



FRANKLIN TEMPLETON
INVESTMENTS

Unaudited
Semi-Annual Report
April 30, 2017

Franklin Templeton Shariah Funds

SOCIÉTÉ D'INVESTISSEMENT À CAPITAL VARIABLE



FRANKLIN TEMPLETON SHARIAH FUNDS
société d'investissement à capital variable

UNAUDITED SEMI-ANNUAL REPORT
FOR THE PERIOD ENDED APRIL 30, 2017

This report shall not constitute an offer or a solicitation of an offer to buy shares of Franklin Templeton Shariah Funds (the "Company"). Subscriptions are to be made on the basis of the current prospectus and its addendum as the case may be, where available the relevant Key Investor Information Documents ("KIIDs"), a copy of the latest available audited annual report and, if published thereafter, the latest unaudited semi-annual report.

CONTENTS

General Information	4
Report of the Investment Managers	5
Fund Performance	7
Statement of Net Assets	8
Statement of Operations and Changes in Net Assets	9
Statistical Information	10
Notes to the Financial Statements	11
Schedule of Investments	
Franklin Global Sukuk Fund	15
Templeton Shariah Asian Growth Fund	16
Templeton Shariah Global Equity Fund	17
Additional Information	20
Franklin Templeton Investments Office Directory	21

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)

GENERAL INFORMATION (AS AT APRIL 30, 2017)

BOARD OF DIRECTORS:

Chairman

William Jackson

Director

FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED

5 Morrison Street

Edinburgh EH3 8BH, Scotland

United Kingdom

Directors

James F. Kinloch

Director

FRANKLIN TEMPLETON LUXEMBOURG S.A.

8A, rue Albert Borschette, L-1246 Luxembourg

Grand Duchy of Luxembourg

Hans-J. Wisser

Independent Director

Kälberstücksweg 37

61350 Bad Homburg

Germany

MANAGEMENT COMPANY:

FRANKLIN TEMPLETON INTERNATIONAL SERVICES S.à r.l.

8A, rue Albert Borschette, L-1246 Luxembourg

Grand Duchy of Luxembourg

SHARIAH SUPERVISORY BOARD:

AMANIE ADVISORS SDN BHD

Level 33, Menara Binjai

No. 2, Jalan Binjai

Off Jalan Ampang

50450 Kuala Lumpur

Malaysia

– *Dr. Mohamed Ali Elgari*

– *Dr. Muhammad Amin Ali Qattan*

– *Dr. Mohd Daud Bakar*

– *Dr. Osama Al Dereai*

SHARIAH STOCK 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 ADVISERS, INC.

One Franklin Parkway

San Mateo, CA 94403-1906, U.S.A.

Franklin Advisers, Inc. manages Franklin Global Sukuk Fund.

TEMPLETON ASSET MANAGEMENT LTD

7 Temasek Boulevard

38-03 Suntec Tower One

Singapore 038987

Templeton Asset Management Ltd manages Templeton Shariah Asian Growth Fund

and Templeton Shariah Global Equity Fund.

SUB-ADVISERS:

FRANKLIN TEMPLETON INVESTMENTS (ME) LTD

Dubai International Financial Centre

P.O. Box 506613

Dubai, United Arab Emirates

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 Investments (ME) Ltd and Franklin Templeton GSC Asset

Management Sdn. Bhd. have been appointed as sub-advisers for the Franklin Global

Sukuk Fund.

DEPOSITARY BANK AND LISTING AGENT:

HSBC Bank plc, Luxembourg Branch

16, boulevard d'Avranches L-1160 Luxembourg

Grand Duchy of Luxembourg

AUDITOR:

PRICEWATERHOUSECOOPERS, Société coopérative

2, rue Gerhard Mercator, L-2182, Luxembourg

Grand Duchy of Luxembourg

LEGAL ADVISERS:

ELVINGER, HOSS & PRUSSEN

2, place Winston Churchill, L-1340 Luxembourg

Grand Duchy of Luxembourg

REPORT OF THE INVESTMENT MANAGERS

Market Performance

The election of Republican hopeful Donald Trump as 45th president of the United States dominated headlines in the six months under review. Initially, markets rallied as investors cheered Trump's promises of tax cuts and spending increases, a so-called "reflation trade". From February onwards, however, focus shifted to Trump's travel bans, his bid at healthcare reform, and foreign policy. In financial markets, investors became noticeably more cautious. For the review period as a whole, US stocks delivered a 13.3% return, in US-dollar terms, as per the MSCI USA Index¹. The US Federal Reserve raised its key policy rate twice, by 25 basis points in both December and March, and benchmark 10-year US Treasury yields rose from 1.8% to 2.3%.

In Europe, the six-month period under review was decidedly less eventful. Economic growth held steady at just under 2.0% per annum, but inflation remained doggedly below the European Central Bank's (ECB's) target. The ECB therefore held interest rates unchanged, and extended its asset purchase programme beyond its previously stated end date of March 2017. Elections in the Netherlands (March) and France (April) appeared to halt the rise of anti-European Union populism, but investors remained wary of political risks in the remainder of 2017. These include, among other things, the second round of France's presidential elections, and elections for state and national parliaments in Germany. The MSCI Europe Index¹ rose by 14.9%.

Despite their slowdown in 2016, the world's emerging-market (EM) economies continued to be the main driver of global growth, substantially outpacing developed nations. Investors' worst fears about a hard landing in China were laid to rest in 2016, and policymakers in most emerging markets have plenty of spare ammunition, both fiscal and monetary, to boost their economies if needed. The MSCI Emerging Markets Index¹ returned 9.0% for the period. EM bonds and currencies posted a poor performance in November 2016 but found surer footing soon thereafter. Commodity prices rose in the six months since November 2016. Oil, for example, stabilised above US\$50 per barrel after OPEC, the Organization of Petroleum Exporting Countries, agreed to cut production from January 2017 onwards.

Oil is a key resource for many Middle Eastern economies, but most of them have been trying to lower their financial dependence on the "black gold" since oil prices fell in 2015. Aside from boosting the non-oil segments of their economies and reforming their budgets, many oil-exporting countries called on international capital markets to finance their budget deficits during the review period. This increased the volume of bond and Sukuk issues from the region, which led to rising debt levels. Stocks in the Middle East rallied to a 7.5% gain, as per MSCI's Arabian Markets Index¹, somewhat lower than the broader EM average.

Fund Performance

Franklin Global Sukuk Fund

Narrower spreads sent the fund's performance into positive territory for the six months under review, even though benchmark US Treasury yields rose substantially after Donald Trump's election.

On a relative basis, security selection was the main contributor to the fund's return, adding 82 basis points (bps), compared with the benchmark. Gains were broad-based and came from sovereign, quasi-sovereign and corporate issues.

- In the sovereign segment, gains came principally from new issues by Bahrain and Pakistan, and from an existing long-dated Malaysian issue.
- Among quasi-sovereign issues, a long-dated bond by Saudi Electricity Company was the principal contributor. This bond benefited from the launch of Saudi Arabia's debut international sovereign issue.
- In the corporate segment, some of the fund's high-yield positions also performed well.

The fund's asset allocation added 14 bps, relative to the benchmark, mainly because of its underweight exposure to sovereign and supranational issuers. Sovereign and supranational issues lagged the broader market's spread tightening during the six months under review.

By contrast, currency effects detracted 18 bps from relative performance, after steep falls in the value of the Malaysian ringgit at the beginning of the review period. Yield curve effects weakened relative performance by 10 bps. This was mainly due to the fund's exposure to Malaysian rates, which rose materially in October 2016.

Templeton Shariah Asian Growth Fund

The fund returned 8.3% in US-dollar terms during the six-month period ending April 30, 2017, compared with the MSCI AC Asia Islamic ex Japan Index's return of 9.7%, also in US dollars.

All markets contributed to absolute fund performance, led by positions in China, followed by South Korea and Thailand. China-based equities advanced on solid economic data, a stable renminbi and easing capital outflows concerns.

Likewise, all sectors contributed, particularly positions in consumer discretionary and energy. Health care holdings also bolstered performance. In consumer discretionary, China-based automobile manufacturers were the primary drivers, particularly Brilliance China Automotive, which is engaged in a joint venture with German luxury car manufacturer BMW. Automakers in China benefitted from positive sentiment after the government indicated a potential easing of restrictions on foreign ownership in the auto industry. In addition, Brilliance China saw improved shipment data during the period.

United Tractors, an Indonesia-based company engaged in mining contracting, among other operations, was a key contributor in the energy sector. China's largest coal producer, China Shenhua Energy, also buoyed returns. Within health care, returns were aided by a position in South Korea-based Hans Biomed, a biomedical engineering firm that develops, manufactures and sells biotech-related medicines, pharmaceuticals and equipment. Elsewhere, notable contributors included Singapore-based oil-rig builder Keppel Corporation.

While no sector detracted from absolute returns, several individual holdings hurt performance. South Korea-based KIA Motors was among the top detractors, as was China-based crude oil and natural gas producer CNOOC. Towards the end of the month,

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REPORT OF THE INVESTMENT MANAGERS (CONTINUED)

Fund Performance (continued)

prices of natural gas and crude oil weakened, which impacted companies in the energy sector. In addition, CNOOC recently reported a pre-tax loss despite cost-reduction measures. Indonesia-based cement producer and distributor Semen Indonesia and South Korea-based property developer Hyundai Development were also among the top detractors.

Templeton Shariah Global Equity Fund

For the six months ended April 30, 2017, the fund outperformed its benchmark index, returning 10.3% in US-dollar terms, while the benchmark MSCI All Country World Islamic Index posted a 9.7% total return, also in US-dollar terms.

Stock selection in the health care sector boosted relative performance. Leading contributors within the sector included Danish pharmaceutical firm H. Lundbeck and German medical and safety technology company Draegerwerk. Stock selection in the information technology sector further advanced relative results. Top contributors in the sector included South Korea-based consumer electronics firm Samsung Electronics and computer component maker LG Innotek, Japan-based testing and measurement firm Anritsu, as well as US-based semiconductor production equipment supplier Applied Materials and cyber security solutions firm NetScout Systems. Within the energy sector, UK-based subsea engineering and construction operator Subsea 7 enhanced relative performance.

Turning to detractors, Japan-based athletic footwear manufacturer Asics and South Korea-based auto parts manufacturer Hyundai Mobis pressured relative results in the consumer discretionary sector. An underweight allocation and stock selection in the industrials sector curbed relative performance, with Japan-based industrial electronics firm Toshiba and engineering company Chiyoda declining in value. Stock selection in the consumer staples sector further eroded relative performance. At the individual company level, Canadian integrated oil company Cenovus Energy and Hong Kong-based oil and gas firm CNOOC undermined relative results.

From a geographic standpoint, positioning in Germany and stock selection in Denmark supported relative performance in Europe. Security selection in the United States also proved beneficial to relative results, as did stock selection in Australia. Stock selection in South Korea advanced relative results within Asia. Leading detractors at the country level included China, Japan, the United Kingdom and Sweden.

Outlook

We were encouraged by the French election result shortly after the close of the reporting period that saw a pro-European centrist, Emmanuel Macron, win the presidency on an agenda of growth-oriented economic reform. Financial markets had priced in optimism since Mr. Macron's strong showing in the first round of voting, and we could see additional strength in European risk assets going forward, particularly in the periphery and the banking sector. In broad terms, our portfolios were well positioned for this outcome. Templeton's value orientation has exposed our portfolios to some of the market's more cyclical sectors, which tend to benefit in the type of reflationary, "risk-on" environment suggested by the Macron win. More specifically, our exposure to European banks should benefit from continued European integration and deregulation under Macron, while exposure to lowly valued consumer cyclical and industrial firms should benefit from Macron's agenda of personal tax reform and economic stimulus. A likely reduction in corporate tax rates in France would also help bolster the European earnings recovery across all sectors, in our analysis. More broadly, capital flows into Europe may improve as investors put "money on the sidelines" back to work following the perceived lessening of political uncertainty. Of course, significant political risks remain in the eurozone, not least of all Mr. Macron's ability to garner support and build a coalition in June's parliamentary elections that will back his reform agenda. In any event, we would welcome a renewed focus on fundamentals in Europe as regional gross domestic product is expanding at a rate close to or above the underlying trend in all major economies. Additionally, firmer demand and improved pricing power have been generating strong earnings revisions amongst European corporations. This is happening in the context of highly accommodative monetary policy, a recapitalised banking sector and fiscal policy that is turning stimulatory as the era of austerity fades. We have continued to find compelling bottom-up bargains in international markets more broadly, where stocks have underperformed and appear undervalued. The United States also offers selectively attractive value, in our view, though bargains have been scarcer following a strong valuation re-rating and corporate earnings cycle, as well as apparent complacency about rising political risk in the world's largest economy.

THE INVESTMENT MANAGERS
May 2017

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

FUND PERFORMANCE

PERCENTAGE CHANGE TO APRIL 30, 2017

	Reference Share Class	Launch Date	6 Months %	1 Year %	3 Years %	Since Launch %
Franklin Global Sukuk Fund	A (acc) USD	10 Sep 12	0.7	(1.1)	2.2	9.9
Templeton Shariah Asian Growth Fund	A (acc) USD	27 Aug 12	8.3	13.0	3.8	1.7
Templeton Shariah Global Equity Fund	A (acc) USD	10 Sep 12	10.3	13.5	(3.1)	21.4

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 and its addendum as the case may be, where available the relevant Key Investor Information Documents (“KIIDs”), a copy of the latest available audited annual report and, if published thereafter, the latest unaudited semi-annual report. The 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 Investments

STATEMENT OF NET ASSETS

AT APRIL 30, 2017

	TOTAL (USD)	Franklin Global Sukuk Fund (USD)	Templeton Shariah Asian Growth Fund (USD)	Templeton Shariah Global Equity Fund (USD)
ASSETS				
Investment in securities at market value (note 2(b))	195,034,492	110,420,074	3,847,486	80,766,932
Cash	10,035,066	6,527,568	365,149	3,142,349
Amounts receivable on sale of investments	71,945	-	9,998	61,947
Amounts receivable on subscriptions	970,231	771,511	7,186	191,534
Profit payments on Sukuk and dividends receivable, net	1,208,349	1,020,594	23,405	164,350
Other receivables	75,797	35,575	8,205	32,017
Unrealised profit on Shariah compliant forward foreign exchange contracts (note 2(e), 5)	6,025	6,025	-	-
TOTAL ASSETS	207,401,905	118,781,347	4,261,429	84,359,129
LIABILITIES				
Amounts payable on purchases of investments	68,583	-	16,087	52,496
Amounts payable on redemptions	87,685	31,810	940	54,935
Investment management fees payable (note 3)	154,624	83,338	5,461	65,825
Payable to charity	54,588	-	5,146	49,442
Taxes and expense payable	517,574	279,685	25,539	212,350
TOTAL LIABILITIES	883,054	394,833	53,173	435,048
TOTAL NET ASSETS	206,518,851	118,386,514	4,208,256	83,924,081
THREE YEAR ASSET SUMMARY				
October 31, 2016	181,359,989	105,133,970	3,553,962	72,672,057
October 31, 2015	166,740,593	95,383,936	4,493,430	66,863,227
October 31, 2014	120,925,683	54,289,263	5,960,067	60,676,353

The accompanying notes form an integral part of these financial statements

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS FOR THE PERIOD ENDED APRIL 30, 2017

	TOTAL	Franklin Global Sukuk Fund	Templeton Shariah Asian Growth Fund	Templeton Shariah Global Equity Fund
	(USD)	(USD)	(USD)	(USD)
NET ASSETS AT THE BEGINNING OF THE PERIOD	181,359,989	105,133,970	3,553,962	72,672,057
INCOME				
Dividends (net of withholding taxes) (note 2(d))	789,372	-	37,949	751,423
Profit payments on Sukuk (net of withholding taxes) (note 2(d))	2,043,114	2,043,114	-	-
Sundry income	275	275	-	-
TOTAL INCOME	<u>2,832,761</u>	<u>2,043,389</u>	<u>37,949</u>	<u>751,423</u>
EXPENSES				
Investment management fees (note 3)	865,618	461,232	28,242	376,144
Administration and transfer agency fees	209,024	117,411	5,463	86,150
Depository fees	86,273	31,051	22,326	32,896
Directors fees	8,438	4,724	213	3,501
Audit fees	33,524	15,657	5,819	12,048
Printing and publishing expenses	46,575	26,084	1,171	19,320
Shariah Compliance Fees	73,392	29,805	8,292	35,295
Subscription tax (note 7)	42,587	23,467	1,067	18,053
Class A (dis) and Class A (acc) shares' maintenance charges (note 8)	139,565	77,843	8,100	53,622
Class AS (acc) shares' maintenance charges (note 8)	92,047	-	-	92,047
Class N (acc) shares' maintenance charges (note 8)	31	31	-	-
Other Charges (note 9)	147,002	81,749	4,735	60,518
TOTAL EXPENSES	<u>1,744,076</u>	<u>869,054</u>	<u>85,428</u>	<u>789,594</u>
Expenses reimbursement (note 10)	(342,612)	(177,932)	(39,747)	(124,933)
NET EXPENSES	<u>1,401,464</u>	<u>691,122</u>	<u>45,681</u>	<u>664,661</u>
NET PROFIT/(LOSS) FROM INVESTMENTS	1,431,297	1,352,267	(7,732)	86,762
Net realised profit/(loss) on sale of investments	(861,534)	110,026	150,756	(1,122,316)
Net realised profit/(loss) on Shariah compliant forward foreign exchange contracts	(10,924)	(10,924)	-	-
Net realised profit/(loss) on foreign exchange transactions	11,671	(6,475)	(9,112)	27,258
NET REALISED PROFIT/(LOSS) FOR THE PERIOD	<u>570,510</u>	<u>1,444,894</u>	<u>133,912</u>	<u>(1,008,296)</u>
Change in net unrealised appreciation/(depreciation) on:				
Investments	8,817,575	(305,160)	226,859	8,895,876
Shariah compliant forward foreign exchange contracts	7,263	7,263	-	-
Foreign exchange transactions	22,169	15,819	54	6,296
NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS	<u>9,417,517</u>	<u>1,162,816</u>	<u>360,825</u>	<u>7,893,876</u>
DONATIONS TO CHARITY				
Purification of non-Shariah compliant dividends (note 13)	(6,119)	-	(252)	(5,867)
Purification of net realised profit on non-Shariah compliant profit (note 13)	(48,146)	-	(4,868)	(43,278)
NET DECREASE IN NET ASSETS AS A RESULT OF DONATIONS TO CHARITY	<u>(54,265)</u>	<u>-</u>	<u>(5,120)</u>	<u>(49,145)</u>
MOVEMENT OF CAPITAL				
Issue of shares	44,432,253	27,317,407	3,591,167	13,523,679
Redemption of shares	(25,468,993)	(12,504,217)	(3,283,995)	(9,680,781)
Equalisation (note 14)	195,327	195,184	-	143
	<u>19,158,587</u>	<u>15,008,374</u>	<u>307,172</u>	<u>3,843,041</u>
Dividends paid/accumulated (note 15)	(3,362,977)	(2,918,646)	(8,583)	(435,748)
NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF MOVEMENT IN CAPITAL	<u>15,795,610</u>	<u>12,089,728</u>	<u>298,589</u>	<u>3,407,293</u>
NET ASSETS AT THE END OF THE PERIOD	<u>206,518,851</u>	<u>118,386,514</u>	<u>4,208,256</u>	<u>83,924,081</u>
Portfolio Turnover Ratio (note 16)		56.19%	87.54%	4.15%

The accompanying notes form an integral part of these financial statements

STATISTICAL INFORMATION

	Total Expense Ratio April 30, 2017 (see note 17)	Shares Outstanding April 30, 2017	Net Asset Value per Share		
			April 30, 2017	October 31, 2016	October 31, 2015
Franklin Global Sukuk Fund - USD					
A (acc) EUR	1.50%	70,856.407	12.23	12.04	11.96
A (acc) USD	1.50%	3,541,310.257	10.99	10.91	10.85
A (Mdis) SGD	1.50%	2,005,558.546	10.23	10.27	10.74
A (Mdis) USD	1.49%	653,667.975	9.45	9.53	9.90
I (acc) USD	1.07%	1,948,070.787	11.22	11.10	11.00
N (acc) EUR	2.45%	389.772	11.75	11.63	11.67
W (Qdis) EUR-H1	0.95%	22,543.848	9.63	9.79	-
W (Qdis) USD	1.11%	3,748,560.942	9.49	9.56	9.87
X (Qdis) USD	0.37%	500.000	9.68	9.72	9.99
Templeton Shariah Asian Growth Fund - USD					
A (acc) SGD	2.25%	51,199.216	10.89	10.00	9.48
A (acc) USD	2.25%	227,949.669	10.17	9.39	8.84
I (acc) USD	1.30%	139,635.676	10.64	9.77	9.11
X (Ydis) USD	0.40%	500.000	9.87	9.15	8.63
Templeton Shariah Global Equity Fund - USD					
A (acc) SGD	1.90%	118,766.214	12.87	11.62	11.63
A (acc) USD	1.90%	1,983,235.749	12.14	11.01	10.94
AS (acc) SGD	1.75%	5,893,762.672	11.19	10.09	10.09
I (acc) USD	1.05%	911,844.155	12.64	11.41	11.25
X (Ydis) USD	0.35%	500.000	10.19	9.34	9.30

NOTES TO THE FINANCIAL STATEMENTS AT APRIL 30, 2017

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 3 sub-funds of the Company (the “Funds”). The Board of Directors of the Company may authorise the creation of additional Funds in future with different investment objectives.

The Company aims to provide Investors with a choice of Funds 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 Investments according to its successful time-tested investment selection methods.

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.

(b) Investment in securities

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

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

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

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

(c) Foreign exchange transactions

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

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

The reference currency of the Company as reflected in the financial statements is U.S. dollar. The principal exchange rates applied as at April 30, 2017 are as follows:

Exchange Rate	U.S. dollar
Euro	0.9180
Singapore dollar	1.3971

(d) Income

Dividends are credited to income on their ex-dividend date. Profit payments (including profit payments on Sukuk) are accrued on a daily basis.

(e) Shariah compliant forward foreign exchange contracts

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

(f) Formation expenses

Formation expenses associated with the launch of the new Funds are expensed as incurred and are disclosed in “Other charges” in the Statement of Operations and Changes in Net Assets.

Note 3 — 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 period. The following percentages apply in respect of the different Funds as at April 30, 2017.

The Investment Managers, as noted on page 4, will be remunerated by the Management Company out of the investment management fee received from the Company.

	Class A, AS, N	Class I	Class W
Franklin Global Sukuk Fund	1.00%	0.70%	0.75%
Templeton Shariah Asian Growth Fund	1.35%	0.90%	N/A
Templeton Shariah Global Equity Fund	1.00%	0.70%	N/A

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

NOTES TO THE FINANCIAL STATEMENTS AT APRIL 30, 2017 (CONTINUED)

Note 4 — 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 5 — Shariah compliant forward foreign exchange contracts

As at April 30, 2017, the Company had entered the following outstanding contracts:

Franklin Global Sukuk Fund

Purchases	Sales	Maturity Date	Unrealised profit/(loss) USD
Shariah compliant forward foreign exchange contracts used for share class hedging:			
EUR	207,772	USD	220,504
		15-May-17	6,025

The above contracts were opened with the following counterparties:

Goldman Sachs	2,055
JPMorgan Chase Bank	2,040
Standard Chartered	1,930
	6,025

Note 6 — Connected party transactions

Certain Directors of the Company are or may also be Officers and/or Directors of the Registrar and Transfer, Corporate, Domiciliary and Administrative Agent, Franklin Templeton International Services S.à r.l. All transactions with connected parties were entered into in the ordinary course of business and under normal commercial terms.

The investment management fees that are accrued by the Company in respect of the Management Company are detailed in note 3 to the financial statements.

There are no connected brokers in Franklin Templeton Investments, and no transactions were entered into with connected brokers during the period ended April 30, 2017.

The Company accrued fees in respect of Franklin Templeton International Services S.à r.l. as the Management Company and as the Principal Distributor of the Funds.

Note 7 — 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 Shares 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. 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 8 — Share classes

Class A (acc) shares: No distribution of dividends is made in respect of Class A (acc) shares but the net income attributable is reflected in the increased value of the shares. All other terms and conditions are the same as those which apply for Class A (dis) shares.

Class A (dis) shares: are offered at the applicable net asset value, plus an initial charge of up to 5.75% of the total amount invested varying per asset class. In addition, a maintenance charge of up to 0.50% 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. A contingent deferred sales charge of up to 1%, retained by the Principal Distributor, may apply to certain redemptions on qualified investments of USD 1 million or more within 18 months after repurchase.

Class AS (acc) shares: are offered in Singapore to CPF Investors as more fully described in the current prospectus of the Company. Class AS (acc) shares are offered at the applicable net asset value, plus an initial charge of up to 3% of the total amount invested. 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. No distribution of dividends is made in respect of Class AS (acc) shares but the net income attributable is reflected in the increased value of the shares.

Class I (acc) shares: No distribution of dividends is made but the net income attributable is reflected in the increased value of the shares. All other terms and conditions are the same as those which apply for Class I (dis) shares.

NOTES TO THE FINANCIAL STATEMENTS AT APRIL 30, 2017 (CONTINUED)

Note 8 — Share classes (continued)

Class I (dis) shares: are offered to institutional investors as more fully described in the current prospectus of the Company. Purchases of Class I (dis) shares are not subject to an initial sales charge, nor a contingent deferred sales charge or any maintenance or servicing charges. Class I (dis) shares benefit from a reduced Investment Management fee (note 3).

Class N (acc) shares: No distribution of dividends is made but the net income attributable is reflected in the increased value of the shares. All other terms and conditions are the same as these which apply for Class N (dis) shares.

Class N (dis) shares: are subject to an initial charge of up to 3% 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 (dis) shares may be offered in certain limited circumstances as more fully described in the current prospectus of the Company.

Class W (acc) shares: No distribution of dividends is made but the net income attributable is reflected in the increased value of the shares. All other terms and conditions are the same as these which apply for Class W (dis) shares.

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

Class X (acc) shares: No distribution of dividends is made but the net income attributable is reflected in the increased value of the shares. All other terms and conditions are the same as these which apply for Class X (dis) shares.

Class X (dis) shares: are not subject to an initial 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.

The above mentioned distributing share classes may have different frequencies: Mdis share classes distribute monthly, Qdis share classes distribute quarterly, Bdis share classes distribute semi-annually 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 9 — Other charges analysis

The breakdown of the other charges is as follows:

	Total	Franklin Global Sukuk Fund	Templeton Shariah Asian Growth Fund	Templeton Shariah Global Equity Fund
	(USD)	(USD)	(USD)	(USD)
Legal fees	50,854	28,682	1,204	20,968
Miscellaneous expenses	23,935	12,551	1,761	9,623
Paying agent	27,821	15,640	671	11,510
Registration and filing fees	32,444	18,186	798	13,460
Tax fees	11,948	6,690	301	4,957
	147,002	81,749	4,735	60,518

Note 10 — 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 Franklin Templeton International Services S.à r.l.

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

Note 11 — Statement of changes in the investment portfolio

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

Note 12 — Transaction costs

Transaction costs are costs incurred to acquire financial assets or liabilities. They include fees and commissions paid to agents, brokers and dealers. During the period ended April 30, 2017 the Company incurred the following transaction costs:

Fund	Currency	Amount
Franklin Global Sukuk Fund	USD	-*
Templeton Shariah Asian Growth Fund	USD	12,561
Templeton Shariah Global Equity Fund	USD	23,197

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

Note 13 — 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. The resulting amount is donated to a charity. Any such amounts are deducted only upon their actual determination and no anticipated accrual thereof is made.

NOTES TO THE FINANCIAL STATEMENTS AT APRIL 30, 2017 (CONTINUED)

Note 13 — Purification of non-Shariah compliant income (continued)

For the period ended April 30, 2017, this amount was donated to the United Kingdom Committee for the United Nations Children's Fund (UNICEF).

Note 14 — 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 sales or redemptions of shares.

Note 15 — Dividends distributed

For the period ended April 30, 2017, the following amounts per share were paid out to distribution class shareholders.

Accumulated dividends have not been paid out and are reflected as an increase in the "Issue of shares" account in the "Statement of Operations and Changes in Net Assets".

	Nov-2016	Dec-2016	Jan-2017	Feb-2017	Mar-2017	Apr-2017
Franklin Global Sukuk Fund						
A (Mdis) SGD	0.005	0.033	0.034	0.032	0.031	0.031
A (Mdis) USD	0.003	0.030	0.031	0.030	0.028	0.028
W (Qdis) EUR-H1	0.081			0.092		
W (Qdis) USD	0.077			0.090		
X (Qdis) USD	0.078			0.092		
Templeton Shariah Asian Growth Fund						
X (Ydis) USD	0.131					
Templeton Shariah Global Equity Fund						
X (Ydis) USD	0.172					

Note 16 — 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 absolute value of subscriptions and redemptions, over average net assets of the Fund for a year. It is effectively a measure of how frequently a Fund buys or sells securities.

Note 17 — Total expense ratio

The Total Expense Ratio ("TER"), expressed as a percentage, represents how the total expenses of the Funds relate to the average net assets of the Funds for the period ended April 30, 2017. The total expenses comprise the investment management fees, the administration and transfer agency fees, the depositary fees and other expenses as summarised in the "Statement of Operations and Changes in Net Assets". For share classes launched during the period, the TER is annualised.

Note 18 — Audited annual reports and unaudited semi-annual reports

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

Note 19 — Abbreviations

Countries

ARE United Arab Emirates	FRA France	KWT Kuwait	SP Supranational
AUS Australia	GBR United Kingdom	MYS Malaysia	THA Thailand
BEL Belgium	HKG Hong Kong	NLD Netherlands	TUR Turkey
BHR Bahrain	IDN Indonesia	NOR Norway	TWN Taiwan
CAN Canada	IND India	PAK Pakistan	USA United States
CHE Switzerland	IRL Ireland	PRT Portugal	VNM Vietnam
CHN China	ITA Italy	QAT Qatar	
DEU Germany	JPN Japan	SAU Saudi Arabia	
DNK Denmark	KOR South Korea	SGP Singapore	

Currencies

AUD Australian Dollar	GBP British Pound Sterling	MYR Malaysian Ringgit	USD US Dollar
CAD Canadian Dollar	HKD Hong Kong Dollar	NOK Norwegian Krone	VND Vietnamese Dong
CHF Swiss Franc	IDR Indonesian Rupiah	SGD Singapore Dollar	
DKK Danish Krone	JPY Japanese Yen	THB Thai Baht	
EUR Euro	KRW South Korean Won	TWD New Taiwan Dollar	

— Franklin Global Sukuk Fund —

SCHEDULE OF INVESTMENTS AS OF APRIL 30, 2017

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET					
SUKUK					
Corporate Sukuk					
3,600,000	MAF Sukuk Ltd., Reg S, 4.50%, 11/03/25	ARE	USD	3,771,000	3.19
3,630,000	Equate Sukuk Spc Ltd., senior note, Reg S, 3.944%, 02/21/24	KWT	USD	3,693,017	3.12
2,744,000	GEMS MEA Sukuk Ltd., junior sub. note, Reg S, 12.00% to 11/21/18, FRN thereafter, Perpetual	ARE	USD	3,042,410	2.57
2,800,000	Saudi Electricity Global Sukuk Co. 3, senior bond, Reg S, 5.50%, 04/08/44	SAU	USD	2,947,812	2.49
2,780,000	Sime Darby Global Bhd., senior note, Reg S, 3.29%, 01/29/23	MYS	USD	2,730,683	2.31
2,650,000	JANY Sukuk Co. Ltd., Reg S, 2.844%, 09/23/19	USA	USD	2,656,625	2.24
2,540,000	Saudi Electricity Global Sukuk Co. 2, senior bond, Reg S, 5.06%, 04/08/43	SAU	USD	2,585,187	2.18
2,400,000	DP World Crescent Ltd., senior note, Reg S, 3.908%, 05/31/23	ARE	USD	2,454,000	2.07
2,200,000	Axiata SPV2 Bhd., 4.357%, 03/24/26	MYS	USD	2,304,500	1.95
2,300,000	Alpha Star Holding IV Ltd., senior note, Reg S, FRN, 4.402%, 09/30/18 †	ARE	USD	2,301,449	1.94
2,000,000	Unity 1 Sukuk Ltd., senior note, Reg S, 3.86%, 11/30/21	ARE	USD	2,035,900	1.72
2,000,000	QIB Sukuk Ltd., senior note, Reg S, 2.754%, 10/27/20	QAT	USD	1,995,000	1.68
1,950,000	DIB Sukuk Co. Ltd., senior note, Reg S, 3.664%, 02/14/22	ARE	USD	1,962,002	1.66
1,900,000	DIB Sukuk Co. Ltd., senior note, Reg S, 3.60%, 03/30/21	ARE	USD	1,921,252	1.62
1,800,000	EIB Sukuk Ltd., senior note, Reg S, 3.542%, 05/31/21	ARE	USD	1,820,466	1.54
1,890,000	Emaar Sukuk Ltd., senior note, Reg S, 3.635%, 09/15/26	ARE	USD	1,819,125	1.54
1,700,000	Saudi Electricity Global Sukuk Co. 3, senior note, Reg S, 4.00%, 04/08/24	SAU	USD	1,776,279	1.50
7,820,000	Asya Sukuk Co. Ltd., 7.50%, 03/28/23 *	TUR	USD	1,759,500	1.49
1,325,000	SIB Sukuk Company III Ltd., senior note, Reg S, 3.084%, 09/08/21	ARE	USD	1,320,031	1.11
1,200,000	Boubyan Tier 1 Capital SPC Ltd., sub. bond, Reg S, 6.75% to 05/16/21, FRN thereafter, Perpetual	KWT	USD	1,273,542	1.08
1,230,000	Dar Al-Arkan Sukuk Co. Ltd., senior note, Reg S, 6.875%, 04/10/22	SAU	USD	1,229,194	1.04
1,160,000	Alpha Star Holding III Ltd., senior note, Reg S, 6.25%, 04/20/22	ARE	USD	1,194,800	1.01
1,150,000	Dar Al-Arkan Sukuk Co. Ltd., senior note, Reg S, 5.75%, 05/24/18	SAU	USD	1,160,528	0.98
1,000,000	AHB Sukuk Co., senior note, Reg S, 3.267%, 10/08/18	ARE	USD	1,020,100	0.86
900,000	Noor Sukuk Co. Ltd., senior note, Reg S, 2.788%, 04/28/20	ARE	USD	894,375	0.76
600,000	SIB Sukuk Co. III Ltd., senior note, Reg S, 2.843%, 03/17/20	ARE	USD	597,000	0.50
550,000	Saudi Electricity Global Sukuk Co., Reg S, 4.211%, 04/03/22	SAU	USD	582,945	0.49
250,000	Danga Capital Bhd., senior bond, Reg S, 3.725%, 08/11/20	MYS	SGD	184,042	0.16
				<u>53,032,764</u>	<u>44.80</u>
Government and Municipal Sukuk					
5,800,000	Government of Saudi Arabia, senior bond, Reg S, 3.628%, 04/20/27	SAU	USD	5,831,900	4.93
4,825,000	Perusahaan Penerbit SBSN Indonesia III, Reg S, 4.55%, 03/29/26	IDN	USD	5,060,219	4.27
3,850,000	Malaysia Sukuk Global Bhd., Reg S, 4.08%, 04/27/46	MYS	USD	3,874,832	3.27
15,500,000	Government of Malaysia, senior bond, 4.444%, 05/22/24	MYS	MYR	3,670,047	3.10
3,500,000	Hong Kong Sukuk 2017 Ltd., senior note, Reg S, 3.132%, 02/28/27	HKG	USD	3,521,245	2.97
3,075,000	Perusahaan Penerbit SBSN Indonesia III, 4.15%, 03/29/27	IDN	USD	3,137,269	2.65
2,900,000	Perusahaan Penerbit SBSN Indonesia III, senior note, Reg S, 4.325%, 05/28/25	IDN	USD	3,000,471	2.53
2,600,000	Government of Saudi Arabia, senior note, Reg S, 2.894%, 04/20/22	SAU	USD	2,600,650	2.20
2,500,000	SoQ Sukuk A Q.S.C, Reg S, 3.241%, 01/18/23	QAT	USD	2,569,375	2.17
2,105,000	CBB International Sukuk Co. SPC, senior note, Reg S, 5.624%, 02/12/24	BHR	USD	2,196,420	1.86
2,000,000	Perusahaan Penerbit SBSN Indonesia III, Reg S, 4.35%, 09/10/24	IDN	USD	2,082,440	1.76
2,000,000	Shariah Government Sukuk, senior note, Reg S, 3.764%, 09/17/24	ARE	USD	2,062,500	1.74
1,555,000	AFC Sukuk Co., senior note, FRN, 3.358%, 01/24/20 †	SP	USD	1,567,051	1.32
1,150,000	HM Treasury UK Sovereign Sukuk PLC, Reg S, 2.036%, 07/22/19	GBR	GBP	1,554,683	1.31
1,550,000	Malaysia Sovereign Sukuk Bhd., Reg S, 3.043%, 04/22/25	MYS	USD	1,536,724	1.30
6,000,000	Government of Malaysia, senior note, 4.194%, 07/15/22	MYS	MYR	1,406,786	1.19
5,050,000	Government of Malaysia, senior bond, 4.07%, 09/30/26	MYS	MYR	1,162,733	0.98
1,100,000	RAK Capital, Reg S, 3.094%, 03/31/25	ARE	USD	1,072,500	0.91
1,000,000	The Third Pakistan International Sukuk Co. Ltd., 5.50%, 10/13/21	PAK	USD	1,035,685	0.88
4,000,000	Government of Malaysia, senior note, 3.716%, 03/23/21	MYS	MYR	921,189	0.78
500,000	Perusahaan Penerbit SBSN Indonesia III, senior note, Reg S, 3.30%, 11/21/22	IDN	USD	501,875	0.42
				<u>50,366,594</u>	<u>42.54</u>
Securities Maturing Within One Year					
2,500,000	International Islamic Liquidity Management 2 SA, secured note, Reg S, 1.379%, 05/22/17	SP	USD	2,499,662	2.11
1,633,000	Dana Gas Sukuk Ltd., cvt., senior note, Reg S, 7.00%, 10/31/17	ARE	USD	1,449,288	1.22
1,000,000	QIB Sukuk Ltd., senior note, Reg S, 2.50%, 10/10/17	QAT	USD	1,001,435	0.85
800,000	EIB Sukuk Ltd., Reg S, 4.147%, 01/11/18	ARE	USD	812,000	0.69
2,200,000	Bahrain Mumtalakat Holding Co. BSC, senior note, 5.50%, 10/03/17	BHR	MYR	508,149	0.43
500,000	Sime Darby Global Bhd., senior note, Reg S, 2.053%, 01/29/18	MYS	USD	498,825	0.42
250,000	DIB Sukuk Co. Ltd., senior note, Reg S, 4.752%, 05/30/17	ARE	USD	251,357	0.21
				<u>7,020,716</u>	<u>5.93</u>
TOTAL SUKUK				<u>110,420,074</u>	<u>93.27</u>
TOTAL TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET				<u>110,420,074</u>	<u>93.27</u>
TOTAL INVESTMENTS				<u>110,420,074</u>	<u>93.27</u>

† Floating Rates are indicated as at April 30, 2017

* This Sukuk is currently in default

The accompanying notes form an integral part of these financial statements

— Templeton Shariah Asian Growth Fund —

SCHEDULE OF INVESTMENTS AS OF APRIL 30, 2017

(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					
190,100	Brilliance China Automotive Holdings Ltd.	CHN	HKD	318,699	7.57
5,410	Kia Motors Corp.	KOR	KRW	165,755	3.94
				<u>484,454</u>	<u>11.51</u>
Biotechnology					
12,969	Hans Biomed Corp.	KOR	KRW	194,401	4.62
Building Products					
1,153,900	Dynasty Ceramic PCL, fgn.	THA	THB	135,439	3.22
Construction & Engineering					
4,999	Daelim Industrial Co. Ltd.	KOR	KRW	352,912	8.39
5,097	Hyundai Development Co-Engineering & Construction	KOR	KRW	200,304	4.76
				<u>553,216</u>	<u>13.15</u>
Construction Materials					
291,000	Semen Indonesia (Persero) Tbk PT	IDN	IDR	192,668	4.58
46,000	Anhui Conch Cement Co. Ltd., H	CHN	HKD	161,156	3.83
				<u>353,824</u>	<u>8.41</u>
Gas Utilities					
784	GAIL India Ltd., GDR, Reg S	IND	USD	30,341	0.72
Industrial Conglomerates					
37,300	Keppel Corp. Ltd.	SGP	SGD	173,805	4.13
Leisure products					
38,000	Merida Industry Co. Ltd.	TWN	TWD	203,686	4.84
Oil, Gas & Consumable Fuels					
163,000	United Tractors Tbk PT	IDN	IDR	328,959	7.82
446,000	PetroChina Co. Ltd., H	CHN	HKD	314,222	7.46
16,200	PTT PCL, fgn.	THA	THB	182,186	4.33
152,000	CNOOC Ltd.	CHN	HKD	177,244	4.21
58,800	PTT Exploration and Production PCL, fgn.	THA	THB	165,317	3.93
196,000	China Petroleum and Chemical Corp., H	CHN	HKD	158,751	3.77
				<u>1,326,679</u>	<u>31.52</u>
Personal Products					
290	LG Household & Health Care Ltd.	KOR	KRW	220,792	5.25
Pharmaceuticals					
9,700	DHG Pharmaceutical JSC	VNM	VND	61,842	1.47
9,500	China Medical System Holdings Ltd.	CHN	HKD	16,415	0.39
				<u>78,257</u>	<u>1.86</u>
Transportation Infrastructure					
52,000	Shenzhen Chiwan Wharf Holdings Ltd., B	CHN	HKD	92,592	2.20
TOTAL SHARES					
				<u>3,847,486</u>	<u>91.43</u>
TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				<u>3,847,486</u>	<u>91.43</u>
TOTAL INVESTMENTS				<u>3,847,486</u>	<u>91.43</u>

The accompanying notes form an integral part of these financial statements

— Templeton Shariah Global Equity Fund —

SCHEDULE OF INVESTMENTS AS OF APRIL 30, 2017

(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				
	Air Freight & Logistics				
67,790	Royal Mail PLC	GBR	GBP	<u>353,429</u>	<u>0.42</u>
	Airlines				
55,651	International Consolidated Airlines Group SA	GBR	EUR	<u>403,612</u>	<u>0.48</u>
	Auto Components				
6,775	Cie Generale des Etablissements Michelin, B	FRA	EUR	885,232	1.06
4,054	Hyundai Mobis Co. Ltd.	KOR	KRW	791,233	0.94
32,600	Unipres Corp.	JPN	JPY	689,534	0.82
28,600	Keihin Corp.	JPN	JPY	449,397	0.54
22,700	Tokai Rika Co. Ltd.	JPN	JPY	<u>421,876</u>	<u>0.50</u>
				<u>3,237,272</u>	<u>3.86</u>
	Automobiles				
37,600	Mazda Motor Corp.	JPN	JPY	<u>551,338</u>	<u>0.66</u>
	Beverages				
22,500	Suntory Beverage & Food Ltd.	JPN	JPY	<u>1,006,528</u>	<u>1.20</u>
	Biotechnology				
9,590	BioMarin Pharmaceutical Inc.	USA	USD	<u>919,106</u>	<u>1.10</u>
	Building Products				
22,453	Compagnie de Saint-Gobain	FRA	EUR	<u>1,211,897</u>	<u>1.44</u>
	Chemicals				
9,865	Akzo Nobel NV	NLD	EUR	862,684	1.03
3,492	LG Chem Ltd.	KOR	KRW	841,187	1.00
22,350	Yara International ASA	NOR	NOK	831,100	0.99
16,080	Johnson Matthey PLC	GBR	GBP	620,479	0.74
8,490	Lanxess AG	DEU	EUR	<u>613,153</u>	<u>0.73</u>
				<u>3,768,603</u>	<u>4.49</u>
	Communications Equipment				
17,700	NetScout Systems Inc.	USA	USD	<u>666,405</u>	<u>0.79</u>
	Construction & Engineering				
58,000	CHIYODA Corp.	JPN	JPY	<u>385,678</u>	<u>0.46</u>
	Construction Materials				
28,280	CRH PLC	IRL	EUR	1,031,211	1.23
6,190	HeidelbergCement AG	DEU	EUR	<u>573,135</u>	<u>0.68</u>
				<u>1,604,346</u>	<u>1.91</u>
	Containers & Packaging				
1,190,000	Greatview Aseptic Packaging Co. Ltd.	CHN	HKD	<u>616,557</u>	<u>0.73</u>
	Diversified Telecommunication Services				
339,980	Telefonica Deutschland Holding AG	DEU	EUR	1,648,014	1.96
1,538,000	China Telecom Corp. Ltd., H	CHN	HKD	751,382	0.90
192,600	Singapore Telecommunications Ltd.	SGP	SGD	<u>515,585</u>	<u>0.61</u>
				<u>2,914,981</u>	<u>3.47</u>
	Electrical Equipment				
26,600	ABB Ltd.	CHE	CHF	<u>651,167</u>	<u>0.78</u>
	Electronic Equipment, Instruments & Components				
10,703	LG Innotek Co. Ltd.	KOR	KRW	1,237,368	1.48
22,100	Omron Corp.	JPN	JPY	925,172	1.10
45,500	Knowles Corp.	USA	USD	806,715	0.96
89,600	Anritsu Corp.	JPN	JPY	724,455	0.86
42,680	Hollysys Automation Technologies Ltd.	CHN	USD	<u>684,587</u>	<u>0.82</u>
				<u>4,378,297</u>	<u>5.22</u>
	Energy Equipment & Services				
62,980	Subsea 7 SA	GBR	NOK	1,041,846	1.24
67,542	WorleyParsons Ltd.	AUS	AUD	572,476	0.68
23,858	Tenaris SA	ITA	EUR	<u>373,715</u>	<u>0.45</u>
				<u>1,988,037</u>	<u>2.37</u>
	Food & Staples Retailing				
15,600	Walgreens Boots Alliance Inc.	USA	USD	1,350,024	1.61
10,730	CVS Health Corp.	USA	USD	884,581	1.05
15,200	Matsumotokiyoshi Holdings Co. Ltd.	JPN	JPY	<u>762,490</u>	<u>0.91</u>
				<u>2,997,095</u>	<u>3.57</u>
	Food Products				
476,900	First Resources Ltd.	SGP	SGD	<u>640,031</u>	<u>0.76</u>

The accompanying notes form an integral part of these financial statements

— Templeton Shariah Global Equity Fund —

SCHEDULE OF INVESTMENTS AS OF APRIL 30, 2017 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
Health Care Equipment & Supplies					
13,850	Draegerwerk AG & Co. KGAA	DEU	EUR	1,086,250	1.29
7,860	Medtronic PLC	USA	USD	653,087	0.78
				<u>1,739,337</u>	<u>2.07</u>
Household Durables					
43,000	Panasonic Corp.	JPN	JPY	513,407	0.61
Household Products					
12,840	The Procter & Gamble Co.	USA	USD	1,121,317	1.34
Industrial Conglomerates					
5,090	Siemens AG	DEU	EUR	729,661	0.87
Life Sciences Tools & Services					
30,063	QIAGEN NV	NLD	EUR	898,922	1.07
Machinery					
59,400	Hino Motors Ltd.	JPN	JPY	744,665	0.89
90,000	Nachi-Fujikoshi Corp.	JPN	JPY	479,742	0.57
				<u>1,224,407</u>	<u>1.46</u>
Metals & Mining					
52,945	Silver Wheaton Corp.	CAN	CAD	1,056,650	1.26
61,000	Sumitomo Metal Mining Co. Ltd.	JPN	JPY	827,402	0.98
152,900	Eldorado Gold Corp.	CAN	CAD	558,994	0.67
29,680	Allegheny Technologies Inc.	USA	USD	544,628	0.65
73,630	Alamos Gold Inc., A	CAN	USD	527,191	0.63
				<u>3,514,865</u>	<u>4.19</u>
Oil, Gas & Consumable Fuels					
98,587	Royal Dutch Shell PLC, A	GBR	GBP	2,557,187	3.05
330,747	BP PLC	GBR	GBP	1,895,743	2.26
14,480	Chevron Corp.	USA	USD	1,545,016	1.84
26,787	Total SA, B	FRA	EUR	1,376,377	1.64
86,280	Galp Energia SGPS SA, B	PRT	EUR	1,341,163	1.60
42,653	Suncor Energy Inc.	CAN	CAD	1,336,871	1.59
23,450	ConocoPhillips	USA	USD	1,123,490	1.34
760,000	CNOOC Ltd.	CHN	HKD	886,220	1.05
56,528	Eni SpA	ITA	EUR	878,689	1.05
172,600	PTT Exploration and Production PCL, fgn.	THA	THB	485,266	0.58
34,500	Husky Energy Inc.	CAN	CAD	398,359	0.47
362,000	Kunlun Energy Co. Ltd.	CHN	HKD	327,179	0.39
19,086	Genovus Energy Inc.	CAN	CAD	190,315	0.23
				<u>14,341,875</u>	<u>17.09</u>
Pharmaceuticals					
52,480	Pfizer Inc.	USA	USD	1,780,121	2.12
13,220	Bayer AG	DEU	EUR	1,635,902	1.95
18,700	Eli Lilly & Co.	USA	USD	1,534,522	1.83
15,970	Sanofi	FRA	EUR	1,506,678	1.79
16,840	Novartis AG	CHE	CHF	1,295,450	1.54
5,010	Allergan PLC	USA	USD	1,221,739	1.46
37,000	Tsumura & Co.	JPN	JPY	1,196,976	1.43
22,420	H. Lundbeck AS	DNK	DKK	1,149,129	1.37
662,000	China Medical System Holdings Ltd.	CHN	HKD	1,143,874	1.36
11,810	UCB SA	BEL	EUR	920,593	1.10
14,180	Merck & Co. Inc.	USA	USD	883,839	1.05
17,100	Otsuka Holdings Co. Ltd.	JPN	JPY	786,752	0.94
2,790	Roche Holding AG	CHE	CHF	729,813	0.87
7,870	Perrigo Co. PLC	USA	USD	581,908	0.69
				<u>16,367,296</u>	<u>19.50</u>
Real Estate Management & Development					
499,000	Daikyo Inc.	JPN	JPY	1,038,884	1.24
222,000	China Overseas Land & Investment Ltd.	CHN	HKD	645,033	0.77
				<u>1,683,917</u>	<u>2.01</u>
Semiconductors & Semiconductor Equipment					
25,640	Applied Materials Inc.	USA	USD	1,041,240	1.24
Software					
9,460	SAP SE	DEU	EUR	948,761	1.13
42,200	Capcom Co. Ltd.	JPN	JPY	910,385	1.09
				<u>1,859,146</u>	<u>2.22</u>
Specialty Retail					
160,435	Kingfisher PLC	GBR	GBP	709,261	0.84
Technology Hardware, Storage & Peripherals					
1,417	Samsung Electronics Co. Ltd.	KOR	KRW	2,779,311	3.31
5,950	Apple Inc.	USA	USD	854,717	1.02
83,500	Konica Minolta Inc.	JPN	JPY	738,076	0.88
33,420	Hewlett Packard Enterprise Co.	USA	USD	622,615	0.74
				<u>4,994,719</u>	<u>5.95</u>

The accompanying notes form an integral part of these financial statements

— Templeton Shariah Global Equity Fund —

SCHEDULE OF INVESTMENTS AS OF APRIL 30, 2017 (CONTINUED)

(Currency — USD)

Number of shares or face value	Description	Country code	Trading currency	Market value	% of net assets
	Textiles, Apparel & Luxury Goods				
48,200	Asics Corp.	JPN	JPY	<u>852,535</u>	<u>1.02</u>
	Wireless Telecommunication Services				
341,562	Vodafone Group PLC	GBR	GBP	<u>880,648</u>	<u>1.05</u>
	TOTAL SHARES			<u>80,766,932</u>	<u>96.24</u>
	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			<u>80,766,932</u>	<u>96.24</u>
	TOTAL INVESTMENTS			<u>80,766,932</u>	<u>96.24</u>

The accompanying notes form an integral part of these financial statements

ADDITIONAL INFORMATION

Calculation Method of the Risk Exposure

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

Franklin Global Sukuk Fund
Templeton Shariah Asian Growth 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.

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