

AUDITED ANNUAL REPORT

FRANKLIN TEMPLETON SHARIAH FUNDS

société d'investissement à capital variable

October 31, 2024



FRANKLIN
TEMPLETON

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société d'investissement à capital variable

AUDITED ANNUAL REPORT

For the year ended October 31, 2024

This report shall not constitute an offer or a solicitation of an offer to buy shares of Franklin Templeton Shariah Funds ("FTSF" or the "Company"). Subscriptions are to be made on the basis of the current prospectus and its addendum as the case may be, where available the relevant Key Information Documents ("KIDs") or Key Investor Information Documents ("KIIDs"), a copy of the latest available audited annual report and, if published thereafter, the latest unaudited semi-annual report. The auditor's report refers only to the English version of the Annual Report and not to any translated versions.

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General Information

As at October 31, 2024

société d'investissement à capital variable

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

(Registered with the registre de commerce et des sociétés, Luxembourg, under number B 169 965)

BOARD OF DIRECTORS:

Chairperson

A. Craig Blair (Chairperson since February 14, 2024)

Director

FRANKLIN TEMPLETON INTERNATIONAL SERVICES

S.à r.l.

8A, rue Albert Borschette, L-1246 Luxembourg

Grand Duchy of Luxembourg

Directors

Caroline Carroll (Chairwomen until February 14, 2024)

Director

FRANKLIN TEMPLETON INVESTMENT MANAGEMENT

LIMITED

Cannon Place, 78 Cannon Street, London EC4N 6HL

United Kingdom

Hans-J. Wisser

Independent Director

Kälberstückerweg 37, 61350 Bad Homburg

Germany

William Jackson

Non-executive Director

2 St Clair Terrace,

Edinburgh EH10 5NW

United Kingdom

Katarzyna Majchrzak (effective May 13, 2024)

Director

FRANKLIN TEMPLETON INTERNATIONAL SERVICES

S.à r.l.

8A, rue Albert Borschette

L-1246 Luxembourg

Grand Duchy of Luxembourg

MANAGEMENT COMPANY:

FRANKLIN TEMPLETON INTERNATIONAL SERVICES

S.à r.l.

8A, rue Albert Borschette, L-1246 Luxembourg

Grand Duchy of Luxembourg

SHARIAH SUPERVISORY BOARD:

AMANIE ADVISORS SDN BHD

Level 13A-2

Menara Tokio Marine Life

189, Jalan Tun Razak

50400 Kuala Lumpur

Malaysia

– *Dr. Mohamed Ali Elgari*

– *Dr. Muhammad Amin Ali Qattan*

– *Dr. Mohd Daud Bakar*

– *Dr. Osama Al Dereai*

SHARIAH SCREENING PROVIDER:

IdealRatings, Inc.

425 Market Street, Suite 2200

San Francisco, CA, 94105

United States of America

REGISTERED OFFICE:

8A, rue Albert Borschette, L-1246 Luxembourg

Grand Duchy of Luxembourg

PRINCIPAL DISTRIBUTOR:

FRANKLIN TEMPLETON INTERNATIONAL SERVICES

S.à r.l.

8A, rue Albert Borschette, L-1246 Luxembourg

Grand Duchy of Luxembourg

INVESTMENT MANAGERS:

FRANKLIN TEMPLETON INVESTMENTS (ME) LIMITED

The Gate, East Wing, Level 2

Dubai International Financial Centre

P.O. Box 506613, Dubai

United Arab Emirates

Franklin Templeton Investments (ME) Limited manages

Franklin Global Sukuk Fund.

TEMPLETON ASSET MANAGEMENT LTD

7 Temasek Boulevard

#38-03 Suntec Tower One

Singapore 038987

Templeton Asset Management Limited manages

Templeton Shariah Global Equity Fund.

FRANKLIN TEMPLETON INVESTMENTS (ASIA) LIMITED

17/F, Chater House

8 Connaught Road Central

Hong Kong

Franklin Templeton Investments (Asia) Limited manages

Templeton Shariah Global Equity Fund.

TEMPLETON GLOBAL ADVISORS LIMITED
P.O. Box N-7759
Lyford Cay
Nassau
Bahamas
Templeton Global Advisors Limited manages
Templeton Shariah Global Equity Fund.

FRANKLIN ADVISERS, INC.
One Franklin Parkway
San Mateo, CA 94403-1906
USA
Franklin Advisers, Inc manages
Franklin Shariah Technology Fund

SUB-ADVISER:

FRANKLIN TEMPLETON GSC ASSET MANAGEMENT Sdn.
Bhd.
Suite 31-02, 31st Floor, Menara Keck Seng
203 Jalan Bukit Bintang
55100 Kuala Lumpur
Malaysia
Franklin Templeton GSC Asset Management Sdn. Bhd. has
been appointed as sub-adviser for the Franklin Global Sukuk
Fund.

DEPOSITARY AND ADMINISTRATIVE AGENT:

J.P. MORGAN SE, LUXEMBOURG BRANCH
European Bank & Business Centre
6C, route de Trèves
L-2633, Senningerberg
Grand Duchy of Luxembourg

REGISTRAR AND TRANSFER AGENT:

VIRTUS PARTNERS FUND SERVICES LUXEMBOURG
S.à r.l.
8A, rue Albert Borschette
L-1246 Luxembourg
Grand Duchy of Luxembourg

AUDITOR:

PRICEWATERHOUSECOOPERS, Société coopérative
2, rue Gerhard Mercator, L-2182 Luxembourg
Grand Duchy of Luxembourg

LEGAL ADVISER:

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

Report of the Board of Directors

The Board of Directors

Chairperson since February 14, 2024

Atholl Craig Blair

Director since October 14, 2021

Craig Blair is Luxembourg Country Head, Conducting Officer and Board Member of Franklin Templeton International Services S.à r.l. Mr. Blair has worked in the global financial services industry for over 20 years. As Head of Franklin Templeton International Services S.à r.l., he is responsible for the day-to-day operations of the corporate entity and EU wide branch structure. He is responsible for ensuring management services and delegation oversight responsibilities are performed for Franklin Templeton's range of international cross border products including UCITS and Alternative Investment Fund ranges domiciled in Luxembourg, Ireland and Romania. He has a broad knowledge of fund governance practices in open and closed end fund vehicles, including former experience as a designated person for an Irish self-managed investment company, as well as extensive experience of servicing boards and board committees of globally distributing SICAV and FTSE listed investment trust vehicles.

Mr. Blair also sits on the Board of the Association of the Luxembourg Fund Industry (ALFI) and co-chairs the ALFI Management Company Technical Committee. He is also an Advisory Council member of Diversity Project Europe which promotes diversity, equity and inclusion initiatives within the financial services industry.

Mr. Blair holds an MBA from Manchester Business School, is a Member of the Chartered Institute of Management Accountants and holds a Law degree from Leicester University.

Directors

Caroline Carroll

Director since April 9, 2020 and Chairwomen until February 14, 2024

Caroline Carroll is Head of Client Experience, EMEA and located in London. Leveraging over 30 years' experience and employing a client centric approach, her primary role is to support the growth and development of our business in the region through delivery of our client value proposition and value beyond investing capabilities. Caroline is responsible for a client experience and service team that enables close collaboration across regional and local retail client service teams to shape the client service and experience, and deepen client relationships. Caroline partners with internal functions as a key advocate for the client, to increase efficiency, speed to market and improvement in service delivery across the client journey.

Additionally, Caroline is a director on the boards of Franklin Templeton Global Investors Limited, Franklin Templeton Alternative Funds, Franklin Templeton Onchain Funds, Franklin Templeton Opportunities Funds, Franklin Templeton Series II Funds and Franklin Templeton Specialised Investment Funds.

Caroline has 30+ years' experience working within asset management. Prior to joining Franklin Templeton in 2002, Caroline held positions at SLC Asset Management, Scottish Widows Investment Partnership and GT Global Investment Funds Limited.

William Jackson

Director since July 3, 2012

William spent most of his career at Franklin Templeton and held various roles including Chief Administration Officer of the Technology & Operations Division, Bank Relationship Management, Data Governance, Fund & Portfolio Accounting, Project Management Office, Managing Director of the Luxembourg Management Company and President of the Indian Service Company.

William was a director of a number of Franklin Templeton corporate and fund boards in UK, Ireland, Luxembourg, Cayman, Poland and India. He currently sits on the board of directors of Franklin Templeton International Services S.à r.l. Luxembourg, as well as on the board of directors of Franklin Templeton Investment Trust Management Limited UK and the board of directors of Franklin Templeton Fund Management Limited UK.

Mr. Jackson has a degree in Industrial Chemistry from Paisley College and is a member of The Chartered Institute of Management Accountants.

Report of the Board of Directors (continued)

The Board of Directors (continued)

Hans J. Wisser*

Director since July 3, 2012

Hans J. Wisser is the director of various fund boards within Franklin Templeton.

Mr. Wisser joined Franklin Templeton in 1995 as country manager for Germany. Before he became managing director Europe in 2005, he was responsible for various regions within Europe. Mr. Wisser stepped down from the position managing director Europe on 30 November 2010, to have more time available to pursue some personal interests.

Prior to joining Franklin Templeton, Mr. Wisser served as managing director for James Capel (Deutschland) GmbH and apart from his managing director's responsibilities he was a director of the board of James Capel Europe Ltd. Prior to that, he worked as institutional sales director and a member of the senior management board for ANZ McCaughan Securities (UK) Ltd. Before that, he was director of sales for Bain & Company Securities Ltd, in London. In total, he has 30 years of experience in the financial industry.

Mr. Wisser earned his B.A. in economy and commerce from Fachhochschule fuer Wirtschaft in Cologne, Germany.

Katarzyna Majchrzak

Director since May 13, 2024

Katarzyna is a Director of Business Operations at Franklin Templeton International Services S.à r.l., reporting directly to the General Manager. She leads critical and strategic projects, ensuring Franklin Templeton International Services S.à r.l.'s and clients' interests remain central while achieving strategic goals and maintaining the highest standards of compliance and governance.

Her role focuses on bringing a holistic, cross-functional perspective to initiatives, ensuring that all aspects are considered and aligning diverse needs across teams to achieve cohesive outcomes. As a change leader, she oversees governance models, ensuring they are robust and aligned with evolving business and regulatory needs.

Katarzyna serves as a director on several fund boards, including Franklin Templeton OnChain Funds, Franklin Templeton Alternative Funds, Franklin Templeton Opportunities Funds, Franklin Templeton Shariah Funds, Franklin Templeton Series II Funds, and Franklin Templeton Specialised Investment Funds.

With over 20 years of experience in the asset management industry, she is an expert in cross-border financial law and the distribution of UCITS, AIF and MiFID products. As a qualified lawyer and MBA graduate, she combines legal expertise with business acumen to drive success.

**Independent director*

Roles and Responsibilities of the Board of Directors

The responsibilities of the Board of Directors is governed by the Luxembourg law. With respect to the annual accounts of the Franklin Templeton Shariah Funds ("FTSF" or the "Company"), the duties of the Directors are governed by the law of December 10, 2010 on, inter alia, the accounting and annual accounts of undertakings for collective investment and by the law of December 17, 2010, as amended, relating to undertakings for collective investment.

A management agreement between the Company and Franklin Templeton International Services S.à r.l. (the "Management Company") sets out the matters over which the Management Company has authority under chapter 15 of the law of December 17, 2010. This includes the investment management of the assets of the Company, the administration of the Company and the implementation of the Company's distribution and marketing policies.

Report of the Board of Directors (continued)

Roles and Responsibilities of the Board of Directors (continued)

Prior to each Board of Directors meeting the Directors receive detailed and timely information allowing them to be prepared for the items under discussion during the meeting. For each quarterly meeting, as well as for any additional meeting where this could be relevant, the Board of Directors receives reports from, among the other contributors, the Management Company and the investment managers, as appropriate. Senior representatives for each function attend the Board of Directors meetings by invitation to enable the Directors to question the reports presented to them.

The Directors take decisions in the interest of the Company and its shareholders, as a whole, and refrain from taking part in any deliberation or decision which may create a conflict of interest between their personal interests and those of the Company and its shareholders.

The Prospectus and the Management Company's policy on conflict of interest provide further details in this respect. The Management Company's policy on conflict of interest is available at the following link:

International Conflict of Interest Policy Overview¹

The Board of Directors and its members can take independent professional advice at the Company's expenses, where considered necessary.

THE FUND

As of October 31, 2024, total assets of Franklin Templeton Shariah Funds ("FTSF" or the "Company") stood at USD 994.85 million, higher than the USD 739.56 million under management as at October 31, 2023.

The financial year was marked by the continued expansion of the range and depth of the Company's offer, as detailed below. For more information on these events, please refer to Note 1.

Notable events

Effective February 14, 2024 Ms. Caroline Carroll stepped down as Chairwoman but remained on the Board of Directors, while Craig Blair assumed the role of Chairperson.

Katarzyna Majchrzak was appointed as an additional director of the Company effective May 13, 2024.

Corporate Governance and ALFI Code of Conduct

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

In that sense, the Board of Directors has adopted the principles of the Association of the Luxembourg Fund Industry's ("ALFI") code of conduct (the "Code"). The Code is available at the following link.

ALFI Code of Conduct²

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

The Board of Directors has actioned the improvements that were deemed appropriate as a result of the recurring annual review performed to ensure ongoing compliance with the Code.

¹<https://franklintempletonprod.widen.net/s/vsdwgh9nbm/mifid-ii-conflicts-of-interest-policy>

²https://www.alfi.lu/getattachment/50c22f50-3f25-4e45-b296-222c630f842e/app_data-import-alfi-alfi-code-of-conduct-update-2022.pdf

Report of the Board of Directors (continued)

Final Considerations

Thank you for investing with Franklin Templeton. Please be advised that the prospectus, the Key Information Documents ("KIDs") or Key Investor Information Documents ("KIIDs") and all Funds and share classes of the Company may not be available in your jurisdiction.

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

Subsequent Events

Please refer to Note 20 for details of subsequent events after the year-end.

THE BOARD OF DIRECTORS

Luxembourg, November 2024

28 January 2025

Franklin Templeton International Services S.à r.l.

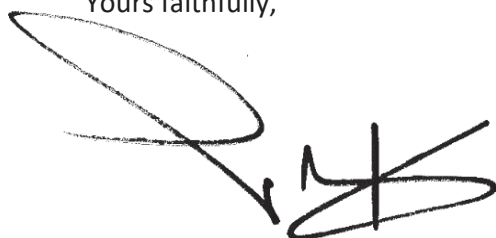
8A, Rue Albert Borschette,
L-1246 Luxembourg
Grand Duchy of Luxembourg

Attn: **The Conducting Officers**

**ANNUAL SHARIAH COMPLIANCE REPORT FOR FRANKLIN TEMPLETON SHARIAH FUNDS
FOR THE PERIOD BETWEEN 1 NOVEMBER 2023 AND 31 OCTOBER 2024**

Based on our view of the investments of Franklin Global Sukuk Fund, Franklin Shariah Technology Fund and Templeton Shariah Global Equity Fund ("the sub-funds") and on the information provided to us by the representative of Franklin Templeton Shariah Funds, we hereby confirm that the Funds' investments as well as their transactions during the financial year ended 31 October 2024 are in compliance with the Islamic investment guidelines as interpreted and issued by Amanie Shariah Supervisory Board Members.

Yours faithfully,



TAN SRI DR MOHD DAUD BAKAR

(On behalf of the Amanie Advisors Shariah Supervisory Board)

Shariah Supervisory Board Members

Dr. Mohamed Ali Elgari (Chairman)
Dr. Mohd. Daud Bakar
Dr. Muhammad Amin Ali Qattan
Dr. Osama Al Dereai

Report of the Investment Managers

Year to October 31, 2024

Market Performance

Equities

During the 12 months ended 31 October 2024, global financial markets benefitted from disinflation trends and resilient economic reports that drove expectations for an economic soft landing in many regions, notably in the United States. At the beginning of 2024, investors expected that major developed market central banks would soon begin cutting interest rates. The European Central Bank (ECB) began cutting interest rates in June, followed by the Bank of England (BoE) in August and the US Federal Reserve (Fed) in September.

As measured by MSCI indexes in US-dollar terms, developed market stocks reached new record highs during the period and modestly outpaced a global index for the 12 months under review, while emerging market and frontier market stocks substantially lagged it. Global growth stocks significantly outperformed global value stocks. Global stocks were bolstered by optimism for imminent rate cuts by the Fed and other major central banks—which eventually occurred during the reporting period's second half—excitement about artificial intelligence (AI), and better-than-expected corporate earnings reports. However, global markets experienced occasional bouts of volatility due to certain underwhelming economic data, the trajectory of the Bank of Japan's (BoJ's) interest-rate hikes, and uncertainty about election outcomes in certain regions.

Broad gauges of US equities reached numerous record highs during 12-month period, driven by rate-cut expectations, the Fed's eventual pivot to an easing cycle, AI enthusiasm and stronger-than-expected earnings results, though they experienced volatility due to hotter-than-expected inflation data at times, certain firms' weaker-than-consensus earnings results and/or guidance, and uncertainty about the November presidential election. The Fed cut the federal funds target rate in September for the first time in four years, as it believed inflation was proceeding sustainably towards its 2% target.

In Europe, investor optimism about the ECB's and BoE's interest-rate cutting cycles supported the region's stocks, though gains were tempered by concerns about the economic outlook and the possible trade implications depending on the US election outcome. The ECB began cutting its benchmark interest rates in June and followed up with additional cuts in September and October, while the BoE started reducing its key rate in August but maintained a more cautious approach during the rest of the period.

Asian stocks collectively rose, with Chinese equities bolstered by the government's announcement of significant stimulus measures near period-end. The People's Bank of China cut the one-year and five-year loan prime rates to new record lows and lowered the reserve requirement ratio for banks to the lowest level since early 2007. Japanese stocks also rose for the period, despite heightened volatility in early August as the BoJ's interest-rate hike at July-end (following the end of its yield curve control and negative interest-rate policy in March) and investor concerns about US economic growth led to the unwinding of the Japanese-yen carry trade, which had been dependent on borrowing the yen at a low cost to purchase potentially higher-return assets. The BoJ left its benchmark interest rate unchanged during the rest of the period but reiterated its commitment to interest-rate hikes depending on incoming data.

Sukuk

The global Sukuk market rose over the 12-month review period despite significant volatility in financial markets, with the Dow Jones Sukuk Index registering a total return of 9.39% in US-dollar terms. The Sukuk market marginally underperformed global aggregate bond indexes over the period. However, it slightly outperformed emerging market (EM) bonds, as represented by the JP Morgan Emerging Market Bonds Index Global Diversified (EMBIGD), which tracks hard-currency EM government issues. The EMBIGD rose by almost 9%, having been helped by a weakening in the US dollar during parts of the period.

Fixed income

Global aggregate bond indexes posted positive total returns over the 12-month period under review, with the Bloomberg Global Aggregate Index recording US-dollar returns of 9.54%.

The US Federal Reserve (Fed) left its policy rate unchanged over the last two months of 2023, at a target range of 5.25%-5.50%. The accompanying statements of its December meeting were relatively dovish, indicating that policymakers had already begun discussing monetary policy easing, although the Fed did highlight that, while the peak policy rate appeared to have been reached, additional hikes could be delivered, if necessary. Nonetheless, inflation saw continued signs of moderation. The European Central Bank (ECB) kept policy rates unchanged over the last quarter of 2023 too but pushed back against investor expectations of impending rate cuts. ECB President Christine Lagarde indicated that policymakers had not begun to discuss monetary policy easing, believing that price pressures might reaccelerate.

The Fed also left its fed funds target rate unchanged during the first quarter of 2024. Fed Chair Jerome Powell pushed back against exuberant market expectations of imminent rate cuts, saying that the Federal Open Market Committee (FOMC) needed further confirmation of a sustained disinflationary trend. The ECB met twice during the first quarter and held interest rates steady at their record highs both times. At its March meeting, the ECB released statements indicating its inflation and growth projections had been revised lower, but that the monetary authority would remain data dependent going forwards.

The Fed made no changes to its monetary policy in the second quarter of 2024. In May, Fed Chair Powell explained that further monetary policy tightening was unlikely. The statement that was subsequently released alongside the Fed's June meeting indicated that FOMC members expected only one rate cut in 2024 (instead of the three that had previously been anticipated). The ECB met twice during the quarter, holding interest rates steady in April and then embarking on a cycle of monetary policy easing, with a cut of 25 basis points (bps) in June. The latter move was clearly communicated and described as moderating the ECB's restrictive stance rather than dialling it back, with policymakers reiterating data dependence ahead.

The Fed kept interest rates unchanged in July, but September saw it embark on its own campaign of monetary policy easing with an outsized cut that took the federal funds rate to a target range of 4.75%–5.00%. While statements from policymakers had suggested that September would see a rate cut, financial markets had been divided between expectations of a 25-bp or 50-bp move. The ECB met twice during the third quarter, holding interest rates steady in July and reducing the deposit rate by 25 bps in September. The latter move had been widely expected and came in light of sustained disinflation and lacklustre economic growth in the eurozone.

The Fed did not meet in October. However, the minutes of the Fed's September meeting stated that any recalibration of the central bank's policy stance should not be interpreted as evidence of a less favourable economic outlook. Meanwhile, the ECB cut its policy rates by a further 25 bps, with the central bank's press release indicating that the disinflationary process in the eurozone was well on track.

Against this backdrop, the benchmark 10-year US Treasury note's yield ended the review period over 60 bps lower, at 4.28%, although this disguises the significant volatility over the period under review. The yield on 10-year German Bunds moved over 40 bps lower over the period, ending October at 2.39%. However, this also masks the considerable unpredictability of the path of yields over the 12-month period.

Commodities

After rising for several months, oil prices fell throughout the fourth quarter of 2023, amid concerns about the health of the global economy and geopolitical turmoil. In October, Palestinian group Hamas led a surprise attack on Israel, causing tensions to rise in the region. Saudi Arabia and Russia announced their intention to extend their voluntary supply cuts of one million barrels per day (bpd) through the first quarter of 2024. Kuwait said it would implement a voluntary crude oil production cut of 135,000 bpd for three months starting on 1 January 2024. The United Arab Emirates (UAE) said it would also reduce its production by 163,000 bpd, while Iraq pledged a reduction of 220,000 bpd.

Oil prices then rose over the first quarter of 2024. In March, Saudi Arabia and the UAE were among the members of OPEC+ (the Organization of the Petroleum Exporting Countries and its allies, notably Russia) to extend oil output cuts. The cap of 2.2 million bpd through the end of June added to voluntary cuts already made in April and set until the end of December 2024.

US and international benchmark crude oil prices surged to a six-month peak in April, following Iran's attack on Israel, and briefly rose again when Israel launched a retaliatory strike that sparked fears of a widening regional conflict. While extended supply curbs from OPEC+ and slowing US production growth further bolstered prices alongside the rising geopolitical risk premium, uncertainty over US monetary policy, an eventual de-escalation of Middle East tensions, and softness in fuel markets (including diesel) eroded those supports. US and international benchmark crude oil prices then fell in May, although they rebounded in June.

However, US and international benchmark crude oil futures prices fell steadily over the third quarter of 2024, against a backdrop of rising spare capacity from OPEC+, signs of weak fuel demand in the United States, and the fading pre-eminence of China's oil imports. Nonetheless, they rebounded a little in October.

For the 12 months as a whole, the price of Brent crude oil began the review period at US\$88.51 per barrel (pb) and ended October 2024 at US\$73.28 pb.

Fund Performance

Franklin Global Sukuk Fund

Franklin Global Sukuk Fund returned 10.5% on a gross basis and 8.8% on a net basis for the 12 months to 31 October 2024, compared with its benchmark, the Dow Jones Sukuk Index, which returned 9.4% over the same period, all in US dollars.

Security selection contributed to performance, notably in corporate financials, sovereigns and quasi-sovereigns.

Yield-curve positioning also bolstered returns, particularly Turkish-lira and Malaysian-ringgit duration exposure, notably carry. Nonetheless, US-dollar duration exposure to medium-dated issues curbed performance, although this was offset to some degree by the positive impact of exposure to the longer end of the curve.

Asset allocation further lifted results, primarily through an underweight exposure to supranationals, as well as overweight positions in corporate financials and industrials. However, an off-benchmark allocation to treasuries subtracted value.

Currency positioning weighed on performance, owing to exposures to the Turkish lira and Egyptian pound. Conversely, exposure to the Malaysian ringgit and Singapore dollar added value.

Franklin Shariah Global Multi-Asset Income Fund

Equity positioning contributed to relative results across the period since inception, amid strong “risk-on” sentiment. As a result, selection among information technology stocks proved positive, offset somewhat by selection within the energy and industrials sectors. Stock selection in the United States was beneficial, offset by weaker selection in emerging markets.

Within our sukuk portfolio, security selection contributed significantly to returns across the period since inception. Quasi-sovereign positions contributed, as did sovereigns and supranationals, while selection in corporate financials and industrials subtracted value.

Asset allocation also helped performance meaningfully, primarily through underweight positions in supranationals and sovereign sukuk, as well as overweight exposures to industrials, quasi-sovereigns and financials issues.

Elsewhere, yield-curve positioning lifted results considerably, notably Turkish-lira duration exposure, but US-dollar duration exposure to medium-dated issues detracted from performance. Currency positioning curbed returns, particularly exposure to the Turkish lira.

Franklin Shariah Technology Fund

For the one-year period ended 31 October 2024, the fund’s Class A (acc) shares returned 44.30% (net), while the S&P Global 1200 Shariah Information Technology (IT) Index returned 49.70%, both in US-dollar terms.

The fund’s robust annual return lagged its benchmark index as stock selection-based strength was more than offset by weakness linked to allocation decisions across sectors and industries. Aside from IT sector holdings (averaging 88.2% of the portfolio), the fund had small off-benchmark exposures to five sectors that fared poorly by comparison: communication services (averaging 5.9% of total net assets), health care (1.6%), consumer discretionary (1.2%), and a combined 0.1% average allocation to technology-focused real estate and consumer staples companies that was also eliminated by year-end. We also liquidated all three of the fund’s positions in the consumer discretionary sector, including key relative detractor Mobileye Global in the automobile components industry. Mobileye, which develops advanced driver-assistance systems (ADAS) and autonomous driving technologies, sold off after cutting its 2024 financial guidance due to near-term concerns related to China. Ahead of the sale, it became clear to us that Mobileye’s shipments to China would likely be lower than expected through the end of 2024, possibly longer, as China’s new-car market was slowing; a key customer using Mobileye-powered ADAS features delayed plans to launch a high-volume model outside of China; and increased US and European tariffs on Chinese-made vehicles dampened volume expectations for Chinese automakers seeking to boost their exports.

In the communication services sector, all three related holdings underperformed the benchmark by wide margins, and we sold the fund’s stake in ZoomInfo Technologies—which offers a sales intelligence platform that allows its enterprise-level clients to identify and connect with potential customers—as its fundamentals deteriorated. In health care, we maintained an investment in Veeva Systems (health care technology industry), which posted an overall gain that was more than 40 percentage points behind the benchmark index. Veeva’s underwhelming results were a case study in the emerging impacts of disruption by artificial intelligence (AI), which is causing businesses to reprioritise. Veeva’s chief executive officer (CEO) cited “disruption

in large enterprises as they work through their plans for AI,” and that generative AI (GenAI) represents “a competing priority” for Veeva clients. The company, which sells cloud-based life sciences software, saw a deceleration in service revenues and some delays in business deals with cautious pharmaceutical companies, and it did not gain greater traction in the investment community amid intensifying concerns about spending in the latter half of 2024.

Within the fund’s core IT holdings, semiconductor and semiconductor fabrication equipment makers (averaging 39.2% of the portfolio) were a hindrance only in relative terms as these stocks still collectively appreciated by more than 87% (while those tracked by the benchmark index more than doubled in value). The primary drawback was a substantial underweighting in NVIDIA as its equity value more than tripled. We also initiated a position in Broadcom during the year, and thereby missed much of the company’s full-year stock rally of more than 100%. The fund also sustained overall losses with the selloff in Lattice Semiconductor (not an index component), while the gains for an overweighted stake in ASML Holding trailed most of its peers in the industry. During the latter half of the annual period, we saw strong earnings from semiconductor companies that could not prevent a souring of wider market sentiment amid deteriorating investor confidence and higher volatility in the chipmaking space, creating a challenging environment for positive company-specific news to gain a foothold. Negative outlier Lattice, a maker of field programmable gate arrays, disappointed investors with weak forward guidance for 2024, accompanied by soft sales projections in its industrial and automotive end markets. Lattice remains profitable and carries no debt, and we note that the company had a plethora of new product designs and scored several important business-contract wins in recent months.

Meanwhile, Dutch semi equipment manufacturer ASML, the world’s top producer of advanced semiconductor lithography systems, missed 1Q24 consensus earnings estimates amid declining revenues and earnings per share (EPS) following a robust 4Q23. We think ASML remains a solid longer-term investment; its quarterly results tend to be quite volatile given the high average sale price of its lithography tools and concentrated customer order patterns. ASML viewed 2024 as a transition year, while it expected 2025 to be a robust growth year. In general, most semiconductor holdings underwent bouts of volatility within a larger trend of “AI complex” selloffs and recoveries that characterised market activity from April through October. Electric power may be the ultimate constraint here. Bottlenecks may start appearing soon for energy needs and could take years to resolve, even by the admission of several prominent IT sector chief executive officers. AI growth may thus be gated by real world constraints, though we’re encouraged by the industry’s efforts around maximising useful “compute per watt.”

Despite GPU (graphics processing unit) chip and AI infrastructure bellwether NVIDIA’s underweighting-based pressure on relative performance, it was our single-largest investment (averaging 9.5% of total net assets), it had a record-breaking year as it continued to impress with above-consensus sales and profitability, and it provided more than one-third of the fund’s absolute gains. Around the globe, the secular shift to data-centre computing has led to a parabolic rise in the number of NVIDIA GPUs shipped, which continues to support profitability while the company is ramping up production of a much more powerful next-generation GPU called Blackwell (expected to ship in early 2025). Data-centre growth is being led by cloud computing and consumer internet companies. We do not see a near-term serious threat to NVIDIA’s dominant position in the GenAI infrastructure.

Most of the other notable IT detractors were centred on a couple of heavily overweighted holdings in the software industry, where Synopsys posted lagging gains and Adobe traded lower; and in the IT services industry, where off-benchmark MongoDB was a distinct outlier to the downside. The shares of MongoDB, which provides a NoSQL database for flexible data storage, struggled due to investor concerns about profitability and rising competition, along with broader market volatility, despite the company’s strong revenue growth and customer expansion. The backstory for Synopsys—our largest overall relative detractor after NVIDIA—brings us to a larger point. Synopsys, an electronic design automation (EDA) specialist, combines various software tools and hardware for engineers to design and verify chip and computing systems. Although the company posted record revenues, its revenue growth was slowing even as it maintained its full-year (ending in October 2024) revenue guidance midpoint of US\$6.12 billion (+15% year-over-year) and increased its EPS outlook. Synopsys recently entered into an agreement to sell its Software Integrity business. This divestiture might have caused uncertainty among investors regarding the company’s future revenue streams and strategic direction. There were also investor concerns about large layoffs at key customer Intel (not held by the fund), though management assuaged these fears by indicating the contract agreements are long-term and Intel continues to outsource more EDA and intellectual property (IP) as a way to further reduce costs; therefore, Synopsys expects no impact from Intel in the short and medium terms. A bigger risk, in our view, is that Synopsys’s pending acquisition of simulation software specialist ANSYS (also held by the fund) may be blocked by China’s State Administration for Market Regulation primarily on anti-competitive and export control restriction grounds (both companies are based in the United States). We saw the summer stock selloff as a modest reset amid elevated valuations and continue to favour Synopsys, which plays a key role in semiconductor R&D (research and development), boasts a large portfolio of IPs and patents, and is quietly powering a lot of AI development these days. Additionally, semiconductor and data-centre businesses tend to hold their R&D expense growth fairly stable, regardless of the normal sales cycle inherent with hardware.

Aside from our active investments, a 3.0% average cash position was a hindrance versus the benchmark as those assets were sidelined during a year of exceptionally strong stock market gains; as a result, cash had a bigger negative impact on relative performance than all security-level detractors except NVIDIA and Synopsys.

Turning to key contributors, the fund's positioning in five out of the six IT-related industries bolstered its performance versus the S&P Global 1200 Shariah IT Index. Most of the relative gain in this sector was due to our strategic underweightings in mega-capitalisation tech giants Apple (technology hardware, storage and peripherals) and Microsoft (software), as their 12-month returns were far below the benchmark average.

To a much lesser extent, the fund's standings in the IT sector were also supported by benchmark-topping gains for several overweighted or off-index holdings, led by CrowdStrike Holdings, ServiceNow, Autodesk (purchased during the period) and monday.com (sold by period-end) in software; Arista Networks in communications equipment; Shopify in IT services; and Monolithic Power Systems and Arm Holdings in the semiconductors and semiconductor equipment industry. Among these winners, ServiceNow was our largest investment and the most important contributor to the fund's standalone gains this year—even more so than our much larger investments in Apple or Microsoft. ServiceNow provides a cloud-based platform that helps automate enterprise IT operations. The company generally topped consensus expectations on sales and earnings throughout the period, with GenAI helping to power strong revenue and profit margins, while its forward guidance suggested this expansion momentum is poised to continue. The company highlighted the beneficial impacts that GenAI is having across its enterprise software platform and said that it intends to “reinvent every workflow, in every company, in every industry with GenAI at the core.” On overall demand, we believe ServiceNow's metrics and recent management commentary suggest the overall spending environment is strengthening.

Cybersecurity specialist CrowdStrike fared well for the 12-month period despite the temporary negative impact of a worldwide internet outage that the company took responsibility for. In the latter half of the reporting period, CrowdStrike made mainstream headlines when it reported a system-update error that affected most, if not all, Microsoft Windows-based devices that deploy a CrowdStrike security agent. Although the damage was not linked to a cyberattack, this human error on a routine system update created an outage across CrowdStrike's broad customer base. To its credit, CrowdStrike quickly identified the issue and implemented a fix. We continue to hold the stock; CrowdStrike has been largely incident free until recently and, in our analysis, cyberattacks on cyber vendors are typically much more worrying than system update issues. For a wider perspective, cybersecurity and data protection software demand appeared to remain strong as an increasing number of enterprises are planning to adopt new platforms or upgrade existing ones as the cybersecurity threat matrix expands (rapidly increasing numbers of tracked adversaries, plus a surge in cloud intrusions) and deepens (sophisticated adversaries are operating with unprecedented stealth, leading to more successful attacks linked to speed and lower detection rates).

Arista Networks also had a stellar year as its share price nearly doubled in value. Arista is the market leader in high-end data-centre ethernet switching, disrupting incumbent Cisco Systems (not held by the fund). Arista has been deepening its relationships with large cloud customers (40% of revenues), and we view these as durable relationships. Other customer segments include enterprises/financial institutions (35% of revenues) and smaller cloud/service providers (20%). AI is a large new market that demands new technical requirements. While InfiniBand (NVIDIA)—a high-performance network architecture that provides ultrafast data throughput and density—is currently used in nearly all GPU clusters, Arista is leading the charge for an ethernet-based solution, and we think it could potentially win material market share in 2025. According to our analysis, Arista has an attractive growth/quality core business while AI has been driving a meaningful new growth vector.

In the semiconductor space, Monolithic Power Systems also posted exceptionally strong returns, particularly in late 2023 and the first two months of 2024. The company continued to outperform many of its industry peers. Monolithic sits on the power circuitry side of the industry. Its standout segment lately has been enterprise data, which is a direct AI beneficiary as the company's voltage regulators are the companion of choice for most AI processors. Monolithic also announced the acquisition of privately held Axign, which specialises in audio processors based on digital signal processors. This is the second product-extension acquisition Monolithic has made in the past five years; the first was a data converter company. In the longer run (three to five years), we believe Monolithic could potentially benefit from these complementary/additional growth drivers.

Finally, the fund benefitted by its lack of exposure to many index component companies that either sold off or trailed the benchmark. One of the largest relative contributors in this regard was Samsung Electronics in the technology hardware, storage and peripherals industry.

Templeton Shariah Global Equity Fund

For the 12 months ended 31 October 2024, the fund's Class A (acc) USD shares returned 14.0% (net), behind the benchmark MSCI AC World Islamic Index-NR, which returned 19.0%, both in US-dollar terms. Relative performance was detracted by stock selection in the consumer discretionary and health care sectors during the period, with our cash position also dragging on returns. Conversely, stock selection in the industrials and information technology (IT) sectors contributed to relative performance.

Throughout the period under review, the fund has maintained its quality-growth orientation. The portfolio is constructed to generate long-term value, through companies that can sustain free cash flow generation, earnings growth and shareholder returns over the interest-rate and market cycle, based on our analysis. We have made various adjustments, closing positions in which valuations have reached or are close to our fair value estimates, or in companies whose investment cases have deteriorated. The result is a more streamlined portfolio with more concentrated exposures to quality and growth ideas that command our highest conviction. While we cannot predict the temporary headwinds that may cause outsized volatility in individual share prices—as was the case over the past year—we believe the overall portfolio is positioned to potentially deliver client success over the investment horizon.

Our investment thinking is evidenced by our decision to stay invested in Kering and Stellantis, the main detractors in the consumer discretionary sector. In our view, their investment cases remain intact despite near-term challenges. The shares of luxury group and Gucci owner Kering have been affected by sales weakness amid macroeconomic concerns. We believe the turnaround of the Gucci brand is still in the cards, albeit that will be dependent on new product launches and innovations, which we believe should accelerate entering 2025. More broadly, high-quality luxury companies are best-in-class compounders that can be accumulated on cyclical downturns, given their ability to drive return on invested capital as they benefit from high barriers to entry and pricing power. Likewise, the shares of Stellantis have been under pressure since March 2024 as investors mulled the earnings impact of inventory buildup and market-share loss in the United States. The company is the world's fourth-largest automobile original equipment manufacturer (OEM), with brands such as Chrysler, Fiat and Maserati in its portfolio. We believe it is making ample progress in destocking its US inventories and should see earnings recovery in 2025. Other positive factors include a robust balance sheet that can sustain shareholder returns, lower exposure to US tariffs, and a flexible production architecture to help navigate the uncertainties in the electric vehicle market.

Other significant relative detractors included BP and INPEX in the energy sector. Mining company Albemarle and health care stock ICON also dragged on performance. Share prices in the energy sector have largely tracked the fluctuation of oil prices during the period under review, when economic and geopolitical worries caused volatility in commodity prices in general. We also maintain our positions in these companies, which stand out with healthy cash flows and generous shareholder-return policies. BP remains one of our favoured energy stocks. In our view, BP's share-price underperformance presents significant shareholder value opportunities as its strategic initiatives—including a potential pivot back to hydrocarbons—are gradually realised to support long-term earnings delivery. Meanwhile, we believe BP has multiple options to generate value from its still-maturing low-carbon division, including a potential spinoff listing or divestment in the coming years. The company's low valuation may also pave the way for potentially significant share buybacks that should in turn lead to appealing free cash flow yield relative to its peers. BP is currently committed to at least US\$14 billion of share repurchase through 2025, although this is subject to reviews and adjustments based on prevailing oil price levels.

At the other end of the spectrum, IHI and Hitachi led the contributing stocks during the period under review. These are part of our Japanese industrials holdings, which also include other contributors such as Mitsubishi Electric and Ebara. The shares of engineering company IHI saw significant gains during the third quarter of 2024, including a strong rebound from the early-August Japanese equity market selloff. We favour IHI as a discounted asset with a compelling risk/reward profile and a structurally growing aerospace and defence business portfolio. Ebara, a position newly initiated in August, produces specialty pumps for the semiconductor and energy end markets. We like the quality of Ebara's business portfolio and corporate governance practices, as well as the potential profit-margin improvements from ongoing corporate reforms. More broadly, Japan was the fund's top-contributing market over the past year. We have closed seven minor positions here for portfolio cleanup, shifting capital to other Japanese holdings that, in our analysis, command a higher conviction. However, we stay overweighted in Japan, which is our second largest market by weighting, behind the United States. In our view, our core investment thesis on Japan remains highly intact. We believe it is a compelling market that beckons with potential for structural return-on-equity enhancements amid corporate reforms and a normalising economy, while still largely trading at a discount versus its developed market peers.

In the IT sector, two of the leading contributors were SAP and a sponsored ADR (American depositary receipt) position in chip foundry giant Taiwan Semiconductor Manufacturing Company (TSMC). We have exited the latter; the Taiwan-listed TSMC shares and SAP remain part of our top 10 holdings. Overall, the IT sector was highly accretive to relative performance during the period, due partly to market excitement surrounding the theme of artificial intelligence (AI). Our selection focus on semiconductor and software stocks has proven rewarding and we will stay the course. We believe our current IT holdings may provide high-quality growth exposure to the megatrends shaping the digital world, such as cloud, Internet of Things, and software as a service, in addition to AI.

Outlook

Franklin Global Sukuk Fund

The Fed's rate-cutting cycle began with a surprise 50 bps, which is likely to be the first of many surprises over the next year given the uncertain economic and (geo)political environment we are all trying to navigate.

Pressure on consumers, companies and governments will continue to accumulate, particularly for those with weaker financial profiles, as monetary policy remains restrictive, even with fresh signals that this may be changing soon.

Our positioning remains focused on three inter-related themes: maintaining a long duration bias during the initial phases of this rate-cutting cycle, maintaining higher-quality portfolios, and keeping portfolios flexible and liquid.

The conflict in the Middle East continues to present risks that financial markets, in our view, have not yet factored in. These developments add uncertainty to other key geopolitical issues and warrant investment caution, with a focus on higher-quality companies and issuers.

Our portfolios have the highest weighted average credit quality since inception. Where we do take on higher-risk positions, they are increasingly selective and idiosyncratic and, in our view, can compensate us for the elevated risks involved. With risks of a recession receding and probabilities for a hard landing in the United States also reduced, our appetite for risk is improving, and we have started selectively adding credit risk. We expect this to be a gradual, risk-aware process.

Interest-rate volatility remains elevated as incoming economic data support conflicting growth and inflation narratives, along with a US presidential election cycle exacerbating policy uncertainty. We are maintaining our overweight duration positioning, with a view to be more tactical in the months ahead.

Our outlook continues to support an increase in defensive allocations to higher-quality fixed income sectors—such as global Sukuk—as rate cuts continue unfolding in 2024.

Franklin Shariah Global Multi-Asset Income Fund

Investor sentiment has turned more positive, in our view, against a backdrop of improving macro and corporate fundamentals and the promise of seasonal tailwinds for risk assets.

Leading indicators of global growth have strengthened during the past month, as positive US economic data reduces recession risks and fuels renewed hopes that the US economy can achieve a soft landing. Strengthening US macro data have translated into healthier corporate fundamentals including sales, earnings per share (EPS) and return on equity, helping to justify higher valuations. In recent weeks, our forecasted EPS growth in the United States has moved higher, while corporate bond spreads remain tight. In this context, US equity price momentum over trailing three-, six- and 12-month periods has improved relative to other global regions, informing our positive sentiment toward US equities.

Stronger data have also raised questions about Fed policy and pushed US Treasury yields higher across the curve. As market expectations for future interest-rate cuts retrace, 10-year US Treasury yields have moved back above 4.30%, prompting us to upgrade our outlook on US government bonds to neutral and reposition exposure across the curve, increasing duration slightly. Markets are clearly weighing competing narratives around the direction of travel for US Treasuries, as a rising term premium linked to fiscal deficits raises the potential ceiling for longer-term yields still further.

Outside the United States, we note regional divergences within the global economic landscape that also influence our portfolio positioning. Despite the stimulus-induced boost to Chinese equities, questions persist around whether this will translate into stronger macro and corporate fundamentals in the near term, meaning we remain neutral on China but cognizant of the potential for stocks to rise further.

Our Sukuk portfolio has increased credit quality recently. Where we do take on higher-risk positions, they are increasingly selective and idiosyncratic and, in our view, compensate us for the elevated risks involved.

Interest-rate volatility is likely to remain elevated as incoming economic data fuel conflicting growth and inflation narratives. Our outlook continues to support overweight duration positioning and an increase in defensive allocations to higher-quality fixed income sectors as rate cuts continue unfolding in 2024.

Franklin Shariah Technology Fund

Despite bouts of market volatility during the latter half of the fund's fiscal year, IT sector fundamentals remain fairly stable relative to recent quarters. We continue to believe the sector can outpace the broader market on earnings growth this year and next, driven by strong secular tailwinds including GenAI. We also remain optimistic about the potential for an economic soft landing, which, alongside the US Federal Reserve's interest-rate-cutting cycle, has the potential to support increased corporate investment in technology. Industries such as software have faced several quarters of muted demand, due in part to macro uncertainty driving tighter corporate budgets. We continue to view this as a temporary phenomenon. Additionally, we believe more certainty around the macro path should encourage greater breadth in the IT sector, allowing the valuation disparity between mega-capitalisation stocks and the rest of the sector to begin to normalise. We believe the fund is well-positioned for this potential outcome.

With the Republican Party's victory in the US presidential election, one key driver of market uncertainty is now behind us. We believe the IT sector may benefit in a few ways. First, we anticipate improving corporate IT spending as US businesses may see lower tax rates, which can flow into industries like software. Second, IT stands to potentially benefit from what should be a lighter regulatory burden, including changes in leadership at the US Federal Trade Commission. This could help the country's biggest tech-focused companies, which are subject to considerable antitrust scrutiny under the current administration, as well as "small" tech, which may benefit from a more active setting for mergers and acquisitions. We also think Republicans may lighten GenAI regulation to help ensure the country sustains its global leadership in this critical technology. On the other hand, we may see even more scrutiny around the exports of leading US semiconductors and semiconductor equipment to China, as well as some impact from new tariffs on goods coming from China, in markets like e-commerce and consumer electronics. Overall, while our focus remains on long-term secular drivers and finding what we regard as high-quality businesses, we view the election outcome as a small net positive for the IT sector and believe the fund is positioned appropriately for the new political regime in the United States.

While debates around macro trends and the pace of interest-rate cuts played a role, we also believe recent IT volatility has been driven by debate around the sustainability of GenAI as a driver for sector performance. Debate is healthy and normal (as is volatility, in some cases), especially this early in a new technology cycle. GenAI adoption can still play out a number of ways, but we remain encouraged by the demand signals we're seeing, as well as the continued progress on AI model capabilities.

We ask investors to consider that large technology-platform shifts play out over years, not quarters. One analogy we like to use is the smartphone era. The first iPhone was introduced in 2007, and it took roughly seven years for smartphones to penetrate the majority of households in the United States. For smartphones to become ubiquitous, several advancements in technology (e.g., network upgrades to 3G and, years later, 4G and then 5G) and a broadening set of mobile-native applications were necessary. We weren't introduced to several of these applications until years after the first iPhone (e.g., Uber Technologies [not held by the fund] was launched in 2009, and Instagram was launched in 2010 and was later acquired by Meta Platforms [not held]). It has been less than two years since OpenAI (not held) launched ChatGPT, and while there have been significant technological advancements and some useful new applications since then, we'd argue we're still early in the cycle, and we don't believe the IT sector's current valuation reflects the full potential of AI's positive growth impact on the technology space and the broader economy over the long-term.

Potential risks we are monitoring include the timing and magnitude of GenAI demand; while optimistic, we acknowledge that near-term data may disappoint relative to market expectations. This dynamic was evident in the stock reactions following earnings reports from some companies widely considered to be "AI winners." Our other main areas of concern involve (1) geopolitical risks, particularly around advanced technology export restrictions imposed on China and the extent to which these restrictions accelerate China's homegrown efforts to compete effectively in advanced semiconductors, hardware design and manufacturing; (2) regulatory risks, both from an antitrust perspective (i.e., elevated antitrust activity against mega-cap tech firms in the United States) and from an AI perspective as new regulatory/policy frameworks are being established rapidly; and (3) risks around decelerating global economic growth and the extent to which it impacts consumers and, by extension, tech-focused markets such as e-commerce, digital payments, digital advertising, consumer hardware and electronics, and electric vehicles.

We maintain our long-term orientation. The fund remains positioned to potentially benefit from robust long-term secular growth drivers such as AI, cloud computing, and our other eight Digital Transformation subthemes: new commerce; fintech and digital payments; digital media transformation; digital customer engagement; electrification and autonomy; IoT (Internet of Things); cybersecurity; and the future of work.

Templeton Shariah Global Equity Fund

Shortly after period-end, the dust settled on the US presidential election, and Donald Trump's impending return to the White House has drawn some initial cheers from the US equity market. Sentiment is being supported by assumptions that a Trump presidency could slash corporate taxes, which should be broadly positive for US corporate earnings growth and balance sheet flexibility. A deregulatory push to cut red tape and reduce scrutiny on market activities such as mergers and acquisitions is also expected, potentially to the benefit of US banks and big tech-focused companies. Nonetheless, President-elect Trump's plan to hike tariffs may prove disruptive for US companies relying on global supply chains, such as those in the industrials, consumer-focused and technology-related sectors, while squeezing overseas producers, particularly in Asia. Higher US inflation and fiscal deficit are also among the likely outcomes, with uncertain effects on risk-asset prices over the longer term.

We will continue to monitor developments on this front, keeping in mind that election promises don't always materialise and proposed policies are subject to changes. Regardless, policy speculations should not dictate how we invest, and we will refrain from making knee-jerk reactions to post-election chatters. Our core investment philosophy is firmly guided by Templeton's valuation discipline and bottom-up stock selection, while our portfolio structure maintains its quality-growth tilt, complemented by meaningful exposures to classic value positions. In our view, investing in what we regard as high-quality companies that are mispriced relative to their fundamentals—especially in terms of free cash flow generation—shareholder return potential and structural growth tailwinds remains the key to unlock long-term value for clients, regardless of election outcomes, policy announcements, and near-term price reactions.

Many of our key trades in recent months reflect this disciplined approach. For instance, in late September, we initiated a new position in 3D solutions provider Autodesk. While the stock has largely underperformed over the past seven years, our bottom-up research has led us to recognise the company as an emerging industry leader with a compelling risk/reward profile. A low valuation that does not fully account for its ability to sustain a mid-teen percentage earnings growth and improve shareholder returns through corporate governance reforms further enhances its investment case. We also added minor exposures to China, including lifestyle services platform JD.com and food and beverage company China Mengniu Dairy, to position for China's long-term mass consumption growth at what we considered favourable prices. Identifying more of such bottom-up, value-accretive opportunities across the market spectrum is a perennial priority for us. Our period-end cash holding of nearly 7%—a buffer we built through a cautious stance adopted during the volatile summer months—should give us plenty of flexibility to in the coming months.

THE INVESTMENT MANAGERS

November, 2024

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



Audit report

To the Shareholders of
Franklin Templeton Shariah Funds

Our opinion

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

What we have audited

The Fund's financial statements comprise:

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

Basis for opinion

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

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

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

Other information

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

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

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

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

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

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

Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the financial statements

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

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

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



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

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

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 6 February 2025

Laurent Buttice

Fund Performance

Percentage change to October 31, 2024

	Reference Share Class	Launch Date	6 Months %	1 Year %	3 Years %	5 Years %	Since Launch %
Franklin Global Sukuk Fund	A (acc) USD	10 Sep 12	4.6	8.8	(0.6)	5.6	30.5
Franklin Shariah Global Multi-Asset Income Fund*	A (acc) USD	01 Nov 23	3.2	—	—	—	13.7
Franklin Shariah Technology Fund	I (acc) USD	24 Feb 22	11.6	45.6	—	—	43.0
Templeton Shariah Global Equity Fund	A (acc) USD	10 Sep 12	(1.1)	14.0	10.7	36.6	67.8

*Please refer Note 1 for fund events.

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

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

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

The investment activities will be undertaken in accordance with the Shariah Guidelines. As a consequence, the performance of a fund may possibly be lower than other investment funds that do not seek to strictly adhere to the Islamic investment criteria. The requirement to "purify" cash holdings or dividend income will likely result in payments being made to charities. The return to investors will be reduced by the amount of such payments.

Data source: Performance – Franklin Templeton and JPMorgan

Statement of Net Assets

As at October 31, 2024

	Total	Franklin Global Sukuk Fund	Franklin Shariah Global Multi-Asset Income Fund*	Franklin Shariah Technology Fund
	(USD)	(USD)	(USD)	(USD)
ASSETS				
Investments in securities at market value (note 2 (b))	970,189,132	720,643,441	12,294,940	123,898,374
Cash at bank and at brokers	16,860,456	5,045,279	496,908	3,086,040
Amounts receivable on subscriptions	4,402,324	3,381,581	214,040	475,288
Profit payments on Sukuk and dividends receivable, net	8,195,084	8,049,532	45,887	12,908
Unrealised profit on Shariah compliant forward foreign exchange contracts (notes 2(c), 3)	3,478	3,478	—	—
Other receivables	96,198	45,597	16,631	80
TOTAL ASSETS	999,746,672	737,168,908	13,068,406	127,472,690
LIABILITIES				
Amounts payable on redemptions	494,146	314,363	1,695	83,030
Investment management fees payable (note 5)	701,383	459,397	8,283	108,963
Payable to charity	33,963	—	3,507	13,128
Unrealised loss on Shariah compliant forward foreign exchange contracts (notes 2(c), 3)	304,397	296,249	11	8,137
Unrealised loss on Shariah compliant profit rate swap contracts (notes 2(d), 4)	2,749,772	2,749,772	—	—
Taxes and expenses payable	611,303	377,792	52,108	57,909
TOTAL LIABILITIES	4,894,964	4,197,573	65,604	271,167
TOTAL NET ASSETS	994,851,708	732,971,335	13,002,802	127,201,523
THREE YEAR ASSET SUMMARY				
October 31, 2023	739,562,457	612,971,653	—	39,418,758
October 31, 2022	560,361,369	471,883,137	—	7,924,929
October 31, 2021	454,902,030	365,827,635	—	—

*Please refer Note 1 for fund events.

Statement of Net Assets

As at October 31, 2024

Templeton
Shariah
Global
Equity Fund

(USD)

113,352,377
8,232,229
331,415
86,757

—
33,890
122,036,668

95,058
124,740
17,328

—
—
123,494
360,620

121,676,048

87,172,046
80,553,303
89,074,395

Statement of Operations and Changes in Net Assets

For the year ended October 31, 2024

	Total	Franklin Global Sukuk Fund	Franklin Shariah Global Multi-Asset Income Fund*	Franklin Shariah Technology Fund
	(USD)	(USD)	(USD)	(USD)
NET ASSETS AT THE BEGINNING OF THE YEAR	739,562,457	612,971,653	–	39,418,758
INCOME				
Dividends (net of withholding taxes) (note 2 (f))	2,120,398	–	137,675	285,884
Profit payments on Sukuk (net of withholding taxes) (note 2 (f))	37,124,157	36,902,823	221,334	–
Sundry income (note 2 (f))	1,357	–	–	41
TOTAL INCOME	39,245,912	36,902,823	359,009	285,925
EXPENSES				
Investment management fees (note 5)	6,974,512	5,112,748	75,025	720,590
Administration and transfer agency fees	1,973,262	1,493,032	21,146	217,372
Directors fees (note 12)	23,256	18,316	259	2,526
Subscription tax (note 8)	286,925	212,856	4,658	15,940
Depository fees	30,857	29,841	1,016	–
Audit fees	83,831	23,699	14,264	20,065
Printing and publishing expenses	134,333	88,170	10,362	16,529
Shariah compliance fees	245,746	46,459	30,999	105,216
Net expenses on swaps	1,538,610	1,538,610	–	–
Maintenance and service charges (note 9)	1,170,156	665,768	11,889	42,015
Other charges (note 10)	519,879	370,875	26,097	45,674
TOTAL EXPENSES	12,981,367	9,600,374	195,715	1,185,927
Expense reimbursement (note 11)	(1,400,901)	(1,033,833)	(81,771)	(209,420)
NET EXPENSES	11,580,466	8,566,541	113,944	976,507
NET INCOME/(EXPENSE) FROM INVESTMENTS	27,665,446	28,336,282	245,065	(690,582)
Net realised profit/(loss) on sale of investments	7,872,996	(6,875,634)	517,500	10,945,875
Net realised profit/(loss) on Shariah compliant forward foreign exchange contracts	1,077,688	1,070,625	18	7,045
Net realised profit/(loss) on foreign exchange transactions	(1,324,101)	(1,340,373)	3,634	3,192
NET REALISED PROFIT/(LOSS) FOR THE YEAR	35,292,029	21,190,900	766,217	10,265,530
Change in net unrealised appreciation/(depreciation) on:				
Investments	59,780,901	35,424,317	272,765	15,329,594
Shariah compliant forward foreign exchange contracts	(189,103)	(181,399)	(11)	(7,693)
Shariah compliant profit rate swap contracts	3,821,369	3,821,369	–	–
Foreign exchange transactions	4,247	7,385	(192)	(234)
NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS	98,709,443	60,262,572	1,038,779	25,587,197
DONATION TO CHARITY				
Purification of non-Shariah compliant Income (note 17)	(35,023)	–	(1,973)	(5,807)
Purification of net realised profit on non-shariah compliant profit (note 17)	(125,870)	–	(2,102)	(9,185)
NET DECREASE IN NET ASSETS AS A RESULT OF DONATION TO CHARITY	(160,893)	–	(4,075)	(14,992)
MOVEMENT OF CAPITAL				
Issue of shares	473,970,984	293,702,013	18,685,532	112,128,696
Redemption of shares	(304,924,371)	(221,722,303)	(6,658,128)	(49,918,172)
Equalisation (note 15)	1,157,584	1,123,776	37,791	36
	170,204,197	73,103,486	12,065,195	62,210,560
Dividends paid/accumulated	(13,463,496)	(13,366,376)	(97,097)	–
NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF MOVEMENT IN CAPITAL	156,740,701	59,737,110	11,968,098	62,210,560
NET ASSETS AT THE END OF THE YEAR	994,851,708	732,971,335	13,002,802	127,201,523

*Please refer Note 1 for fund events.

Statement of Operations and Changes in Net Assets

For the year ended October 31, 2024

**Templeton
Shariah
Global
Equity Fund**

(USD)

87,172,046

1,696,839

—

1,316

1,698,155

1,066,149

241,712

2,155

53,471

—

25,803

19,272

63,072

—

450,484

77,233

1,999,351

(75,877)

1,923,474

(225,319)

3,285,255

—

9,446

3,069,382

8,754,225

—

—

(2,712)

11,820,895

(27,243)

(114,583)

(141,826)

49,454,743

(26,625,768)

(4,019)

22,824,956

(23)

22,824,933

121,676,048

Statistical Information

	Total Expense Ratio October 31, 2024 (See note 16)	Shares Outstanding as at October 31, 2024	Net Asset Value per share as at October 31, 2024	Net Asset Value per share as at October 31, 2023	Net Asset Value per share as at October 31, 2022
Franklin Global Sukuk Fund - USD					
A (acc) EUR	1.50%	156,709.84	14.56	13.76	14.33
A (acc) USD	1.50%	4,676,204.51	13.05	11.99	11.66
A (Mdis) SGD	1.50%	8,686,067.50	8.33	8.33	8.75
A (Mdis) USD	1.50%	7,607,874.84	8.12	7.85	7.98
C (Mdis) USD	2.28%	69,673.08	8.20	7.99	8.19
I (acc) USD	0.86%	23,372,144.87	13.92	12.71	12.29
I (Qdis) USD	0.86%	795,392.02	9.97	9.52	9.56
M (acc) USD	1.88%	496,548.88	9.76	9.00	8.79
N (acc) EUR	2.45%	768,071.59	13.02	12.41	13.04
S (acc) EUR-H1 (hedged)*	0.45%	102.24	10.33	—	—
S (acc) USD*	0.45%	2,447,816.97	10.45	—	—
S (Qdis) EUR-H1 (hedged)*	0.45%	100.86	10.15	—	—
S (Qdis) GBP-H1 (hedged)*	0.45%	161,666.13	10.23	—	—
S (Qdis) USD*	0.45%	1,340,680.29	10.24	—	—
W (acc) USD	0.90%	1,215,387.83	11.99	10.95	10.59
W (Qdis) EUR-H1 (hedged)	0.90%	2,739.96	7.45	7.24	7.49
W (Qdis) GBP-H1 (hedged)	0.90%	1,896,560.71	8.84	8.47	8.63
W (Qdis) USD	0.90%	12,105,947.30	8.58	8.20	8.28
X (Qdis) USD	0.28%	2,323,791.67	8.99	8.53	8.56
Y (Mdis) USD*	0.01%	76,115.81	10.12	—	—
Franklin Shariah Global Multi-Asset Income Fund - USD*					
A (acc) USD	1.75%	94,678.58	11.37	—	—
A (Mdis) SGD	1.75%	135.35	9.71	—	—
A (Mdis) SGD-H1 (hedged)	1.75%	135.35	9.80	—	—
A (Mdis) USD	1.75%	280,289.18	10.83	—	—
I (Mdis) USD	0.96%	65,264.53	11.46	—	—
W (acc) GBP	1.00%	23,667.47	10.80	—	—
W (acc) USD	1.00%	583,262.08	11.45	—	—
W (Mdis) GBP	1.00%	82.56	10.80	—	—
W (Mdis) USD	1.00%	100.00	11.45	—	—
Y (Mdis) USD	0.06%	108,255.78	10.42	—	—
Franklin Shariah Technology Fund - USD					
A (acc) SGD	1.87%	411,183.05	11.85	8.52	7.01
A (acc) SGD-H1 (hedged)	1.87%	80,547.37	11.44	8.09	6.57
A (acc) USD	1.87%	860,457.67	12.15	8.42	6.70
I (acc) USD	0.90%	7,693,069.44	14.30	9.82	7.73
W (acc) USD	0.95%	166,556.83	14.27	9.81	7.73
Templeton Shariah Global Equity Fund - USD					
A (acc) SGD	1.90%	1,625,643.38	16.81	15.30	14.05
A (acc) USD	1.90%	2,356,421.27	16.78	14.72	13.07
AS (acc) SGD	1.75%	4,797,543.30	14.78	13.43	12.31
I (acc) USD	1.05%	415,120.87	18.63	16.21	14.27
X (Ydis) USD	0.35%	102.67	13.62	11.99	10.69

*This Fund / share class was launched during the year

Notes to Financial Statements

For the year ended October 31, 2024

Note 1 - The Company

Franklin Templeton Shariah Funds ("FTSF" or the "Company") is a collective investment undertaking pursuant to Part I of the amended Luxembourg law of December 17, 2010 on undertakings for collective investment and qualifies as a société d'investissement à capital variable. The Company was incorporated in Luxembourg on July 3, 2012, for an undetermined period. At the date of this report, it offers shares in 4 sub-funds of the Company (each of which referred to as the "Fund" and collectively referred to as the "Funds"). The Board of Directors of the Company may authorise the creation of additional funds in future with different investment objectives.

The Company aims to provide Investors with a choice of funds which invest in a wide range of Shariah-compliant transferable securities and other Shariah-compliant eligible assets on a worldwide basis and which feature a diverse array of investment objectives including capital growth and income. The overall objective of the Company is to seek to minimise investment risk exposure through diversification and to provide Investors with the benefit of a portfolio managed by entities of Franklin Templeton according to its successful time-tested investment selection methods.

Fund Launch

Franklin Shariah Global Multi-Asset Income Fund was launched on November 1, 2023.

Note 2 - Significant accounting policies

(a) General

The financial statements are prepared in accordance with the regulations of the Grand Duchy of Luxembourg relating to investment funds under the going concern basis of accounting.

(b) Investment in securities

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

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

In accordance with the provisions of the current prospectus, Market Level Fair Valuation may be implemented to protect the interests of the Company's shareholders against market timing practices, as market timers may seek to exploit possible delays between the change in the value of a Fund's portfolio holdings and the Net Asset Value of the Fund's Shares in those Funds that hold significant investments in foreign securities because certain foreign markets close several hours ahead of the US markets.

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

- Franklin Shariah Global Multi-Asset Income Fund
- Franklin Shariah Technology Fund
- Templeton Shariah Global Equity Fund

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

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

Note 2 - Significant accounting policies (continued)

(b) Investment in securities (continued)

During the accounting year under review, discounts and premiums were amortised to income over the period to maturity, or date sold, if earlier.

(c) Shariah compliant forward foreign exchange contracts

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

(d) Shariah compliant profit rate swap contracts

The profit rate swap uses reciprocal Murabaha transactions. Murabaha is an Islamic financing structure in which the seller and buyer agree to the cost and mark-up of an asset. The Murabaha is a sale arrangement whereby a financier purchases goods from a supplier (at the cost price) and then on-sells them to a counterparty at a deferred price that is marked-up to include the financier's profit margin. Gains or losses resulting from Shariah compliant profit rate swaps are recognised in the "Statement of Operations and Changes in Net Assets".

(e) Foreign exchange transactions

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

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

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

AUD	1.5198	GBP	0.7756	SEK	10.6544
BRL	5.7814	HKD	7.7740	SGD	1.3204
CAD	1.3924	JPY	151.9250	THB	33.7900
CHF	0.8635	KRW	1375.4950	TRY	34.2654
DKK	6.8578	MYR	4.3790	TWD	31.9360
EUR	0.9193	NOK	11.0018	ZAR	17.6296

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

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

(f) Income

Dividends are credited to income on their ex-dividend date, Profit payments (including profit payments on Sukuk) are accrued on a daily basis, and includes the amortization of premiums and accretion of discounts, where applicable. Sundry Income are principally comprised of consent fees.

(g) Senior floating rate interest

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

Note 2 - Significant accounting policies (continued)

(g) Senior floating rate interest (continued)

The interest rate is a general indicator. Although the Funds do not invest in interest bearing instruments, the movement of the interest rate will have an impact on the profit rate of the Islamic instruments and consequently affect the expected return of the Fund's investments. As at October 31, 2024, the Company had no exposure.

(h) Swing pricing

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

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

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

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

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

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

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

The Franklin Templeton International Services S.à r.l. ("FTIS"), as UCITS licensed management company (the "Management Company") mandates authority to the Swing Pricing Oversight Committee to implement and on a periodic basis review, the operational decisions associated with swing pricing. This committee is responsible for decisions relating to swing pricing and the ongoing approval of swing factors which form the basis of pre-determined standing instructions.

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

There was no swing pricing adjustment affecting the Fund's Net Asset Value per share on the last day of the year.

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

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

- Franklin Shariah Global Multi-Asset Income Fund

Note 3 - Shariah compliant forward foreign exchange contracts

As at October 31, 2024, the Funds had entered into the following outstanding contracts:

Franklin Global Sukuk Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for share class hedging:					
EUR	22,674	USD	24,801	11/15/2024	(126)
GBP	18,834,413	USD	24,578,009	11/15/2024	(296,123)
USD	13	EUR	12	11/15/2024	–
USD	369,418	GBP	283,844	11/15/2024	3,478
					<u>(292,771)</u>

The above contracts were opened with the below counterparties:

J.P. Morgan	(292,771)
	<u>(292,771)</u>

Franklin Shariah Global Multi-Asset Income Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for share class hedging:					
SGD	1,342	USD	1,028	11/15/2024	(11)
					<u>(11)</u>

The above contracts were opened with the below counterparties:

J.P. Morgan	(11)
	<u>(11)</u>

Franklin Shariah Technology Fund

Purchases		Sales		Maturity Date	Unrealised profit/(loss) USD
Forward foreign exchange contracts used for share class hedging:					
SGD	1,028,809	USD	787,619	11/15/2024	(8,068)
USD	49,579	SGD	65,523	11/15/2024	(69)
					<u>(8,137)</u>

The above contracts were opened with the below counterparties:

J.P. Morgan	(8,137)
	<u>(8,137)</u>

Note 4 - Shariah compliant profit rate swap contracts

As at October 31, 2024, the Funds had entered into the following outstanding contracts:

Franklin Global Sukuk Fund

Nominal amount	Description	Counterparty	Maturity date	Trading currency	Unrealised profit/(loss) USD
40,000,000	Receive fixed 2.895%	J.P. Morgan	05/11/2032	USD	(2,289,154)
27,000,000	Pay floating SOFR 1 day				
	Receive fixed 3.521%	J.P. Morgan	09/29/2032	USD	(460,618)
	Pay floating SOFR 1 day				
					<u>(2,749,772)</u>

Note 5 - Investment management fees

The Management Company receives from the Company a monthly investment management fee equivalent to a certain percentage per annum (as detailed below) of each Fund's average daily net assets during the accounting year. The following percentages apply in respect of the different Funds as at year end.

The Investment Managers will be remunerated by the Management Company out of the investment management fee received from the Company.

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

	Class A, AS, C, N	Class I	Class M	Class S	Class W
Franklin Global Sukuk Fund	1.00%	0.70%	USD 0 to 100 M - 0.45% USD 100 M to 250 M - 0.40% Above USD 250 M - 0.35%	up to 0.70%	0.70%
Franklin Shariah Global Multi-Asset Income Fund*	1.00%	0.70%	NA	NA	0.70%
Franklin Shariah Technology Fund	1.00%	0.70%	NA	NA	0.70%
Templeton Shariah Global Equity Fund	1.00%	0.70%	NA	NA	NA

*Please refer Note 1 for Fund events.

Note 6 - Soft commission

Consistent with obtaining best execution, brokerage commissions on portfolio transactions for the Company may be directed by the Investment Managers to broker-dealers in recognition of research services furnished by them as well as for services rendered in the execution of orders by such broker-dealers.

The receipt of investment research and information and related services permits the Investment Managers to supplement their own research and analysis and makes available to them the views and information of individuals and research staffs of other firms.

Such services do not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries or direct money payment, which are paid for directly by the Investment Managers.

Note 7 - Connected party transactions

Certain Directors of the Company are or may also be Officers and/or Directors of the Management Company, Franklin Templeton International Services S.à r.l.

The investment management fees that are accrued by the Company in respect of the Management Company are detailed in note 5 to the financial statements.

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

During the year ended October 31, 2024, the Company accrued administration and transfer agency fees and shares' maintenance and service charges in respect of Franklin Templeton International Services S.à r.l. as Management Company and Principal Distributor of the Funds. All transactions with connected parties were entered into in the ordinary course of business and under normal commercial terms.

Note 8 - Taxation

The Company is not liable in the Grand Duchy of Luxembourg to any tax on its profits or income.

The Company, however, is liable in the Grand Duchy of Luxembourg to a tax of 0.05% per annum of its NAV, such tax being payable quarterly on the basis of the value of the net assets of the Company at the end of the relevant calendar quarter. This tax is not applicable for the portion of the assets of a Fund invested in other undertakings for collective investment which have been already subject to such tax. Class I and Class X Shares may qualify for the reduced tax rate of 0.01% if all the Investors of these Share Classes are respectively Institutional Investors.

No stamp duty or other tax is payable in the Grand Duchy of Luxembourg on the issue of the Shares in the Company. A EUR 75 registration duty is to be paid upon incorporation and each time the Articles are amended.

Under current laws and practice, no capital gains tax is payable in the Grand Duchy of Luxembourg on the realised or unrealised capital appreciation of the assets of the Company.

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

Investment income received or capital gains realised by the Company may be subject to tax in the countries of origin at varying rates. The Company may benefit in certain circumstances from double taxation treaties which the Grand Duchy of Luxembourg has concluded with other countries.

Note 9 - Share classes

Class A shares: are offered at the applicable net asset value, plus an entry charge of up to 5.00% for Franklin Global Sukuk Fund, up to 5.75% for Franklin Shariah Global Multi-Asset Income Fund and Templeton Shariah Global Equity Fund of the total amount invested varying per asset class. In addition, a maintenance charge of up to 0.30% per annum for Franklin Global Sukuk Fund and up to 0.50% for Franklin Shariah Global Multi-Asset Income Fund, Franklin Shariah Technology Fund and Templeton Shariah Global Equity Fund of the applicable average net asset value is deducted and paid to the Principal Distributor. This charge is accrued daily and is deducted and paid monthly to the Principal Distributor. A contingent deferred sales charge of up to 1.00%, retained by the Principal Distributor, applies to certain redemptions on qualified investments of USD 1 million or more within 18 months after repurchase.

Class AS shares: are offered in Singapore to CPF Investors as more fully described in the current prospectus of the Company. The price at which Class AS shares will be offered is the Net Asset Value per Share. Purchases of Class AS shares are not subject to an entry charge. In addition, a maintenance charge of up to 0.40% per annum of the applicable average net asset value is deducted and paid to the Principal Distributor. This charge is accrued daily and is deducted and paid monthly to the Principal Distributor.

Class C shares: are offered to institutional investors as more fully described in the current prospectus of the Company. Purchases of Class C shares are not subject to an entry charge but are subject to a maintenance or serving charge of 1.08%. However, Class C shares are subject to a CDSC of 1.00% if an Investor sells shares within one year of purchase.

Class I shares: are offered to institutional investors as more fully described in the current prospectus of the Company. Purchases of Class I shares are not subject to an entry charge, nor a contingent deferred sales charge or any maintenance or servicing charges.

Class M shares: are not subject to an entry charge, contingent deferred sales charge nor servicing charge. Maintenance charge of up to 1.23% per annum of the applicable average net asset value is deducted and paid to the Principal Distributor. Class M shares may be offered in certain limited circumstances as more fully described in the current prospectus of the Company.

Class N shares: are subject to an entry charge of up to 3.00% of the total amount invested. In addition, a maintenance charge of up to 1.25% per annum of the applicable average net asset value is accrued daily and is deducted and paid monthly to the Principal Distributor. Class N shares may be offered in certain limited circumstances as more fully described in the current prospectus of the Company.

Note 9 - Share classes (continued)

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

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

Class X shares: are not subject to an entry charge and no management fees will be payable by an investor on the acquisition of Class X shares (instead a fee is paid to the Investment Manager or affiliates under an agreement between the Investment Manager and the investor). Class X shares are offered to institutional investors in certain limited circumstances as more fully described in the current prospectus of the Company.

Class Y Shares: are not subject to an entry charge and no management fees will be payable by an investor on the acquisition of Class Y shares (instead a fee is paid to the Investment Manager or affiliates under an agreement between the Investment Manager and the investor). Class Y shares are offered to institutional investors in certain limited circumstances as more fully described in the current prospectus of the Company.

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

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

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

Note 10 - Other Charges

Other expenses mainly consist of legal fees, registration fees, paying agent fees, tax fees and miscellaneous comprising of various pricing vendors.

Note 11 - Expenses reimbursement

On a daily basis, for share classes where the expenses are capped, the level of expenses is calculated and compared to the cap and where the level of expenses is higher than the cap, this difference is booked as a decrease of expense (the "waiver fees"). On a monthly basis the waiver fees are deducted from the fees received by the management company.

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

Note 12 - Directors Fees

For their role and services, the independent and non-executive directors on the Board of Directors are remunerated an aggregate gross amount of EUR 18,000 per annum. This amount may be prorated based on the actual duration of their service within a given financial year. The rest of the Board of Directors waive any right to remuneration.

Note 13 - Statement of changes in the investment portfolio

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

Note 14 - Transaction costs

Transaction costs are costs incurred to acquire and dispose of financial assets or liabilities. They include fees and commissions paid to agents, brokers and dealers. During the year ended October 31, 2024, the Funds incurred the following transaction costs:

Fund Name	Currency	Amount [#]
Franklin Global Sukuk Fund	USD	—
Franklin Shariah Global Multi-Asset Income Fund [*]	USD	11,444
Franklin Shariah Technology Fund	USD	43,870
Templeton Shariah Global Equity Fund	USD	107,619

^{*}Please refer Note 1 for fund events.

[#]For Sukuk, transaction costs are not separately identifiable from the purchase price of the security and therefore cannot be disclosed separately.

Note 15 - Equalisation

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

Note 16 - Total Expense Ratio

The Total Expense Ratio ("TER"), expressed as a percentage, represents how the total annualised expenses of each share class relate to the average net assets of each share class for the year ended October 31, 2024. The total expenses comprise the investment management fees, the administration and transfer agency fees, the custodian fees and other expenses as summarised in the "Statement of Operations and Changes in Net Assets". For share classes launched during the year, the TER is annualised.

Note 17 - Purification of non-Shariah compliant income

The Shariah Supervisory Board from time to time issues guidelines to quantify the annual amount of income of a Fund that should be donated to charity, being derived from eligible securities for investment pursuant to the investment objective, policy and restrictions set out in the prospectus, but that are engaged in an activity or activities of a marginal nature which are not Shariah-compliant and which are not screened out by the Shariah restrictions. Such amount is calculated on each relevant transaction, based on the purification ratios, expressed as a percentage of each target company's dividend payments.

Also, when a security becomes non-compliant after already held in the portfolio, it needs to be sold out and the realized profit is subject to purification. The profit (gain) purification is calculated as the difference between the sales proceeds and discovery value (price of the security on the day it was discovered to be non-compliant).

The resulting purification amounts are donated to a charity. Any such amounts are deducted only upon their actual determination and no anticipated accrual thereof is made. For the year ended October 31, 2024, the amount was donated to the United Kingdom Committee for the United Nations Children's Fund (UNICEF).

Note 18 - Abbreviations

Countries

ARE	United Arab Emirates	DNK	Denmark	KOR	South Korea	QAT	Qatar
AUS	Australia	EGY	Egypt	KWT	Kuwait	SAU	Saudi Arabia
BHR	Bahrain	ESP	Spain	LUX	Luxembourg	SP	Supranational
BRA	Brazil	FRA	France	MDV	Maldives	SWE	Sweden
CAN	Canada	GBR	United Kingdom	MYS	Malaysia	THA	Thailand
CHE	Switzerland	IDN	Indonesia	NLD	Netherlands	TUR	Turkiye
CHN	China	IND	India	NOR	Norway	TWN	Taiwan
CYM	Cayman Islands	IRL	Ireland	OMN	Oman	USA	United States of America
DEU	Germany	JPN	Japan	PHL	Philippines	ZAF	South Africa

Note 18 - Abbreviations (continued)

Currencies

AUD	Australian Dollar	EUR	Euro	MYR	Malaysian Ringgit	TRY	Turkish Lira
BRL	Brazilian Real	GBP	British Pound Sterling	NOK	Norwegian Krone	TWD	New Taiwan Dollar
CAD	Canadian Dollar	HKD	Hong Kong Dollar	SEK	Swedish Krona	USD	US Dollar
CHF	Swiss Franc	JPY	Japanese Yen	SGD	Singapore Dollar	ZAR	South African Rand
DKK	Danish Krone	KRW	South Korean Won	THB	Thai Baht		

Note 19 - Additional Information

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

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

Note 20 - Subsequent events

Effective December 31, 2024, Hans-J. Wisser has resigned from his role as Director on the Board of Directors of the Company.

Schedule of Investments, October 31, 2024

Franklin Global Sukuk Fund

(Currency - USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	SUKUK				
	Corporate Sukuk				
32,215,000	Saudi Electricity Sukuk Programme Co., Reg. S 5.684% 04/11/2053	SAU	USD	31,543,478	4.30
24,550,000	DP World Crescent Ltd., Reg. S 5.5% 09/13/2033	ARE	USD	24,979,625	3.41
22,048,000	SA Global Sukuk Ltd., Reg. S 2.694% 06/17/2031	SAU	USD	19,268,629	2.63
17,385,000	TMS Issuer SARL, Reg. S 5.78% 08/23/2032	SAU	USD	17,826,970	2.43
18,000,000	Aercap Sukuk Ltd., Reg. S 4.5% 10/03/2029	IRL	USD	17,485,793	2.39
16,735,000	DAE Sukuk DIFC Ltd., Reg. S 3.75% 02/15/2026	ARE	USD	16,451,484	2.24
15,650,000	ANB Sukuk Ltd., Reg. S 3.326% 10/28/2030	SAU	USD	15,239,774	2.08
14,700,000	SA Global Sukuk Ltd., Reg. S 4.25% 10/02/2029	SAU	USD	14,394,916	1.96
14,243,000	DP World Salaam, Reg. S 6% Perpetual	ARE	USD	14,222,330	1.94
13,489,000	AIR Lease Corp. Sukuk Ltd., Reg. S 5.85% 04/01/2028	USA	USD	13,697,918	1.87
13,250,000	Mdgh Sukuk Ltd., Reg. S 4.959% 04/04/2034	ARE	USD	13,318,721	1.82
12,900,000	EI Sukuk Co. Ltd., Reg. S 5.431% 05/28/2029	ARE	USD	13,291,676	1.81
11,575,000	Suci Second Investment Co., Reg. S 6.25% 10/25/2033	SAU	USD	12,478,443	1.70
12,165,000	Saudi Electricity Global Sukuk Co. 3, Reg. S 5.5% 04/08/2044	SAU	USD	12,047,620	1.64
11,475,000	KIB Sukuk Ltd., Reg. S 2.375% 11/30/2030	KWT	USD	11,081,385	1.51
10,700,000	TVF Varlik Kiralama A/S, Reg. S 6.95% 01/23/2030	TUR	USD	10,796,835	1.47
10,450,000	Alpha Star Holding VII Ltd., Reg. S 7.75% 04/27/2026	ARE	USD	10,646,617	1.45
10,300,000	DIB Sukuk Ltd., Reg. S 5.243% 03/04/2029	ARE	USD	10,480,538	1.43
10,000,000	Aldar Investment Properties Sukuk Ltd., Reg. S 5.5% 05/16/2034	ARE	USD	10,352,100	1.41
10,100,000	Riyad T1 Sukuk Ltd., Reg. S 5.5% Perpetual	SAU	USD	9,938,211	1.36
11,100,000	Dua Capital Ltd., Reg. S 2.78% 05/11/2031	MYS	USD	9,791,363	1.34
9,435,000	Aldar Sukuk No. 2 Ltd., Reg. S 3.875% 10/22/2029	ARE	USD	9,042,669	1.23
9,500,000	AUB Sukuk Ltd., Reg. S 2.615% 09/09/2026	BHR	USD	9,040,390	1.23
8,750,000	Equate Sukuk Spc Ltd., Reg. S 5% 09/05/2031	KWT	USD	8,841,906	1.21
8,730,000	TNB Global Ventures Capital Bhd., Reg. S 3.244% 10/19/2026	MYS	USD	8,488,289	1.16
8,365,000	MAF Sukuk Ltd., Reg. S 4.5% 11/03/2025	ARE	USD	8,315,253	1.13
7,000,000	Suci Second Investment Co., Reg. S 6% 10/25/2028	SAU	USD	7,274,705	0.99
6,750,000	Al Rajhi Bank, Reg. S 6.375% Perpetual	SAU	USD	7,013,520	0.96
6,300,000	QIB Sukuk Ltd., Reg. S 5.581% 11/22/2028	QAT	USD	6,535,085	0.89
6,450,000	Saudi Electricity Sukuk Programme Co., Reg. S 5.194% 02/13/2034	SAU	USD	6,530,602	0.89
6,530,000	BBG Sukuk Ltd., Reg. S 4.56% 10/09/2029	QAT	USD	6,494,248	0.89
6,500,000	Mazoon Assets Co. SAOC, Reg. S 5.25% 10/09/2031	OMN	USD	6,478,225	0.88
6,215,000	DIB Sukuk Ltd., Reg. S 2.95% 01/16/2026	ARE	USD	6,068,342	0.83
5,811,000	SNB Sukuk Ltd., Reg. S 2.342% 01/19/2027	SAU	USD	5,538,701	0.76
5,735,000	Boubyan Tier 1 Sukuk Ltd., Reg. S 3.95% Perpetual	KWT	USD	5,487,369	0.75
5,300,000	KIB Tier 1 Sukuk 2 Ltd., Reg. S 6.625% Perpetual	KWT	USD	5,440,218	0.74
5,655,000	NCB Tier 1 Sukuk Ltd., Reg. S 3.5% Perpetual	SAU	USD	5,412,365	0.74
4,515,000	Banque Saudi Fransi, Reg. S 4.75% 05/31/2028	SAU	USD	4,513,737	0.62
3,580,000	Aldar Investment Properties Sukuk Ltd., Reg. S 4.875% 05/24/2033	ARE	USD	3,552,495	0.48
3,400,000	Alinma Tier 1 Sukuk Ltd., Reg. S 6.5% Perpetual	SAU	USD	3,524,976	0.48
3,680,000	Riyad Tier 1 Sukuk Ltd., Reg. S 4% Perpetual	SAU	USD	3,501,864	0.48
3,350,000	Senaat Sukuk Ltd., Reg. S 4.76% 12/05/2025	ARE	USD	3,339,907	0.46
3,500,000	Dua Capital Ltd., Reg. S 1.658% 05/11/2026	MYS	USD	3,330,682	0.45
3,250,000	Al Rajhi Sukuk Ltd., Reg. S 5.047% 03/12/2029	SAU	USD	3,289,055	0.45
3,000,000	EI Sukuk Co. Ltd., Reg. S 2.082% 11/02/2026	ARE	USD	2,847,270	0.39
2,900,000	Saudi Telecom Co., Reg. S 3.89% 05/13/2029	SAU	USD	2,822,065	0.38
2,750,000	Unity 1 Sukuk Ltd., Reg. S 2.394% 11/03/2025	ARE	USD	2,680,591	0.37
2,550,000	Suci Second Investment Co., Reg. S 5.171% 03/05/2031	SAU	USD	2,564,452	0.35
2,590,000	Fab Sukuk Co. Ltd., Reg. S 1.411% 01/14/2026	ARE	USD	2,487,413	0.34
2,250,000	Warba Tier 1 Sukuk 2 Ltd., Reg. S 4% Perpetual	KWT	USD	2,145,177	0.29
2,000,000	DP World Crescent Ltd., Reg. S 3.875% 07/18/2029	ARE	USD	1,911,598	0.26
1,790,000	DIB Tier 1 Sukuk 4 Ltd., Reg. S 4.625% Perpetual	ARE	USD	1,751,660	0.24
1,500,000	DIB Sukuk Ltd., Reg. S 5.493% 11/30/2027	ARE	USD	1,532,236	0.21
1,700,000	Saudi Electricity Global Sukuk Co. 5, Reg. S 2.413% 09/17/2030	SAU	USD	1,486,264	0.20
1,400,000	Almarai Co. JSC, Reg. S 5.233% 07/25/2033	SAU	USD	1,436,176	0.20
999,000	Al Rajhi Sukuk Ltd., Reg. S 4.75% 04/05/2028	SAU	USD	999,848	0.14
726,729	Khadrawy Ltd., Reg. S 2.471% 03/31/2025	ARE	USD	723,105	0.10
8,820,000	Asya Sukuk Co. Ltd., Reg. S, FRN 0.004% 03/28/2023 ^s	TUR	USD	220,500	0.03
300,000	SD International Sukuk Ltd., Reg. S 6.3% 05/09/2022 ^s	MYS	USD	3,030	—
				472,000,414	64.39

Franklin Global Sukuk Fund (continued)

(Currency - USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
Government and Municipal Sukuk					
32,090,000	KSA Sukuk Ltd., Reg. S 5.25% 06/04/2034	SAU	USD	32,528,333	4.44
22,482,000	ROP Sukuk Trust, Reg. S 5.045% 06/06/2029	PHL	USD	22,761,191	3.11
19,689,000	Maldives Sukuk Issuance Ltd., Reg. S 9.875% 04/08/2026	MDV	USD	16,363,996	2.23
15,385,000	Sharjah Sukuk Program Ltd., Reg. S 6.092% 03/19/2034	ARE	USD	16,184,828	2.21
13,475,000	Perusahaan Penerbit SBSN Indonesia III, Reg. S 4.15% 03/29/2027	IDN	USD	13,351,452	1.82
13,059,000	KSA Sukuk Ltd., Reg. S 4.274% 05/22/2029	SAU	USD	12,845,939	1.75
8,545,000	Perusahaan Penerbit SBSN Indonesia III, Reg. S 4.4% 03/01/2028	IDN	USD	8,484,564	1.16
10,685,000	Perusahaan Penerbit SBSN Indonesia III, Reg. S 3.8% 06/23/2050	IDN	USD	8,413,215	1.15
8,000,000	Perusahaan Penerbit SBSN Indonesia III, Reg. S 2.55% 06/09/2031	IDN	USD	6,969,112	0.95
7,750,000	Perusahaan Penerbit SBSN Indonesia III, Reg. S 2.8% 06/23/2030	IDN	USD	6,966,513	0.95
6,850,000	KSA Sukuk Ltd., Reg. S 5.25% 06/04/2030	SAU	USD	6,958,151	0.95
6,830,000	KSA Sukuk Ltd., Reg. S 4.511% 05/22/2033	SAU	USD	6,626,944	0.90
4,685,000	Sharjah Sukuk Program Ltd., Reg. S 4.226% 03/14/2028	ARE	USD	4,563,389	0.62
4,120,000	Perusahaan Penerbit SBSN Indonesia III, Reg. S 4.7% 06/06/2032	IDN	USD	4,066,018	0.56
	Egyptian Financial Co. for Sovereign Taskeek (The), Reg. S 10.875% 02/28/2026	EGY	USD	3,853,116	0.53
3,700,000	Sharjah Sukuk Program Ltd., Reg. S 2.942% 06/10/2027	ARE	USD	3,533,400	0.48
3,035,000	KSA Sukuk Ltd., Reg. S 2.25% 05/17/2031	SAU	USD	2,588,202	0.35
2,540,000	Sharjah Sukuk Program Ltd., Reg. S 3.854% 04/03/2026	ARE	USD	2,495,553	0.34
1,329,000	Malaysia Sovereign Sukuk Bhd., Reg. S 3.043% 04/22/2025	MYS	USD	1,315,840	0.18
				180,869,756	24.68
	TOTAL SUKUK			652,870,170	89.07
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			652,870,170	89.07
	TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				
	SUKUK				
	Corporate Sukuk				
5,350,000	Ahli United Sukuk Ltd., Reg. S 3.875% Perpetual	KWT	USD	5,122,471	0.70
3,570,000	Arabian Centres Sukuk III Ltd., Reg. S 9.5% 03/06/2029	SAU	USD	3,696,168	0.50
2,600,000	Alpha Star Holding VIII Ltd., Reg. S 8.375% 04/12/2027	ARE	USD	2,693,136	0.37
1,690,000	MAF Sukuk Ltd., Reg. S 3.933% 02/28/2030	ARE	USD	1,614,902	0.22
8,140,000	SD International Sukuk II Ltd., Reg. S 6.997% 03/12/2025 ^s	MYS	USD	41,514	0.01
				13,168,191	1.80
	Government and Municipal Sukuk				
30,000,000	Malaysia Government Bond 4.07% 09/30/2026	MYS	MYR	6,930,513	0.94
				6,930,513	0.94
	TOTAL SUKUK			20,098,704	2.74
	TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET			20,098,704	2.74
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET				
	WARRANTS				
	Consumer Staples Distribution & Retail				
441,300	Pure Harvest Smart Farms Sukuk Ltd. 06/30/2027**	ARE	USD	1,619,686	0.22
				1,619,686	0.22
	TOTAL WARRANTS			1,619,686	0.22
	SUKUK				
	Corporate Sukuk				
498,000,000	KT 23 CP Co. Ltd. 42% 02/16/2025**	CYM	TRY	14,307,057	1.95
3,050,000	RSS Sukuk Co. Ltd. 12% 12/31/2027**	ARE	USD	3,258,226	0.45
1,500,000	Moove IO 12% 07/26/2027**	ARE	USD	1,568,035	0.21
5,813,000	NMC Healthcare Sukuk Ltd., Reg. S 5.95% 11/21/2023*** ^s	ARE	USD	—	—
				19,133,318	2.61

Franklin Global Sukuk Fund (continued)

(Currency - USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Government and Municipal Sukuk				
28,000,000	Al Mi'yar Capital SA 4.25% 02/15/2054**	LUX	USD	26,921,563	3.68
				26,921,563	3.68
	TOTAL SUKUK			46,054,881	6.29
	TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET			47,674,567	6.51
	TOTAL INVESTMENTS			720,643,441	98.32

§ This Sukuk is currently in default

** These securities are submitted to a Fair Valuation

Schedule of Investments, October 31, 2024

Franklin Shariah Global Multi-Asset Income Fund

(Currency - USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	SHARES				
	Automobile Components				
2,161	Cie Generale des Etablissements Michelin SCA	FRA	EUR	73,032	0.56
				73,032	0.56
	Automobiles				
2,154	Kia Corp.	KOR	KRW	142,908	1.10
8,861	Stellantis NV	USA	USD	120,687	0.93
433	Tesla, Inc.	USA	USD	108,185	0.83
				371,780	2.86
	Beverages				
2,025	Coca-Cola Co. (The)	USA	USD	132,253	1.02
				132,253	1.02
	Biotechnology				
1,376	Gilead Sciences, Inc.	USA	USD	122,216	0.94
241	AbbVie, Inc.	USA	USD	49,133	0.38
				171,349	1.32
	Building Products				
604	Cie de Saint-Gobain SA	FRA	EUR	54,774	0.42
459	Masco Corp.	USA	USD	36,678	0.28
				91,452	0.70
	Chemicals				
177	Sherwin-Williams Co. (The)	USA	USD	63,502	0.49
616	LyondellBasell Industries NV 'A'	USA	USD	53,500	0.41
52	Ecolab, Inc.	USA	USD	12,778	0.10
				129,780	1.00
	Communications Equipment				
3,709	Cisco Systems, Inc.	USA	USD	203,142	1.56
				203,142	1.56
	Containers & Packaging				
568	Packaging Corp. of America	USA	USD	130,038	1.00
				130,038	1.00
	Electrical Equipment				
5,965	Signify NV, Reg. S, 144A	USA	EUR	146,051	1.12
				146,051	1.12
	Food Products				
993	Kraft Heinz Co. (The)	USA	USD	33,226	0.26
				33,226	0.26
	Ground Transportation				
72	Landstar System, Inc.	USA	USD	12,655	0.10
				12,655	0.10
	Health Care Equipment & Supplies				
1,864	Medtronic plc	USA	USD	166,362	1.28
112	Abbott Laboratories	USA	USD	12,697	0.10
				179,059	1.38
	Health Care Providers & Services				
217	Cencora, Inc.	USA	USD	49,493	0.38
				49,493	0.38
	Household Durables				
972	PulteGroup, Inc.	USA	USD	125,903	0.97
				125,903	0.97
	Household Products				
1,405	Colgate-Palmolive Co.	USA	USD	131,662	1.01
292	Procter & Gamble Co. (The)	USA	USD	48,233	0.37
				179,895	1.38
	Industrial Conglomerates				
2,700	Hitachi Ltd.	JPN	JPY	67,844	0.52
				67,844	0.52
	Interactive Media & Services				
716	Alphabet, Inc. 'A'	USA	USD	122,515	0.94
				122,515	0.94

Franklin Shariah Global Multi-Asset Income Fund (continued)

(Currency - USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	IT Services				
292	GoDaddy, Inc. 'A'	USA	USD	48,706	0.37
				48,706	0.37
	Life Sciences Tools & Services				
126	Danaher Corp.	USA	USD	30,953	0.24
				30,953	0.24
	Machinery				
8,760	Atlas Copco AB 'A'	SWE	SEK	144,573	1.11
144	Illinois Tool Works, Inc.	USA	USD	37,603	0.29
1,451	Komatsu Ltd.	JPN	JPY	37,563	0.29
				219,739	1.69
	Metals & Mining				
10,303	Fortescue Ltd.	AUS	AUD	129,004	0.99
6,846	Kumba Iron Ore Ltd.	ZAF	ZAR	128,924	0.99
1,704	Rio Tinto plc	AUS	GBP	110,109	0.85
45	Reliance, Inc.	USA	USD	12,885	0.10
				380,922	2.93
	Oil, Gas & Consumable Fuels				
3,896	Suncor Energy, Inc.	CAN	CAD	147,071	1.13
1,118	Valero Energy Corp.	USA	USD	145,072	1.12
5,470	Repsol SA	ESP	EUR	68,476	0.53
562	Exxon Mobil Corp.	USA	USD	65,630	0.51
1,036	TotalEnergies SE	FRA	EUR	65,015	0.50
8,729	Petroleo Brasileiro SA	BRA	BRL	58,975	0.45
3,846	Inpex Corp.	JPN	JPY	50,703	0.39
253	Chevron Corp.	USA	USD	37,651	0.29
8,300	PTT Exploration & Production PCL	THA	THB	31,132	0.24
733	Aker BP ASA	NOR	NOK	15,682	0.12
133	ConocoPhillips	USA	USD	14,569	0.11
400	Canadian Natural Resources Ltd.	CAN	CAD	13,603	0.10
				713,579	5.49
	Personal Care Products				
1,468	Unilever plc	GBR	GBP	89,537	0.69
				89,537	0.69
	Pharmaceuticals				
1,759	Johnson & Johnson	USA	USD	281,194	2.16
6,339	GSK plc	USA	GBP	114,455	0.88
927	Merck & Co., Inc.	USA	USD	94,851	0.73
771	Novartis AG	CHE	CHF	83,668	0.64
205	Novo Nordisk A/S 'B'	DNK	DKK	22,994	0.18
				597,162	4.59
	Professional Services				
4,434	Adecco Group AG	CHE	CHF	138,719	1.07
				138,719	1.07
	Semiconductors & Semiconductor Equipment				
177	KLA Corp.	USA	USD	117,923	0.91
721	QUALCOMM, Inc.	USA	USD	117,357	0.90
619	Applied Materials, Inc.	USA	USD	112,398	0.86
2,519	MediaTek, Inc.	TWN	TWD	98,379	0.76
323	NVIDIA Corp.	USA	USD	42,882	0.33
				488,939	3.76
	Software				
2,381	Microsoft Corp.	USA	USD	967,519	7.44
120	Constellation Software, Inc.	CAN	CAD	361,895	2.78
583	SAP SE	DEU	EUR	136,122	1.05
789	Oracle Corp.	USA	USD	132,426	1.02
2,413	Trend Micro, Inc.	JPN	JPY	126,266	0.97
139	Adobe, Inc.	USA	USD	66,453	0.51
7	Fair Isaac Corp.	USA	USD	13,952	0.11
				1,804,633	13.88
	Specialty Retail				
365	Lowe's Cos., Inc.	USA	USD	95,568	0.73
				95,568	0.73

Franklin Shariah Global Multi-Asset Income Fund (continued)

(Currency - USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
Technology Hardware, Storage & Peripherals					
3,613	HP, Inc.	USA	USD	128,334	0.99
282	Dell Technologies, Inc. 'C'	USA	USD	34,863	0.27
				163,197	1.26
Trading Companies & Distributors					
12	WW Grainger, Inc.	USA	USD	13,311	0.10
				13,311	0.10
Wireless Telecommunication Services					
1,458	KDDI Corp.	JPN	JPY	45,464	0.35
				45,464	0.35
	TOTAL SHARES			7,049,896	54.22
SUKUK					
Corporate Sukuk					
250,000	TMS Issuer SARL, Reg. S 5.78% 08/23/2032	SAU	USD	256,356	1.97
250,000	Equate Sukuk Spc Ltd., Reg. S 5% 09/05/2031	KWT	USD	252,626	1.94
220,000	Alpha Star Holding VII Ltd., Reg. S 7.75% 04/27/2026	ARE	USD	224,139	1.72
200,000	DP World Crescent Ltd., Reg. S 5.5% 09/13/2033	ARE	USD	203,500	1.57
200,000	TVF Varlik Kiralama A/S, Reg. S 6.95% 01/23/2030	TUR	USD	201,810	1.55
200,000	Mdgh Sukuk Ltd., Reg. S 4.959% 04/04/2034	ARE	USD	201,037	1.55
200,000	BBG Sukuk Ltd., Reg. S 4.56% 10/09/2029	QAT	USD	198,905	1.53
200,000	MAF Sukuk Ltd., Reg. S 4.5% 11/03/2025	ARE	USD	198,811	1.53
200,000	Saudi Electricity Global Sukuk Co. 3, Reg. S 5.5% 04/08/2044	SAU	USD	198,070	1.52
200,000	DAE Sukuk Dfc Ltd., Reg. S 3.75% 02/15/2026	ARE	USD	196,612	1.51
200,000	SA Global Sukuk Ltd., Reg. S 4.25% 10/02/2029	SAU	USD	195,849	1.51
200,000	Saudi Electricity Sukuk Programme Co., Reg. S 5.684% 04/11/2053	SAU	USD	195,831	1.51
200,000	ANB Sukuk Ltd., Reg. S 3.326% 10/28/2030	SAU	USD	194,757	1.50
200,000	Aercap Sukuk Ltd., Reg. S 4.5% 10/03/2029	IRL	USD	194,287	1.49
200,000	QIB Sukuk Ltd., Reg. S 1.95% 10/27/2025	QAT	USD	194,136	1.49
200,000	NCB Tier 1 Sukuk Ltd., Reg. S 3.5% Perpetual	SAU	USD	191,419	1.47
200,000	Dua Capital Ltd., Reg. S 2.78% 05/11/2031	MYS	USD	176,421	1.36
200,000	SA Global Sukuk Ltd., Reg. S 2.694% 06/17/2031	SAU	USD	174,788	1.34
				3,649,354	28.06
Government and Municipal Sukuk					
215,000	ROP Sukuk Trust, Reg. S 5.045% 06/06/2029	PHL	USD	217,670	1.68
200,000	KSA Sukuk Ltd., Reg. S 4.511% 05/22/2033	SAU	USD	194,054	1.49
200,000	Perusahaan Penerbit SBSN Indonesia III, Reg. S 2.55% 06/09/2031	IDN	USD	174,228	1.34
200,000	Perusahaan Penerbit SBSN Indonesia III, Reg. S 3.55% 06/09/2051	IDN	USD	149,643	1.15
				735,595	5.66
	TOTAL SUKUK			4,384,949	33.72
TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				11,434,845	87.94
TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET					
EQUITY LINKED NOTES					
Banks					
200	BNP Paribas SA 09/17/2026	FRA	USD	199,609	1.54
				199,609	1.54
	TOTAL EQUITY LINKED NOTES			199,609	1.54
SUKUK					
Supranational					
200,000	Isdb Trust Services No. 2 SARL, Reg. S 4.047% 10/15/2029	SP	USD	197,502	1.52
				197,502	1.52
	TOTAL SUKUK			197,502	1.52
TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				397,111	3.06

Franklin Shariah Global Multi-Asset Income Fund (continued)

(Currency - USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET				
	SUKUK				
	Corporate Sukuk				
2,000,000	KT 23 CP Co. Ltd. 42% 02/16/2025**	CYM	TRY	57,458	0.44
				57,458	0.44
	TOTAL SUKUK			57,458	0.44
	TOTAL TRANSFERABLE SECURITIES NOT ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING NOR DEALT IN ON ANOTHER REGULATED MARKET			57,458	0.44
	UNITS OF AUTHORISED UCITS OR OTHER COLLECTIVE INVESTMENT UNDERTAKINGS				
	EXCHANGE TRADED FUNDS				
	Financial Services				
7,267	iShares MSCI World Islamic Fund	IRL	USD	352,920	2.71
2,715	iShares MSCI EM Islamic Fund	IRL	USD	52,606	0.41
				405,526	3.12
	TOTAL EXCHANGE TRADED FUNDS			405,526	3.12
	TOTAL UNITS OF AUTHORISED UCITS OR OTHER COLLECTIVE INVESTMENT UNDERTAKINGS			405,526	3.12
	TOTAL INVESTMENTS			12,294,940	94.56

** These securities are submitted to a Fair Valuation

Schedule of Investments, October 31, 2024

Franklin Shariah Technology Fund

(Currency - USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	SHARES				
	Communications Equipment				
7,203	Arista Networks, Inc.	USA	USD	2,783,527	2.19
				2,783,527	2.19
	Health Care Technology				
9,116	Veeva Systems, Inc. 'A'	USA	USD	1,903,694	1.50
				1,903,694	1.50
	Interactive Media & Services				
27,714	Alphabet, Inc. 'C'	USA	USD	4,785,930	3.76
41,458	Pinterest, Inc. 'A'	USA	USD	1,317,950	1.04
				6,103,880	4.80
	IT Services				
9,610	MongoDB, Inc. 'A'	USA	USD	2,598,544	2.04
30,647	Shopify, Inc. 'A'	CAN	USD	2,396,902	1.89
				4,995,446	3.93
	Life Sciences Tools & Services				
3,746	Tempus AI, Inc. 'A'	USA	USD	167,147	0.13
				167,147	0.13
	Semiconductors & Semiconductor Equipment				
106,764	NVIDIA Corp.	USA	USD	14,173,989	11.14
52,622	Broadcom, Inc.	USA	USD	8,933,637	7.02
34,418	Taiwan Semiconductor Manufacturing Co. Ltd., ADR	TWN	USD	6,558,006	5.16
31,565	Advanced Micro Devices, Inc.	USA	USD	4,547,570	3.57
5,737	ASML Holding NV	NLD	EUR	3,861,756	3.04
20,131	Applied Materials, Inc.	USA	USD	3,655,387	2.87
3,910	KLA Corp.	USA	USD	2,604,959	2.05
10,768	NXP Semiconductors NV	CHN	USD	2,525,096	1.98
3,317	Monolithic Power Systems, Inc.	USA	USD	2,518,598	1.98
8,900	Analog Devices, Inc.	USA	USD	1,985,679	1.56
25,546	Lattice Semiconductor Corp.	USA	USD	1,294,160	1.02
4,381	ARM Holdings plc, ADR	USA	USD	619,035	0.49
				53,277,872	41.88
	Software				
28,595	Microsoft Corp.	USA	USD	11,619,578	9.13
9,898	Synopsys, Inc.	USA	USD	5,083,712	4.00
5,219	ServiceNow, Inc.	USA	USD	4,869,275	3.83
12,613	Salesforce, Inc.	USA	USD	3,675,050	2.89
6,579	Adobe, Inc.	USA	USD	3,145,288	2.47
9,384	Cadence Design Systems, Inc.	USA	USD	2,591,110	2.04
6,475	Palo Alto Networks, Inc.	USA	USD	2,333,137	1.83
7,724	Autodesk, Inc.	USA	USD	2,192,071	1.72
5,833	CrowdStrike Holdings, Inc. 'A'	USA	USD	1,731,643	1.36
4,341	Manhattan Associates, Inc.	USA	USD	1,143,246	0.90
1,940	HubSpot, Inc.	USA	USD	1,076,293	0.85
2,919	ANSYS, Inc.	USA	USD	935,277	0.74
15,379	Rubrik, Inc. 'A'	USA	USD	634,537	0.50
12,184	Klaviyo, Inc. 'A'	USA	USD	463,357	0.36
				41,493,574	32.62
	Technology Hardware, Storage & Peripherals				
40,243	Apple, Inc.	USA	USD	9,091,296	7.15
43,038	Pure Storage, Inc. 'A'	USA	USD	2,154,052	1.69
15,594	Dell Technologies, Inc. 'C'	USA	USD	1,927,886	1.51
				13,173,234	10.35
	TOTAL SHARES			123,898,374	97.40
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			123,898,374	97.40
	TOTAL INVESTMENTS			123,898,374	97.40

Schedule of Investments, October 31, 2024

Templeton Shariah Global Equity Fund

(Currency - USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
	SHARES				
	Automobiles				
132,777	Stellantis NV	USA	EUR	1,819,355	1.50
6,842	Tesla, Inc.	USA	USD	1,709,474	1.40
				3,528,829	2.90
	Broadline Retail				
53,550	JD.com, Inc. 'A'	CHN	HKD	1,085,974	0.89
				1,085,974	0.89
	Chemicals				
13,720	Albemarle Corp.	USA	USD	1,299,696	1.07
4,979	LG Chem Ltd.	KOR	KRW	1,123,166	0.92
				2,422,862	1.99
	Communications Equipment				
49,072	Cisco Systems, Inc.	USA	USD	2,687,674	2.21
5,072	F5, Inc.	USA	USD	1,186,239	0.97
				3,873,913	3.18
	Construction Materials				
17,561	CRH plc	USA	GBP	1,673,881	1.38
				1,673,881	1.38
	Electrical Equipment				
139,784	Mitsubishi Electric Corp.	JPN	JPY	2,459,397	2.02
7,291	Schneider Electric SE	USA	EUR	1,888,725	1.55
				4,348,122	3.57
	Food Products				
477,000	China Mengniu Dairy Co. Ltd.	CHN	HKD	1,068,243	0.88
				1,068,243	0.88
	Health Care Equipment & Supplies				
24,089	Medtronic plc	USA	USD	2,149,943	1.77
16,689	Zimmer Biomet Holdings, Inc.	USA	USD	1,784,388	1.46
				3,934,331	3.23
	Health Care Providers & Services				
24,571	Fresenius Medical Care AG	DEU	EUR	961,832	0.79
				961,832	0.79
	Household Products				
5,693	Procter & Gamble Co. (The)	USA	USD	940,370	0.77
				940,370	0.77
	Industrial Conglomerates				
99,795	Hitachi Ltd.	JPN	JPY	2,507,583	2.06
19,596	Samsung C&T Corp.	KOR	KRW	1,660,035	1.37
				4,167,618	3.43
	Interactive Media & Services				
13,922	Alphabet, Inc. 'A'	USA	USD	2,382,193	1.96
				2,382,193	1.96
	Life Sciences Tools & Services				
12,210	ICON plc	USA	USD	2,711,963	2.23
				2,711,963	2.23
	Machinery				
68,400	IHI Corp.	JPN	JPY	3,641,902	2.99
200,900	Ebara Corp.	JPN	JPY	3,019,504	2.48
24,485	Toyota Industries Corp.	JPN	JPY	1,697,518	1.40
				8,358,924	6.87
	Metals & Mining				
59,352	Freeport-McMoRan, Inc.	USA	USD	2,672,027	2.20
				2,672,027	2.20
	Oil, Gas & Consumable Fuels				
98,765	Shell plc	USA	GBP	3,296,987	2.71
26,428	Exxon Mobil Corp.	USA	USD	3,086,262	2.54
216,384	Inpex Corp.	JPN	JPY	2,852,668	2.34
538,730	BP plc	GBR	GBP	2,634,422	2.17

Templeton Shariah Global Equity Fund (continued)

(Currency - USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
33,866	Reliance Industries Ltd., GDR, 144A	IND	USD	2,120,011	1.74
				13,990,350	11.50
	Personal Care Products				
77,085	Kenvue, Inc.	USA	USD	1,767,559	1.45
				1,767,559	1.45
	Pharmaceuticals				
23,324	AstraZeneca plc	GBR	GBP	3,318,341	2.73
22,186	Sanofi SA	USA	EUR	2,344,613	1.93
10,297	Johnson & Johnson	USA	USD	1,646,078	1.35
11,906	Novartis AG	CHE	CHF	1,292,025	1.06
				8,601,057	7.07
	Real Estate Management & Development				
373,000	China Resources Land Ltd.	CHN	HKD	1,243,396	1.02
				1,243,396	1.02
	Semiconductors & Semiconductor Equipment				
39,912	Micron Technology, Inc.	USA	USD	3,977,231	3.27
111,000	Taiwan Semiconductor Manufacturing Co. Ltd.	TWN	TWD	3,492,239	2.87
13,665	Applied Materials, Inc.	USA	USD	2,481,290	2.04
77,512	Infineon Technologies AG	DEU	EUR	2,451,289	2.01
				12,402,049	10.19
	Software				
28,594	Microsoft Corp.	USA	USD	11,619,172	9.55
20,007	SAP SE	DEU	EUR	4,671,336	3.84
8,547	Adobe, Inc.	USA	USD	4,086,150	3.36
11,714	Salesforce, Inc.	USA	USD	3,413,108	2.80
6,980	Autodesk, Inc.	USA	USD	1,980,924	1.63
				25,770,690	21.18
	Technology Hardware, Storage & Peripherals				
54,537	Samsung Electronics Co. Ltd.	KOR	KRW	2,323,279	1.91
				2,323,279	1.91
	Textiles, Apparel & Luxury Goods				
6,899	Kering SA	FRA	EUR	1,723,168	1.42
686,000	Li Ning Co. Ltd.	CHN	HKD	1,399,747	1.15
				3,122,915	2.57
	TOTAL SHARES			113,352,377	93.16
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			113,352,377	93.16
	TOTAL INVESTMENTS			113,352,377	93.16

Additional Information - Unaudited

Sustainable Finance Disclosure Regulation (SFDR)

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities, including enabling or transitional activities, within the meaning of the Taxonomy Regulation.

Calculation Method of the Risk Exposure

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

Franklin Global Sukuk Fund

Franklin Shariah Technology Fund

Templeton Shariah Global Equity Fund

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

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

Portfolio Turnover Ratio

The portfolio turnover ratio, expressed as a percentage, is equal to the total of purchases and sales of securities netted against the total value of subscriptions and redemptions, over average net assets of the Fund for the 12 month period. It is effectively a measure of how frequently a Fund buys or sells securities.

The portfolio turnover ratio calculation is not applicable to Liquid Reserve and Money Market Funds, as such a ratio is not relevant to such Funds due to the short-term nature of the investments.

Fund	Portfolio Turnover Ratio
Franklin Global Sukuk Fund	7.77%
Franklin Shariah Global Multi-Asset Income Fund*	12.22%
Franklin Shariah Technology Fund	40.00%
Templeton Shariah Global Equity Fund	28.02%

*Please refer Note 1 for fund events.

UCITS Remuneration Disclosure

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

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

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

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

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

Total amount of fixed remuneration paid by FTIS and its delegates during the year ended September 30, 2024*, **, ***	€ 613,767
Total amount of variable remuneration paid by FTIS and its delegates during the year ended September 30, 2024*, **, ***	€ 522,075
Number of staff of FTIS and in its delegates as at September 30, 2024	601
Total amount of compensation paid by FTIS and its delegates to Senior managers/Material risk takers during the year ended September 30, 2024*, **, ***	€ 300,692
Total amount paid by FTIS and its delegates to other members of staff who have a material impact on the profile of UCITS/AIFM during year ended September 30, 2024*, **, ***	€ -

*The total amount of compensation paid by FTIS has been allocated to FTSF based on its pro rata share of the average month end total net assets of the funds under management of FTIS for the year ended September 30, 2024.

**The total amount of compensation paid by the FTIS delegates has been allocated to FTSF based on its pro rata share of the average month end total net assets of the funds under management of the FTIS delegates for the year ended September 30, 2024.

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

Securities Financing Transactions Regulation

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

Collateral

As at October 31, 2024, Franklin Global Sukuk Fund reported cash collateral pledge related to OTC derivatives which amounted to USD 3,270,000 and this balance is included in the cash account.

Audited annual reports and unaudited semi-annual reports

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

Franklin Templeton Office Directory

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

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