>	<u>10</u>	<u>-</u>

	<u>Templeton Select</u>	
	<u>APAC Equity Income Fund</u>	
	2023	2022
	USD	USD
Assets		
Current assets		
Financial derivative instruments		
- Forward foreign exchange contracts	650	641
Total	<u>650</u>	<u>641</u>
Liabilities		
Current liabilities		
Financial derivative instruments		
- Forward foreign exchange contracts	8	-
Total	<u>8</u>	<u>-</u>

The outstanding forward foreign exchange contracts as at the year end date are as follows:

Templeton Select Global Leaders Fund

31 December 2023

	Contracts to Buy / (Sell)	Contract Amount USD	Settlement Date	Unrealised Gain USD
CNH	14,515,052	2,021,355	16/01/2024	17,531
CNH	519,329	72,901	16/01/2024	48
Unrealised gain on forward foreign exchange contracts				<u>17,579</u>
Net unrealised gain on forward foreign exchange contracts				<u>17,579</u>

31 December 2022

	Contracts to Buy / (Sell)	Contract Amount USD	Settlement Date	Unrealised Gain USD
CNH	12,650,608	(1,814,127)	13/01/2023	15,181
Unrealised gain on forward foreign exchange contracts				<u>15,181</u>
	Contracts to Buy / (Sell)	Contract Amount USD	Settlement Date	Unrealised Loss USD
CNH	(385,123)	55,256	13/01/2023	(434)
Unrealised loss on forward foreign exchange contracts				<u>(434)</u>
Net unrealised gain on forward foreign exchange contracts				<u>14,747</u>

4 Financial derivative instruments (continued)

Franklin Select Global Multi-Asset Income Fund

31 December 2023

	Contracts to Buy / (Sell)	Contract Amount USD	Settlement Date	Unrealised Gain USD
CNH	11,619,424	1,618,112	16/01/2024	14,034
CNH	46,120	6,424	16/01/2024	54
Unrealised gain on forward foreign exchange contracts				<u>14,088</u>

	Contracts to Buy / (Sell)	Contract Amount USD	Settlement Date	Unrealised Loss USD
CNH	29,000	4,077	16/01/2024	(4)
CNH	432,063	60,900	16/01/2024	(210)
Unrealised loss on forward foreign exchange contracts				<u>(214)</u>

Net unrealised gain on forward foreign exchange contracts 13,874

31 December 2022

	Contracts to Buy / (Sell)	Contract Amount USD	Settlement Date	Unrealised Gain USD
CNH	11,660,744	(1,672,178)	13/01/2023	13,993
CNH	992	(142)	13/01/2023	1
Unrealised gain on forward foreign exchange contracts				<u>13,994</u>

	Contracts to Buy / (Sell)	Contract Amount USD	Settlement Date	Unrealised Loss USD
CNH	(33,693)	4,844	13/01/2023	(28)
CNH	(342,318)	49,104	13/01/2023	(396)
Unrealised loss on forward foreign exchange contracts				<u>(424)</u>

Net unrealised gain on forward foreign exchange contracts 13,570

Franklin Select APAC Quality Income Fund

31 December 2023

	Contracts to Buy / (Sell)	Contract Amount USD	Settlement Date	Unrealised Gain USD
CNH	518,804	72,248	16/01/2024	626
EUR	1,300,000	1,380,919	10/01/2024	54,844*
JPY	110,000,000	743,311	10/01/2024	37,877
Unrealised gain on forward foreign exchange contracts				<u>93,347</u>

	Contracts to Buy / (Sell)	Contract Amount USD	Settlement Date	Unrealised Loss USD
CNH	(5,000,000)	686,003	10/01/2024	(16,028)
CNH	6,613	932	16/01/2024	(3)
EUR	(5,550,000)	5,849,478	10/01/2024	(280,122)*
GBP	(350,000)	424,729	10/01/2024	(21,470)*
JPY	(500,000,000)	3,407,926	10/01/2024	(142,927)
Unrealised loss on forward foreign exchange contracts				<u>(460,550)</u>

Net unrealised loss on forward foreign exchange contracts (367,203)

31 December 2022

	Contracts to Buy / (Sell)	Contract Amount USD	Settlement Date	Unrealised Gain USD
AUD	850,000	(573,660)	25/01/2023	5,585
CNH	547,900	(78,570)	13/01/2023	657
EUR	2,000,000	(2,111,736)	25/01/2023	32,480*
Unrealised gain on forward foreign exchange contracts				<u>38,722</u>

4 Financial derivative instruments (continued)

Franklin Select APAC Quality Income Fund (continued)

31 December 2022 (continued)

	Contracts to Buy / (Sell)	Contract Amount USD	Settlement Date	Unrealised Loss USD
AUD	(850,000)	534,368	25/01/2023	(44,877)
CNH	(6,540)	938	13/01/2023	(8)
CNH	(5,000,000)	691,158	20/01/2023	(32,275)
EUR	(7,550,000)	7,439,650	25/01/2023	(654,765)*
GBP	250,000	(306,165)	17/01/2023	(3,826)*
GBP	(600,000)	675,382	17/01/2023	(50,231)*
JPY	(500,000,000)	3,380,167	25/01/2023	(439,725)
PLN	(3,250,000)	649,794	25/01/2023	(91,147)
Unrealised loss on forward foreign exchange contracts				<u>(1,316,854)</u>
Net unrealised loss on forward foreign exchange contracts				<u>(1,278,132)</u>

* The counterparty of these outstanding forward foreign exchange contracts is a related party of the Trustee. Refer to Note 5(h) for details.

Franklin Templeton Select APAC Income Fund

31 December 2023

	Contracts to Buy / (Sell)	Contract Amount USD	Settlement Date	Unrealised Gain USD
CNH	812,261	113,115	16/01/2024	981
Unrealised gain on forward foreign exchange contracts				<u>981</u>
	Contracts to Buy / (Sell)	Contract Amount USD	Settlement Date	Unrealised Loss USD
CNH	27,601	3,887	16/01/2024	(10)
Unrealised loss on forward foreign exchange contracts				<u>(10)</u>
Net unrealised gain on forward foreign exchange contracts				<u>971</u>

31 December 2022

	Contracts to Buy / (Sell)	Contract Amount USD	Settlement Date	Unrealised Gain USD
CNH	531,849	(76,268)	13/01/2023	638
Net unrealised gain on forward foreign exchange contracts				<u>638</u>

4 Financial derivative instruments (continued)

Templeton Select APAC Equity Income Fund

31 December 2023

	Contracts to Buy / (Sell)	Contract Amount USD	Settlement Date	Unrealised Gain USD
CNH	538,492	74,990	16/01/2024	650
Unrealised gain on forward foreign exchange contracts				<u>650</u>
	Contracts to Buy / (Sell)	Contract Amount USD	Settlement Date	Unrealised Loss USD
CNH	17,337	2,444	16/01/2024	(8)
Unrealised loss on forward foreign exchange contracts				<u>(8)</u>
Net unrealised gain on forward foreign exchange contracts				<u>642</u>

31 December 2022

	Contracts to Buy / (Sell)	Contract Amount USD	Settlement Date	Unrealised Gain USD
CNH	525,833	(75,406)	13/01/2023	631
CNH	21,267	(3,066)	13/01/2023	10
Net unrealised gain on forward foreign exchange contracts				<u>641</u>

The warrants held as at the year end date are as follows:

Franklin Select Global Multi-Asset Income Fund

31 December 2023

	Holdings	Fair Value USD
Constellation Software, Inc., wts., 31/03/2040	2	<u>-*</u>
		<u>-</u>

* The warrant Constellation Software Inc is fair valued at transaction cost of CAD0.00. Please refer to the details in Note 3.5.

5 Transactions with related parties including the Trustee, the Manager and their connected persons

The following is a summary of significant related party transactions/transactions entered into during the year between the Funds, the Trustee, the Manager and their connected persons. Connected persons of the Trustee and the Manager are those as defined in the Code on Unit Trusts and Mutual Funds issued by the Securities and Futures Commission of Hong Kong (the "SFC Code"). All transactions entered into during the year were carried out in the normal course of business and on normal commercial terms. To the best of the Trustee's and the Manager's knowledge, the Funds do not have any other transactions with connected persons except for those disclosed below.

(a) Management fee

The Manager is entitled to receive a management fee accrued daily and payable monthly in arrears out of each of the Funds as a percentage of the net asset value of each class of units in each of the Funds as at each valuation day at the rates set out as follows, subject to a maximum fee of 3.00% per annum:

	Class A	Class C	Class Y
Templeton Select Global Leaders Fund	1.00%	–	–
Franklin Select Global Multi-Asset Income Fund	0.85%	–	–
Franklin Select APAC Quality Income Fund	0.70%	–	–
Franklin Templeton Select APAC Income Fund	1.00%	0.65%	–
Templeton Select APAC Equity Income Fund	1.00%	0.70%	–

(b) Trustee and custody fees

The Trustee, Cititrust Limited, is entitled to receive a Trustee fee calculated at a rate of 0.04% per annum of the net asset value of each of the Funds. The Funds utilise the custodian and banking services of the Trustee's associate, Citibank, N.A. (Hong Kong Branch).

(c) Registrar fee

The Manager, which is also the Registrar, is entitled to receive a fee up to 0.04% per annum of the respective Funds' net asset value for registrar and transfer agent services, with the actual fee subject to certain variables. The fee shall be payable monthly in arrears.

(d) Fund administration fee

The Funds' administrator which is the same entity as the Manager is entitled to receive fund administration fee of 0.20% per annum of the respective Funds' net asset value. The Funds' administration fee shall accrue daily based on the net asset value of the respective Funds and shall be payable monthly in arrears.

(e) Management fee rebates

During the year ended 31 December 2023, the Franklin Select Global Multi-Asset Income Fund received rebates on the investments in the underlying fund Franklin Global Quality Dividend UCITS ETF (period ended 31 December 2022: Franklin LibertyQ Emerging Markets UCITS ETF, Franklin LibertyQ European Dividend UCITS ETF, Franklin LibertyQ European Equity UCITS ETF and Franklin LibertyQ Global Dividend UCITS ETF). Such rebates may vary, depending on the value and tenure of the underlying funds held, and are based on rates agreed with the manager of the underlying fund, which is Franklin Templeton International Services S.à r.l.. Rebates are included within other income in the statement of comprehensive income and management fee rebates receivable in the statement of financial position.

5 Transactions with related parties including the Trustee, the Manager and their connected persons (continued)

(f) The following tables detail the related-party transactions as at year end:

Templeton Select Global Leaders Fund

	Expenses		Accruals	
	2023 USD	2022 USD	2023 USD	2022 USD
Management fee	57,267	55,711	5,312	8,527
Trustee fee	2,291	2,228	212	341
Custody fee	6,326	9,771	–	–
Registrar fee	2,291	2,228	212	341
Fund administration fee	11,454	11,142	1,062	1,705
Total	79,629	81,080	6,798	10,914

Franklin Select Global Multi-Asset Income Fund

	Expenses		Accruals	
	2023 USD	2022 USD	2023 USD	2022 USD
Management fee	59,194	68,552	4,700	10,420
Trustee fee	2,786	3,226	221	490
Custody fee	30,840	54,304	–	–
Registrar fee	2,785	3,226	221	490
Fund administration fee	13,928	16,130	1,106	2,452
Total	109,533	145,438	6,248	13,852

	Income		Receivables	
	2023 USD	2022 USD	2023 USD	2022 USD
Management fee rebates	1,676	3,039	132	280
Total	1,676	3,039	132	280

Franklin Select APAC Quality Income Fund

	Expenses		Accruals	
	2023 USD	2022* USD	2023 USD	2022 USD
Management fee	613	993	51	104
Trustee fee	27,953	40,515	2,256	4,597
Custody fee	11,996	76,062	–	–
Registrar fee	31	56	3	5
Fund administration fee	171	283	14	29
Total	40,764	117,909	2,324	4,735

*Expenses for the period from 13 August 2021 (date of commencement of operations) to 31 December 2022.

5 Transactions with related parties including the Trustee, the Manager and their connected persons (continued)

(f) The following tables detail the related-party transactions as at year end: (continued)

Franklin Templeton Select APAC Income Fund

	Expenses		Accruals	
	2023 USD	2022* USD	2023 USD	2022 USD
Management fee	877,118	1,362,423	74,024	145,487
Trustee fee	53,893	83,811	4,540	8,950
Custody fee	1,414	5,420	–	–
Registrar fee	53,890	83,811	4,540	8,949
Fund administration fee	269,462	419,056	22,698	44,749
Total	1,255,777	1,954,521	105,802	208,135

Templeton Select APAC Equity Income Fund

	Expenses		Accruals	
	2023 USD	2022* USD	2023 USD	2022 USD
Management fee	390,959	579,438	33,456	62,019
Trustee fee	46,966	69,993	4,180	7,509
Custody fee	43,392	61,119	–	–
Registrar fee	22,321	33,086	1,910	3,541
Fund administration fee	111,623	165,432	9,553	17,707
Total	615,261	909,068	49,099	90,776

*Expenses for the period from 13 August 2021 (date of commencement of operations) to 31 December 2022.

(g) Investment transactions with connected persons of the Trustee

	<u>Templeton Select Global Leaders Fund</u>		<u>Franklin Select Global Multi-Asset Income Fund</u>	
	2023	2022	2023	2022
Citigroup Global Markets Inc. ("Citi")				
Aggregate value of purchases and sales of securities transacted by Citi (USD)	649,048	1,028,965	586,674	1,521,988
% of total purchases and sales of securities during the year	9.11	11.52	8.28	10.52
Total commission paid to Citi (USD)	478	1,335	133	732
Average commission rate (%)	0.07	0.13	0.02	0.05

5 Transactions with related parties including the Trustee, the Manager and their connected persons (continued)

(g) Investment transactions with connected persons of the Trustee (continued)

	<u>Franklin Select APAC Quality Income Fund</u>		<u>Franklin Templeton Select APAC Income Fund</u>	
	2023	2022	2023	2022
Citigroup Global Markets Inc. ("Citi")				
Aggregate value of purchases and sales of securities transacted by Citi (USD)	2,169,009	17,028,660	2,783,569	185,272
% of total purchases and sales of securities during the year	6.96	14.48	8.17	0.06
Total commission paid to Citi (USD)	–	–	–	199
Average commission rate (%)	–	–	–	0.11

	<u>Templeton Select APAC Equity Income Fund</u>	
	2023	2022
Citigroup Global Markets Inc. ("Citi")		
Aggregate value of purchases and sales of securities transacted by Citi (USD)	10,025,986	29,473,112
% of total purchases and sales of securities during the year	10.30	9.57
Total commission paid to Citi (USD)	12,226	40,160
Average commission rate (%)	0.12	0.14

(h) The following table sets out the open forward foreign exchange contracts whose counterparty, Citibank N.A., is a connected person of the Trustee at 31 December 2023

	<u>Franklin Select APAC Quality Income Fund</u>	
	2023 USD	2022 USD
Assets		
Forward foreign exchange contracts	54,844	32,480
Liabilities		
Forward foreign exchange contracts	301,592	708,822

Refer to Note 4 for details of these open forward foreign exchange contracts.

(i) Investment transactions with Underlying Funds

The following Underlying Funds are managed by Franklin Templeton International Services S.à r.l., which is a related company of the Manager within the same group. The following table details the related-party transactions during the years ended 31 December 2023 and 2022:

Franklin Select Global Multi-Asset Income Fund

	Purchases		Sales	
	2023 USD	2022 USD	2023 USD	2022 USD
Franklin Global Quality Dividend UCITS ETF	354,881	902,513	343,926	845,669
Franklin High Yield Fund	–	160,200	66,912	275,048
Franklin LibertyQ Emerging Markets UCITS ETF	–	192,650	–	247,491
Franklin LibertyQ European Dividend UCITS ETF	–	67,782	–	612,096
Franklin US Equity UCITS ETF	44,974	–	45,178	–
Templeton Emerging Markets Bond Fund	–	22,500	41,860	40,486

5 Transactions with related parties including the Trustee, the Manager and their connected persons (continued)

(i) Investment transactions with Underlying Funds (continued)

Franklin Templeton Select APAC Income Fund

	Purchases		Sales	
	2023 USD	2022 USD	2023 USD	2022 USD
Franklin Select APAC Quality Income Fund	3,333,540	102,097,414	8,524,110	18,499,200
Templeton Select APAC Equity Income Fund	6,121,234	81,580,696	4,992,939	9,024,758

Refer to Note 3 for further details on these Underlying Funds.

(j) Cash and cash equivalents

All bank balances of the Funds are held in interest bearing accounts with Citibank, N.A. (Hong Kong Branch), and its interest earned/(charged) are:

	2023		2022	
	Interest earned	Interest charged	Interest earned	Interest charged
Templeton Select Global Leaders Fund	515	–	–	(2)
Franklin Select Global Multi-Asset Income Fund	15	(29)	20	(5)
Franklin Select APAC Quality Income Fund	1,353	–	116	(6,061)
Franklin Templeton Select APAC Income Fund	13	–	21	–
Templeton Select APAC Equity Income Fund	176	(7)	408	–

(k) Related party share holdings

Franklin Templeton Capital Holdings Private Ltd., a connected person of the Manager, held shares in Funds as detailed below:

Templeton Select Global Leaders Fund

For the year ended 31 December 2023

Shareholder	Number of units at the start of year	Number of units acquired in the year	Number of units redeemed in the year	Number of units at year end
Franklin Templeton Capital Holdings Private Ltd.	2,329,616.41	–	–	2,329,616.41

For the year ended 31 December 2022

Shareholder	Number of shares at the start of year	Number of shares acquired in the year	Number of shares redeemed in the year	Number of shares at year end
Franklin Templeton Capital Holdings Private Ltd.	2,329,616.41	–	–	2,329,616.41

Franklin Select APAC Quality Income Fund

For the year ended 31 December 2023

Shareholder	Number of units at the start of year	Number of units acquired in the year	Number of units redeemed in the year	Number of units at year end
Franklin Templeton Capital Holdings Private Ltd.	69,734.75	–	–	69,734.75

5 Transactions with related parties including the Trustee, the Manager and their connected persons (continued)

(k) Related party share holdings (continued)

For the period from 13 August 2021 (date of commencement of operations) to 31 December 2022

Shareholder	Number of units at the start of year	Number of units acquired in the year	Number of units redeemed in the year	Number of units at year end
Franklin Templeton Capital Holdings Private Ltd.	–	69,734.75	–	69,734.75

Franklin Templeton Select APAC Income Fund

For the year ended 31 December 2023

Shareholder	Number of units at the start of year	Number of units acquired in the year	Number of units redeemed in the year	Number of units at year end
Franklin Templeton Capital Holdings Private Ltd.	69,734.75	–	–	69,734.75

For the period from 13 August 2021 (date of commencement of operations) to 31 December 2022

Shareholder	Number of units at the start of period	Number of units acquired in the period	Number of units redeemed in the period	Number of units at period end
Franklin Templeton Capital Holdings Private Ltd.	–	69,734.75	–	69,734.75

Templeton Select APAC Equity Income Fund

For the year ended 31 December 2023

Shareholder	Number of units at the start of year	Number of units acquired in the year	Number of units redeemed in the year	Number of units at year end
Franklin Templeton Capital Holdings Private Ltd.	69,734.75	–	–	69,734.75

For the period from 13 August 2021 (date of commencement of operations) to 31 December 2022

Shareholder	Number of units at the start of period	Number of units acquired in the period	Number of units redeemed in the period	Number of units at period end
Franklin Templeton Capital Holdings Private Ltd.	–	69,734.75	–	69,734.75

6 Cash and cash equivalents and margin cash

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following balances with original maturity of 3 months or less:

	<u>Templeton Select Global Leaders Fund</u>		<u>Franklin Select Global Multi-Asset Income Fund</u>	
	2023 USD	2022 USD	2023 USD	2022 USD
Cash at bank	347,319	445,666	110,147	101,991
	<u>Franklin Select APAC Quality Income Fund</u>		<u>Franklin Templeton Select APAC Income Fund</u>	
	2023 USD	2022 USD	2023 USD	2022 USD
Cash at bank	3,033,523	4,852,745	1,156,807	876,330

6 Cash and cash equivalents and margin cash (continued)

	Templeton Select APAC Equity Income Fund	
	2023 USD	2022 USD
Cash at bank	3,405,344	2,007,563

The following table summarises the margin cash of Franklin Select APAC Quality Income Fund which is pledged in the statement of financial position.

	31 December 2023 USD	31 December 2022 USD
Margin Cash	240,000	1,180,000

7 Net assets attributable to unitholders

The Funds have no regulatory imposed restrictions or specific capital requirements on the subscriptions and redemptions of units. The Manager is entitled to limit the daily redemptions to 10% of the total units in issue. The relevant movements are shown in the statement of changes in net assets attributable to unitholders. In accordance with the objectives outlined in Note 1 and the financial risk management policies in Note 3, the Manager endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by short term borrowings of up to 25% of the latest available net asset value of the Funds or disposal of securities where necessary.

The following tables detail the net asset value per unit of each class of units at the year/period end:

Templeton Select Global Leaders Fund

	2023		2022	
	Net assets per class USD	Net asset value per unit	Net assets per class USD	Net asset value per unit
Class A (Acc) HKD	2,163,040	HKD14.21	1,687,234	HKD11.08
Class A (Acc) RMB-H1	2,121,890	CNH14.88	1,752,798	CNH11.94
Class A (Acc) USD	2,120,505	USD14.12	1,651,773	USD11.01
Net assets attributable to unitholders	<u>6,405,435</u>		<u>5,091,805</u>	

Franklin Select Global Multi-Asset Income Fund

	2023		2022	
	Net assets per class USD	Net asset value per unit	Net assets per class USD	Net asset value per unit
Class A (Mdis) HKD	2,914,658	HKD7.82	3,441,094	HKD7.50
Class A (Mdis) RMB-H1	1,716,822	CNH7.82	1,616,790	CNH7.71
Class A (Mdis) USD	1,872,834	USD7.78	2,246,022	USD7.46
Net assets attributable to unitholders	<u>6,504,314</u>		<u>7,303,906</u>	

7 Net assets attributable to unitholders (continued)

Franklin Select APAC Quality Income Fund

	2023		2022	
	Net assets per class USD	Net asset value per unit	Net assets per class USD	Net asset value per unit
Class A (acc) USD	4,665	USD9.33	4,384	USD8.77
Class A (Mdis) HKD	4,145	HKD8.32	4,373	HKD8.28
Class A (Mdis) RMB-H1	74,150	CNH8.15	78,200	CNH8.35
Class A (Mdis) USD	4,144	USD8.29	4,123	USD8.25
Class Y (Mdis) USD	66,268,751	USD8.54	70,575,610	USD8.40
Net assets attributable to unitholders	<u>66,355,855</u>		<u>70,666,690</u>	

Franklin Templeton Select APAC Income Fund

	2023		2022	
	Net assets per class USD	Net asset value per unit	Net assets per class USD	Net asset value per unit
Class A (acc) USD	4,704	USD9.41	4,315	USD8.63
Class A (Mdis) HKD	364,036	HKD8.64	4,106	HKD8.24
Class A (Mdis) RMB-H1	118,277	CNH8.27	76,211	CNH8.13
Class A (Mdis) USD	446,846	USD8.59	4,111	USD8.22
Class C (acc) USD	135,103,373	USD9.62	135,790,891	USD8.76
Net assets attributable to unitholders	<u>136,037,236</u>		<u>135,879,634</u>	

Templeton Select APAC Equity Income Fund

	2023		2022	
	Net assets per class USD	Net asset value per unit	Net assets per class USD	Net asset value per unit
Class A (acc) USD	4,882	USD9.76	4,338	USD8.68
Class A (Mdis) HKD	4,478	HKD8.99	4,140	HKD8.31
Class A (Mdis) RMB-H1	79,566	CNH8.74	77,989	CNH8.32
Class A (Mdis) USD	4,484	USD8.97	4,147	USD8.29
Class C (acc) USD	57,744,017	USD9.95	54,718,405	USD8.77
Class Y (Mdis) USD	68,837,392	USD9.34	61,480,678	USD8.50
Net assets attributable to unitholders	<u>126,674,819</u>		<u>116,289,697</u>	

8 Distributions

Franklin Select Global Multi-Asset Income Fund

The sub-fund pays out distributions out of income and/or capital on a monthly basis to unitholders of all Classes – A (Mdis) HKD, A (Mdis) RMB-H1 and A (Mdis) USD. Distribution during the year amounted to USD 354,246 (2022: USD 443,154).

The following table shows the details of distribution by the sub-fund:

	2023 USD	2022 USD
Total comprehensive income/(loss) during the year	184,210	(2,274,081)
Undistributed income at the beginning of the year	-	-
Undistributed income at the end of the year	-	-

Franklin Select APAC Quality Income Fund

The sub-fund pays out distributions out of income and/or capital on a monthly basis to unitholders of all Classes – A (Mdis) HKD, A (Mdis) RMB-H1, A (Mdis) USD and Y (Mdis) USD. Distribution during the year/period amounted to USD 4,061,942 (2022: USD 4,313,239).

The following table shows the details of distribution by the sub-fund:

	2023 USD	2022 USD
Total comprehensive income/(loss) during the year/period	879,984	(13,046,913)
Undistributed income at the beginning of the year/period	-	-
Undistributed income at the end of the year/period	-	-

Franklin Templeton Select APAC Income Fund

The sub-fund pays out distributions out of income and/or capital on a monthly basis to unitholders of all Classes – A (Mdis) HKD, A (Mdis) RMB-H1 and A (Mdis) USD. Distribution during the year/period amounted to USD 15,461 (2022: USD 6,157).

The following table shows the details of distribution by the sub-fund:

	2023 USD	2022 USD
Total comprehensive income/(loss) during the year/period	12,569,692	(21,355,018)
Undistributed income at the beginning of the year/period	-	-
Undistributed income at the end of the year/period	-	-

Templeton Select APAC Equity Income Fund

The sub-fund pays out distributions out of income and/or capital on a monthly basis to unitholders of all Classes – A (Mdis) HKD, A (Mdis) RMB-H1, A (Mdis) USD, and Y (Mdis) USD. Distribution during the year/period amounted to USD 2,509,754 (2022: USD 2,933,290).

The following table shows the details of distribution by the sub-fund:

	2023 USD	2022 USD
Total comprehensive income/(loss) during the year/period	13,266,147	(19,118,082)
Undistributed income at the beginning of the year/period	-	-
Undistributed income at the end of the year/period	-	-

8 Distributions (continued)

Franklin Select Global Multi-Asset Income Fund

The following tables summarise the distributions paid by the sub-fund:

For the year ended 31 December 2023

Class A (Mdis) HKD

Distribution rate per unit	Distribution date	Distribution amount USD
HKD0.032	17 January 2023	14,689
HKD0.033	15 February 2023	14,912
HKD0.032	15 March 2023	14,201
HKD0.033	20 April 2023	13,808
HKD0.033	16 May 2023	13,936
HKD0.032	15 June 2023	13,528
HKD0.033	17 July 2023	13,783
HKD0.033	15 August 2023	13,618
HKD0.032	18 September 2023	12,761
HKD0.031	17 October 2023	12,405
HKD0.030	15 November 2023	11,811
HKD0.032	15 December 2023	12,503

Class A (Mdis) RMB-H1

Distribution rate per unit	Distribution date	Distribution amount USD
CNH0.029	17 January 2023	6,207
CNH0.034	15 February 2023	7,218
CNH0.032	15 March 2023	7,201
CNH0.033	20 April 2023	7,510
CNH0.033	16 May 2023	7,556
CNH0.032	15 June 2023	7,085
CNH0.033	17 July 2023	7,145
CNH0.033	15 August 2023	7,164
CNH0.032	18 September 2023	6,904
CNH0.031	17 October 2023	6,581
CNH0.030	15 November 2023	6,381
CNH0.032	15 December 2023	6,917

Class A (Mdis) USD

Distribution rate per unit	Distribution date	Distribution amount USD
USD0.032	17 January 2023	9,639
USD0.033	15 February 2023	9,944
USD0.032	15 March 2023	9,647
USD0.032	20 April 2023	9,654
USD0.032	16 May 2023	9,668
USD0.032	15 June 2023	9,573
USD0.032	17 July 2023	9,598
USD0.033	15 August 2023	9,881
USD0.032	18 September 2023	8,057
USD0.031	17 October 2023	7,586
USD0.030	15 November 2023	7,344
USD0.032	15 December 2023	7,831

354,246

For the year ended 31 December 2022

Class A (Mdis) HKD

Distribution rate per unit	Distribution date	Distribution amount USD
HKD0.040	17 January 2022	20,072
HKD0.039	18 February 2022	18,654
HKD0.038	15 March 2022	17,670
HKD0.038	20 April 2022	17,750
HKD0.035	18 May 2022	16,252
HKD0.035	16 June 2022	16,266
HKD0.033	18 July 2022	15,086
HKD0.034	15 August 2022	15,562

8 Distributions (continued)

Franklin Select Global Multi-Asset Income Fund (continued)

For the year ended 31 December 2022 (continued)

Class A (Mdis) HKD

Distribution rate per unit	Distribution date	Distribution amount USD
HKD0.033	16 September 2022	15,082
HKD0.030	18 October 2022	13,727
HKD0.031	15 November 2022	14,176
HKD0.033	15 December 2022	15,177

Class A (Mdis) RMB-H1

Distribution rate per unit	Distribution date	Distribution amount USD
CNH0.059	17 January 2022	14,026
CNH0.056	18 February 2022	13,448
CNH0.055	15 March 2022	13,268
CNH0.054	20 April 2022	12,620
CNH0.051	18 May 2022	11,095
CNH0.051	16 June 2022	11,172
CNH0.046	18 July 2022	10,041
CNH0.046	15 August 2022	10,013
CNH0.042	16 September 2022	8,955
CNH0.038	18 October 2022	7,704
CNH0.032	15 November 2022	6,435
CNH0.034	15 December 2022	7,110

Class A (Mdis) USD

Distribution rate per unit	Distribution date	Distribution amount USD
USD0.040	17 January 2022	11,164
USD0.039	18 February 2022	10,400
USD0.037	15 March 2022	9,871
USD0.037	20 April 2022	11,183
USD0.035	18 May 2022	10,583
USD0.035	16 June 2022	10,517
USD0.033	18 July 2022	9,920
USD0.034	15 August 2022	10,225
USD0.032	16 September 2022	9,627
USD0.030	18 October 2022	9,029
USD0.031	15 November 2022	9,334
USD0.033	15 December 2022	9,940
		443,154

During the year ended 31 December 2023 USD 42,960 (2022: USD 51,641) of the distributions are reinvested into the sub-fund for subscription of units. Refer to statement of changes in net assets attributable to unitholders for number of units subscribed during the year.

Franklin Select APAC Quality Income Fund

The following tables summarise the distributions paid by the sub-fund:

For the year ended 31 December 2023

Class A (Mdis) HKD

Distribution rate per unit	Distribution date	Distribution amount USD
HKD0.035	17 January 2023	17
HKD0.036	15 February 2023	18
HKD0.035	15 March 2023	17
HKD0.042	20 April 2023	21
HKD0.042	16 May 2023	21
HKD0.042	15 June 2023	21
HKD0.042	17 July 2023	21
HKD0.042	15 August 2023	21
HKD0.041	18 September 2023	20
HKD0.041	17 October 2023	20

8 Distributions (continued)

Franklin Select APAC Quality Income Fund (continued)

For the year ended 31 December 2023 (continued)

Class A (Mdis) HKD

Distribution rate per unit	Distribution date	Distribution amount USD
HKD0.040	15 November 2023	20
HKD0.041	15 December 2023	20

Class A (Mdis) RMB-H1

Distribution rate per unit	Distribution date	Distribution amount USD
CNH0.035	17 January 2023	334
CNH0.036	15 February 2023	343
CNH0.035	15 March 2023	326
CNH0.042	20 April 2023	396
CNH0.042	16 May 2023	393
CNH0.042	15 June 2023	383
CNH0.041	17 July 2023	368
CNH0.041	15 August 2023	368
CNH0.041	18 September 2023	364
CNH0.040	17 October 2023	356
CNH0.039	15 November 2023	346
CNH0.040	15 December 2023	360

Class A (Mdis) USD

Distribution rate per unit	Distribution date	Distribution amount USD
USD0.035	17 January 2023	18
USD0.035	15 February 2023	18
USD0.035	15 March 2023	18
USD0.042	20 April 2023	21
USD0.042	16 May 2023	21
USD0.042	15 June 2023	21
USD0.042	17 July 2023	21
USD0.041	15 August 2023	21
USD0.041	18 September 2023	21
USD0.040	17 October 2023	20
USD0.040	15 November 2023	20
USD0.041	15 December 2023	21

Class Y (Mdis) USD

Distribution rate per unit	Distribution date	Distribution amount USD
USD0.035	17 January 2023	294,026
USD0.036	15 February 2023	310,032
USD0.035	15 March 2023	296,361
USD0.043	20 April 2023	364,100
USD0.043	16 May 2023	360,828
USD0.043	15 June 2023	360,828
USD0.043	17 July 2023	360,828
USD0.042	15 August 2023	360,114
USD0.042	18 September 2023	353,116
USD0.041	17 October 2023	341,507
USD0.041	15 November 2023	323,745
USD0.042	15 December 2023	331,642
		<u>4,061,942</u>

For the period ended 31 December 2022

Class A (Mdis) HKD

Distribution rate per unit	Distribution date	Distribution amount USD
HKD0.041	15 November 2021	20
HKD0.041	15 December 2021	20
HKD0.041	17 January 2022	20
HKD0.040	18 February 2022	20
HKD0.039	15 March 2022	19

8 Distributions (continued)

Franklin Select APAC Quality Income Fund (continued)

For the period ended 31 December 2022 (continued)

Class A (Mdis) HKD

Distribution rate per unit	Distribution date	Distribution amount USD
HKD0.038	20 April 2022	19
HKD0.037	18 May 2022	18
HKD0.037	16 June 2022	18
HKD0.036	18 July 2022	18
HKD0.037	15 August 2022	19
HKD0.036	16 September 2022	18
HKD0.035	18 October 2022	18
HKD0.035	15 November 2022	18
HKD0.035	15 December 2022	18

Class A (Mdis) RMB-H1

Distribution rate per unit	Distribution date	Distribution amount USD
CNH0.042	15 November 2021	426
CNH0.041	15 December 2021	419
CNH0.041	17 January 2022	417
CNH0.040	18 February 2022	407
CNH0.040	15 March 2022	410
CNH0.039	20 April 2022	396
CNH0.038	18 May 2022	365
CNH0.038	16 June 2022	368
CNH0.037	18 July 2022	357
CNH0.037	15 August 2022	355
CNH0.037	16 September 2022	345
CNH0.036	18 October 2022	326
CNH0.035	15 November 2022	314
CNH0.036	15 December 2022	335

Class A (Mdis) USD

Distribution rate per unit	Distribution date	Distribution amount USD
USD0.041	15 November 2021	21
USD0.041	15 December 2021	21
USD0.041	17 January 2022	21
USD0.040	18 February 2022	20
USD0.039	15 March 2022	20
USD0.038	20 April 2022	19
USD0.037	18 May 2022	19
USD0.037	16 June 2022	18
USD0.036	18 July 2022	18
USD0.037	15 August 2022	19
USD0.036	16 September 2022	18
USD0.035	18 October 2022	18
USD0.034	15 November 2022	17
USD0.035	15 December 2022	18

Class Y (Mdis) USD

Distribution rate per unit	Distribution date	Distribution amount USD
USD0.042	15 November 2021	319,785
USD0.041	15 December 2021	306,419
USD0.041	17 January 2022	328,478
USD0.040	18 February 2022	313,214
USD0.039	15 March 2022	310,888
USD0.038	20 April 2022	313,136
USD0.037	18 May 2022	311,416
USD0.037	16 June 2022	310,665
USD0.037	18 July 2022	305,477
USD0.037	15 August 2022	311,944
USD0.037	16 September 2022	311,944
USD0.035	18 October 2022	285,317
USD0.035	15 November 2022	285,317

8 Distributions (continued)

Franklin Select APAC Quality Income Fund (continued)

For the period ended 31 December 2022 (continued)

Class Y (Mdis) USD

Distribution rate per unit	Distribution date	Distribution amount USD
USD0.036	15 December 2022	293,469
		<u>4,313,239</u>

Franklin Templeton Select APAC Income Fund

The following tables summarise the distributions paid by the sub-fund:

For the year ended 31 December 2023

Class A (Mdis) HKD

Distribution rate per unit	Distribution date	Distribution amount USD
HKD0.028	17 January 2023	14
HKD0.029	15 February 2023	14
HKD0.028	15 March 2023	14
HKD0.029	20 April 2023	14
HKD0.028	16 May 2023	14
HKD0.028	15 June 2023	14
HKD0.028	17 July 2023	14
HKD0.029	15 August 2023	221
HKD0.028	18 September 2023	214
HKD0.028	17 October 2023	214
HKD0.027	15 November 2023	209
HKD0.028	15 December 2023	1,180

Class A (Mdis) RMB-H1

Distribution rate per unit	Distribution date	Distribution amount USD
CNH0.024	17 January 2023	230
CNH0.029	15 February 2023	277
CNH0.027	15 March 2023	251
CNH0.028	20 April 2023	264
CNH0.028	16 May 2023	262
CNH0.027	15 June 2023	245
CNH0.027	17 July 2023	242
CNH0.028	15 August 2023	251
CNH0.027	18 September 2023	240
CNH0.027	17 October 2023	240
CNH0.026	15 November 2023	231
CNH0.027	15 December 2023	382

Class A (Mdis) USD

Distribution rate per unit	Distribution date	Distribution amount USD
USD0.028	17 January 2023	14
USD0.029	15 February 2023	14
USD0.028	15 March 2023	14
USD0.028	20 April 2023	14
USD0.028	16 May 2023	14
USD0.028	15 June 2023	1,456
USD0.028	17 July 2023	1,456
USD0.029	15 August 2023	1,508
USD0.028	18 September 2023	1,456
USD0.027	17 October 2023	1,404
USD0.027	15 November 2023	1,404
USD0.028	15 December 2023	1,456
		<u>15,461</u>

8 Distributions (continued)

Franklin Templeton Select APAC Income Fund (continued)

For the period ended 31 December 2022

Class A (Mdis) HKD

Distribution rate per unit	Distribution date	Distribution amount USD
HKD0.033	15 November 2021	16
HKD0.033	15 December 2021	16
HKD0.033	17 January 2022	16
HKD0.033	18 February 2022	16
HKD0.032	15 March 2022	16
HKD0.031	20 April 2022	15
HKD0.030	18 May 2022	15
HKD0.030	16 June 2022	15
HKD0.029	18 July 2022	14
HKD0.029	15 August 2022	14
HKD0.028	16 September 2022	14
HKD0.027	18 October 2022	13
HKD0.026	15 November 2022	13
HKD0.028	15 December 2022	14

Class A (Mdis) RMB-H1

Distribution rate per unit	Distribution date	Distribution amount USD
CNH0.050	15 November 2021	508
CNH0.049	15 December 2021	501
CNH0.049	17 January 2022	498
CNH0.049	18 February 2022	499
CNH0.048	15 March 2022	492
CNH0.046	20 April 2022	467
CNH0.044	18 May 2022	422
CNH0.044	16 June 2022	426
CNH0.041	18 July 2022	395
CNH0.040	15 August 2022	384
CNH0.037	16 September 2022	345
CNH0.034	18 October 2022	307
CNH0.026	15 November 2022	233
CNH0.028	15 December 2022	261

Class A (Mdis) USD

Distribution rate per unit	Distribution date	Distribution amount USD
USD0.033	15 November 2021	16
USD0.033	15 December 2021	16
USD0.033	17 January 2022	17
USD0.033	18 February 2022	17
USD0.032	15 March 2022	16
USD0.031	20 April 2022	16
USD0.030	18 May 2022	15
USD0.030	16 June 2022	15
USD0.029	18 July 2022	15
USD0.029	15 August 2022	15
USD0.028	16 September 2022	14
USD0.026	18 October 2022	13
USD0.026	15 November 2022	13
USD0.028	15 December 2022	14

6,157

8 Distributions (continued)

Templeton Select APAC Equity Income Fund

The following tables summarise the distributions paid by the sub-fund:

For the year ended 31 December 2023

Class A (Mdis) HKD

Distribution rate per unit	Distribution date	Distribution amount USD
HKD0.045	17 January 2023	22
HKD0.027	15 February 2023	13
HKD0.025	15 March 2023	12
HKD0.026	20 April 2023	13
HKD0.026	16 May 2023	13
HKD0.025	15 June 2023	12
HKD0.026	17 July 2023	13
HKD0.030	15 August 2023	15
HKD0.022	18 September 2023	11
HKD0.031	17 October 2023	15
HKD0.030	15 November 2023	15
HKD0.033	15 December 2023	16

Class A (Mdis) RMB-H1

Distribution rate per unit	Distribution date	Distribution amount USD
CNH0.046	17 January 2023	440
CNH0.027	15 February 2023	258
CNH0.025	15 March 2023	233
CNH0.026	20 April 2023	245
CNH0.025	16 May 2023	234
CNH0.025	15 June 2023	228
CNH0.026	17 July 2023	233
CNH0.030	15 August 2023	269
CNH0.021	18 September 2023	186
CNH0.030	17 October 2023	267
CNH0.029	15 November 2023	258
CNH0.032	15 December 2023	289

Class A (Mdis) USD

Distribution rate per unit	Distribution date	Distribution amount USD
USD0.045	17 January 2023	23
USD0.027	15 February 2023	14
USD0.025	15 March 2023	13
USD0.026	20 April 2023	13
USD0.026	16 May 2023	13
USD0.025	15 June 2023	13
USD0.026	17 July 2023	13
USD0.030	15 August 2023	15
USD0.022	18 September 2023	11
USD0.030	17 October 2023	15
USD0.030	15 November 2023	15
USD0.033	15 December 2023	17

Class Y (Mdis) USD

Distribution rate per unit	Distribution date	Distribution amount USD
USD0.047	17 January 2023	340,098
USD0.028	15 February 2023	197,653
USD0.026	15 March 2023	184,950
USD0.027	20 April 2023	181,485
USD0.026	16 May 2023	174,763
USD0.026	15 June 2023	174,763
USD0.027	17 July 2023	181,485
USD0.031	15 August 2023	208,371
USD0.022	18 September 2023	154,096
USD0.032	17 October 2023	229,480
USD0.031	15 November 2023	228,506
USD0.034	15 December 2023	250,619

8 Distributions (continued)

Templeton Select APAC Equity Income Fund (continued)

For the year ended 31 December 2023 (continued)

Class Y (Mdis) USD

Distribution rate per unit	Distribution date	Distribution amount USD
		2,509,754

For the period ended 31 December 2022

Class A (Mdis) HKD

Distribution rate per unit	Distribution date	Distribution amount USD
HKD0.033	15 November 2021	16
HKD0.032	15 December 2021	16
HKD0.025	17 January 2022	12
HKD0.028	18 February 2022	14
HKD0.027	15 March 2022	13
HKD0.028	20 April 2022	14
HKD0.027	18 May 2022	13
HKD0.027	16 June 2022	13
HKD0.028	18 July 2022	14
HKD0.029	15 August 2022	14
HKD0.028	16 September 2022	14
HKD0.027	18 October 2022	13
HKD0.026	15 November 2022	13
HKD0.030	15 December 2022	15

Class A (Mdis) RMB-H1

Distribution rate per unit	Distribution date	Distribution amount USD
CNH0.034	15 November 2021	345
CNH0.033	15 December 2021	337
CNH0.025	17 January 2022	254
CNH0.029	18 February 2022	295
CNH0.028	15 March 2022	287
CNH0.028	20 April 2022	284
CNH0.027	18 May 2022	259
CNH0.027	16 June 2022	261
CNH0.028	18 July 2022	270
CNH0.029	15 August 2022	278
CNH0.028	16 September 2022	261
CNH0.027	18 October 2022	244
CNH0.026	15 November 2022	233
CNH0.030	15 December 2022	279

Class A (Mdis) USD

Distribution rate per unit	Distribution date	Distribution amount USD
USD0.033	15 November 2021	17
USD0.032	15 December 2021	16
USD0.025	17 January 2022	13
USD0.028	18 February 2022	14
USD0.027	15 March 2022	14
USD0.028	20 April 2022	14
USD0.027	18 May 2022	13
USD0.027	16 June 2022	14
USD0.027	18 July 2022	14
USD0.028	15 August 2022	14
USD0.028	16 September 2022	14
USD0.026	18 October 2022	13
USD0.025	15 November 2022	13
USD0.029	15 December 2022	15

Class Y (Mdis) USD

Distribution rate per unit	Distribution date	Distribution amount USD
USD0.034	15 November 2021	246,999

8 Distributions (continued)

Templeton Select APAC Equity Income Fund (continued)

For the period ended 31 December 2022 (continued)

Class Y (Mdis) USD

Distribution rate per unit	Distribution date	Distribution amount USD
USD0.033	15 December 2021	244,780
USD0.025	17 January 2022	185,439
USD0.029	18 February 2022	215,109
USD0.028	15 March 2022	207,692
USD0.028	20 April 2022	207,692
USD0.027	18 May 2022	200,274
USD0.027	16 June 2022	200,274
USD0.028	18 July 2022	207,692
USD0.029	15 August 2022	209,848
USD0.028	16 September 2022	202,612
USD0.027	18 October 2022	195,376
USD0.026	15 November 2022	188,140
USD0.030	15 December 2022	217,084
		<u>2,933,290</u>

9 Soft commission arrangement

The Manager and its connected persons may effect transactions for the account of the Funds through the agency of another person with whom the Manager and its connected persons have an arrangement under which such other person agrees to pay in whole or in part for the provision of goods to and/or the supply of services to the Manager or its connected persons in consideration of the Manager or its connected persons procuring that such other person (or person connected thereto) executes transactions to be entered into for the account of the Funds.

The Manager shall procure that no such contractual arrangements are entered into unless the goods and services to be provided pursuant thereto are of demonstrable benefit to unitholders whether by assisting the Manager in its ability to manage the Funds or otherwise. Research and advisory services, economic and political analysis, portfolio analysis (including valuation and performance measurement), market analysis, data and quotation services, computer hardware and software incidental to the above goods and services, clearing and custodian services and investment related publications may be considered as beneficial to unitholders.

During the year/period ended 31 December 2023 and 2022, the Manager and its connected persons entered into soft commission arrangements with brokers relating to dealing in the assets of the Funds, consistent with the above.

The following table details the amounts of transactions executed and their related commissions during the year/period under the soft commission arrangement:

	<u>Templeton Select Global Leaders Fund</u>		<u>Franklin Select Global Multi-Asset Income Fund</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
Amounts of transactions executed	3,214,142	4,821,028	315,367	603,140
Commissions	1,139	1,652	128	237
	<u>Franklin Templeton Select APAC Income Fund</u>		<u>Templeton Select APAC Equity Income Fund</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
Amounts of transactions executed	226,631	516,837	48,258,193	99,114,692
Commissions	211	399	37,904	79,504

During the years ended 31 December 2023 and 2022, the Manager and its connected persons did not exercise any trades under soft commission arrangements in Franklin Select APAC Quality Income Fund.

10 Bank loans, overdrafts and other borrowings

The Funds had no bank loan, overdraft or other borrowing as at 31 December 2023 and 2022.

11 Security lending arrangements

The Funds did not enter into any security lending arrangement for the year/period ended 31 December 2023 and 2022.

12 Negotiability of assets

As at 31 December 2023 and 2022, other than as disclosed in Note 6, there was no statutory or contractual requirement restricting the negotiability of the assets of the Funds.

13 Commitments

The Funds had no commitment as at 31 December 2023 and 2022.

14 Contingent liabilities

The Funds had no contingent liability as at 31 December 2023 and 2022.

15 Subsequent event

Subsequent to the year ended 31 December 2023, the Manager is assessing the economic viability and has an intention to liquidate Templeton Select Global Leaders Fund and Franklin Select Global Multi-Asset Income Fund. Please refer to Note 1.

INVESTMENT PORTFOLIO

AS AT 31 DECEMBER 2023

TEMPLETON SELECT GLOBAL LEADERS FUND

	Holdings	Fair value (USD)	% of NAV
Investments (94.81%)			
Listed Equities (94.81%)			
France (2.67%)			
LVMH Moët Hennessy Louis Vuitton SE	120	97,518	1.52
SOITEC	413	73,914	1.15
Germany (4.20%)			
Infineon Technologies AG	2,813	117,494	1.84
SAP SE	981	151,017	2.36
India (4.23%)			
HDFC Bank Ltd., ADR	1,008	67,647	1.06
Reliance Industries Ltd., GDR, 144A	3,252	203,250	3.17
Japan (9.85%)			
Asics Corp.	4,800	149,865	2.34
KDDI Corp.	5,500	174,483	2.72
Shimano, Inc.	731	112,626	1.76
SMC Corp.	126	67,414	1.05
Tokyo Electron Ltd.	713	126,751	1.98
Taiwan (2.59%)			
Taiwan Semiconductor Manufacturing Co. Ltd.	8,632	165,535	2.59
United Kingdom (7.33%)			
Persimmon plc	9,170	162,109	2.53
Rolls-Royce Holdings plc	80,565	307,341	4.80
United States of America (63.94%)			
Albemarle Corp.	893	129,021	2.01
Alphabet, Inc., A	1,577	220,291	3.44
Amazon.com, Inc.	2,074	315,123	4.92
American Express Co.	902	168,981	2.64
Applied Materials, Inc.	978	158,504	2.48
Booking Holdings, Inc.	68	241,211	3.77
Equifax, Inc.	258	63,801	1.00
Freeport-McMoRan, Inc.	3,991	169,897	2.65
HCA Healthcare, Inc.	554	149,957	2.34
ICON plc	840	237,779	3.71
Intercontinental Exchange, Inc.	1,253	160,923	2.51
Kenvue, Inc.	4,942	106,401	1.66
Micron Technology, Inc.	2,025	172,813	2.70
Microsoft Corp.	867	326,027	5.09
Salesforce, Inc.	616	162,094	2.53
Schneider Electric SE	1,334	268,579	4.19
Target Corp.	1,107	157,659	2.46
Thermo Fisher Scientific, Inc.	368	195,331	3.05
Union Pacific Corp.	724	177,829	2.78
UnitedHealth Group, Inc.	387	203,744	3.18

TEMPLETON SELECT GLOBAL LEADERS FUND (continued)

	Holdings	Fair value (USD)	% of NAV
Investments (94.81%) (continued)			
Listed Equities (94.81%) (continued)			
United States of America (63.94%) (continued)			
Visa, Inc., A	835	217,392	3.39
Zimmer Biomet Holdings, Inc.	760	92,492	1.44
Total Investments		<u>6,072,813</u>	<u>94.81</u>
Net Forward Foreign Exchange Contracts Value (Note 4)		17,579	0.27
		6,090,392	95.08
Other Net Assets		315,043	4.92
Net Assets as at 31 December 2023		<u>6,405,435</u>	<u>100.00</u>
Total Investments at cost as at 31 December 2023		<u>4,773,452</u>	

Additional Details on Financial Derivative Instruments

Financial assets

**Forward Foreign Exchange
Contracts/ Underlying Assets**

Buy CNH Sell USD

Counterparties
JPMorgan Chase Bank NA

**Fair Value
USD**

17,579
17,579

INVESTMENT PORTFOLIO

AS AT 31 DECEMBER 2023

FRANKLIN SELECT GLOBAL MULTI-ASSET INCOME FUND

	Holdings	Fair value (USD)	% of NAV
Investments (99.97%)			
Quoted Investment Funds (11.56%)			
Luxembourg (11.56%)			
Franklin High Yield Fund	53,755	477,496	7.34
Templeton Emerging Markets Bond Fund	54,844	274,227	4.22
Exchange Traded Funds (37.34%)			
Ireland (14.66%)			
Franklin Global Quality Dividend UCITS ETF	10,895	342,237	5.26
iShares Core Global Aggregate Bond UCITS ETF	116,835	520,515	8.00
iShares Global Corp. Bond UCITS ETF	1,025	91,345	1.40
Luxembourg (7.38%)			
Amundi Index Solutions - Amundi Prime US Corporates	27,320	479,841	7.38
United States of America (15.30%)			
iShares International Treasury Bond ETF	9,505	392,842	6.04
Vanguard Total International Bond ETF	12,205	602,500	9.26
Listed Real Estate Investment Trusts ("REITs") (0.76%)			
Australia (0.04%)			
Scentre Group	1,308	2,664	0.04
Singapore (0.05%)			
CapitaLand Ascendas REIT	1,300	2,981	0.05
United States of America (0.67%)			
AvalonBay Communities, Inc.	16	2,995	0.05
Camden Property Trust	23	2,284	0.04
Extra Space Storage, Inc.	20	3,207	0.05
Gaming and Leisure Properties, Inc.	55	2,714	0.04
Healthpeak Properties, Inc.	150	2,970	0.05
Host Hotels & Resorts, Inc.	162	3,154	0.05
Mid-America Apartment Communities, Inc.	16	2,151	0.03
NET Lease Office Properties	2	37	—*
Prologis, Inc.	30	3,999	0.06
Public Storage	27	8,235	0.13
Simon Property Group, Inc.	41	5,848	0.09
VICI Properties, Inc.	72	2,295	0.04
WP Carey, Inc.	38	2,463	0.04
Listed Equities (42.62%)			
Australia (0.70%)			
Aristocrat Leisure Ltd.	120	3,334	0.05
BHP Group Ltd.	513	17,529	0.27
Brambles Ltd.	339	3,143	0.05

FRANKLIN SELECT GLOBAL MULTI-ASSET INCOME FUND (continued)

	Holdings	Fair value (USD)	% of NAV
Investments (99.97%) (continued)			
Listed Equities (42.62%) (continued)			
Australia (0.70%) (continued)			
Fortescue Ltd.	161	3,175	0.05
Glencore plc	406	2,441	0.04
Lottery Corp. Ltd. (The)	954	3,148	0.05
Macquarie Group Ltd.	25	3,130	0.05
Northern Star Resources Ltd.	326	3,025	0.05
Origin Energy Ltd.	535	3,088	0.05
Transurban Group	306	2,860	0.04
Belgium (0.14%)			
Groupe Bruxelles Lambert NV	34	2,678	0.04
KBC Group NV	55	3,570	0.05
Solvay SA	24	736	0.01
Syensqo SA	24	2,498	0.04
Brazil (0.42%)			
Ambev SA	1,000	2,813	0.04
Itau Unibanco Holding SA	500	3,483	0.05
Itausa SA	1,612	3,441	0.05
MercadoLibre, Inc.	7	11,001	0.17
Petroleo Brasileiro SA	900	7,017	0.11
Canada (1.07%)			
Agnico Eagle Mines Ltd.	50	2,741	0.04
Canadian National Railway Co.	85	10,684	0.16
CCL Industries, Inc., B	50	2,249	0.03
CGI, Inc.	60	6,428	0.10
Constellation Software, Inc.	2	4,959	0.08
Dollarama, Inc.	120	8,648	0.13
Fairfax Financial Holdings Ltd.	10	9,226	0.14
Hydro One Ltd., 144A, Reg S	110	3,296	0.05
Imperial Oil Ltd.	80	4,557	0.07
Loblaw Cos. Ltd.	40	3,873	0.06
Manulife Financial Corp.	150	3,315	0.05
Nutrien Ltd.	30	1,690	0.03
TFI International, Inc.	30	4,081	0.06
Toronto-Dominion Bank (The)	39	2,520	0.04
Tourmaline Oil Corp.	50	2,249	0.03
Chile (0.03%)			
Sociedad Quimica y Minera de Chile SA, B	31	1,857	0.03
China (0.78%)			
ANTA Sports Products Ltd.	250	2,430	0.04
BYD Co. Ltd., H	400	11,033	0.17
China Mengniu Dairy Co. Ltd.	500	1,347	0.02
Contemporary Amperex Technology Co. Ltd., A	100	2,300	0.04

FRANKLIN SELECT GLOBAL MULTI-ASSET INCOME FUND (continued)

	Holdings	Fair value (USD)	% of NAV
Investments (99.97%) (continued)			
Listed Equities (42.62%) (continued)			
China (0.78%) (continued)			
CSPC Pharmaceutical Group Ltd.	3,500	3,257	0.05
KE Holdings, Inc., ADR	110	1,783	0.03
Li Ning Co. Ltd.	700	1,878	0.03
NetEase, Inc.	200	3,608	0.06
Nongfu Spring Co. Ltd., H, 144A, Reg S	500	2,893	0.04
PDD Holdings, Inc., ADR	30	4,389	0.07
PICC Property & Casualty Co. Ltd., H	2,500	2,975	0.05
Vipshop Holdings Ltd., ADR	191	3,392	0.05
Wuxi Biologics Cayman, Inc., 144A, Reg S	400	1,513	0.02
Yum China Holdings, Inc.	88	3,734	0.06
Zijin Mining Group Co. Ltd., H	2,000	3,260	0.05
Denmark (0.95%)			
Coloplast A/S, B	17	1,943	0.03
Novo Nordisk A/S, B	580	60,116	0.92
Finland (0.12%)			
Mandatum OYJ	72	323	—*
Nokia OYJ	647	2,204	0.03
Sampo OYJ, A	72	3,155	0.05
Stora Enso OYJ, R	190	2,633	0.04
France (1.38%)			
BNP Paribas SA	50	3,473	0.05
Carrefour SA	245	4,488	0.07
Cie de Saint-Gobain SA	47	3,467	0.05
Cie Generale des Etablissements Michelin SCA	85	3,054	0.05
Eiffage SA	26	2,791	0.04
Engie SA	760	13,390	0.21
Hermes International SCA	1	2,126	0.03
L'Oreal SA	9	4,487	0.07
Orange SA	287	3,272	0.05
Renault SA	70	2,863	0.04
Societe Generale SA	141	3,752	0.06
TotalEnergies SE	586	39,853	0.61
Vinci SA	24	3,021	0.05
Germany (1.13%)			
Allianz SE	14	3,742	0.06
Bayerische Motoren Werke AG	38	4,229	0.07
Bayerische Motoren Werke AG	30	2,985	0.05
Beiersdorf AG	31	4,643	0.07
Commerzbank AG	329	3,911	0.06
Deutsche Bank AG	255	3,481	0.05
Deutsche Boerse AG	45	9,268	0.14
Deutsche Lufthansa AG	268	2,383	0.04

FRANKLIN SELECT GLOBAL MULTI-ASSET INCOME FUND (continued)

	Holdings	Fair value (USD)	% of NAV
Investments (99.97%) (continued)			
Listed Equities (42.62%) (continued)			
Germany (1.13%) (continued)			
E.ON SE	248	3,332	0.05
Hannover Rueck SE	16	3,826	0.06
Heidelberg Materials AG	52	4,649	0.07
Infineon Technologies AG	257	10,734	0.17
Mercedes-Benz Group AG	168	11,593	0.18
RWE AG	53	2,412	0.04
Zalando SE, 144A, Reg S	58	1,373	0.02
Hong Kong (0.38%)			
CK Asset Holdings Ltd.	500	2,509	0.04
CLP Holdings Ltd.	350	2,892	0.04
Hang Seng Bank Ltd.	200	2,335	0.04
Hong Kong & China Gas Co. Ltd.	3,000	2,300	0.04
Jardine Matheson Holdings Ltd.	60	2,470	0.04
MTR Corp. Ltd.	500	1,941	0.03
Power Assets Holdings Ltd.	500	2,899	0.04
Sun Hung Kai Properties Ltd.	680	7,358	0.11
India (0.71%)			
Asian Paints Ltd.	79	3,221	0.05
Avenue Supermarts Ltd., 144A, Reg S	63	3,073	0.05
Dr Reddy's Laboratories Ltd.	50	3,488	0.05
HDFC Bank Ltd.	136	2,784	0.04
Hindustan Unilever Ltd.	176	5,622	0.09
Infosys Ltd.	168	3,109	0.05
ITC Ltd.	494	2,741	0.04
Mahindra & Mahindra Ltd.	162	3,356	0.05
Sun Pharmaceutical Industries Ltd.	218	3,299	0.05
Tata Consultancy Services Ltd.	253	11,542	0.18
Titan Co. Ltd.	88	3,895	0.06
Indonesia (0.09%)			
Astra International Tbk. PT	7,400	2,714	0.04
Bank Central Asia Tbk. PT	5,400	3,298	0.05
Israel (0.15%)			
Bank Leumi Le-Israel BM	358	2,891	0.04
Check Point Software Technologies Ltd.	47	7,181	0.11
Italy (0.10%)			
Assicurazioni Generali SpA	142	3,001	0.05
UniCredit SpA	130	3,540	0.05
Japan (2.73%)			
AGC, Inc.	70	2,595	0.04
Asahi Group Holdings Ltd.	100	3,724	0.06

FRANKLIN SELECT GLOBAL MULTI-ASSET INCOME FUND (continued)

	Holdings	Fair value (USD)	% of NAV
Investments (99.97%) (continued)			
Listed Equities (42.62%) (continued)			
Japan (2.73%) (continued)			
Astellas Pharma, Inc.	200	2,379	0.04
Bandai Namco Holdings, Inc.	150	3,000	0.05
Canon, Inc.	380	9,750	0.15
Capcom Co. Ltd.	80	2,582	0.04
Chubu Electric Power Co., Inc.	200	2,583	0.04
Daiwa House Industry Co. Ltd.	250	7,559	0.12
Disco Corp.	30	7,410	0.11
Eisai Co. Ltd.	50	2,490	0.04
ENEOS Holdings, Inc.	700	2,777	0.04
Hankyu Hanshin Holdings, Inc.	80	2,543	0.04
Hitachi Ltd.	70	5,036	0.08
Hoya Corp.	30	3,737	0.06
Japan Post Holdings Co. Ltd.	400	3,572	0.05
Kao Corp.	60	2,467	0.04
KDDI Corp.	300	9,517	0.15
Kirin Holdings Co. Ltd.	150	2,196	0.03
Komatsu Ltd.	50	1,301	0.02
Marubeni Corp.	450	7,086	0.11
Mitsubishi Electric Corp.	200	2,829	0.04
Mitsubishi Heavy Industries Ltd.	150	8,735	0.13
Mitsubishi UFJ Financial Group, Inc.	400	3,433	0.05
Mitsui & Co. Ltd.	100	3,747	0.06
Nintendo Co. Ltd.	50	2,602	0.04
Nippon Telegraph & Telephone Corp.	1,500	1,832	0.03
Nitto Denko Corp.	60	4,478	0.07
Nomura Holdings, Inc.	600	2,703	0.04
Olympus Corp.	80	1,155	0.02
Ono Pharmaceutical Co. Ltd.	150	2,669	0.04
ORIX Corp.	120	2,254	0.03
Pan Pacific International Holdings Corp.	100	2,381	0.04
Panasonic Holdings Corp.	300	2,955	0.05
Renesas Electronics Corp.	500	8,942	0.14
Resona Holdings, Inc.	700	3,549	0.05
Sekisui House Ltd.	100	2,217	0.03
Shin-Etsu Chemical Co. Ltd.	100	4,183	0.06
SoftBank Corp.	200	2,493	0.04
Sompo Holdings, Inc.	60	2,936	0.05
Sumitomo Corp.	150	3,265	0.05
Sumitomo Mitsui Financial Group, Inc.	100	4,867	0.07
T&D Holdings, Inc.	200	3,176	0.05
Takeda Pharmaceutical Co. Ltd.	100	2,868	0.04
TDK Corp.	150	7,115	0.11
Tokyo Gas Co. Ltd.	100	2,294	0.04
Unicharm Corp.	50	1,809	0.03
Yakult Honsha Co. Ltd.	70	1,572	0.02

FRANKLIN SELECT GLOBAL MULTI-ASSET INCOME FUND (continued)

	Holdings	Fair value (USD)	% of NAV
Investments (99.97%) (continued)			
Listed Equities (42.62%) (continued)			
Malaysia (0.08%)			
Malayan Banking Bhd.	1,500	2,901	0.04
Public Bank Bhd.	2,700	2,520	0.04
Mexico (0.16%)			
Fomento Economico Mexicano SAB de CV	300	3,913	0.06
Grupo Financiero Banorte SAB de CV, O	300	3,023	0.05
Wal-Mart de Mexico SAB de CV	800	3,363	0.05
Netherlands (0.60%)			
ABN AMRO Bank NV, CVA, 144A, Reg S	175	2,632	0.04
Heineken Holding NV	30	2,541	0.04
ING Groep NV	312	4,679	0.07
Koninklijke Ahold Delhaize NV	81	2,331	0.04
NN Group NV	66	2,609	0.04
Randstad NV	48	3,013	0.05
Universal Music Group NV	338	9,650	0.15
Wolters Kluwer NV	78	11,099	0.17
New Zealand (0.04%)			
Fisher & Paykel Healthcare Corp. Ltd.	163	2,431	0.04
Norway (0.11%)			
Equinor ASA	218	6,909	0.11
Singapore (0.17%)			
DBS Group Holdings Ltd.	150	3,794	0.06
Sea Ltd., ADR	40	1,620	0.02
Singapore Telecommunications Ltd.	1,400	2,621	0.04
United Overseas Bank Ltd.	150	3,238	0.05
South Africa (0.13%)			
FirstRand Ltd.	772	3,098	0.05
Naspers Ltd., N	18	3,081	0.05
Sasol Ltd.	175	1,764	0.03
South Korea (0.49%)			
Hana Financial Group, Inc.	119	3,970	0.06
Hyundai Mobis Co. Ltd.	24	4,373	0.07
KB Financial Group, Inc.	155	6,432	0.10
Kia Corp.	115	8,846	0.14
Samsung SDI Co. Ltd.	5	1,811	0.03
Shinhan Financial Group Co. Ltd.	186	5,736	0.09
Spain (0.41%)			
ACS Actividades de Construccion y Servicios SA	71	3,154	0.05
Banco Bilbao Vizcaya Argentaria SA	751	6,846	0.11

FRANKLIN SELECT GLOBAL MULTI-ASSET INCOME FUND (continued)

	Holdings	Fair value (USD)	% of NAV
Investments (99.97%) (continued)			
Listed Equities (42.62%) (continued)			
Spain (0.41%) (continued)			
Endesa SA	140	2,857	0.04
Industria de Diseno Textil SA	173	7,550	0.12
Redeia Corp. SA	158	2,604	0.04
Repsol SA	204	3,027	0.05
Sweden (0.45%)			
Epiroc AB, A	175	3,523	0.05
H & M Hennes & Mauritz AB, B	150	2,632	0.04
Investor AB, A	169	3,886	0.06
Sandvik AB	182	3,955	0.06
SKF AB, B	150	3,007	0.05
Svenska Handelsbanken AB, A	274	2,978	0.05
Swedbank AB, A	165	3,337	0.05
Telefonaktiebolaget LM Ericsson, B	448	2,820	0.04
Volvo AB, B	134	3,487	0.05
Switzerland (0.82%)			
ABB Ltd.	123	5,461	0.08
Alcon, Inc.	42	3,286	0.05
Baloise Holding AG	20	3,136	0.05
Barry Callebaut AG	1	1,688	0.03
Cie Financiere Richemont SA	29	4,005	0.06
Julius Baer Group Ltd.	40	2,244	0.03
Kuehne + Nagel International AG	13	4,486	0.07
Novartis AG	30	3,030	0.05
Sandoz Group AG	6	193	—*
SGS SA	25	2,158	0.03
Sonova Holding AG	10	3,270	0.05
Swatch Group AG (The)	12	3,265	0.05
Swiss Life Holding AG	4	2,780	0.04
Swisscom AG	11	6,620	0.10
UBS Group AG	151	4,690	0.07
Zurich Insurance Group AG	7	3,660	0.06
Taiwan (0.69%)			
ASE Technology Holding Co. Ltd.	1,400	6,137	0.09
Chunghwa Telecom Co. Ltd.	700	2,739	0.04
CTBC Financial Holding Co. Ltd.	3,000	2,769	0.04
E.Sun Financial Holding Co. Ltd.	3,113	2,616	0.04
Hon Hai Precision Industry Co. Ltd.	1,000	3,403	0.05
Hua Nan Financial Holdings Co. Ltd.	4,136	3,011	0.05
MediaTek, Inc.	150	4,954	0.08
Novatek Microelectronics Corp.	250	4,206	0.06
Taiwan Cooperative Financial Holding Co. Ltd.	3,244	2,822	0.04
Taiwan Semiconductor Manufacturing Co. Ltd.	200	3,835	0.06

FRANKLIN SELECT GLOBAL MULTI-ASSET INCOME FUND (continued)

	Holdings	Fair value (USD)	% of NAV
Investments (99.97%) (continued)			
Listed Equities (42.62%) (continued)			
Taiwan (0.69%) (continued)			
United Microelectronics Corp.	5,400	9,203	0.14
Thailand (0.11%)			
Airports of Thailand PCL	1,100	1,908	0.03
Bangkok Dusit Medical Services PCL, F	2,700	2,174	0.03
CP ALL PCL	1,400	2,274	0.03
Delta Electronics Thailand PCL	500	1,274	0.02
United Arab Emirates (0.11%)			
Dubai Islamic Bank PJSC	1,660	2,585	0.04
Emaar Properties PJSC	2,203	4,751	0.07
United Kingdom (1.89%)			
3i Group plc	421	12,960	0.20
BAE Systems plc	881	12,472	0.19
BP plc	409	2,425	0.04
British American Tobacco plc	67	1,961	0.03
BT Group plc	1,965	3,096	0.05
Burberry Group plc	160	2,886	0.04
CK Hutchison Holdings Ltd.	800	4,298	0.07
CNH Industrial NV	179	2,195	0.03
Coca-Cola Europacific Partners plc	62	4,138	0.06
Compass Group plc	118	3,229	0.05
Diageo plc	53	1,924	0.03
HSBC Holdings plc	2,173	17,582	0.27
Imperial Brands plc	130	2,994	0.05
National Grid plc	163	2,196	0.03
NatWest Group plc	1,295	3,607	0.06
Next plc	50	5,169	0.08
Pearson plc	241	2,961	0.05
RELX plc	101	4,008	0.06
Rolls-Royce Holdings plc	1,285	4,902	0.08
Smiths Group plc	137	3,075	0.05
SSE plc	445	10,506	0.16
Standard Chartered plc	1,115	9,463	0.15
United Utilities Group plc	196	2,648	0.04
Vodafone Group plc	1,821	1,590	0.02
United States of America (25.48%)			
3M Co.	24	2,624	0.04
A O Smith Corp.	55	4,534	0.07
AbbVie, Inc.	22	3,409	0.05
Accenture plc, A	9	3,158	0.05
Aflac, Inc.	149	12,292	0.19
Agilent Technologies, Inc.	40	5,561	0.09
Air Products and Chemicals, Inc.	10	2,738	0.04

FRANKLIN SELECT GLOBAL MULTI-ASSET INCOME FUND (continued)

	Holdings	Fair value (USD)	% of NAV
Investments (99.97%) (continued)			
Listed Equities (42.62%) (continued)			
United States of America (25.48%) (continued)			
Albemarle Corp.	39	5,635	0.09
Alphabet, Inc., A	398	55,597	0.85
Altria Group, Inc.	59	2,380	0.04
Amazon.com, Inc.	212	32,211	0.50
American Financial Group, Inc.	21	2,497	0.04
American International Group, Inc.	85	5,759	0.09
Ameriprise Financial, Inc.	32	12,155	0.19
Amphenol Corp., A	30	2,974	0.05
Aon plc, A	10	2,910	0.04
Apple, Inc.	442	85,098	1.31
Arch Capital Group Ltd.	151	11,215	0.17
Archer-Daniels-Midland Co.	35	2,528	0.04
Arista Networks, Inc.	29	6,830	0.10
Arrow Electronics, Inc.	21	2,567	0.04
AT&T, Inc.	121	2,030	0.03
Atlanta Braves Holdings, Inc., C	1	40	—*
Automatic Data Processing, Inc.	11	2,563	0.04
AutoZone, Inc.	3	7,757	0.12
Bank of New York Mellon Corp. (The)	61	3,175	0.05
Becton Dickinson & Co.	10	2,438	0.04
Berkshire Hathaway, Inc., B	12	4,280	0.07
Booking Holdings, Inc.	6	21,283	0.33
Booz Allen Hamilton Holding Corp.	25	3,198	0.05
BorgWarner, Inc.	73	2,617	0.04
Brown & Brown, Inc.	50	3,555	0.05
Brown-Forman Corp., B	37	2,113	0.03
Cadence Design Systems, Inc.	116	31,595	0.49
Campbell Soup Co.	50	2,161	0.03
Carlisle Cos., Inc.	9	2,812	0.04
Cboe Global Markets, Inc.	15	2,678	0.04
Centene Corp.	147	10,909	0.17
CH Robinson Worldwide, Inc.	26	2,246	0.03
Charter Communications, Inc., A	7	2,721	0.04
Cheniere Energy, Inc.	68	11,608	0.18
Chevron Corp.	15	2,237	0.03
Cigna Group (The)	26	7,786	0.12
Cintas Corp.	6	3,616	0.06
Coca-Cola Co. (The)	44	2,593	0.04
Cognizant Technology Solutions Corp., A	38	2,870	0.04
Colgate-Palmolive Co.	257	20,485	0.31
Comcast Corp., A	121	5,306	0.08
Conagra Brands, Inc.	66	1,892	0.03
ConocoPhillips	51	5,920	0.09
Consolidated Edison, Inc.	38	3,457	0.05
Constellation Brands, Inc., A	10	2,417	0.04
Costco Wholesale Corp.	8	5,281	0.08

FRANKLIN SELECT GLOBAL MULTI-ASSET INCOME FUND (continued)

	Holdings	Fair value (USD)	% of NAV
Investments (99.97%) (continued)			
Listed Equities (42.62%) (continued)			
United States of America (25.48%) (continued)			
Coterra Energy, Inc.	250	6,380	0.10
CRH plc	60	4,130	0.06
CVS Health Corp.	31	2,448	0.04
Danaher Corp.	10	2,313	0.04
Deere & Co.	6	2,399	0.04
Dell Technologies, Inc., C	97	7,420	0.11
Discover Financial Services	50	5,620	0.09
Domino's Pizza, Inc.	7	2,886	0.04
DR Horton, Inc.	20	3,040	0.05
Duke Energy Corp.	25	2,426	0.04
eBay, Inc.	242	10,556	0.16
Edwards Lifesciences Corp.	36	2,745	0.04
Elevance Health, Inc.	6	2,829	0.04
Emerson Electric Co.	28	2,725	0.04
Everest Group Ltd.	5	1,768	0.03
Exelon Corp.	50	1,795	0.03
Expeditors International of Washington, Inc.	74	9,413	0.14
Exxon Mobil Corp.	48	4,799	0.07
FactSet Research Systems, Inc.	15	7,156	0.11
Fair Isaac Corp.	11	12,804	0.20
First Citizens BancShares, Inc., A	2	2,838	0.04
Freeport-McMoRan, Inc.	80	3,406	0.05
Garmin Ltd.	30	3,856	0.06
Gartner, Inc.	30	13,533	0.21
Gen Digital, Inc.	138	3,149	0.05
General Dynamics Corp.	10	2,597	0.04
General Mills, Inc.	54	3,518	0.05
Genuine Parts Co.	19	2,631	0.04
Gilead Sciences, Inc.	290	23,493	0.36
GSK plc	730	13,484	0.21
Halliburton Co.	71	2,567	0.04
Hershey Co. (The)	63	11,746	0.18
Hewlett Packard Enterprise Co.	574	9,746	0.15
Hologic, Inc.	109	7,788	0.12
Home Depot, Inc. (The)	8	2,772	0.04
Hormel Foods Corp.	60	1,927	0.03
HP, Inc.	426	12,818	0.20
Hubbell, Inc.	23	7,565	0.12
HubSpot, Inc.	5	2,903	0.04
Humana, Inc.	7	3,205	0.05
Huntington Ingalls Industries, Inc.	11	2,856	0.04
IDEXX Laboratories, Inc.	37	20,537	0.32
Illinois Tool Works, Inc.	20	5,239	0.08
Interpublic Group of Cos., Inc. (The)	74	2,415	0.04
Intuit, Inc.	5	3,125	0.05
J M Smucker Co. (The)	15	1,896	0.03

FRANKLIN SELECT GLOBAL MULTI-ASSET INCOME FUND (continued)

	Holdings	Fair value (USD)	% of NAV
Investments (99.97%) (continued)			
Listed Equities (42.62%) (continued)			
United States of America (25.48%) (continued)			
James Hardie Industries plc, CDI	127	4,897	0.08
JB Hunt Transport Services, Inc.	10	1,997	0.03
Johnson & Johnson	15	2,351	0.04
Kellanova	51	2,851	0.04
Keysight Technologies, Inc.	55	8,750	0.13
Kimberly-Clark Corp.	20	2,430	0.04
KLA Corp.	60	34,878	0.54
Knight-Swift Transportation Holdings, Inc.	43	2,479	0.04
Kroger Co. (The)	291	13,302	0.20
Lennox International, Inc.	10	4,475	0.07
Liberty Media Corp-Liberty Formula One, C	63	3,977	0.06
Liberty Media Corp-Liberty Live, C	2	75	—*
Linde plc	27	11,089	0.17
Live Nation Entertainment, Inc.	50	4,680	0.07
Lockheed Martin Corp.	44	19,943	0.31
Lowe's Cos., Inc.	93	20,697	0.32
LPL Financial Holdings, Inc.	33	7,511	0.12
LyondellBasell Industries NV, A	65	6,180	0.09
M&T Bank Corp.	20	2,742	0.04
Marathon Oil Corp.	92	2,223	0.03
Marathon Petroleum Corp.	191	28,337	0.44
Marsh & McLennan Cos., Inc.	15	2,842	0.04
Mastercard, Inc., A	108	46,063	0.71
McCormick & Co., Inc. (Non-Voting), (Non-Voting)	30	2,053	0.03
McDonald's Corp.	54	16,012	0.25
McKesson Corp.	13	6,019	0.09
Merck & Co., Inc.	536	58,435	0.90
Meta Platforms, Inc., A	280	99,109	1.52
MetLife, Inc.	38	2,513	0.04
Mettler-Toledo International, Inc.	10	12,130	0.19
Microsoft Corp.	195	73,328	1.13
Moderna, Inc.	15	1,492	0.02
Molina Healthcare, Inc.	15	5,420	0.08
Motorola Solutions, Inc.	11	3,444	0.05
MSCI, Inc.	4	2,263	0.03
Nestle SA	15	1,739	0.03
Netflix, Inc.	10	4,869	0.07
NIKE, Inc., B	47	5,103	0.08
Norfolk Southern Corp.	11	2,600	0.04
NVIDIA Corp.	13	6,438	0.10
NVR, Inc.	1	7,001	0.11
Omnicom Group, Inc.	35	3,028	0.05
ON Semiconductor Corp.	185	15,453	0.24
Oracle Corp.	358	37,744	0.58
Otis Worldwide Corp.	37	3,310	0.05
Owens Corning	29	4,299	0.07

FRANKLIN SELECT GLOBAL MULTI-ASSET INCOME FUND (continued)

	Holdings	Fair value (USD)	% of NAV
Investments (99.97%) (continued)			
Listed Equities (42.62%) (continued)			
United States of America (25.48%) (continued)			
PACCAR, Inc.	145	14,159	0.22
Packaging Corp. of America	16	2,607	0.04
Paychex, Inc.	21	2,501	0.04
PepsiCo, Inc.	59	10,021	0.15
Pfizer, Inc.	66	1,900	0.03
Philip Morris International, Inc.	24	2,258	0.03
Phinia, Inc.	14	424	0.01
Principal Financial Group, Inc.	65	5,114	0.08
Procter & Gamble Co. (The)	19	2,784	0.04
PulteGroup, Inc.	30	3,097	0.05
QIAGEN NV	60	2,609	0.04
Quest Diagnostics, Inc.	16	2,206	0.03
Raymond James Financial, Inc.	46	5,129	0.08
Regeneron Pharmaceuticals, Inc.	32	28,105	0.43
Regions Financial Corp.	156	3,023	0.05
Reliance Steel & Aluminum Co.	15	4,195	0.06
Republic Services, Inc.	18	2,968	0.05
Revvity, Inc.	17	1,858	0.03
Roche Holding AG	9	2,616	0.04
Rockwell Automation, Inc.	9	2,794	0.04
Rollins, Inc.	80	3,494	0.05
Ross Stores, Inc.	21	2,906	0.04
RPM International, Inc.	29	3,237	0.05
Sanofi SA	28	2,783	0.04
Sealed Air Corp.	54	1,972	0.03
SEI Investments Co.	49	3,114	0.05
Snap-on, Inc.	24	6,932	0.11
Steel Dynamics, Inc.	78	9,212	0.14
Stellantis NV	824	19,309	0.30
Synchrony Financial	93	3,552	0.05
Synopsys, Inc.	60	30,895	0.47
Sysco Corp.	33	2,413	0.04
Tenaris SA	175	3,044	0.05
Texas Instruments, Inc.	253	43,126	0.66
Texas Pacific Land Corp.	1	1,572	0.02
Thermo Fisher Scientific, Inc.	4	2,123	0.03
UGI Corp.	70	1,722	0.03
Ulta Beauty, Inc.	9	4,410	0.07
United Parcel Service, Inc., B	12	1,887	0.03
UnitedHealth Group, Inc.	5	2,632	0.04
Vail Resorts, Inc.	8	1,708	0.03
Valero Energy Corp.	136	17,680	0.27
Veeva Systems, Inc., A	12	2,310	0.04
Veralto Corp.	3	247	—*
VeriSign, Inc.	42	8,650	0.13
Vertex Pharmaceuticals, Inc.	8	3,255	0.05

FRANKLIN SELECT GLOBAL MULTI-ASSET INCOME FUND (continued)

	Holdings	Fair value (USD)	% of NAV
Investments (99.97%) (continued)			
Listed Equities (42.62%) (continued)			
United States of America (25.48%) (continued)			
Visa, Inc., A	35	9,112	0.14
Vistra Corp.	90	3,467	0.05
Walgreens Boots Alliance, Inc.	66	1,723	0.03
Walmart, Inc.	63	9,932	0.15
Waters Corp.	27	8,889	0.14
WK Kellogg Co.	12	158	—*
WW Grainger, Inc.	10	8,287	0.13
Yum! Brands, Inc.	25	3,266	0.05
Zillow Group, Inc., C	50	2,893	0.04
Quoted Fixed Income Securities (7.69%)			
United States Dollar (7.69%)			
U.S. Treasury Bonds, 5%, 15/05/2037	104,000	116,366	1.79
U.S. Treasury Bonds, 4.75%, 15/02/2037	85,000	93,055	1.43
U.S. Treasury Bonds, 4.5%, 15/02/2036	46,000	49,080	0.75
U.S. Treasury Bonds, 6.375%, 15/08/2027	161,000	174,025	2.68
U.S. Treasury Notes, 1.625%, 15/05/2031	79,000	67,786	1.04
Quoted Warrants (0.00%) (Note 4)			
Canada (0.00%)			
Constellation Software, Inc., Wts., 31/03/2040	2	—*	—*
Total Investments		<u>6,502,384</u>	<u>99.97</u>
Net Forward Foreign Exchange Contracts Value (Note 4)		<u>13,874</u>	<u>0.22</u>
		6,516,258	100.19
Other Net Liabilities		<u>(11,944)</u>	<u>(0.19)</u>
Net Assets as at 31 December 2023		<u>6,504,314</u>	<u>100.00</u>
Total Investments at cost as at 31 December 2023		<u>6,311,578</u>	

*Amount less than 0.01%

The warrant Constellation Software Inc is fair valued at transaction cost of CAD0.00. Please refer to the details in Note 3.5.

FRANKLIN SELECT GLOBAL MULTI-ASSET INCOME FUND (continued)

Additional Details on Financial Derivative Instruments

Financial assets

**Forward Foreign Exchange
Contracts/ Underlying Assets**

Buy CNH Sell USD

Counterparties
JPMorgan Chase Bank NA

**Fair Value
USD**

14,088
14,088

Financial liabilities

**Forward Foreign Exchange
Contracts/ Underlying Assets**

Buy CNH Sell USD

Counterparties
JPMorgan Chase Bank NA

(214)
(214)

INVESTMENT PORTFOLIO

AS AT 31 DECEMBER 2023

FRANKLIN SELECT APAC QUALITY INCOME FUND

	Holdings	Fair value (USD)	% of NAV
Investments (94.84%)			
Quoted Fixed Income Securities (Unlisted) (94.84%)			
British Pound (0.38%)			
United Kingdom Gilt, 2.75%, 07/09/2024, Reg S	200,000	251,680	0.38
Euro (4.36%)			
Air Products and Chemicals, Inc., 0.50%, 05/05/2028	100,000	99,887	0.15
Asahi Group Holdings Ltd., 0.16%, 23/10/2024, Reg S	160,000	171,555	0.26
AXA SA, FRN, 3.25%, 28/05/2049, Reg S	200,000	212,426	0.32
Carrefour SA, 2.63%, 15/12/2027, Reg S	400,000	433,684	0.65
France Government Bond, 1.00%, 25/11/2025, Reg S	800,000	859,860	1.30
Italy Buoni Poliennali Del Tesoro, 1.25%, 01/12/2026, Reg S	800,000	846,305	1.28
Romanian Government Bond, 2.00%, 28/01/2032, Reg S	200,000	171,534	0.26
Tesco Corporate Treasury Services plc, 0.38%, 27/07/2029, Reg S	100,000	94,012	0.14
Japanese Yen (4.03%)			
Asian Development Bank, 2.35%, 21/06/2027	60,000,000	459,326	0.69
Development Bank of Japan, Inc., 2.30%, 19/03/2026	100,000,000	741,150	1.12
European Investment Bank, 2.15%, 18/01/2027	100,000,000	753,878	1.14
Japan Government Bond, 0.40%, 20/09/2025	100,000,000	714,109	1.08
Renminbi (0.64%)			
Asian Development Bank, 2.90%, 05/03/2024	3,000,000	422,616	0.64
United States Dollar (85.43%)			
Adani Electricity Mumbai Ltd., 3.87%, 22/07/2031, Reg S	1,400,000	1,088,864	1.64
Agricultural Bank of China Ltd., 0.85%, 19/01/2024, Reg S	1,200,000	1,197,576	1.80
Alibaba Group Holding Ltd., 4.20%, 06/12/2047	800,000	653,937	0.99
Allison Transmission, Inc., 144A, 3.75%, 30/01/2031	100,000	88,461	0.13
Anheuser-Busch InBev Worldwide, Inc., 3.50%, 01/06/2030	250,000	237,914	0.36
Apollo Commercial Real Estate Finance, Inc., 144A, 4.63%, 15/06/2029	100,000	84,235	0.13
Arcosa, Inc., 144A, 4.38%, 15/04/2029	200,000	186,490	0.28
Axiata SPV2 Bhd., 2.16%, 19/08/2030, Reg S	1,200,000	1,022,076	1.54
Bangkok Bank PCL, 4.05%, 19/03/2024, Reg S	1,200,000	1,196,309	1.80
Bank Mandiri Persero Tbk. PT, 2.00%, 19/04/2026, Reg S	1,400,000	1,299,799	1.96
BDO Unibank, Inc., 2.13%, 13/01/2026, Reg S	1,200,000	1,123,398	1.69
Bharti Airtel Ltd., 4.38%, 10/06/2025, Reg S	700,000	690,507	1.04
Blossom Joy Ltd., 2.20%, 21/10/2030, Reg S	500,000	423,200	0.64
Calpine Corp., 144A, 4.63%, 01/02/2029	100,000	92,980	0.14
CCO Holdings LLC, 144A, 4.25%, 15/01/2034	200,000	162,793	0.24
China Construction Bank Corp., 2.45%, 24/06/2030, Reg S	1,200,000	1,149,210	1.73
China Development Bank, 0.63%, 09/09/2024, Reg S	600,000	582,138	0.88
China Huaneng Group Hong Kong Treasury Management Holding Ltd., 3.00%, 12/10/2029, Reg S	900,000	825,219	1.24
China Mengniu Dairy Co. Ltd., 2.50%, 17/06/2030, Reg S	1,200,000	1,033,128	1.56
China Overseas Finance Cayman VIII Ltd., 2.75%, 02/03/2030, Reg S	900,000	768,016	1.16
Cigna Group (The), 2.38%, 15/03/2031	300,000	256,553	0.39
Civitas Resources, Inc., 144A, 8.63%, 01/11/2030	200,000	212,313	0.32

FRANKLIN SELECT APAC QUALITY INCOME FUND (continued)

	Holdings	Fair value (USD)	% of NAV
Investments (94.84%) (continued)			
Quoted Fixed Income Securities (Unlisted) (94.84%) (continued)			
United States Dollar (85.43%) (continued)			
CLP Power HK Finance Ltd., FRN, 3.55%, 06/02/2025, Reg S	1,200,000	1,166,994	1.76
CNAC HK Finbridge Co. Ltd., 5.13%, 14/03/2028, Reg S	1,200,000	1,198,068	1.81
CommScope, Inc., 144A, 4.75%, 01/09/2029	200,000	134,469	0.20
DaVita, Inc., 144A, 3.75%, 15/02/2031	200,000	164,576	0.25
Element Solutions, Inc., 144A, 3.88%, 01/09/2028	200,000	184,323	0.28
Export-Import Bank of India, 2.25%, 13/01/2031, Reg S	1,200,000	1,005,802	1.52
Export-Import Bank of Korea, 2.50%, 29/06/2041	1,200,000	884,208	1.33
FMG Resources August 2006 Pty. Ltd., 4.38%, 01/04/2031, Reg S	200,000	183,219	0.28
GGAM Finance Ltd., 144A, 8.00%, 15/02/2027	500,000	513,145	0.77
Goodyear Tire & Rubber Co. (The), 4.88%, 15/03/2027	200,000	193,777	0.29
Greenko Wind Projects Mauritius Ltd., 5.50%, 06/04/2025, Reg S	500,000	490,250	0.74
Hilcorp Energy I LP, 144A, 6.00%, 01/02/2031	100,000	96,764	0.15
Hongkong Electric Finance Ltd., 1.88%, 27/08/2030, Reg S	1,200,000	999,702	1.51
Indonesia Asahan Aluminium PT, 5.45%, 15/05/2030, Reg S	1,100,000	1,110,989	1.67
Indonesia Government Bond, 3.35%, 12/03/2071	1,600,000	1,182,801	1.78
Indonesia Government Bond, 4.35%, 11/01/2048	1,250,000	1,167,870	1.76
JD.com, Inc., 3.38%, 14/01/2030	1,100,000	995,455	1.50
Kookmin Bank, 2.13%, 15/02/2025, Reg S	900,000	871,875	1.31
Korea East-West Power Co. Ltd., 3.60%, 06/05/2025, Reg S	1,200,000	1,177,474	1.77
Korea Electric Power Corp., 4.00%, 14/06/2027, Reg S	500,000	489,153	0.74
Korea Midland Power Co. Ltd., 3.63%, 21/04/2027, Reg S	1,000,000	964,151	1.45
Korea South-East Power Co. Ltd., 2.13%, 03/02/2025, Reg S	700,000	677,992	1.02
Kraft Heinz Foods Co., 5.00%, 04/06/2042	100,000	96,455	0.15
Ladder Capital Finance Holdings LLLP, 144A, 4.75%, 15/06/2029	200,000	180,610	0.27
Lembaga Pembiayaan Ekspor Indonesia, 3.88%, 06/04/2024, Reg S	500,000	497,661	0.75
LGI Homes, Inc., 144A, 8.75%, 15/12/2028	100,000	106,438	0.16
Macquarie Group Ltd., 144A, 6.21%, 22/11/2024	1,000,000	1,006,533	1.52
Malaysia Wakala Sukuk Bhd., 2.07%, 28/04/2031, Reg S	1,200,000	1,041,485	1.57
MPH Acquisition Holdings LLC, 144A, 5.75%, 01/11/2028	100,000	81,360	0.12
Netflix, Inc., 144A, 5.38%, 15/11/2029	200,000	206,832	0.31
Novelis Corp., 144A, 4.75%, 30/01/2030	200,000	188,411	0.28
Oversea-Chinese Banking Corp. Ltd., FRN, 4.60%, 15/06/2032, Reg S	600,000	592,992	0.89
Pactiv Evergreen Group Issuer, Inc., 144A, 4.00%, 15/10/2027	200,000	187,125	0.28
Pertamina Persero PT, 2.30%, 09/02/2031, Reg S	1,500,000	1,276,255	1.92
Perusahaan Perseroan Persero PT Perusahaan Listrik Negara, 4.00%, 30/06/2050, Reg S	1,600,000	1,241,096	1.87
Petronas Capital Ltd., 3.40%, 28/04/2061, Reg S	1,000,000	720,509	1.09
Philippine Government Bond, 4.20%, 29/03/2047	2,246,000	2,013,453	3.03
Philippine National Bank, 3.28%, 27/09/2024, Reg S	1,200,000	1,173,900	1.77
Prime Security Services Borrower LLC, 144A, 3.38%, 31/08/2027	200,000	185,564	0.28
Province of Quebec Canada, 2.50%, 20/04/2026	600,000	576,121	0.87
QBE Insurance Group Ltd., FRN, 6.75%, 02/12/2044, Reg S	770,000	768,084	1.16
Quest Diagnostics, Inc., 2.80%, 30/06/2031	300,000	261,633	0.39
Reliance Industries Ltd., 2.88%, 12/01/2032, Reg S	1,000,000	857,480	1.29
Scentre Group Trust 2, FRN, 4.75%, 24/09/2080, Reg S	750,000	703,225	1.06
ServiceNow, Inc., 1.40%, 01/09/2030	300,000	246,781	0.37

FRANKLIN SELECT APAC QUALITY INCOME FUND (continued)

	Holdings	Fair value (USD)	% of NAV
Investments (94.84%) (continued)			
Quoted Fixed Income Securities (Unlisted) (94.84%) (continued)			
United States Dollar (85.43%) (continued)			
SF Holding Investment Ltd., 2.88%, 20/02/2030, Reg S	1,200,000	1,061,124	1.60
Siam Commercial Bank PCL, 4.40%, 11/02/2029, Reg S	900,000	877,316	1.32
Simon Property Group LP, 2.25%, 15/01/2032	300,000	249,352	0.38
SK Hynix, Inc., 2.38%, 19/01/2031, Reg S	1,400,000	1,136,398	1.71
Standard Chartered plc, FRN, 3.27%, 18/02/2036, Reg S	598,000	490,503	0.74
State Bank of India, 1.80%, 13/07/2026, Reg S	1,200,000	1,109,035	1.67
State Grid Overseas Investment 2013 Ltd., 4.38%, 22/05/2043, Reg S	1,000,000	943,295	1.42
Station Casinos LLC, 144A, 4.50%, 15/02/2028	100,000	94,359	0.14
Station Casinos LLC, 144A, 4.63%, 01/12/2031	100,000	90,268	0.14
Stericycle, Inc., 144A, 3.88%, 15/01/2029	100,000	90,823	0.14
Tencent Holdings Ltd., 3.60%, 19/01/2028, Reg S	1,100,000	1,047,251	1.58
TNB Global Ventures Capital Bhd., 3.24%, 19/10/2026, Reg S	1,100,000	1,048,790	1.58
TransDigm, Inc., 144A, 6.25%, 15/03/2026	200,000	199,857	0.30
U.S. Treasury Inflation Linked Notes, 0.63%, 15/01/2026	600,000	749,723	1.13
U.S. Treasury Notes, FRN, 5.47%, 31/10/2024	1,700,000	1,699,538	2.56
United Overseas Bank Ltd., 3.06%, 07/04/2025, Reg S	1,200,000	1,175,366	1.77
VICI Properties LP, 144A, 4.63%, 01/12/2029	100,000	94,326	0.14
XPO, Inc., 144A, 7.13%, 01/02/2032	100,000	103,271	0.16
Total Investments		<u>62,930,793</u>	<u>94.84</u>
Net Forward Foreign Exchange Contracts Value (Note 4)		<u>(367,203)</u>	<u>(0.55)</u>
		62,563,590	94.29
Other Net Assets		<u>3,792,265</u>	<u>5.71</u>
Net Assets as at 31 December 2023		<u>66,355,855</u>	<u>100.00</u>
Total Investments at cost as at 31 December 2023		<u>68,123,521</u>	

FRANKLIN SELECT APAC QUALITY INCOME FUND (continued)

Additional Details on Financial Derivative Instruments

Financial assets

**Forward Foreign Exchange
Contracts/ Underlying Assets**

	Counterparties	Fair Value USD
Buy CNH Sell USD	JPMorgan Chase Bank NA	626
Buy EUR Sell USD	Citibank NA	54,844
Buy JPY Sell USD	Barclays Bank PLC	37,877
		<u>93,347</u>

Financial liabilities

**Forward Foreign Exchange
Contracts/ Underlying Assets**

	Counterparties	
Buy CNH Sell USD	JPMorgan Chase Bank NA	(3)
Sell CNH Buy USD	Barclays Bank PLC	(16,028)
Sell EUR Buy USD	Citibank NA	(280,122)
Sell GBP Buy USD	Citibank NA	(21,470)
Sell JPY Buy USD	Barclays Bank PLC	(142,927)
		<u>(460,550)</u>

INVESTMENT PORTFOLIO

AS AT 31 DECEMBER 2023

FRANKLIN TEMPLETON SELECT APAC INCOME FUND

	Holdings	Fair value (USD)	% of NAV
Investments (99.32%)			
Quoted Investment Funds (99.32%)			
Hong Kong (99.32%)			
Franklin Select APAC Quality Income Fund	7,761,738	66,268,752	48.72
Templeton Select APAC Equity Income Fund	7,371,155	68,837,392	50.60
Total Investments		<u>135,106,144</u>	<u>99.32</u>
Net Forward Foreign Exchange Contracts Value (Note 4)		971	-*
		<u>135,107,115</u>	<u>99.32</u>
Other Net Assets		930,121	0.68
Net Assets as at 31 December 2023		<u>136,037,236</u>	<u>100.00</u>
Total Investments at cost as at 31 December 2023		<u>148,481,997</u>	

*Amount less than 0.01%

Additional Details on Financial Derivative Instruments**Financial assets****Forward Foreign Exchange
Contracts/ Underlying Assets**

Buy CNH Sell USD

Counterparties	Fair Value USD
JPMorgan Chase Bank NA	981
	<u>981</u>

Financial liabilities**Forward Foreign Exchange
Contracts/ Underlying Assets**

Buy CNH Sell USD

Counterparties	Fair Value USD
JPMorgan Chase Bank NA	(10)
	<u>(10)</u>

INVESTMENT PORTFOLIO

AS AT 31 DECEMBER 2023

TEMPLETON SELECT APAC EQUITY INCOME FUND

	Holdings	Fair value (USD)	% of NAV
Investments (96.48%)			
Exchange Traded Funds (2.48%)			
United States of America (2.48%)			
iShares MSCI India ETF	64,437	3,145,170	2.48
Listed Real Estate Investment Trusts ("REITs") (2.67%)			
Hong Kong (1.65%)			
Link REIT	373,140	2,095,081	1.65
Singapore (1.02%)			
Digital Core REIT Management Pte. Ltd.	2,007,900	1,294,352	1.02
Listed Equities (91.33%)			
Australia (4.96%)			
BHP Group Ltd.	107,334	3,667,563	2.90
Westpac Banking Corp.	167,600	2,615,360	2.06
China (14.65%)			
Alibaba Group Holding Ltd.	137,460	1,324,013	1.05
China Construction Bank Corp., H	1,670,000	993,343	0.78
China Overseas Land & Investment Ltd.	546,000	963,242	0.76
China State Construction International Holdings Ltd.	1,582,000	1,830,594	1.45
CITIC Securities Co. Ltd., H	617,000	1,260,542	1.00
JNBY Design Ltd., Reg S	1,235,000	1,659,617	1.31
Kunlun Energy Co. Ltd.	1,618,000	1,460,105	1.15
Lenovo Group Ltd.	1,769,300	2,475,887	1.95
PetroChina Co. Ltd., H	1,406,000	929,018	0.73
Tencent Holdings Ltd.	80,900	3,054,193	2.41
Tingyi Cayman Islands Holding Corp.	1,474,500	1,798,188	1.42
Topsports International Holdings Ltd., 144A, Reg S	1,038,000	809,393	0.64
Hong Kong (11.35%)			
AIA Group Ltd.	241,821	2,104,419	1.66
ASMPT Ltd.	138,900	1,324,435	1.05
CK Asset Holdings Ltd.	272,500	1,367,625	1.08
HKT Trust & HKT Ltd.	1,136,000	1,356,225	1.07
Sun Hung Kai Properties Ltd.	250,500	2,710,597	2.14
Swire Pacific Ltd., B	2,077,500	2,720,064	2.15
VTech Holdings Ltd.	461,400	2,785,971	2.20
India (6.02%)			
CESC Ltd.	1,681,322	2,665,951	2.10
HDFC Bank Ltd.	79,898	1,635,345	1.29
NHPC Ltd.	1,901,162	1,477,005	1.17
Reliance Industries Ltd.	59,557	1,849,910	1.46

TEMPLETON SELECT APAC EQUITY INCOME FUND (continued)

	Holdings	Fair value (USD)	% of NAV
Investments (96.48%) (continued)			
Listed Equities (91.33%) (continued)			
Japan (27.42%)			
Amada Co. Ltd.	161,900	1,683,262	1.33
Honda Motor Co. Ltd.	168,600	1,739,454	1.37
Inpex Corp.	152,100	2,035,725	1.61
KDDI Corp.	133,000	4,219,309	3.33
Keyence Corp.	3,500	1,538,020	1.21
Mitsubishi Electric Corp.	104,600	1,479,734	1.17
Mitsubishi Logistics Corp.	40,600	1,220,647	0.96
Nikon Corp.	250,400	2,471,979	1.95
SoftBank Corp.	378,800	4,721,341	3.73
Sony Group Corp.	14,500	1,372,421	1.08
Sumitomo Mitsui Financial Group, Inc.	89,700	4,365,562	3.45
Takeda Pharmaceutical Co. Ltd.	92,800	2,661,795	2.10
Tokyo Electron Ltd.	14,600	2,595,462	2.05
Toyota Industries Corp.	10,900	886,222	0.70
Toyota Motor Corp.	95,300	1,746,560	1.38
Singapore (1.07%)			
United Overseas Bank Ltd.	63,000	1,359,845	1.07
South Korea (8.75%)			
Jeisys Medical, Inc.	169,765	1,370,422	1.08
Samsung Electronics Co. Ltd.	59,847	3,612,999	2.85
Samsung Electronics Co. Ltd., pfd.	28,121	1,347,769	1.06
Shinhan Financial Group Co. Ltd.	78,487	2,420,300	1.91
SK Hynix, Inc.	21,555	2,339,824	1.85
Taiwan (13.76%)			
Chicony Electronics Co. Ltd.	253,000	1,442,063	1.14
King Yuan Electronics Co. Ltd.	463,000	1,278,306	1.01
MediaTek, Inc.	39,000	1,288,133	1.02
Primax Electronics Ltd.	812,000	1,789,252	1.41
Taiwan Semiconductor Manufacturing Co. Ltd.	384,000	7,363,915	5.81
Tripod Technology Corp.	199,000	1,262,196	1.00
Wiwynn Corp.	50,600	2,996,882	2.37
United Kingdom (3.35%)			
CK Hutchison Holdings Ltd.	315,728	1,696,184	1.34
HSBC Holdings plc	315,600	2,540,720	2.01
Total Investments		<u>122,219,511</u>	<u>96.48</u>
Net Forward Foreign Exchange Contracts Value (Note 4)		642	-*
		<u>122,220,153</u>	<u>96.48</u>
Other Net Assets		4,454,666	3.52
Net Assets as at 31 December 2023		<u>126,674,819</u>	<u>100.00</u>
Total Investments at cost as at 31 December 2023		<u>122,328,402</u>	

TEMPLETON SELECT APAC EQUITY INCOME FUND (continued)

*Amount less than 0.01%

Additional Details on Financial Derivative Instruments

Financial assets

**Forward Foreign Exchange
 Contracts/ Underlying Assets**

Buy CNH Sell USD

Counterparties
 JPMorgan Chase Bank NA

**Fair Value
 USD**

650

650

Financial liabilities

**Forward Foreign Exchange
 Contracts/ Underlying Assets**

Buy CNH Sell USD

Counterparties
 JPMorgan Chase Bank NA

(8)

(8)

STATEMENT OF MOVEMENT IN PORTFOLIO HOLDINGS

FOR THE YEAR ENDED 31 DECEMBER 2023

TEMPLETON SELECT GLOBAL LEADERS FUND

	Percentage holdings of net assets 2023 %	Percentage holdings of net assets 2022 %
Investments		
Listed Equities		
Denmark	–	2.14
France	2.67	2.37
Germany	4.20	5.99
India	4.23	3.08
Japan	9.85	12.51
Taiwan	2.59	2.05
United Kingdom	7.33	8.74
United States of America	63.94	54.87
Total Investments	94.81	91.75
Forward Foreign Exchange Contracts (Note 4)	0.27	0.29
Other Net Assets	95.08	92.04
	4.92	7.96
Net Assets as at year end	100.00	100.00

STATEMENT OF MOVEMENT IN PORTFOLIO HOLDINGS

FOR THE YEAR ENDED 31 DECEMBER 2023

FRANKLIN SELECT GLOBAL MULTI-ASSET INCOME FUND

	Percentage holdings of net assets 2023 %	Percentage holdings of net assets 2022 %
Investments		
Quoted Investment Funds		
Luxembourg	11.56	11.08
Exchange Traded Funds		
Ireland	14.66	31.65
Luxembourg	7.38	–
United States of America	15.30	14.10
Listed Real Estate Investment Trusts ("REITs")		
Australia	0.04	0.04
Singapore	0.05	0.04
United States of America	0.67	0.67
Listed Equities		
Australia	0.70	0.66
Belgium	0.14	0.09
Brazil	0.42	0.28
Canada	1.07	0.84
Chile	0.03	0.03
China	0.78	0.95
Denmark	0.95	0.30
Finland	0.12	0.13
France	1.38	1.18
Germany	1.13	0.91
Hong Kong	0.38	0.33
India	0.71	0.70
Indonesia	0.09	0.09
Ireland	–	0.05
Israel	0.15	0.16
Italy	0.10	0.05
Japan	2.73	2.73
Malaysia	0.08	0.08
Mexico	0.16	0.10
Netherlands	0.60	0.47
New Zealand	0.04	0.04
Norway	0.11	0.14
Singapore	0.17	0.23
South Africa	0.13	0.13
South Korea	0.49	0.39
Spain	0.41	0.31
Sweden	0.45	0.29
Switzerland	0.82	0.48
Taiwan	0.69	0.50
Thailand	0.11	0.10
United Arab Emirates	0.11	0.09
United Kingdom	1.89	1.59
United States of America	25.48	20.59
Quoted Fixed Income Securities		
United States Dollar	7.69	6.42
Quoted Warrants (Note 4)		
Canada	–	–
Total Investments	99.97	99.01
Forward Foreign Exchange Contracts (Note 4)	0.22	0.19
Other Net Assets	100.19 (0.19)	99.20 0.80
Net Assets as at year end	100.00	100.00

STATEMENT OF MOVEMENT IN PORTFOLIO HOLDINGS

FOR THE YEAR ENDED 31 DECEMBER 2023

FRANKLIN SELECT APAC QUALITY INCOME FUND

	Percentage holdings of net assets 2023 %	Percentage holdings of net assets 2022 %
Investments		
Quoted Fixed Income Securities (Unlisted)		
British Pound	0.38	0.52
Euro	4.36	6.82
Japanese Yen	4.03	5.17
Renminbi	0.64	0.62
United States Dollar	85.43	79.41
Total Investments	<u>94.84</u>	<u>92.54</u>
Forward Foreign Exchange Contracts (Note 4)	<u>(0.55)</u>	<u>(1.81)</u>
Other Net Assets	<u>5.71</u>	<u>9.27</u>
Net Assets as at year/period end	<u>100.00</u>	<u>100.00</u>

STATEMENT OF MOVEMENT IN PORTFOLIO HOLDINGS

FOR THE YEAR ENDED 31 DECEMBER 2023

FRANKLIN TEMPLETON SELECT APAC INCOME FUND

	Percentage holdings of net assets 2023 %	Percentage holdings of net assets 2022 %
Investments		
Quoted Investment Funds		
Hong Kong	99.32	97.19
Exchange Traded Funds		
China	–	0.04
Ireland	–	1.38
Luxembourg	–	1.05
Total Investments	99.32	99.66
Forward Foreign Exchange Contracts (Note 4)	–*	–*
	99.32	99.66
Other Net Assets	0.68	0.34
Net Assets as at year/period end	100.00	100.00

*Amount less than 0.01%

STATEMENT OF MOVEMENT IN PORTFOLIO HOLDINGS

FOR THE YEAR ENDED 31 DECEMBER 2023

TEMPLETON SELECT APAC EQUITY INCOME FUND

	Percentage holdings of net assets 2023 %	Percentage holdings of net assets 2022 %
Investments		
Exchange Traded Funds		
United States of America	2.48	4.51
Listed Real Estate Investment Trusts ("REITs")		
Hong Kong	1.65	2.37
Singapore	1.02	–
Listed Equities		
Australia	4.96	5.14
China	14.65	17.57
Hong Kong	11.35	16.28
India	6.02	5.33
Japan	27.42	24.28
Singapore	1.07	1.24
South Korea	8.75	6.85
Taiwan	13.76	9.71
Thailand	–	3.43
United Kingdom	3.35	1.63
Total Investments	96.48	98.34
Forward Foreign Exchange Contracts (Note 4)	–*	–*
	96.48	98.34
Other Net Assets	3.52	1.66
Net Assets as at year/period end	100.00	100.00

*Amount less than 0.01%

INFORMATION ON EXPOSURE ARISING FROM FINANCIAL DERIVATIVE INSTRUMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

The following table details the exposure arising from the use of financial derivative instruments as a percentage of net asset value of each of the Funds for the year ended 31 December 2023:

	<u>Templeton Select Global Leaders Fund</u>		<u>Franklin Select Global Multi-Asset Income Fund</u>	
	Gross Exposure	Net Exposure	Gross Exposure	Net Exposure
	%	%	%	%
Highest	74.11	—*	56.59	0.13
Lowest	63.37	—*	43.96	—*
Average	68.16	—*	49.24	0.03

* No financial derivative instruments were used for investment purposes.

	<u>Franklin Select APAC Quality Income Fund</u>		<u>Franklin Templeton Select APAC Income Fund</u>	
	Gross Exposure	Net Exposure	Gross Exposure	Net Exposure
	%	%	%	%
Highest	103.62	—*	0.17	—*
Lowest	30.09	—*	0.10	—*
Average	36.56	—*	0.12	—*

* No financial derivative instruments were used for investment purposes.

	<u>Templeton Select APAC Equity Income Fund</u>	
	Gross Exposure	Net Exposure
	%	%
Highest	0.15	—*
Lowest	0.12	—*
Average	0.13	—*

* No financial derivative instruments were used for investment purposes.

PERFORMANCE TABLE

FOR THE YEAR ENDED 31 DECEMBER 2023

Templeton Select Global Leaders Fund

NET ASSET VALUES

	Financial year	Net asset value	Net asset value per unit in issue
Class A (Acc) HKD	31.12.2023	USD2,163,040	HKD14.21
Class A (Acc) HKD	31.12.2022	USD1,687,234	HKD11.08
Class A (Acc) HKD	31.12.2021	USD2,148,089	HKD14.09
Class A (Acc) RMB-H1	31.12.2023	USD2,121,890	CNH14.88
Class A (Acc) RMB-H1	31.12.2022	USD1,752,798	CNH11.94
Class A (Acc) RMB-H1	31.12.2021	USD2,439,756	CNH15.29
Class A (Acc) USD	31.12.2023	USD2,120,505	USD14.12
Class A (Acc) USD	31.12.2022	USD1,651,773	USD11.01
Class A (Acc) USD	31.12.2021	USD2,102,943	USD14.02

PERFORMANCE RECORD

	Financial year	Highest net asset value per unit	Lowest net asset value per unit
Class A (Acc) HKD	31.12.2023	HKD14.26	HKD11.08
Class A (Acc) HKD	31.12.2022	HKD14.28	HKD10.02
Class A (Acc) HKD	31.12.2021	HKD14.56	HKD12.96
Class A (Acc) HKD	31.12.2020	HKD13.06	HKD8.40
Class A (Acc) HKD	31.12.2019	HKD12.13	HKD10.63
Class A (Acc) HKD	31.12.2018	HKD13.89	HKD10.63
Class A (Acc) HKD	31.12.2017	HKD12.91	HKD11.08
Class A (Acc) HKD	31.12.2016	HKD11.31	HKD9.85
Class A (Acc) RMB-H1	31.12.2023	CNH14.94	CNH11.94
Class A (Acc) RMB-H1	31.12.2022	CNH15.51	CNH10.78
Class A (Acc) RMB-H1	31.12.2021	CNH15.76	CNH13.81
Class A (Acc) RMB-H1	31.12.2020	CNH13.91	CNH8.87
Class A (Acc) RMB-H1	31.12.2019	CNH12.73	CNH11.04
Class A (Acc) RMB-H1	31.12.2018	CNH14.32	CNH11.09
Class A (Acc) RMB-H1	31.12.2017	CNH13.35	CNH11.22
Class A (Acc) RMB-H1	31.12.2016	CNH11.45	CNH9.84
Class A (Acc) USD	31.12.2023	USD14.16	USD11.01
Class A (Acc) USD	31.12.2022	USD14.22	USD9.90
Class A (Acc) USD	31.12.2021	USD14.51	USD12.96
Class A (Acc) USD	31.12.2020	USD13.07	USD8.40
Class A (Acc) USD	31.12.2019	USD12.09	USD10.51
Class A (Acc) USD	31.12.2018	USD13.78	USD10.53
Class A (Acc) USD	31.12.2017	USD12.82	USD11.09
Class A (Acc) USD	31.12.2016	USD11.31	USD9.85

Franklin Select Global Multi-Asset Income Fund

NET ASSET VALUES

	Financial year	Net asset value	Net asset value per unit in issue
Class A (Mdis) HKD	31.12.2023	USD2,914,658	HKD7.82
Class A (Mdis) HKD	31.12.2022	USD3,441,094	HKD7.50
Class A (Mdis) HKD	31.12.2021	USD4,669,077	HKD9.56
Class A (Mdis) RMB-H1	31.12.2023	USD1,716,822	CNH7.82
Class A (Mdis) RMB-H1	31.12.2022	USD1,616,790	CNH7.71
Class A (Mdis) RMB-H1	31.12.2021	USD2,381,435	CNH10.02
Class A (Mdis) USD	31.12.2023	USD1,872,834	USD7.78
Class A (Mdis) USD	31.12.2022	USD2,246,022	USD7.46
Class A (Mdis) USD	31.12.2021	USD2,714,573	USD9.52

PERFORMANCE RECORD

	Financial year	Highest net asset value per unit	Lowest net asset value per unit
Class A (Mdis) HKD	31.12.2023	HKD7.92	HKD7.13
Class A (Mdis) HKD	31.12.2022	HKD9.56	HKD7.08
Class A (Mdis) HKD	31.12.2021	HKD9.88	HKD9.23
Class A (Mdis) HKD	31.12.2020	HKD9.44	HKD7.47
Class A (Mdis) HKD	31.12.2019	HKD9.38	HKD8.75
Class A (Mdis) HKD	31.12.2018	HKD10.35	HKD8.59
Class A (Mdis) HKD	31.12.2017	HKD10.23	HKD9.82
Class A (Mdis) HKD	31.12.2016	HKD10.30	HKD9.68
Class A (Mdis) RMB-H1	31.12.2023	CNH8.08	CNH7.16
Class A (Mdis) RMB-H1	31.12.2022	CNH10.02	CNH7.28
Class A (Mdis) RMB-H1	31.12.2021	CNH10.37	CNH9.64
Class A (Mdis) RMB-H1	31.12.2020	CNH9.87	CNH7.79
Class A (Mdis) RMB-H1	31.12.2019	CNH9.68	CNH9.04
Class A (Mdis) RMB-H1	31.12.2018	CNH10.68	CNH8.87
Class A (Mdis) RMB-H1	31.12.2017	CNH10.51	CNH9.94
Class A (Mdis) RMB-H1	31.12.2016	CNH10.32	CNH9.76
Class A (Mdis) USD	31.12.2023	USD7.84	USD7.08
Class A (Mdis) USD	31.12.2022	USD9.52	USD7.01
Class A (Mdis) USD	31.12.2021	USD9.87	USD9.22
Class A (Mdis) USD	31.12.2020	USD9.45	USD7.48
Class A (Mdis) USD	31.12.2019	USD9.32	USD8.67
Class A (Mdis) USD	31.12.2018	USD10.27	USD8.51
Class A (Mdis) USD	31.12.2017	USD10.18	USD9.82
Class A (Mdis) USD	31.12.2016	USD10.30	USD9.68

Franklin Select APAC Quality Income Fund

NET ASSET VALUES

	Financial year	Net asset value	Net asset value per unit in issue
Class A (acc) USD	31.12.2023	USD4,665	USD9.33
Class A (acc) USD	31.12.2022	USD4,384	USD8.77
Class A (Mdis) HKD	31.12.2023	USD4,145	HKD8.32
Class A (Mdis) HKD	31.12.2022	USD4,373	HKD8.28
Class A (Mdis) RMB-H1	31.12.2023	USD74,150	CNH8.15
Class A (Mdis) RMB-H1	31.12.2022	USD78,200	CNH8.35
Class A (Mdis) USD	31.12.2023	USD4,144	USD8.29
Class A (Mdis) USD	31.12.2022	USD4,123	USD8.25
Class Y (Mdis) USD	31.12.2023	USD66,268,751	USD8.54
Class Y (Mdis) USD	31.12.2022	USD70,575,610	USD8.40

PERFORMANCE RECORD

	Financial year	Highest net asset value per unit	Lowest net asset value per unit
Class A (acc) USD	31.12.2023	USD9.34	USD8.71
Class A (acc) USD	31.12.2022	USD10.00	USD8.49
Class A (Mdis) HKD	31.12.2023	HKD8.48	HKD7.86
Class A (Mdis) HKD	31.12.2022	HKD10.00	HKD8.10
Class A (Mdis) RMB-H1	31.12.2023	CNH8.49	CNH7.72
Class A (Mdis) RMB-H1	31.12.2022	CNH10.01	CNH8.16
Class A (Mdis) USD	31.12.2023	USD8.40	USD7.81
Class A (Mdis) USD	31.12.2022	USD10.00	USD8.02
Class Y (Mdis) USD	31.12.2023	USD8.57	USD8.03
Class Y (Mdis) USD	31.12.2022	USD10.01	USD8.16

Franklin Templeton Select APAC Income Fund

NET ASSET VALUES

	Financial year	Net asset value	Net asset value per unit in issue
Class A (acc) USD	31.12.2023	USD4,704	USD9.41
Class A (acc) USD	31.12.2022	USD4,315	USD8.63
Class A (Mdis) HKD	31.12.2023	USD364,036	HKD8.64
Class A (Mdis) HKD	31.12.2022	USD4,106	HKD8.24
Class A (Mdis) RMB-H1	31.12.2023	USD118,277	CNH8.27
Class A (Mdis) RMB-H1	31.12.2022	USD76,211	CNH8.13
Class A (Mdis) USD	31.12.2023	USD446,846	USD8.59
Class A (Mdis) USD	31.12.2022	USD4,111	USD8.22
Class C (acc) USD	31.12.2023	USD135,103,373	USD9.62
Class C (acc) USD	31.12.2022	USD135,790,891	USD8.76

PERFORMANCE RECORD

	Financial year	Highest net asset value per unit	Lowest net asset value per unit
Class A (acc) USD	31.12.2023	USD9.41	USD8.61
Class A (acc) USD	31.12.2022	USD10.21	USD7.89
Class A (Mdis) HKD	31.12.2023	HKD8.68	HKD7.96
Class A (Mdis) HKD	31.12.2022	HKD10.18	HKD7.63
Class A (Mdis) RMB-H1	31.12.2023	CNH8.52	CNH7.66
Class A (Mdis) RMB-H1	31.12.2022	CNH10.22	CNH7.53
Class A (Mdis) USD	31.12.2023	USD8.63	USD7.92
Class A (Mdis) USD	31.12.2022	USD10.21	USD7.57
Class C (acc) USD	31.12.2023	USD9.63	USD8.77
Class C (acc) USD	31.12.2022	USD10.21	USD8.00

Templeton Select APAC Equity Income Fund

NET ASSET VALUES

	Financial year	Net asset value	Net asset value per unit in issue
Class A (acc) USD	31.12.2023	USD4,882	USD9.76
Class A (acc) USD	31.12.2022	USD4,338	USD8.68
Class A (Mdis) HKD	31.12.2023	USD4,478	HKD8.99
Class A (Mdis) HKD	31.12.2022	USD4,140	HKD8.31
Class A (Mdis) RMB-H1	31.12.2023	USD79,566	CNH8.74
Class A (Mdis) RMB-H1	31.12.2022	USD77,989	CNH8.32
Class A (Mdis) USD	31.12.2023	USD4,484	USD8.97
Class A (Mdis) USD	31.12.2022	USD4,147	USD8.29
Class C (acc) USD	31.12.2023	USD57,744,017	USD9.95
Class C (acc) USD	31.12.2022	USD54,718,405	USD8.77
Class Y (Mdis) USD	31.12.2023	USD68,837,392	USD9.34
Class Y (Mdis) USD	31.12.2022	USD61,480,678	USD8.50

PERFORMANCE RECORD

	Financial year	Highest net asset value per unit	Lowest net asset value per unit
Class A (acc) USD	31.12.2023	USD9.77	USD8.62
Class A (acc) USD	31.12.2022	USD10.40	USD7.38
Class A (Mdis) HKD	31.12.2023	HKD9.07	HKD8.10
Class A (Mdis) HKD	31.12.2022	HKD10.38	HKD7.16
Class A (Mdis) RMB-H1	31.12.2023	CNH9.02	CNH7.90
Class A (Mdis) RMB-H1	31.12.2022	CNH10.41	CNH7.17
Class A (Mdis) USD	31.12.2023	USD9.02	USD8.07
Class A (Mdis) USD	31.12.2022	USD10.40	USD7.11
Class C (acc) USD	31.12.2023	USD9.95	USD8.73
Class C (acc) USD	31.12.2022	USD10.41	USD7.46
Class Y (Mdis) USD	31.12.2023	USD9.34	USD8.37
Class Y (Mdis) USD	31.12.2022	USD10.41	USD7.26

ADMINISTRATION

MANAGER, REGISTRAR AND TRANSFER AGENT

Franklin Templeton Investments (Asia) Limited
17/F, Chater House
8 Connaught Road Central
Hong Kong

DIRECTORS OF THE MANAGER

Molina, George H
Plafker, Jed Andrew
Wong, Tak Tai
Young, Ho Yip Alan

INVESTMENT MANAGER

For: Franklin Select APAC Quality Income Fund*

Franklin Templeton Investment Management Limited
Cannon Place
78 Cannon Street
London, EC4N6HL
England

* With effect from 22 April 2023

Franklin Templeton Australia limited
Level 47
120 Collins Street
Melbourne VIC 3000
Australia

For: Templeton Select APAC Equity Income Fund
Franklin Templeton Select APAC Income Fund**
Franklin Select Global Multi-Asset Income Fund
Templeton Select Global Leaders Fund

Franklin Templeton Investments (Asia) Limited
17/F, Chater House
8 Connaught Road Central
Hong Kong

**With effect from 1 November 2023

Templeton Asset Management Ltd.
7 Temasek Boulevard
Suntec Tower One, #38-03
Singapore, 038987

TRUSTEE

Cititrust Limited
50/F, Champion Tower
Three Garden Road, Central
Hong Kong

CUSTODIAN

Citibank, N.A. (Hong Kong Branch)
50/F, Champion Tower
Three Garden Road, Central
Hong Kong

AUDITOR

PricewaterhouseCoopers
22/F, Prince's Building, Central
Hong Kong