

富蘭克林成長基金  
Franklin Growth Fund  
半年度財務報告中文簡譯本

2023 年 3 月 31 日

(尚未經審計)

本基金半年報中文簡譯本僅供參考。中文簡譯本之內容與英文半年報  
若有歧異，以英文半年報之內容為準。

# 財務重點

	2023 年 3 月 31 日半年度底 (尚未經審計)	截至 9 月 30 日止之年度				
		2022	2021	2020	2019	2018
A 股						
每單位股份操作績效						
(針對持續全年流通在外之股份)						
期初淨資產價值	\$105.41	\$151.73	\$129.91	\$110.04	\$107.59	\$91.61
來自投資操作之收益 <sup>a</sup> ：						
淨投資收益(損失) <sup>b</sup>	0.10	0.01	(0.06)	0.33	0.46	0.41
淨實現及未實現利得(損失)	16.75	(32.51)	32.67	25.99	3.47	18.18
來自投資操作之收益總額	16.85	(32.50)	32.61	26.32	3.93	18.59
扣除配息：						
來自淨投資收益	—	—	(0.18)	(0.46)	(0.44)	(0.36)
來自淨實現利得	(10.71)	(13.82)	(10.61)	(5.99)	(1.04)	(2.25)
配息總額	(10.71)	(13.82)	(10.79)	(6.45)	(1.48)	(2.61)
期末淨資產價值	\$111.55	\$105.41	\$151.73	\$129.91	\$110.04	\$107.59
總報酬 <sup>c</sup>	16.74%	(23.83)%	26.44%	25.09%	3.79%	20.72%
對應平均淨資產比率 <sup>d</sup>						
費用未扣除關係企業支付款項減免	0.82%	0.80%	0.79%	0.82%	0.83%	0.83%
費用扣除關係企業支付款項減免 <sup>e</sup>	0.82% <sup>f</sup>	0.80% <sup>f</sup>	0.79% <sup>f</sup>	0.81%	0.83% <sup>f</sup>	0.83% <sup>f</sup>
淨投資收益(損失)	0.18%	0.01%	(0.04)%	0.29%	0.45%	0.41%
補充資料						
期末淨資產(000's)	\$10,173,626	\$9,118,403	\$12,927,577	\$10,990,297	\$9,157,154	\$9,044,834
投資組合資金週轉率	1.60%	4.95% <sup>g</sup>	6.04% <sup>g</sup>	9.01%	4.91% <sup>g</sup>	6.05% <sup>g</sup>

- a. 視與基金所獲取的收益以及/或是基金投資公平價值的變動相關的基金股份出售與購回的時間點，於此期間內流通在外股份所顯示的金額可能與此期間的經營業績表所實現的金額無關聯。
- b. 以每日平均流通在外股數為基礎。
- c. 總報酬並不反映銷售酬佣或是或有遞延銷售手續費（如適用），低於一年期間的總報酬數字未年化。
- d. 低於一年期間的年化比率。
- e. 費用減少的利益四捨五入到小於 0.01%。
- f. 關係企業支付款項減免的利益四捨五入到小於 0.01%。
- g. 不包括因實物贖回而交付的投資組合證券的價值。詳附註 3(h)和 13。

# 資產負債表

2023 年 3 月 31 日（尚未經審計）

資產：

證券投資：

成本 - 非關係企業上市公司 \$5,155,483,062

成本 - 非控制關係企業上市公司(附註 3f) 94,647,361

價值 - 非關係企業上市公司 \$15,842,273,937

價值 - 非控制關係企業上市公司(附註 3f) 94,647,361

外幣價值(成本\$655) 655

應收款項：

股本銷售款 5,612,631

股利 7,268,837

資產合計 15,949,803,421

負債：

應付款項：

股本贖回款 46,271,479

管理費用 5,600,495

配銷費用 2,530,513

股務代理機構費用 4,673,499

專業人士費用 49,763

董事酬金與費用 2,534

預提費用及其他負債 786,291

負債合計 59,914,574

淨資產價值 \$15,889,888,847

淨資產包含：

實收資本 \$4,722,970,024

可分配盈餘(損失)合計 11,166,918,823

淨資產價值 \$15,889,888,847

A 股：

淨資產價值 \$10,173,625,975

流通在外股份 91,201,192

每股淨資產價值<sup>a</sup> \$111.55

每股最高售價 (每股淨資產價值除以 94.50%) \$118.04

a. 贖回價格等於淨資產價值減掉任何由本基金所提取的或有遞延銷售手續費(如適用)。

## 經營業績表

截至 2023 年 3 月 31 日止之半年度（尚未經審計）

投資收益：

股利：（扣除外國稅額\$446,683）

非關係企業上市公司 \$74,860,645

非控制關係企業上市公司(附註 3f) 1,497,435

來自借出證券的收益：

非關係企業上市公司(扣除費用以及回扣) 14,204

非控制關係企業上市公司(附註 3f) 453

投資收益總額 76,372,737

費用：

管理費用(附註 3a) 33,604,702

配銷費用：(附註 3c)

A 股 12,119,802

C 股 2,070,186

R 股 657,938

股務代理機構費用：(附註 3e)

A 股 5,759,586

C 股 246,002

R 股 156,340

R6 股 235,930

Advisor 股 1,669,119

保管機構費用(附註 4)

70,112

股東報告書費用

350,732

註冊與申報費用

187,726

專業人士費用

59,652

董事酬金與費用

86,356

利息支出

1,367

其他

259,555

總費用 57,535,105

費用抵扣(附註 4) (1,876)

由關係企業減免/支付的費用(附註 3f 及 3g) (168,085)

淨費用 57,365,144

淨投資收益(損失) 19,007,593

實現與未實現利得(損失)：

淨實現利得(損失)來自：

投資：

非關係企業上市公司 456,165,216

外幣交易 3,363

淨實現利得(損失) 456,168,579

淨未實現溢價(折價)變動在：

投資：

非關係企業上市公司 1,890,388,182

以外幣計價之其他資產與負債換算 453

淨未實現溢價(折價)變動 1,890,388,635

淨實現與未實現利得(損失) 2,346,557,214

淨資產在營運操作上的淨增加(減少) \$2,365,564,807

# 淨資產變動表

2023 年 3 月 31 日    2022 年 9 月 30 日  
 半年度底                      年度底  
 (尚未經審計)

淨資產增加(減少)：		
營運操作：		
淨投資收益(損失)	\$19,007,593	\$14,326,662
淨實現利得(損失)	456,168,579	1,846,110,618
淨未實現溢價(折價)	1,890,388,635	(6,521,606,215)
淨資產在營運操作上的淨增加(減少)	2,365,564,807	(4,661,168,935)
對股東配息：		
A 股	(909,635,091)	(1,168,961,036)
C 股	(44,719,553)	(66,622,776)
R 股	(24,964,554)	(34,890,151)
R6 股	(198,355,706)	(278,038,777)
Advisor 股	(266,375,785)	(380,494,855)
對股東的配息總額	(1,444,050,689)	(1,929,007,595)
股本交易：(附註 2)		
A 股	468,806,538	278,407,375
C 股	(9,970,336)	(49,537,765)
R 股	4,994,065	(30,209,220)
R6 股	11,237,803	(204,647,567)
Advisor 股	63,619,179	(306,999,175)
股本交易總額	538,687,249	(312,986,352)
淨資產的增加(減少)	1,460,201,367	(6,903,162,882)
淨資產		
年度期初	14,429,687,480	21,332,850,362
年度期末	\$15,889,888,847	\$14,429,687,480

## 財務報告附註

### 1. 組織結構與重要會計政策

富蘭克林保管基金（本信託）是依據美國 1940 年投資公司法案（簡稱為 1940 法案）註冊成立的開放式投資公司，其投資六支個別基金，並且採行美國一般公認會計原則（U.S. GAAP）之專業會計和報導指南，以及財務會計準則委員會(FASB)會計準則編纂之主題 946，金融服務一投資公司 (ASC 946)，包括但不限於 ASC 946，富蘭克林成長基金提供五種股份類別：A 股、C 股、R 股、R6 股與 Advisor 股。C 股在持有 8 年後將每月自動轉為 A 股。各股份類別的首次銷售手續費、或有遞延銷售手續費、對單一股份具影響之事件的投票權、轉換權益、不同約定之分銷費用及股務代理機構費用皆有所不同。

本基金重要會計政策摘要如下：

#### a. 財務工具評價

本基金為每日以公平價值(fair value)評價投資的財務工具。公平價值是市場參與者於秩序交易中，賣出資產或轉移負債於衡量日所被買賣參與者接受的價格。本基金在每個營業日的美東時間下午四點或紐約證券交易所(NYSE)正常排定的收盤時間計算每股淨資產價值(NAV)，以較早者為準。在本信託董事會（董事會）所核准的政策及程序下，董事會已指定本基金的投資經理公司為評價指定人並負責監督評價。本基金的行政經理公司協助投資經理公司履行此職責，包括主導具有交叉功能之評價委員會（the Valuation Committee (VC)）。本基金得以利用獨立定價服務、來自證券和財務工具的交易商所提供的報價及其他市場資訊來決定公平價值。

在證券交易所或那斯達克交易系統掛牌之股票以及衍生性金融商品是分別以最後公告售價或當日官方收盤價格計價。外國證券是以證券主要交易之外國證券交易所或是東部時間下午四點的收盤價估值，其價格將以外國證券依每個營業日當日東部時間下午 4 點的收盤匯率被轉換成美元後的價值而定。店頭市場交易證券其估值則不超過最近一次的買賣報價範圍。同時在多個市場或多個交易所進行交易的證券，其估值則以最具廣度和代表性之市場的報價為準。某些股權證券是以類似證券的基本特徵或關係為評價基礎。

債權證券通常是在店頭市場而不在證券交易所進行交易。本基金的定價服務是使用多種評價技術來決定其公平價值。於交易活絡的市場，定價服務可能利用市場基礎法（market-based approach），即使用證券交易公司的報價來決定公平價值。於交易不活絡或有所限制的市場，定價服務亦使用財產評價模型（proprietary valuation model），其考量了市場特性（例如：基準收益率曲線、信用價差、估計違約率、預期市場利率變動性、票券利率、本金付款期待時間、擔保品及其他獨特的證券特性）來評估相關的現金流量，並再用折現法計算公平價值。外幣計價的證券係以東部時間下午四點的匯率轉換至美元，以決定外國債權證券之價值。

投資於開放式共同基金則以結算後的淨資產價值評價。附買回交易是以成本評價，其成本接近公平價值。

當財務工具缺乏可以信賴或是無法獲得市場價格時，本基金採用一些程序來決定其公平價值。在這些程序下，本基金主要使用市場基礎法（market-based approach），即使用相關或可比較之資產或負債、近期交易、市場乘數、帳面價值及其他相關資訊來決定投資之公平價值。收益基礎衡量法（income-based valuation approach）也可用於投資之預期未來現金流量折價以計算公平價值。由於處分投資的限制的本質或是存續期間，可能也使用折價來計算。由於此類投資評價固有的不確定性，其公平價值與交易市場的價格可能會有顯著的差異。

## 1. 組織結構與重要會計政策(承續前文)

### a. 財務工具評價(承續前文)

於外國證券交易所及店頭交易市場掛牌證券的交易，可能早於東部時間下午四點時間。此外，某些外國市場的交易並不會發生在每一個基金的營業日內。有時候，在外國證券交易完畢與東部時間下午四點之間的時間裡發生的事件可能對本基金所持有之投資組合證券價值的可信度造成影響。因此，由外國市場收盤後所決定之基金組合證券價格與東部時間下午四點最近的價格間，可能會產生差異。為了最小化這些潛在的差異，本基金得採用獨立定價服務將本基金投資組合證券的價值調整至東部時間下午四點最新指標的公平價值。截至 2023 年 3 月 31 日，部分證券已使用公平價值程序來定價，在這種情況下，這些證券被分類為公平價值衡量層級中的等級 2（稱為“市場公平價值”）。更多說明，請參閱“公平價值衡量”附註。

當申報期間的最後一日為非營業日時，某些外國市場是在本基金的淨值未被計算時營業，此可能造成基金投資組合證券的價值在申報期間的最後營業日及最後日曆日間所有差異。任何因外國市場開市所造成之證券價值變動將被基金為反映財務申報目的而進行調整和反映。

### b. 外幣轉換

投資組合中以外幣結算的證券以及其他資產與負債，是在估值日以這類外幣對美元的匯率轉換成美元來定價。本基金可能簽訂外匯契約協助以外幣計價的交易。以外幣結算之證券的申購與銷售，收益與費用項目是以在交易日生效的匯率轉換成美元來定價。以外幣計價之投資組合證券、資產及負債包含這些外幣相對於美元價值下跌的風險。有時候，事件的發生可能影響外幣對美元匯率的可獲得性或可信度。若有此類事件發生，將以本基金董事會所建立並核准之程序來確定該匯率的公平價值。

本基金並不會單獨報告由於持有證券的市價變動而引起的外幣匯率變動的結果。這類的變動已包含在經營業績表中的淨實現與未實現投資利得或損失中。

已實現的匯兌利得或損失來自於外幣銷售、在證券的交易日與交割日之間所實現的貨幣利得或損失及股利、利息、外國預扣稅的紀錄金額與其實際交付的等值美元金額之間的差異。淨未實現匯兌利得或損失來自於在報告期末除所持有的投資證券之外，以外幣結算之資產與負債的外幣匯率變動。

### c. 對延遲交割證券的申購

本基金可能購買延遲交割證券其付款以及交割是預定於未來的某日。這些交易將受到市場波動的影響並具有交割日的價值可能多於或少於交易日購買價格的風險。雖然本基金通常是以持有這些證券為目的而進行購買，但是也有可能在交割日前賣出這些證券。

### d. 衍生性金融商品

本基金投資於衍生性金融商品係為了管理風險或是增加對不同的其他投資或市場之曝險。衍生性金融商品為依標的資產或其名目金額為基礎之金融契約，其無須原始投資金額或其原始淨投資金額小於一般對市場因素改變有相似反應的投資金額，及其需要或允許淨額交割。衍生性金融商品存在許多風險，包含交易對手可能無法履行基於契約條款之義務、難於次級市場變現之可能性、以及/或是於市場波動時使本基金之利得或損失曝險於超過資產負債表所列金額之可能性。這些契約在本期間之已實現利得和損失及未實現溢價及折價皆已列示於經營業績表中。

擔保品要求依衍生性金融商品種類而不同。抵押品或初始保證金要求由經紀商或交易所外匯交易和設定集中清算衍生品。初始保證金存放在交易所，可以是現金和/或證券的形式。

## 1. 組織結構與重要會計政策(承續前文)

### d. 衍生性金融商品(承續前文)

本基金簽訂交易所交易之期貨交易契約主要係為了管理或獲得曝險於利率風險。期貨契約是本基金與交易對手之間在未來日期以指定價格買賣資產的協議。所需之初始保證金由本基金質押，公允價值的每日變動在資產負債表中作為應付或應收變動保證金核算。截至 2023 年 3 月 31 日，本基金沒有期貨契約。

本基金買入或賣出交易所交易之選擇權契約主要係為了管理曝險於股票價格風險。選擇權是一種契約給予持有者以特定價格買入或賣出某一資產的股份或單位的特定金額，或交換契約之名目金額。買入選擇權認列為資產，而賣出選擇權則認列為負債。當履行選擇權時，所收取或給付的任何權利金將調整於標的投資的買入成本或賣出收益。當選擇權到期時，所收取或給付的任何權利金則認列為已實現利得或損失。當非經由履行或到期而結清選擇權時，權利金與結清選擇權部位之成本的差額則認列為已實現利得或損失。截至 2023 年 3 月 31 日，本基金沒有選擇權。

請參照附註 10 有關其他衍生性金融商品資訊之說明。

### e. 股權連結證券

本基金可能投資於股權連結證券。股權連結證券是混合金融工具其通常結合債權及股權特性於單一票券形式。從股權連結證券所收取的收益是以已實現利得紀錄於經營業績表且該收益是以標的股權證券、股票指數或是選擇權部位的績效表現為基礎。投資於股權連結證券的風險包括標的證券的不利價格變動以及發行金融機構的信用風險。無法確保股權連結證券的本金得以回收，且獲利潛力可能有限。股權連結證券可能比本基金所持有的其他投資更為反覆無常且流動性更低。

### f. 證券借貸

本基金參與一項代理機構基礎之證券借貸計劃以賺取額外的收益。本基金收取相當於所借出證券之公平價值至少 102% 的金額之現金擔保品及/或美國政府與機構證券擔保品。在此借貸的存續期間內擔保品的金額不低於該借出證券公平價值（在基金各營業日結束時評定）的 100%，任何因證券價值變動而須追加的擔保品必須於次一營業日交付給本基金。與其他基金存入聯合現金帳戶的擔保品習慣被投資於富蘭克林顧問公司（其為本基金的關係企業）所管理的貨幣市場基金裡，以及/或是聯合附買回交易協定裡。這些證券在基金託管人的獨立帳戶中作為抵押品持有。基金不能再質押或轉售這些作為抵押品持有的證券。因此，非現金抵押品不包括在資產負債表中。來自借出證券的收益，扣除支付予證券借貸機構以及/或是第三方供應商的費用，已分別記錄於經營業績表中。本基金承擔有關擔保品投資與證券借出的市場風險，以及代理機構違反其對本基金義務的風險。如果借貸者違反其應返還借出證券的義務，本基金有權利運用所收取的擔保品於公開市場再買回這些證券。證券借貸機構已同意賠償本基金由第三方借入者產生的違約風險。截至 2023 年 3 月 31 日，本基金無借出證券。

### g. 優先浮動利率利息

本基金可能投資於優先擔保企業貸款，其支付的利息利率會參照基本貸款利率加上利差定期作調整。該基本貸款利率通常是指定的美國銀行所提供最優惠的利率或是隔夜融資利率（SOFR）。優先擔保企業貸款通常會要求由超額現金流量或是依借款人的裁量權提前償付本金。因此，實際到期日可能比預定的到期日大幅度的提早。本基金所投資的優先擔保企業貸款通常具有交易市場，但是可能具有某些轉售的限制。

## 1. 組織結構與重要會計政策(承續前文)

### h. 所得稅及遞延稅

按照基金政策，本基金必須符合美國稅務法對於投資公司的規定，對股東分配幾乎所有的應稅收益與淨實現利益以免於繳納聯邦所得稅及特許權稅，因此無需預提美國聯邦所得稅。

本基金在外國管轄區域的投資所收取的收益、證券售出的資本利得以及一些外匯交易可能須繳納外國稅捐。如有外國稅捐，其金額將依據本基金所投資之外國市場實施的稅務法規與稅率申報。如外國對淨實現利得加以課稅，本基金將記錄預估的遞延稅賦義務，其金額相當於當證券在評價日交易須支付的稅額。

由於遍及歐盟一些國家的幾個訴訟案件結果，本基金已經為以前在這些國家所賺取股利的代扣稅款申報追加的回收稅款（歐盟回收）。已認可收益，若有的話，這些歐盟回收金額是以其他收益反映於經營業績表中，而任何相關應收款項，若有的話，是以歐盟稅款回收反映於資產負債表中。與這些申報相關的任何費用都反映在經營業績表中的其他費用中。當這些訴訟的最終裁決、取得這些回收稅款的可能性以及付款的可能時間安排尚存有不確定性時，則無金額得以被反映於財務報表中。就美國所得稅目的，基金收到的歐盟稅款回收，若有的話，基金股東能夠在其個人所得稅申報單中用為稅收抵免來減少外國稅額。

只有當稅務機關基於稅項的技術優勢進行依據美國一般公認會計原則(U.S.GAAP)審查時認為該不明確稅項低於 50%的情況下，本基金才會承認不明確稅項的賦稅利益。於截至 2023 年 3 月 31 日止及所有開放稅賦年度，本基金認為沒有因被要求於納稅申報表所揭有關不明確稅項之納稅申報（或預計在未來進行納稅申報）之未承認賦稅利益而產生的負債。開放稅賦年度為基於稅賦管轄權之法定時效限制下仍須接受審查的年度。

### i. 證券交易、投資收益、費用及配息

證券交易是在交易日作入帳。證券交易之已實現利得或損失則決定於特定基礎。利息收入與預估費用則每日計提。利息收入包括債權的折價與溢價攤銷。支付利得及損失已分別記錄於經營業績表。融資費在可期望的貸款期間視為收入。股利收入是在除息日入帳，除了某些來自外國證券的股利是在本基金接獲除息日通知才立即認定。對股東的配息是在除息日入帳並且依據所得稅法（稅基）確定。以稅基所決定的可分配盈餘可能不同於依照一般美國公認會計準則所紀錄的盈餘。這些差異可能是永久或是暫時的。永久性差異將產生在資本帳戶被重新分類以反映其稅賦特性。這些重新分類對淨資產或是經營業績並不會造成影響。暫時性差異則不用重新分類，因為差異在後續期間將會迴轉。

本信託所招致的共同費用，將依個別基金的淨資產佔本基金的總淨資產的比率來配置到各別基金，個別基金單獨招致的費用將直接記錄在招致此費用的基金帳內。

已實現與未實現利得與損失以及淨投資收益（股份等級特定費用除外），是依照個別股份等級的淨資產之相對比重而每日分配到個別股份等級。股份等級的費用差異可能導致各股份等級每股配息款項的差異。

### j. 會計估計

管理階層依照美國一般公認的會計準則編制財務報表時需要做出會計估計與假設。這些會計估計與假設會影響於財務報表日的資產與負債金額以及在財務報表期間的收入與費用金額。實際結果可能與估計值不同。

## 1. 組織結構與重要會計政策(承續前文)

### k. 保證及賠償

在本信託的組織文件規定下，本信託同意免除其主管與董事在某些超越其職責範圍而發生的負債責任。此外，在正常業務狀況下，本信託代表本基金與服務提供機構簽訂契約也包含責任免除條款。本信託在這些免責條款下的最大風險是未知的，因為涉及未來可能對本信託發生的被訴訟索賠。目前，本信託預期損失的風險是很小的。

## 2. 實益權益股份

截至 2023 年 3 月 31 日，本基金授權發行無數量管制的股份(無股票面值)。本基金股份的交易如下表：

	截至 3 月 31 日止之半年度		截至 9 月 30 日止之年度	
	2023		2022	
	股份	金額	股份	金額
A 股：				
股份銷售 <sup>a</sup>	3,437,816	\$371,119,221	7,112,775	\$950,008,754
配息轉入再投資之股份發行	8,412,604	874,237,952	7,829,335	1,123,352,847
股份贖回	(7,151,713)	(776,550,635)	(13,642,430)	(1,794,954,226)
淨增加(減少)	4,698,707	\$468,806,538	1,299,680	\$278,407,375

<sup>a</sup> 可能包含部分 C 股其被自動轉為 A 股。

## 3. 與關係企業的交易

富蘭克林公司作為控股公司，與其各附屬公司合稱為富蘭克林坦伯頓基金集團。本基金的部分主管與董事也是下列附屬公司的主管以及/或是董事：

附屬公司	與本基金的關係
Franklin Advisers, Inc. (Advisers)	投資經理公司
Franklin Templeton Services, LLC (FT Services)	行政經理公司
Franklin Distributors, LLC (Distributors)	主辦承銷商
Franklin Templeton Investor Services, LLC (Investor Services)	股務代理機構

### a. 管理費用

本基金按基金的每月月底淨資產價值所適用之年率標準每日計算並按月支付 Advisers 投資管理費用，年率標準詳如下表：

年化費率	淨資產
0.625%	不超過(含)一億美元
0.500%	超過一億美元，不超過(含)二億五千萬美元
0.450%	超過二億五千萬美元，不超過(含)七十五億美元
0.440%	超過七十五億美元，不超過(含)一百億美元
0.430%	超過一百億美元，不超過(含)一百二十五億美元
0.420%	超過一百二十五億美元，不超過(含)一百五十億美元
0.400%	超過一百五十億美元，不超過(含)一百七十五億美元
0.380%	超過一百七十五億美元，不超過(含)二百億美元
0.360%	超過二百億美元，不超過(含)三百五十億美元
0.355%	超過三百五十億美元，不超過(含)五百億美元
0.350%	超過五百億美元

### 3. 與關係企業的交易(承續前文)

#### a. 管理費用(承續前文)

在截至 2023 年 3 月 31 日止之半年度，實際的投資管理費用年率為本基金平均每日淨資產價值之 0.440%。

#### b. 行政費用

根據與 Advisers 的協定，FT Services 為本基金提供行政管理服務。此費用由 Advisers 根據本基金的平均每日淨資產支付，並不是本基金的額外費用。

#### c. 配銷費用

除了 R6 股及 Advisor 股以外，本基金董事會遵循美國 1940 年投資公司法案的規則 12b-1，對於各股皆採用配銷計劃。配銷費用在本基金 A 股及 A1 股的償還配銷計劃下，每年本基金將向 Distributors 償付不超過 A 股的最高年度計劃費率的費用，用以彌補其銷售與配銷本基金股份所帶來的費用。在 A 股及 A1 股的償還配銷計劃下，當期計劃年度的費用超出最高償還額度的部分不會在後續期間得到償還。此外，在本基金 C 股及 R 股的補償配銷計劃下，每年本基金將向 Distributors 支付不超過各股的最高年度計劃費率的費用，用以彌補其服務、銷售與配銷本基金股份所招致的費用。為監控最高年度計劃費率之遵循情形，該計劃年度為 2 月 1 日至 1 月 31 日的整個期間。

按本基金的平均每日淨資產的特定比例，各股的最高年度計劃費率列示如下：

A 股	0.25%
C 股	1.00%
R 股	0.50%

#### d. 銷售手續費/承銷合約

前收型銷售手續費以及或有遞延銷售手續費 (CDSC) 不是本基金的費用。這些手續費在投資之前就從基金股份銷售款項中扣除，或是在贖回收益匯出之前被扣除 (若適用)。

承銷商(Distributors)已告知本基金下列有關本期間基金股份銷售與贖回的交易佣金：

扣除支付給非關係企業的交易商/經紀商佣金後的銷售手續費	\$ 458,912
保留的或有遞延銷售手續費	\$ 22,843

#### e. 股務代理機構費用

每個基金股份為 Investor Services 對股東服務範圍的績效支付股務代理機構費用。自 2022 年 10 月 1 日起，費用是根據 0.016% 的年化資產基礎費用加上減少的交易費用。在 2022 年 10 月 1 日前，費用是根據 0.02% 的年化資產基礎費用加上交易費用。除了 R6 股，每個基金股份為 Investor Services 對股東服務範圍的績效支付股務代理機構費用並且償付 Investor Services 的墊付款項，包括：支付予第三方的股東服務費用。這些費用將以各個股份淨資產的相對比例為基礎每日配置於各該股份。R6 股僅對該股支付 Investor Services 股務代理機構費用。

在截至 2023 年 3 月 31 日止之半年度內，本基金支付股務代理機構的費用已標示於經營業績表中，其中支付投資者服務(Investor Services)的金額為\$2,646,391。

#### f. 投資於關係企業管理投資公司

本基金投資於一家或數家關係企業管理投資公司。根據 1940 年投資公司法案的定義，當基金直接或間接擁有 25% 或更多的關係企業流通在外股份，或有權對該基金的管理或政策行使控制時，該投資被視為基金的“控制關係企業”。本基金投資之目的不是為了對管理或政策施加控制性影響。本基金可減免投資於關係企業管理投資公司的資產所對應的管理費用已標示於經營業績表中，但金額不超過每一個關係企業直接或間接所支付的管理費用和行政費用。

### 3. 與關係企業的交易(承續前文)

#### f. 投資於關係企業管理投資公司(承續前文)

在截至 2023 年 3 月 31 日止之半年度，本基金投資在關係企業管理投資公司明細如下：

	期初 價值	申購	出售	已實現利得 (虧損)	未實現溢價 (折價)淨變動	期末 價值	期末 持有股數	投資 收益
<b>非控制關係上市 公司</b>								<b>股利</b>
Institutional Fiduciary Trust - Money Market Portfolio, 4.371%	\$69,725,524	\$822,019,714	\$(797,097,877)	\$—	\$—	\$94,647,361	94,647,361	\$1,497,435
								<b>來自借出 證券收益</b>
Institutional Fiduciary Trust - Money Market Portfolio, 4.371%	\$—	\$1,386,000	\$(1,386,000)	\$—	\$—	\$—	—	\$453
<b>關係上市公司 證券合計</b>	<b>\$69,725,524</b>	<b>\$823,405,714</b>	<b>\$(798,483,877)</b>	<b>\$—</b>	<b>\$—</b>	<b>\$94,647,361</b>		<b>\$1,497,888</b>

#### g. 免除與費用償還

Investor Services 已事先簽約同意免除或是限制其收取的費用，所以 R6 股的股務代理機構費用將不會超過該級別的平均淨資產的 0.03%，直到 2024 年 1 月 31 日。

#### h. 其他關係交易

截至 2022 年 9 月 30 日，紐澤西州「更好的教育儲蓄信託計劃」——將富蘭克林坦伯頓管理的投資期權（529 個投資組合）贖回。因此，2022 年 7 月 15 日，該基金交付了以實物形式轉移到 529 個投資組合的證券和現金，其中包括 \$74,761,884 美元的已實現淨收益。由於此類收益不對基金徵稅，也不分配給其餘股東，因此它們從累計已實現淨收益重新分類為實收資本。

### 4. 費用抵銷約定

本基金已與保管機構簽訂合約，將未投資的現金部分所獲得的收益用以抵償本基金的部分保管機構費用。截至 2023 年 3 月 31 日止之半年度內，調降之保管機構費用已列示於經營業績表。

### 5. 所得稅

就稅務目的，資本虧損得用來抵銷未來的資本利得。

就稅務目的，本基金得選擇將十月後資本虧損或年尾一般虧損的任何部位遞延至下一個會計年度首日。

於 2023 年 3 月 31 日，本基金之投資成本以及淨未實現溢價(折價)如下表所示：

投資成本	\$5,245,170,977
未實現溢價	\$10,954,062,837
未實現折價	(262,312,516)
淨未實現溢價(折價)	\$10,691,750,321

收益以及/或是資本利得在帳面基礎與稅賦基礎上有所不同，主要是因為對違約證券，歐盟回收，支付損失、債券折價與溢價、企業活動、股票連結證券、沖銷性交易以及股東實物贖回的處理不同而影響分配的特性所致。

## 6. 投資交易

截至 2023 年 3 月 31 日止之半年度內買入與賣出（不包括短期證券和實物交易）的交易額分別為\$245,417,406 及\$1,125,156,032。

## 7. (略)

## 8. 限制證券

本基金投資受《1933 年證券法》限制的證券。限制證券通常是通過私募交易購買，且除非根據 1933 年法令所豁免，否則未經事先註冊不得出售。處置這些證券可能需要更多的精力和費用，且可能難以可接受的價格迅速出售。本基金可能擁有限制證券的註冊權。發行人通常會承擔所有註冊費用。

截至 2023 年 3 月 31 日，對限制證券的投資（不包括 1933 年法案下豁免註冊的證券）如下：

股份	發行人	收購日	成本	價值
25,413	Canva, Inc.	11/08/21	\$43,323,040	\$20,112,109
2,353	Canva, Inc., A	11/08/21	4,011,298	1,862,188
94	Canva, Inc., A-3	11/08/21	160,247	74,393
8	Canva, Inc., A-4	11/08/21	13,638	6,331
5	Canva, Inc., A-5	11/08/21	8,524	3,957
96,603	Checkout Payments Group Ltd., B	1/11/22	30,000,062	8,763,882
822,494	Gusto, Inc., E	7/13/21	24,999,977	28,668,904
849,894	OneTrust LLC, C	4/01/21	16,666,676	9,348,834
540,043	Stripe, Inc., B	5/18/21	21,671,052	10,873,301
756,137	Stripe, Inc., H	3/15/21	30,339,997	15,224,168
1,230,266	Stripe, Inc., I	3/15/23	24,770,348	24,770,348
限制證券合計(價值為淨資產的 0.8%)			\$195,964,859	\$119,708,415

## 9. 無需基金準備之資本協定

本基金可能會作出某些資本協定，並且有義務在未來的某日履行此類協定。基金監督這些協定並評估其達到要求績效之可能性，並且對於任何可能履行的協定評估其公允價值。當資本協定可能發生但將導致重大未實現損失時，這些損失會認列在基金之資產負債表以及經營業績表。

截至 2023 年 3 月 31 日，本基金之資金協定額為\$15,399,657，其中不包含折舊之認列。

## 10. ~11. (略)

## 12. 信用工具

本基金與富蘭克林坦伯頓基金集團所管理的其他美國註冊以及外國投資基金（全體地，以下稱「全體借用人」）共同簽定一項於 2024 年 2 月 2 日到期之貸款總額為 26.75 億美元的優先無擔保聯合全球信用貸款（以下稱「全球信用工具」）。全球信用工具其為一項資金來源，以提供予全體借用人因應暫時與緊急目的，包括有能力去應付未來無預期或不尋常的大量贖回需求。

依據全球信用工具條款，本基金除了應負擔所動用任何貸款的利息，以及由本基金所產生的其他成本之外，尚須依據本基金佔全體借用人淨資產總額的相對持份比例，分攤履行及維持全球信用工具所產生的費用及支出，包括全球信用工具未使用部分的 0.15% 年度承諾費用。該費用已反映於經營業績表的其他費用中。截至 2023 年 3 月 31 日止，本基金並未動用全球信用工具貸款。

### 13. 實物贖回

截至 2022 年 9 月 30 日的年度期間，該基金自實物贖回的淨利得已實現 47,765,967 美元，其中一位股東以本基金持有之現金及證券贖回基金股份。由於這類收益不會對基金課稅且不會分配給剩餘股東，因此將累計淨已實現利得重新分類為實收資本。

### 14. 公平價值衡量

本基金採用公平價值的等級，其係用來區別從獨立來源所取得的市場資料(可觀察信息)與基金自行的市場假設(不可觀察信息)。這些信息被用於決定基金投資的價值，並得概述於以下之公平價值的等級：

- 等級 1—用同一證券的現行活躍市場報價
- 等級 2—其他重要的可觀察信息(包括對於相類似證券的報價、利率、預付款項速度及信用風險等)
- 等級 3—重要的不可觀察信息(包括基金以自行假設決定投資的公平價值)

用以評價投資的信息或方法之等級，並非暗示該投資的投資風險或流動性。

在公平價值等級間變動的情形下，本基金採用引發變動事件的日期，作為認定轉移的日期。

以下為於 2023 年 3 月 31 日，評估本基金資產之公平價值所採納的信息之等級概要：

	等級 1	等級 2	等級 3	合計
資產：				
證券投資：				
普通股：				
航空&國防	772,327,508	—	—	772,327,508
汽車	100,739,049	—	—	100,739,049
飲料	566,326,076	—	—	566,326,076
生技	266,853,909	—	—	266,853,909
綜合型零售	484,102,051	—	—	484,102,051
建築產品	235,434,846	—	—	235,434,846
資本市場	620,529,927	—	—	620,529,927
化學	484,960,306	—	—	484,960,306
商務服務&用品	84,512,365	—	—	84,512,365
建築材料	108,256,729	—	—	108,256,729
日常用品配銷與零售	26,805,640	—	—	26,805,640
電子公用事業	151,928,226	—	—	151,928,226
電子設備	173,706,021	—	—	173,706,021
電子設備,儀器&零件	486,365,706	—	—	486,365,706
娛樂	\$53,629,024	—	—	\$53,629,024
金融服務	639,607,657	116,869,048	—	756,476,705
食品	55,025,495	—	—	55,025,495
地面運輸	522,161,829	—	—	522,161,829
保健設備及用品	673,120,139	—	—	673,120,139
保健提供和服務	145,047,803	—	—	145,047,803
醫療技術	48,743,497	—	—	48,743,497
飯店,餐廳&休閒	219,368,499	—	—	219,368,499
工業不動產投資信託	16,818,996	—	—	16,818,996
互動媒體與服務	478,182,702	—	—	478,182,702
IT 服務	102,881,916	—	20,112,109	122,994,025

#### 14. 公平價值衡量(承續前文)

	等級 1	等級 2	等級 3	合計
<b>資產：</b>				
<b>證券投資：</b>				
<b>普通股：</b>				
生命科學工具與服務	1,082,400,677	—	—	1,082,400,677
機械	676,206,791	—	—	676,206,791
媒體	55,398,617	—	—	55,398,617
個人用品	44,512,648	—	—	44,512,648
製藥	598,028,970	—	—	598,028,970
專業服務	239,855,114	—	—	239,855,114
半導體&半導體設備	1,421,201,291	—	—	1,421,201,291
軟體	2,595,457,352	—	19,637,183	2,615,094,535
特別不動產投資信託	101,466,647	—	—	101,466,647
技術硬體,存儲和外圍設備	756,263,226	—	—	756,263,226
紡織品,服裝和奢侈品	218,389,463	—	—	218,389,463
貿易公司和經銷商	142,380,725	—	—	142,380,725
水公用事業	98,451,095	—	—	98,451,095
可轉換特別股	—	—	79,959,123	79,959,123
特別股	—	58,247,942	—	58,247,942
短期投資	94,647,361	—	—	94,647,361
證券投資總額	\$15,642,095,893	\$175,116,990 <sup>c</sup>	\$119,708,415	\$15,936,921,298

<sup>c</sup> 包括價值為 175,116,990 美元的外國證券，其因採用了市場等級的公平價值程序而被歸類為第二級。更多說明，請參閱“財務工具評價”附註。

當在期末有顯著的等級 3 投資時，本基金將揭露以等級 3 來決定其公平價值的資產之調節。

#### 15. 新會計原則宣告

於 2020 年 3 月，美國財務會計準則委員會 (FASB) 頒佈公報第 2020-04 號會計準則更新 (ASU) 「參考利率改革 (主題 848) — 促進參考利率改革對財務報告的影響」。2021 年 1 月和 2022 年 12 月，FASB 發布了 ASU 第 2021-01 號和 ASU 的 2022-06 號，並對主題 848 進行了進一步修訂。由於依據計畫部分截至 2021 年底，其餘至 2023 年底終止倫敦銀行同業拆款利率 (LIBOR) 和其他銀行同業提供參考利率，此會計準則的修訂提供選擇性暫時會計確認和財務報告減輕來自某些類型契約修改的影響。此會計準則對於 2020 年 3 月 12 日至 2024 年 12 月 31 日期間發生與參考利率相關的某些契約修改係為有效。管理公司已對此審查並認為採用此會計準則將不會對財務報表產生重大影響。

於 2022 年 6 月，美國財務會計準則委員會 (FASB) 頒佈公報第 2022-03 號會計準則更新 (ASU) 「公允價值計量 (主題 820) —— 受合同銷售限制的權益證券的公允價值計量」。ASU 的修正案澄清了對出售股權證券的合同限制不被視為股權證券記賬單位的一部分，因此在計量公允價值時不應考慮。此更新於 2023 年 12 月 15 日之後開始的中期和年度報告期間正式生效，也可選擇提前採用。管理公司目前已評估需求並相信採行此會計準則不會造成重大影響。

#### 16. 期後事項

本基金已評量截至本財報公告日期間的期後事項，確定沒有發生應行揭露的事項。

SEMIANNUAL REPORT AND SHAREHOLDER LETTER

# FRANKLIN CUSTODIAN FUNDS

March 31, 2023



FRANKLIN  
TEMPLETON

Franklin DynaTech Fund

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Franklin Focused Growth Fund

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Franklin Growth Fund

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Franklin Income Fund

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Franklin U.S. Government Securities Fund

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Franklin Utilities Fund

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# SHAREHOLDER LETTER

Dear Shareholder:

During the six months ended March 31, 2023, the U.S. economy continued to recover from the COVID-19 pandemic amid declining unemployment, rising wages and higher personal consumption. U.S. gross domestic product grew in 2022's fourth quarter as increased consumer and government spending, higher inventories and strong nonresidential fixed investment boosted the economy. Although consumer spending continued to rise, deteriorating financial conditions kept consumer sentiment at historically low levels. Meanwhile, inflation showed signs of easing but remained heightened relative to recent decades, and its path remains uncertain. The annual inflation rate, as measured by the consumer price index, declined to 6% in February 2023, the lowest rate since September 2021, as energy costs declined sharply.

In an effort to control inflation, the U.S. Federal Reserve (Fed) raised the federal funds target rate at all four meetings during the six-month period, increasing it by a total of 1.75% (from a range of 3.00%–3.25% to 4.75%–5.00% by period-end). As high inflation began to ease, the Fed stepped down the pace of its interest-rate hikes from 75 basis points (bps) at its November 2022 meeting to 50 bps in December, followed by 25 bps increases in February and March 2023. At its March 2023 meeting, the Fed said it would continue to reduce bond holdings but departed from previous statements by softening its firm outlook on future rate hikes. Additionally, Fed Chair Jerome Powell said the central bank most likely would not cut rates in 2023.

Despite continued challenges from elevated inflation, higher interest rates and several well-publicized failures in the banking sector near period-end, U.S. stocks, as measured by the Standard & Poor's® 500 Index (S&P 500®), posted a +15.62% total return amid signs of resilience in the U.S. economy.<sup>1</sup> The 10-year U.S. Treasury (UST) yield (which moves inversely to price) declined despite higher interest rates, as inflation continued to slow. The yield curve for all UST maturities inverted further during the period, at one point reaching the largest inversion in more than four decades, as investors became increasingly concerned about the economic outlook. In this environment, investment-grade bonds, as measured by the Bloomberg U.S. Aggregate Bond Index, posted a +4.89% total return.<sup>1</sup>

While uneven economic conditions are a concern for many investors, we remain committed to our long-term perspective and disciplined investment approach as we conduct a rigorous, fundamental analysis of securities, which balances long-term opportunities and risk management.

We believe active, professional investment management serves investors well. We also recognize the important role of financial professionals in today's markets and encourage investors to continue to seek their advice. Amid changing markets and economic conditions, we are confident investors with a well-diversified portfolio and a patient, long-term outlook should be well positioned for the years ahead.

Franklin Custodian Funds' semiannual report, covering Franklin DynaTech Fund, Franklin Focused Growth Fund, Franklin Growth Fund, Franklin Income Fund, Franklin U.S. Government Securities Fund and Franklin Utilities Fund, includes more detail about investment decisions during the period. Please remember all securities markets fluctuate, as do mutual fund share prices.

We thank you for investing with Franklin Templeton, welcome your questions and comments, and look forward to serving your future investment needs.

Sincerely,



Gregory E. Johnson  
Chairman  
Franklin Custodian Funds

*This letter reflects our analysis and opinions as of March 31, 2023, unless otherwise indicated. The information is not a complete analysis of every aspect of any market, country, industry, security or fund. Statements of fact are from sources considered reliable.*

1. Source: Morningstar.

See [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com) for additional data provider information.

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Visit **franklintempleton.com** for fund updates, to access your account, or to find helpful financial planning tools.

# SEMIANNUAL REPORT

## Economic and Market Overview

U.S. equities, as measured by the Standard & Poor's® 500 Index (S&P 500®), posted a +15.62% total return for the six months ended March 31, 2023.<sup>1</sup> Despite continued challenges from elevated inflation, higher interest rates and the failure of three U.S. banks in March 2023, stocks, led by the information technology sector, gained amid signs of resilience in the U.S. economy.

U.S. gross domestic product grew in 2022's fourth quarter as increased consumer and government spending, higher inventories and strong nonresidential fixed investment boosted the economy. Although consumer spending continued to rise, deteriorating financial conditions kept consumer sentiment at historically low levels. Meanwhile, inflation, which remained heightened relative to recent decades, showed signs of easing. The annual inflation rate, as measured by the consumer price index, declined to 6% in February 2023, the lowest rate since September 2021, as energy costs declined sharply.

The U.S. unemployment rate remained at historic low levels during the period, briefly hitting a 54-year low of 3.4% in January 2023 and ended the period at 3.5%. Wage growth eased toward the end of the period, raising market expectations that the U.S. Federal Reserve (Fed) would slow its rate of increasing interest rates. Rising interest rates translated to higher borrowing costs for individuals and businesses, which discouraged some economic activity. Despite interest-rate increases, bank failures contributed to lower mortgage rates toward the end of the period.

In an effort to control inflation, the Fed raised the federal funds target rate four times during the period to end at a range of 4.75%–5.00%. The Fed stepped down the pace of its interest-rate hikes from 75 basis points (bps) at its November 2022 meeting to 50 bps in December, followed by 25 bps increases in February and March 2023. At its March 2023 meeting, the Fed said it would continue to reduce bond holdings, but it departed from previous statements by softening its firm outlook on future rate hikes. Additionally, Fed Chair Jerome Powell said the central bank most likely would not cut rates in 2023.

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*The foregoing information reflects our analysis and opinions as of March 31, 2023. The information is not a complete analysis of every aspect of any market, country, industry, security or fund. Statements of fact are from sources considered reliable.*

<sup>1</sup>. Source: Morningstar.  
See [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com) for additional data provider information.

# Franklin DynaTech Fund

This semiannual report for Franklin DynaTech Fund covers the period ended March 31, 2023.

## Your Fund's Goal and Main Investments

The Fund seeks capital appreciation by investing primarily in equity securities of companies that emphasize innovation and new technologies, have superior management and that benefit from new industry conditions in the dynamically changing global economy.

## Performance Overview

The Fund's Class A shares posted a +17.37% cumulative total return for the six months under review. In comparison, the Russell 1000® Growth Index, which is market capitalization weighted and measures performance of those Russell 1000® Index companies with relatively higher price-to-book ratios and higher forecasted growth rates, posted a cumulative total return of +16.88%.<sup>1</sup> Also for comparison, the broad U.S. stock market, as measured by the Standard & Poor's 500 Index (S&P 500), posted a +15.62% cumulative total return.<sup>1</sup> You can find the Fund's long-term performance data in the Performance Summary beginning on page 8.

*Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to [franklintempleton.com](http://franklintempleton.com) or call (800) 342-5236.*

## Investment Strategy

We use fundamental, bottom-up research to seek companies meeting our criteria of growth potential, quality and valuation. In seeking sustainable growth characteristics, we look for companies we believe can produce sustainable earnings and cash flow growth, evaluating the long-term market opportunity and competitive structure of an industry to target leaders and emerging leaders. We define quality companies as those with strong and improving competitive positions in attractive markets. We also believe important attributes of quality are experienced and talented management teams as well as financial strength reflected in the capital structure, gross and operating margins, free cash flow generation and

returns on capital employed. Our valuation analysis includes a range of potential outcomes based on an assessment of multiple scenarios. In assessing value, we consider whether security prices fully reflect the balance of the sustainable growth opportunities relative to business and financial risks.

## Portfolio Composition

3/31/23

	% of Total Net Assets
Software	28.3%
Semiconductors & Semiconductor Equipment	17.2%
Life Sciences Tools & Services	7.4%
Broadline Retail	7.1%
Financial Services	6.2%
Health Care Equipment & Supplies	5.5%
Interactive Media & Services	3.3%
Automobiles	2.8%
Capital Markets	2.6%
IT Services	2.3%
Technology Hardware, Storage & Peripherals	2.2%
Electric Utilities	1.6%
Pharmaceuticals	1.6%
Electronic Equipment, Instruments & Components	1.3%
Other	9.4%
Short-Term Investments & Other Net Assets	1.2%

## Manager's Discussion

During the six months under review, the Fund generally took a volatile path to robust overall gains. In the first half of the period, our positive absolute returns in October and November 2022 were essentially eliminated in December's selloff. Returns then rebounded solidly in January 2023—the strongest month of the period—before backtracking slightly in February, ahead of another rally towards period-end in March.

The bulk of the Fund's overall gains occurred in the information technology (IT) sector, which represented just over half of the overall portfolio at period-end. IT sector sentiment and valuation improved in early 2023, which we think happened for a few reasons. First, U.S. Treasury yields have trended down from their highs in 2022's fourth quarter as inflation cooled—and from their 2023 year-to-date

1. Source: Morningstar.

Frank Russell Company is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Frank Russell Company.

The indexes are unmanaged and include reinvestment of any income or distributions. They do not reflect any fees, expenses or sales charges. One cannot invest directly in an index, and an index is not representative of the Fund's portfolio.

See [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com) for additional data provider information.

The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Schedule of Investments (SOI).

The SOI begins on page 44.

highlights at the beginning of the U.S.-focused banking turmoil (in March) as the banking industry had largely stabilized by period-end. Second, while we remained aware of signs that the broader economy was under stress, in our view, it looked like we were getting closer to the end of the negative earnings estimate revision cycle amongst more cyclically sensitive technology industries (e.g., semiconductors) and advertising-driven internet companies as well (though this assertion remains dependent on how hard of an economic landing the U.S. and global economies might be in for). Third, we believe many IT companies have realized the need for efficiency in a higher cost-of-capital environment, and profitability has been, for the most part, surprising to the upside even when revenue is not, according to our analysis. Fourth, both earnings estimate revisions and cost cutting appear to be occurring in the IT sector before other sectors due to COVID-19 driven overconsumption in 2020–2021, which we believe bodes well for the sector on a relative basis if or when the economy heads into a recession. Finally, we believe that generative artificial intelligence (AI) and its impact on growth in the IT sector may be starting to shift from theoretical to tangible as we see early examples of productization and monetization from across an array of IT and technology-driven non-IT companies.

### Top 10 Holdings

3/31/23

<b>Company Industry, Country</b>	<b>% of Total Net Assets</b>
Microsoft Corp. <i>Software, United States</i>	6.4%
NVIDIA Corp. <i>Semiconductors &amp; Semiconductor Equipment, United States</i>	5.9%
Amazon.com, Inc. <i>Broadline Retail, United States</i>	5.5%
Alphabet, Inc. <i>Interactive Media &amp; Services, United States</i>	3.3%
Mastercard, Inc. <i>Financial Services, United States</i>	3.3%
Thermo Fisher Scientific, Inc. <i>Life Sciences Tools &amp; Services, United States</i>	3.1%
ServiceNow, Inc. <i>Software, United States</i>	2.8%
ASML Holding NV <i>Semiconductors &amp; Semiconductor Equipment, Netherlands</i>	2.8%
Tesla, Inc. <i>Automobiles, United States</i>	2.8%
Danaher Corp. <i>Life Sciences Tools &amp; Services, United States</i>	2.7%

Although all five of the Fund's IT-related industry allocations rallied to varying degrees, semiconductor and semiconductor equipment makers collectively posted an outsized return that was led higher by NVIDIA, ASML Holding and Analog Devices, though most others also advanced. Semiconductor sales tend to be quite cyclical; before their rally commenced

in early 2023, they were down substantially from record-high levels seen in May 2022. They benefited in part from evidence that a broadening range of companies were expected to begin spending more on microchip-intensive, productivity-enhancing technologies. Corporate earnings were a factor, but not-as-bad-as-feared forward guidance, inventory digestion, and nascent optimism about a potential bottom in the near term helped drive their gains. Among the standout contributors, ASML, a Dutch developer of advanced semiconductor equipment systems (including lithography, metrology and inspection systems for complex integrated circuits), upgraded its long-term outlook despite a soft market in 2022, while its fiscal fourth-quarter financial earnings report showed surprising strength. It raised its outlook for 2025 by about 30% above the figures it had projected one year ago—reassuring given the industry's current downcycle. ASML also guided for continued growth to 2030, citing a brighter outlook for artificial intelligence (AI) and edge computing data centers, as well as the metaverse, which emerged as a big concept more than a year ago.

From a wider perspective, a wave of investor interest and heightened trading around machine learning (ML) technology—a branch of AI that enables computers to emulate how humans learn and adapt by using data and experience—ignited rallies in several notable Fund contributors pursuing both themes. Although it included semiconductor industry players situated at the core of ML/AI computing power, it extends to software, IT services, electronic equipment and instruments, and non-IT industries such as internet retail, automobiles, aerospace and defense, biotechnology and life sciences tools. NVIDIA—by far the Fund's largest overall contributor over the October 2022–March 2023 span—was widely seen as being a key recipient of future investment in this arena. NVIDIA's hardware originally made a name for itself powering high-end video game graphics, but in recent years the company's bet on AI and ML has begun to pay off. Machines require massive amounts of information and computer power to learn, and we believe NVIDIA's GPUs (graphics processing units) are well-suited for the task. The company has emerged as a technological leader in the space as it continued to research next-generation chip circuitry. NVIDIA consistently generates operating profit margins well into double-digit percentages, all the while spending heavily every year on new research and development.

Software—the Fund's largest industry-level exposure—also enjoyed impressive and widespread gains that were aided foremost by Microsoft, Cadence Design Systems (software, hardware and intellectual properties used to design microchips, related systems and printed circuit boards) and

Synopsys (electronic design automation and testing focused on semiconductor fabrication). In particular, enterprise and personal software titan Microsoft rallied solidly as it showed strong potential to stoke future growth in cloud computing and infrastructure (Azure), as well as rapid adoption in its quest for AI integration (led currently by ChatGPT-enabled Bing search, while undergoing testing and roll-out in other aspects of the business). And, while the weak PC (personal computer) market has pressured Microsoft's sales recently, many investors perceived a bottom may be nearing. The rally came on the heels of the company's stronger-than-expected financial results (released in January 2023) and a huge surge in interest in ChatGPT and its developer OpenAI (not a Fund holding), which is in partnership with Microsoft as it continues to integrate AI capabilities into its search engine, Office software suite and other applications where AI will serve as "copilot." Microsoft's resilience in the face of macroeconomic headwinds—aided by its increasing business diversity—boosted investor confidence that the company can capitalize on these and other growing opportunities (including gaming) in the coming months. Numerous other software industry holdings advanced with double-digit percentage returns including HubSpot, ServiceNow and ANSYS.

Elsewhere in the portfolio, six out of nine other sector allocations were net contributors to the Fund's absolute performance, led by financials and health care. Most of our positions in financial services providers—with a focus on electronic payment processing specialists such as Mastercard and Adyen—traded higher, as did all four holdings in the capital markets industry, including key contributor Tradeweb Markets, which operates a leading fixed income, derivatives and ETF electronic trading platform.

Our health care investments remained focused on innovative life sciences tools and services companies such as standout contributor Thermo Fisher Scientific and high-tech health care equipment and supplies industry names such as IDEXX Laboratories, Intuitive Surgical and Inspire Medical Systems, which were the best of several related contributors that posted double-digit percentage gains during the period under review.

To a lesser extent, additional gains surfaced in the industrials, materials, energy and communication services sectors, while overall losses in the consumer discretionary sector were partially offset by a robust rally in MercadoLibre, an e-commerce platform serving as Latin America's largest online marketplace. Mixed results in the industrials sector were buoyed by notable strength in aerospace and defense industry companies including key contributor

Axon Enterprise, which develops technology and weapons products for military, law enforcement, and civilians, and is well known for its Taser line of electroshock devices. Materials sector gains were concentrated on chemical manufacturers, while our small exposure to energy firms was focused on oilfield services and equipment providers. Within communication services, the standout contributor was Alphabet, a significant investment that supported results in the interactive media and services industry. Alphabet staged a comeback late in the period, having previously sold off after it reported that search-advertising growth for its Google subsidiary was crimped by inflation and tighter spending discipline by advertisers.

In contrast, most of the Fund's major detractors were mild to modest when compared to the net contributors described above. Two of our largest holdings—Tesla and Amazon.com—were out of favor throughout much of the reporting period and dragged on returns in the consumer discretionary sector. In particular, the Fund's position in electric vehicle (EV) manufacturer Tesla initially traded lower following slightly weaker-than-expected third-quarter 2022 vehicle deliveries and overall earnings results. Earnings and profit margins were negatively impacted by escalating raw materials costs, logistics snags, new plant start-up inefficiencies and currency headwinds. In December 2022, the selloff accelerated after Tesla announced a plan to temporarily halt production at its China factory. News of reduced output in Shanghai came on the heels of a report that Tesla was offering U.S. consumers a US\$7,500 discount to take delivery of its two highest-volume models before the end of 2022. Although bearish investors argued that company management's explanation around logistic constraints were just an excuse for eroding demand, we believed the market was being short-sighted in thinking that Tesla had a demand problem; by mid-March, Tesla was reporting a solid pickup in early 2023 sales versus the low point in 2022. While cracks in demand for automobiles were starting to form given affordability challenges on an increasingly strained consumer, demand for EVs remains robust, and Tesla is one of the few players currently producing at scale. Additionally, Tesla sees solid growth in 2023, as new plants in Germany and Texas continue ramping up and credits from the Inflation Reduction Act come to bear. Aside from consumer discretionary, our much smaller exposures to the real estate and utilities sectors failed to advance, but their net impact on absolute returns was negligible.

The rest of the Fund's key detractors served to reduce the overall gains achieved in other sector allocations, including ZoomInfo Technologies (not held at period end) (sold by

period-end) in communication services; Chart Industries (sold by period-end) in the industrials sector; and Catalent (sold by period-end), Repligen and UnitedHealth Group in the health care sector. In particular, Chart Industries, our sole position in the machinery industry, which is a leading global manufacturer of specialty equipment servicing applications in the energy (including hydrogen/carbon capture) and industrial gas markets, surprised investors with the announcement that it had signed a definitive agreement to acquire Howden (not held at period end) (not a Fund holding), an industrial compressor manufacturer that is larger in sales and earnings than Chart, for US\$4.4 billion. We liquidated the Fund's position as our view on this transformational deal was negative given: (1) the business lines exist completely outside of Chart's core competencies; (2) company management seemed unreasonably optimistic in its cost and revenue synergy forecasts; and (3) the balance sheet is jeopardized with trailing 12-month net leverage jumping ninefold. Although it was still feasible for Chart to walk away from the deal without a breakup fee, during our subsequent discussion, management sounded firm in its commitment to complete the transaction and undaunted by the value destruction.

All of the other notable individual detractors weakened our results in the IT sector, none more so than Atlassian, CrowdStrike Holdings (sold by period-end) and Enphase Energy (semiconductors). Atlassian and CrowdStrike were joined by several other, lesser detractors in the software industry, including Datadog and GitLab. In particular, project management software specialist Atlassian's equity value fell back to levels not seen in three years as its latest quarterly results were mediocre at best, while guidance into early 2023 fell far below consensus analyst projections as the company was seeing free-to-paid subscription conversions slowing in a more uncertain macro environment. Atlassian had also begun to see a slowdown in existing customers expanding deployments as layoffs (and hiring freezes) accelerated and IT budgets faced greater scrutiny, which we viewed as the bigger challenge. Despite the muted results and guidance, the company's trailing sales have surged 111% higher since the end of 2019, it keeps generating healthy cash flow, and we still believe there is strength in Atlassian's business model and competitive position.

Thank you for your continued participation in Franklin DynaTech Fund. We look forward to serving your future investment needs.

Matthew J. Moberg, CPA

Rupert H. Johnson, Jr.

Portfolio Management Team

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*The foregoing information reflects our analysis, opinions and portfolio holdings as of March 31, 2023, the end of the reporting period. The way we implement our main investment strategies and the resulting portfolio holdings may change depending on factors such as market and economic conditions. These opinions may not be relied upon as investment advice or an offer for a particular security. The information is not a complete analysis of every aspect of any market, country, industry, security or the Fund. Statements of fact are from sources considered reliable, but the investment manager makes no representation or warranty as to their completeness or accuracy. Although historical performance is no guarantee of future results, these insights may help you understand our investment management philosophy.*

## Performance Summary as of March 31, 2023

The performance table does not reflect any taxes that a shareholder would pay on Fund dividends, capital gain distributions, if any, or any realized gains on the sale of Fund shares. Total return reflects reinvestment of the Fund's dividends and capital gain distributions, if any, and any unrealized gains or losses. Your dividend income will vary depending on dividends or interest paid by securities in the Fund's portfolio, adjusted for operating expenses of each class. Capital gain distributions are net profits realized from the sale of portfolio securities.

### Performance as of 3/31/23<sup>1</sup>

*Cumulative total return excludes sales charges. Average annual total return includes maximum sales charges. Sales charges will vary depending on the size of the investment and the class of share purchased. The maximum is 5.50% and the minimum is 0%. **Class A:** 5.50% maximum initial sales charge; **Advisor Class:** no sales charges. For other share classes, visit [franklintempleton.com](http://franklintempleton.com).*

Share Class	Cumulative Total Return <sup>2</sup>	Average Annual Total Return <sup>3</sup>
<b>A<sup>4</sup></b>		
6-Month	+17.37%	+10.92%
1-Year	-15.56%	-20.21%
5-Year	+63.42%	+9.08%
10-Year	+268.49%	+13.29%
<b>Advisor</b>		
6-Month	+17.52%	+17.52%
1-Year	-15.35%	-15.35%
5-Year	+65.47%	+10.60%
10-Year	+277.85%	+14.22%

*Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to [franklintempleton.com](http://franklintempleton.com) or call (800) 342-5236.*

See page 9 for Performance Summary footnotes.

## Total Annual Operating Expenses<sup>5</sup>

### Share Class

A	0.82%
Advisor	0.57%

Each class of shares is available to certain eligible investors and has different annual fees and expenses, as described in the prospectus.

All investments involve risks, including possible loss of principal. Stocks historically have outperformed other asset classes over the long term, but tend to fluctuate more dramatically over the short term. Investments in fast-growing industries, like the technology and health care sectors (which have historically been volatile) could result in increased price fluctuation, especially over the short term, due to the rapid pace of product change and development and changes in government regulation of companies emphasizing scientific or technological advancement or regulatory approval for new drugs and medical instruments. The Fund may also invest in small- and mid-capitalization companies, which can be particularly sensitive to changing economic conditions, and their prospects for growth are less certain than those of larger, more established companies. Events such as the spread of deadly diseases, disasters, and financial, political or social disruptions, may heighten risks and adversely affect performance. The Fund's prospectus also includes a description of the main investment risks.

1. The total annual operating expenses are as of the Fund's prospectus available at the time of publication. Actual expenses may be higher and may impact portfolio returns.
  2. Cumulative total return represents the change in value of an investment over the periods indicated.
  3. Average annual total return represents the average annual change in value of an investment over the periods indicated. Return for less than one year, if any, has not been annualized.
  4. Prior to 9/10/18, these shares were offered at a higher initial sales charge of 5.75%, thus actual returns (with sales charges) would have differed. Average annual total returns (with sales charges) have been restated to reflect the current maximum initial sales charge of 5.50%.
  5. Figures are as stated in the Fund's current prospectus and may differ from the expense ratios disclosed in the Your Fund's Expenses and Financial Highlights sections in this report. In periods of market volatility, assets may decline significantly, causing total annual Fund operating expenses to become higher than the figures shown.
- See [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com) for additional data provider information.

## Your Fund's Expenses

As a Fund shareholder, you can incur two types of costs: (1) transaction costs, including sales charges (loads) on Fund purchases and redemptions; and (2) ongoing Fund costs, including management fees, distribution and service (12b-1) fees, and other Fund expenses. All mutual funds have ongoing costs, sometimes referred to as operating expenses. The table below shows ongoing costs of investing in the Fund and can help you understand these costs and compare them with those of other mutual funds. The table assumes a \$1,000 investment held for the six months indicated.

### Actual Fund Expenses

The table below provides information about actual account values and actual expenses in the columns under the heading "Actual." In these columns the Fund's actual return, which includes the effect of Fund expenses, is used to calculate the "Ending Account Value" for each class of shares. You can estimate the expenses you paid during the period by following these steps (*of course, your account value and expenses will differ from those in this illustration*): Divide your account value by \$1,000 (*if your account had an \$8,600 value, then  $\$8,600 \div \$1,000 = 8.6$* ). Then multiply the result by the number in the row for your class of shares under the headings "Actual" and "Expenses Paid During Period" (*if Actual Expenses Paid During Period were \$7.50, then  $8.6 \times \$7.50 = \$64.50$* ). In this illustration, the actual expenses paid this period are \$64.50.

### Hypothetical Example for Comparison with Other Funds

Under the heading "Hypothetical" in the table, information is provided about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. This information may not be used to estimate the actual ending account balance or expenses you paid for the period, but it can help you compare ongoing costs of investing in the Fund with those of other funds. To do so, compare this 5% hypothetical example for the class of shares you hold with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that expenses shown in the table are meant to highlight ongoing costs and do not reflect any transactional costs. Therefore, information under the heading "Hypothetical" is useful in comparing ongoing costs only, and will not help you compare total costs of owning different funds. In addition, if transactional costs were included, your total costs would have been higher.

Share Class	Beginning Account Value 10/1/22	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio <sup>2</sup>
		Ending Account Value 3/31/23	Expenses Paid During Period 10/1/22–3/31/23 <sup>1,2</sup>	Ending Account Value 3/31/23	Expenses Paid During Period 10/1/22–3/31/23 <sup>1,2</sup>	
A	\$1,000	\$1,173.70	\$4.64	\$1,020.66	\$4.31	0.86%
C	\$1,000	\$1,169.40	\$8.68	\$1,016.93	\$8.07	1.61%
R	\$1,000	\$1,172.30	\$5.99	\$1,019.42	\$5.57	1.11%
R6	\$1,000	\$1,176.00	\$2.59	\$1,022.55	\$2.41	0.48%
Advisor	\$1,000	\$1,175.20	\$3.28	\$1,021.91	\$3.05	0.61%

1. Expenses are equal to the annualized expense ratio for the six-month period as indicated above—in the far right column—multiplied by the simple average account value over the period indicated, and then multiplied by 182/365 to reflect the one-half year period.

2. Reflects expenses after fee waivers and expense reimbursements. Does not include acquired fund fees and expenses.

# Franklin Focused Growth Fund

This semiannual report for Franklin Focused Growth Fund covers the period ended March 31, 2023.

At a meeting held on December 14-15, 2022, the Board of Trustees of the Franklin Custodian Funds approved the reorganization of the Franklin Focused Growth Fund (the "Mutual Fund") into the Franklin Focused Growth ETF (the "ETF"), a newly-organized series of the Franklin Templeton ETF Trust, pursuant to an Agreement and Plan of Reorganization.

If the Agreement and Plan of Reorganization is approved by the shareholders of the Mutual Fund, the reorganization of the Mutual Fund would consist of (1) the transfer of substantially all of the Mutual Fund's assets, subject to its liabilities, to the ETF for shares of the ETF; and (2) the distribution of the ETF shares to the Mutual Fund shareholders in complete liquidation of the Mutual Fund. The ETF will be managed in a substantially similar manner as the Mutual Fund, and the ETF's investment objective, principal investment strategies, investment adviser and portfolio management team will be the same as that of the Mutual Fund, except that the ETF, unlike the Mutual Fund, will be a non-diversified fund (within the meaning of the Investment Company Act of 1940), which means that it will generally invest a greater proportion of its assets in the securities of one or more issuers and will invest overall in a smaller number of issuers than a diversified fund. For more information, please see the Mutual Fund's current prospectus.

## Your Fund's Goal and Main Investments

The Fund seeks capital appreciation by investing in an equity securities portfolio of approximately 20–50 companies that we believe offers a compelling trade-off between growth opportunity, business and financial risk and valuation.

## Performance Overview

The Fund's Class A shares posted a +18.24% cumulative total return for the six months under review. In comparison, the Russell 1000® Growth Index, which is market capitalization weighted and measures performance of those Russell 1000® Index companies with relatively higher price-to-book ratios and higher forecasted growth rates, posted a cumulative total return of +16.88%.<sup>1</sup> You can find the Fund's

long-term performance data in the Performance Summary beginning on page 15.

*Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to **franklintempleton.com** or call **(800) 342-5236**.*

## Investment Strategy

We use fundamental, bottom-up research to seek companies meeting our criteria of growth potential, quality and valuation. In seeking sustainable growth characteristics, we look for companies we believe can produce sustainable earnings and cash flow growth, evaluating the long-term market opportunity and competitive structure of an industry to target leaders and emerging leaders. We define quality companies as those with strong and improving competitive positions in attractive markets. We also believe important attributes of quality are experienced and talented management teams as well as financial strength reflected in the capital structure, gross and operating margins, free cash flow generation and returns on capital employed. Our valuation analysis includes a range of potential outcomes based on an assessment of multiple scenarios. In assessing value, we consider whether security prices fully reflect the balance of the sustainable growth opportunities relative to business and financial risks.

## Manager's Discussion

During the six months under review, the Fund followed a somewhat volatile path to robust overall gains. In the first half of the period, our positive absolute returns in October and November 2022 were essentially eliminated in December's selloff. Returns then rebounded solidly in January 2023—the strongest month of the period—before backtracking modestly in February, ahead of another rally in March.

The bulk of the Fund's overall gains occurred in the information technology (IT) sector, which represented more than two-fifths of the portfolio at period-end. IT sector sentiment and valuation improved in early 2023, which we think happened for a few reasons.

1. Source: Morningstar. Frank Russell Company is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Frank Russell Company.

The index is unmanaged and includes reinvestment of any income or distributions. It does not reflect any fees, expenses or sales charges. One cannot invest directly in an index, and an index is not representative of the Fund's portfolio.

See [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com) for additional data provider information.

**The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Schedule of Investments (SOI). The SOI begins on page 53.**

**Portfolio Composition**

3/31/23

	<b>% of Total Net Assets</b>
Software	21.5%
Semiconductors & Semiconductor Equipment	19.2%
Broadline Retail	8.6%
Financial Services	5.8%
Life Sciences Tools & Services	5.3%
Consumer Staples Distribution & Retail	4.8%
Health Care Equipment & Supplies	4.8%
Electric Utilities	4.3%
Automobiles	4.3%
Interactive Media & Services	3.6%
IT Services	3.2%
Capital Markets	2.4%
Specialized REITs	1.9%
Aerospace & Defense	1.4%
Other	7.2%
Short-Term Investments & Other Net Assets	1.7%

First, U.S. Treasury yields have trended down from their highs in 2022's fourth quarter as inflation cooled—and from their 2023 year-to-date highs at the beginning of the U.S.-focused banking turmoil (in March) as the banking industry had largely stabilized by period-end. Second, while we remained aware of signs that the broader economy was under stress, in our view, it looked like we were getting closer to the end of the negative earnings estimate revision cycle amongst more cyclically sensitive technology industries (e.g., semiconductors) and advertising-driven internet companies as well (though this assertion remains dependent on how hard of an economic landing the U.S. and global economies might be in for). Third, we believe many IT companies have realized the need for efficiency in a higher cost-of-capital environment, and profitability has been, for the most part, surprising to the upside even when revenue is not, according to our analysis. Fourth, both earnings estimate revisions and cost cutting appear to be occurring in the IT sector before other sectors due to COVID-19 driven overconsumption in 2020–2021, which we believe bodes well for the sector on a relative basis if or when the economy heads into a recession. Finally, we believe that generative artificial intelligence (AI) and its impact on growth in the IT sector may be starting to shift from theoretical to tangible as we see early examples of “productization” and monetization from across an array of IT and technology-driven non-IT companies.

**Top 10 Holdings**

3/31/23

<b>Company Industry, Country</b>	<b>% of Total Net Assets</b>
Microsoft Corp. <i>Software, United States</i>	11.4%
NVIDIA Corp. <i>Semiconductors &amp; Semiconductor Equipment, United States</i>	9.6%
Amazon.com, Inc. <i>Broadline Retail, United States</i>	7.4%
Costco Wholesale Corp. <i>Consumer Staples Distribution &amp; Retail, United States</i>	4.8%
ASML Holding NV <i>Semiconductors &amp; Semiconductor Equipment, Netherlands</i>	4.7%
NextEra Energy, Inc. <i>Electric Utilities, United States</i>	4.3%
Tesla, Inc. <i>Automobiles, United States</i>	4.3%
Danaher Corp. <i>Life Sciences Tools &amp; Services, United States</i>	4.1%
ServiceNow, Inc. <i>Software, United States</i>	4.0%
Mastercard, Inc. <i>Financial Services, United States</i>	3.9%

Although all three of the Fund's IT-related industry allocations rallied to varying degrees, semiconductor and semiconductor equipment makers collectively posted an outsized return that was led higher by NVIDIA, ASML Holding and Analog Devices. Semiconductor sales tend to be quite cyclical; before their rally commenced in early 2023, they were down substantially from record-high levels seen in May 2022. They benefited in part from evidence that a broadening range of companies were expected to begin spending more on microchip-intensive, productivity-enhancing technologies. Corporate earnings were a factor, but not-as-bad-as-feared forward guidance, inventory digestion, and nascent optimism about a potential bottom in the near term helped drive their gains. Among the standout contributors, ASML, a Dutch developer of advanced semiconductor equipment systems (including lithography, metrology and inspection systems for complex integrated circuits), upgraded its long-term outlook despite a soft market in 2022, while its fiscal fourth-quarter financial earnings report showed surprising strength. It raised its outlook for 2025 by about 30% above the figures it had projected one year ago—reassuring given the industry's current downcycle. ASML also guided for continued growth to 2030, citing a brighter outlook for artificial intelligence (AI) and edge computing data centers, as well as the metaverse, which emerged as a big concept more than a year ago.

From a wider perspective, a wave of investor interest and heightened trading around machine learning (ML) technology—a branch of AI that enables computers to

emulate how humans learn and adapt by using data and experience—ignited rallies in several notable Fund contributors pursuing both themes. Although it included semiconductor industry players situated at the core of ML/AI computing power, it extends to software and IT services (both of which have industry representation in the portfolio), as well as non-IT industries such as internet retail, automobiles, aerospace and defense, biotechnology and life sciences tools. NVIDIA—by far the Fund’s largest overall contributor over the October 2022–March 2023 span—was widely seen as being a key recipient of future investment in this arena. NVIDIA’s hardware originally made a name for itself powering high-end video game graphics, but in recent years the company’s bet on AI and ML has begun to pay off. Machines require massive amounts of information and computer power to learn, and NVIDIA’s GPUs (graphics processing units) are well-suited for the task. The company has emerged as a technological leader in the space as it continued to research next-generation chip circuitry. NVIDIA consistently generates operating profit margins well into double-digit percentages, all the while spending heavily every year on new research and development.

Software—the Fund’s largest industry-level exposure—also enjoyed impressive and widespread gains that were aided foremost by Microsoft, ServiceNow (cloud computing platform geared toward enterprise operations and digital workflow management) and Cadence Design Systems (software, hardware and intellectual properties used to design microchips, related systems and printed circuit boards; purchased during the period). In particular, enterprise and personal software titan Microsoft rallied solidly as it showed strong potential to stoke future growth in cloud computing and infrastructure (Azure), as well as rapid adoption in its quest for AI integration (led currently by ChatGPT-enabled Bing search while undergoing testing and roll-out in other aspects of the business). And while the weak PC (personal computer) market has pressured Microsoft’s sales recently, many investors perceived a bottom may be nearing. The rally came on the heels of the company’s stronger-than-expected financial results (released in January 2023) and a huge surge in interest in ChatGPT and its developer OpenAI (not a Fund holding), which is in partnership with Microsoft as it continues to integrate AI capabilities into its search engine, Office software suite and other applications where AI will serve as “copilot.” Microsoft’s resilience in the face of macroeconomic headwinds—aided by its increasing business diversity—boosted investor confidence that the company can capitalize on these and other growing opportunities (including gaming) in the coming months. Numerous other software industry holdings advanced with double-digit percentage returns including

HubSpot (not held at period end), ServiceNow and Ansys (not held at period end).

Elsewhere in the portfolio, seven out of 10 other sector allocations were net contributors to the Fund’s absolute performance, led by financials and health care. Our positions in financial services providers were concentrated on electronic payment processing specialists Mastercard and Adyen, both of which traded higher, as did MSCI (a global provider of equity, fixed income and real estate indexes plus multi-asset portfolio analysis tools) in the capital markets industry.

Our health care investments remained focused on innovative life sciences tools and services companies, as well as high-tech health care equipment and supplies industry names including standout contributors IDEXX Laboratories and Intuitive Surgical, both of which posted robust double-digit percentage gains during the period under review.

To a lesser extent, additional gains surfaced in the industrials, consumer staples, materials, communication services and utilities sectors. Meanwhile, our overall losses in the consumer discretionary sector were partially offset by a solid rally in MercadoLibre, an e-commerce platform serving as Latin America’s largest online marketplace, and which had previously dipped to multi-year lows when interest rates began to rise sharply and recessionary concerns around consumer spending began to intensify. All industrials sector holdings were supportive, led by notable strength in key contributor Axon Enterprise, which develops technology and weapons products for military, law enforcement, and civilians, and is well known for its Taser line of electroshock devices. In consumer staples, Costco Wholesale was the top contributor based in part on its considerable presence within the overall portfolio, though our smaller position in Estee Lauder Companies had a much higher six-month return. Materials sector gains were concentrated in a solitary position in diversified metals and mining conglomerate Freeport-McMoRan, which benefited in part from strong rebounds in copper and steel prices in the latter half of the period. Within communication services, the standout contributor was Alphabet, a significant investment that supported results in the interactive media and services industry. Alphabet staged a comeback late in the period, having previously sold off after it reported that search-advertising growth for its Google subsidiary was crimped by inflation and tighter spending discipline by advertisers.

In contrast, most of the Fund’s major detractors were mild to modest when compared to the net contributors described above. Two of our largest holdings—Tesla and Amazon.com—were out of favor throughout much of the

reporting period and dragged on returns in the consumer discretionary sector. In particular, the Fund's position in electric vehicle (EV) manufacturer Tesla initially traded lower following slightly weaker-than-expected third-quarter 2022 vehicle deliveries and overall earnings results. Earnings and profit margins were negatively impacted by escalating raw materials costs, logistics snags, new plant start-up inefficiencies and currency headwinds. In December 2022, the selloff accelerated after Tesla announced a plan to temporarily halt production at its China factory. News of reduced output in Shanghai came on the heels of a report that Tesla was offering U.S. consumers a US\$7,500 discount to take delivery of its two highest-volume models before the end of 2022. Although bearish investors argued that company management's explanation around logistic constraints were just an excuse for eroding demand, we believed the market was being short-sighted in thinking that Tesla had a demand problem; by mid-March, Tesla was reporting a solid pickup in early 2023 sales versus the low point in 2022. While cracks in demand for automobiles was starting to form given affordability challenges on an increasingly strained consumer, demand for EVs remains robust, and Tesla is one of the few players currently producing at scale. Additionally, Tesla sees solid growth in 2023, as new plants in Germany and Texas continue ramping up and credits from the Inflation Reduction Act come to bear. Aside from consumer discretionary, our much smaller exposures to the real estate and utilities sectors failed to advance, but their net impact on absolute returns was negligible. Separately, within the commodity-linked energy sector, steadily falling crude oil and natural gas prices translated into reduced profitability and ebbing equity values for Schlumberger and Hess, both of which were purchased during the period. In the real estate sector, a solitary position in SBA Communications, a specialized real estate investment trust focused on developing and leasing a range of wireless telecommunications infrastructure, underwent a modest selloff.

The rest of the Fund's key detractors served to reduce the overall gains achieved in other sector allocations, including Repligen and Danaher in the health care sector. All of the other notable individual detractors weakened our results in the IT sector, none more so than Atlassian (sold by period-end), cloud-based data warehousing and analytics provider Snowflake and Enphase Energy (a semiconductor industry firm focused on solar micro-inverters, battery energy storage, and EV charging stations). In particular, project management software specialist Atlassian's equity value fell back to levels not seen in three years as its latest quarterly results were mediocre at best, while guidance into early 2023 fell far below consensus analyst projections as the company was

seeing free-to-paid subscription conversions slowing in a more uncertain macro environment. Atlassian (not held at period end) had also begun to see a slowdown in existing customers expanding deployments as layoffs (and hiring freezes) accelerated and IT budgets faced greater scrutiny, which we viewed as the bigger challenge.

Thank you for your participation in Franklin Focused Growth Fund. We look forward to serving your future investment needs.

Matthew J. Moberg, CPA  
Portfolio Manager

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*The foregoing information reflects our analysis, opinions and portfolio holdings as of March 31, 2023, the end of the reporting period. The way we implement our main investment strategies and the resulting portfolio holdings may change depending on factors such as market and economic conditions. These opinions may not be relied upon as investment advice or an offer for a particular security. The information is not a complete analysis of every aspect of any market, country, industry, security or the Fund. Statements of fact are from sources considered reliable, but the investment manager makes no representation or warranty as to their completeness or accuracy. Although historical performance is no guarantee of future results, these insights may help you understand our investment management philosophy.*

## Performance Summary as of March 31, 2023

The performance table does not reflect any taxes that a shareholder would pay on Fund dividends, capital gain distributions, if any, or any realized gains on the sale of Fund shares. Total return reflects reinvestment of the Fund's dividends and capital gain distributions, if any, and any unrealized gains or losses. Your dividend income will vary depending on dividends or interest paid by securities in the Fund's portfolio, adjusted for operating expenses of each class. Capital gain distributions are net profits realized from the sale of portfolio securities.

### Performance as of 3/31/23<sup>1</sup>

*Cumulative total return excludes sales charges. Average annual total return includes maximum sales charges. Sales charges will vary depending on the size of the investment and the class of share purchased. The maximum is 5.50% and the minimum is 0%. **Class A:** 5.50% maximum initial sales charge; **Advisor Class:** no sales charges. For other share classes, visit [franklintempleton.com](http://franklintempleton.com).*

Share Class	Cumulative Total Return <sup>2</sup>	Average Annual Total Return <sup>3</sup>
<b>A<sup>4</sup></b>		
6-Month	+18.24%	+11.74%
1-Year	-16.07%	-20.69%
5-Year	+64.71%	+9.25%
Since Inception (4/13/16) <sup>5</sup>	+145.42%	+2.61%
<b>Advisor</b>		
6-Month	+18.42%	+18.42%
1-Year	-15.83%	-15.83%
5-Year	+66.90%	+10.79%
Since Inception (4/13/16) <sup>5</sup>	+149.90%	+14.06%

*Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to [franklintempleton.com](http://franklintempleton.com) or call (800) 342-5236.*

See page 16 for Performance Summary footnotes.

## Total Annual Operating Expenses<sup>6</sup>

Share Class	With Fee Waiver	Without Fee Waiver
A	1.10%	1.37%
Advisor	0.85%	1.12%

Each class of shares is available to certain eligible investors and has different annual fees and expenses, as described in the prospectus.

All investments involve risks, including possible loss of principal. To the extent the Fund focuses on particular countries, regions, industries, sectors or types of investment from time to time, it may be subject to greater risks of adverse developments in such areas of focus than a fund that invests in a wider variety of countries, regions, industries, sectors or investments. Growth stock prices reflect projections of future earnings or revenues, and can, therefore, fall dramatically if the company fails to meet those projections. The Fund may also invest in small- and mid-capitalization companies, which can be particularly sensitive to changing economic conditions, and their prospects for growth are less certain than those of larger, more established companies. Foreign investing carries additional risks such as currency and market volatility, and political or social instability; risks which are heightened in developing countries. Events such as the spread of deadly diseases, disasters, and financial, political or social disruptions, may heighten risks and adversely affect performance. The Fund's prospectus also includes a description of the main investment risks.

1. Gross expenses are the Fund's total annual operating expenses as of the Fund's prospectus available at the time of publication. Actual expenses may be higher and may impact portfolio returns. Net expenses reflect contractual fee waivers, expense caps and/or reimbursements, which cannot be terminated prior to 01/31/2024 without Board consent. Additional amounts may be voluntarily waived and/or reimbursed and may be modified or discontinued at any time without notice.
2. Cumulative total return represents the change in value of an investment over the periods indicated.
3. Average annual total return represents the average annual change in value of an investment over the periods indicated. Return for less than one year, if any, has not been annualized.
4. Effective 2/14/20, the Fund began offering Class A shares. Class A performance shown has been calculated as follows: (a) for periods prior to 2/14/20, a restated figure is used based on the Fund's Advisor Class performance that includes any Rule 12b-1 rate differential that exists between Class A and Advisor Class; and (b) for periods after 2/14/20, actual Class A performance is used, reflecting all charges and fees applicable to that class.
5. Since Inception returns are based on the performance inception date of 4/13/16.
6. Figures are as stated in the Fund's current prospectus and may differ from the expense ratios disclosed in the Your Fund's Expenses and Financial Highlights sections in this report. In periods of market volatility, assets may decline significantly, causing total annual Fund operating expenses to become higher than the figures shown. See [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com) for additional data provider information.

## Your Fund's Expenses

As a Fund shareholder, you can incur two types of costs: (1) transaction costs, including sales charges (loads) on Fund purchases and redemptions; and (2) ongoing Fund costs, including management fees, distribution and service (12b-1) fees, and other Fund expenses. All mutual funds have ongoing costs, sometimes referred to as operating expenses. The table below shows ongoing costs of investing in the Fund and can help you understand these costs and compare them with those of other mutual funds. The table assumes a \$1,000 investment held for the six months indicated.

### Actual Fund Expenses

The table below provides information about actual account values and actual expenses in the columns under the heading "Actual." In these columns the Fund's actual return, which includes the effect of Fund expenses, is used to calculate the "Ending Account Value" for each class of shares. You can estimate the expenses you paid during the period by following these steps (*of course, your account value and expenses will differ from those in this illustration*): Divide your account value by \$1,000 (*if your account had an \$8,600 value, then  $\$8,600 \div \$1,000 = 8.6$* ). Then multiply the result by the number in the row for your class of shares under the headings "Actual" and "Expenses Paid During Period" (*if Actual Expenses Paid During Period were \$7.50, then  $8.6 \times \$7.50 = \$64.50$* ). In this illustration, the actual expenses paid this period are \$64.50.

### Hypothetical Example for Comparison with Other Funds

Under the heading "Hypothetical" in the table, information is provided about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. This information may not be used to estimate the actual ending account balance or expenses you paid for the period, but it can help you compare ongoing costs of investing in the Fund with those of other funds. To do so, compare this 5% hypothetical example for the class of shares you hold with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that expenses shown in the table are meant to highlight ongoing costs and do not reflect any transactional costs. Therefore, information under the heading "Hypothetical" is useful in comparing ongoing costs only, and will not help you compare total costs of owning different funds. In addition, if transactional costs were included, your total costs would have been higher.

Share Class	Beginning Account Value 10/1/22	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio <sup>2</sup>
		Ending Account Value 3/31/23	Expenses Paid During Period 10/1/22–3/31/23 <sup>1,2</sup>	Ending Account Value 3/31/23	Expenses Paid During Period 10/1/22–3/31/23 <sup>1,2</sup>	
A	\$1,000	\$1,182.40	\$5.95	\$1,019.48	\$5.51	1.09%
C	\$1,000	\$1,178.10	\$10.05	\$1,015.71	\$9.30	1.85%
R	\$1,000	\$1,181.20	\$7.35	\$1,018.19	\$6.80	1.35%
R6	\$1,000	\$1,184.60	\$4.48	\$1,020.83	\$4.15	0.82%
Advisor	\$1,000	\$1,184.20	\$4.65	\$1,020.68	\$4.30	0.85%

1. Expenses are equal to the annualized expense ratio for the six-month period as indicated above—in the far right column—multiplied by the simple average account value over the period indicated, and then multiplied by 182/365 to reflect the one-half year period.

2. Reflects expenses after fee waivers and expense reimbursements. Does not include acquired fund fees and expenses.

# Franklin Growth Fund

This semiannual report for Franklin Growth Fund covers the period ended March 31, 2023.

## Your Fund's Goal and Main Investments

The Fund seeks capital appreciation by investing substantially in equity securities of companies that are leaders in their industries.

## Performance Overview

The Fund's Class A shares posted a +16.74% cumulative total return for the six months under review. In comparison, the Standard & Poor's 500 Index (S&P 500), which is a broad measure of U.S. stock performance, posted a +15.62% cumulative total return.<sup>1</sup> The Fund's new secondary benchmark, the Russell 1000® Growth Index, which is market capitalization weighted and measures performance of those Russell 1000® Index companies with relatively higher price-to-book ratios and higher forecasted growth rates, posted a cumulative total return of +16.88%.<sup>1</sup> You can find the Fund's long-term performance data in the Performance Summary beginning on page 20.

*Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to [franklintempleton.com](http://franklintempleton.com) or call (800) 342-5236.*

## Investment Strategy

We use fundamental, bottom-up research to seek companies meeting our criteria of growth potential, quality and valuation. In seeking sustainable growth characteristics, we look for companies we believe can produce sustainable earnings and cash flow growth, evaluating the long-term market opportunity and competitive structure of an industry to target leaders and emerging leaders. We define quality companies as those with strong and improving competitive positions in attractive markets. We also believe important attributes of quality are experienced and talented management teams as well as financial strength reflected in the capital structure, gross and operating margins, free cash flow generation and returns on capital employed. Our valuation analysis includes a range of potential outcomes based on an assessment of multiple scenarios. In assessing value, we consider whether

security prices fully reflect the balance of the sustainable growth opportunities relative to business and financial risks. The investment manager's process generally includes an assessment of the potential impacts of any material environmental, social and governance ("ESG") factors on the long-term risk and return profile of a company.

## Portfolio Composition

3/31/23

	% of Total Net Assets
Software	17.0%
Semiconductors & Semiconductor Equipment	8.9%
Life Sciences Tools & Services	7.2%
Aerospace & Defense	4.9%
Financial Services	4.8%
Technology Hardware, Storage & Peripherals	4.8%
Machinery	4.2%
Health Care Equipment & Supplies	4.2%
Capital Markets	3.9%
Pharmaceuticals	3.8%
Beverages	3.6%
Ground Transportation	3.3%
Electronic Equipment, Instruments & Components	3.1%
Chemicals	3.0%
Other*	23.0%
Short-Term Investments & Other Net Assets	0.3%

\*Categories within the Other category are listed in full in the Fund's Schedule of Investments (SOI), which can be found later in the report.

## Manager's Discussion

For the six months under review, the Fund outperformed its benchmark. Strength during the period was primarily due to our positioning in the health care, financials and consumer discretionary sectors. Stock selection and overweighting benefited relative performance in the health care sector, led by our investment in medical device manufacturer Mettler-Toledo International. The company has seen increased demand in most of its end-markets for innovative solutions that support automation and digitalization. In contrast, Danaher was a leading detractor in the health care sector. Uncertainty about COVID-19-related revenue in 2023 was a drag on the shares of the life sciences and diagnostics company. However, Danaher continues to see solid signs of strength from its bioprocessing business, which is expected

1. Source: Morningstar.

The index is unmanaged and includes reinvestment of any income or distributions. It does not reflect any fees, expenses or sales charges. One cannot invest directly in an index, and an index is not representative of the Fund's portfolio.

See [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com) for additional data provider information.

The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Schedule of Investments (SOI).

The SOI begins on page 60.

to contribute more than 20% growth to non-COVID-19 revenues.

A lack of exposure to the banks industry helped relative performance in the financials sector. However, contagion fears resulting from the bank fallout in March 2023 spread to other financial services companies including Charles Schwab, which weighed on the shares of the brokerage giant. In the consumer discretionary sector, economic uncertainty and concerns about consumer demand pressured Tesla's stock over the period. The Fund benefited from a relative underweighting in the electric vehicle manufacturer. The information technology (IT) sector recovered lost ground over the six-month period, helped by the prospect of slower rate hikes. Standout contributors included chipmakers NVIDIA and ASML Holding, which followed financial markets higher. Semiconductors are at the heart of digital transformation and end-market demand remains robust, in our view.

### Top 10 Holdings

3/31/23

<b>Company Industry, Country</b>	<b>% of Total Net Assets</b>
Microsoft Corp. Software, United States	5.4%
Apple, Inc. Technology Hardware, Storage & Peripherals, United States	4.8%
NVIDIA Corp. Semiconductors & Semiconductor Equipment, United States	3.1%
Amazon.com, Inc. Broadline Retail, United States	3.0%
Alphabet, Inc. Interactive Media & Services, United States	3.0%
Mastercard, Inc. Financial Services, United States	2.2%
Mettler-Toledo International, Inc. Life Sciences Tools & Services, United States	2.1%
Intuit, Inc. Software, United States	2.1%
Eli Lilly & Co. Pharmaceuticals, United States	2.0%
ServiceNow, Inc. Software, United States	1.9%

In contrast, the communication services and industrials sectors delivered negative relative performance over the period. In the industrials sector, elevated inflation, supply-chain delays and labor shortages were challenges for defense contractor Northrop Grumman, which was a leading detractor.

Thank you for your continued participation in Franklin Growth Fund. We look forward to serving your future investment needs.

Serena Perin Vinton, CFA

Robert Rendler, CFA

Joyce Lin, CFA

Portfolio Management Team

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*The foregoing information reflects our analysis, opinions and portfolio holdings as of March 31, 2023, the end of the reporting period. The way we implement our main investment strategies and the resulting portfolio holdings may change depending on factors such as market and economic conditions. These opinions may not be relied upon as investment advice or an offer for a particular security. The information is not a complete analysis of every aspect of any market, country, industry, security or the Fund. Statements of fact are from sources considered reliable, but the investment manager makes no representation or warranty as to their completeness or accuracy. Although historical performance is no guarantee of future results, these insights may help you understand our investment management philosophy.*

## Performance Summary as of March 31, 2023

The performance table does not reflect any taxes that a shareholder would pay on Fund dividends, capital gain distributions, if any, or any realized gains on the sale of Fund shares. Total return reflects reinvestment of the Fund's dividends and capital gain distributions, if any, and any unrealized gains or losses. Your dividend income will vary depending on dividends or interest paid by securities in the Fund's portfolio, adjusted for operating expenses of each class. Capital gain distributions are net profits realized from the sale of portfolio securities.

### Performance as of 3/31/23<sup>1</sup>

*Cumulative total return excludes sales charges. Average annual total return includes maximum sales charges. Sales charges will vary depending on the size of the investment and the class of share purchased. The maximum is 5.50% and the minimum is 0%. **Class A:** 5.50% maximum initial sales charge; **Advisor Class:** no sales charges. For other share classes, visit [franklintempleton.com](http://franklintempleton.com).*

Share Class	Cumulative Total Return <sup>2</sup>	Average Annual Total Return <sup>3</sup>
<b>A<sup>4</sup></b>		
6-Month	+16.74%	+10.32%
1-Year	-9.14%	-14.14%
5-Year	+63.09%	+9.04%
10-Year	+220.63%	+11.72%
<b>Advisor</b>		
6-Month	+16.89%	+16.89%
1-Year	-8.90%	-8.90%
5-Year	+65.17%	+10.56%
10-Year	+228.77%	+12.64%

*Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to [franklintempleton.com](http://franklintempleton.com) or call (800) 342-5236.*

See page 21 for Performance Summary footnotes.

## Distributions (10/1/22–3/31/23)

Share Class	Net Investment Income	Long-Term Capital Gain	Total
A	–	\$10.7138	\$10.7138
C	–	\$10.7138	\$10.7138
R	–	\$10.7138	\$10.7138
R6	\$0.2521	\$10.7138	\$10.9659
Advisor	\$0.1571	\$10.7138	\$10.8709

Total Annual Operating Expenses<sup>5</sup>

Share Class	
A	0.80%
Advisor	0.55%

Each class of shares is available to certain eligible investors and has different annual fees and expenses, as described in the prospectus.

All investments involve risks, including possible loss of principal. The market values of securities or other investments owned by the Fund will go up or down, sometimes rapidly or unpredictably. The Fund may focus on particular sectors of the market from time to time, which can carry greater risks of adverse developments in such sectors. While the Fund historically has focused on larger companies, it may invest up to 25% of its assets in small, relatively new and/or unseasoned companies, which involves additional risks, as these companies may have less certain growth prospects and limited or less developed product lines or markets, and less secure financing. Growth stock prices can be volatile, particularly over the short term. The Fund may invest up to 40% of its net assets in stocks of foreign companies, which involve special risks, including currency fluctuations and economic as well as political uncertainty. Events such as the spread of deadly diseases, disasters, and financial, political or social disruptions, may heighten risks and adversely affect performance. The Fund's prospectus also includes a description of the main investment risks.

1. The total annual operating expenses are as of the Fund's prospectus available at the time of publication. Actual expenses may be higher and may impact portfolio returns.
  2. Cumulative total return represents the change in value of an investment over the periods indicated.
  3. Average annual total return represents the average annual change in value of an investment over the periods indicated. Return for less than one year, if any, has not been annualized.
  4. Prior to 9/10/18, these shares were offered at a higher initial sales charge of 5.75%, thus actual returns (with sales charges) would have differed. Average annual total returns (with sales charges) have been restated to reflect the current maximum initial sales charge of 5.50%.
  5. Figures are as stated in the Fund's current prospectus and may differ from the expense ratios disclosed in the Your Fund's Expenses and Financial Highlights sections in this report. In periods of market volatility, assets may decline significantly, causing total annual Fund operating expenses to become higher than the figures shown.
- See [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com) for additional data provider information.

## Your Fund's Expenses

As a Fund shareholder, you can incur two types of costs: (1) transaction costs, including sales charges (loads) on Fund purchases and redemptions; and (2) ongoing Fund costs, including management fees, distribution and service (12b-1) fees, and other Fund expenses. All mutual funds have ongoing costs, sometimes referred to as operating expenses. The table below shows ongoing costs of investing in the Fund and can help you understand these costs and compare them with those of other mutual funds. The table assumes a \$1,000 investment held for the six months indicated.

### Actual Fund Expenses

The table below provides information about actual account values and actual expenses in the columns under the heading "Actual." In these columns the Fund's actual return, which includes the effect of Fund expenses, is used to calculate the "Ending Account Value" for each class of shares. You can estimate the expenses you paid during the period by following these steps (*of course, your account value and expenses will differ from those in this illustration*): Divide your account value by \$1,000 (*if your account had an \$8,600 value, then  $\$8,600 \div \$1,000 = 8.6$* ). Then multiply the result by the number in the row for your class of shares under the headings "Actual" and "Expenses Paid During Period" (*if Actual Expenses Paid During Period were \$7.50, then  $8.6 \times \$7.50 = \$64.50$* ). In this illustration, the actual expenses paid this period are \$64.50.

### Hypothetical Example for Comparison with Other Funds

Under the heading "Hypothetical" in the table, information is provided about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. This information may not be used to estimate the actual ending account balance or expenses you paid for the period, but it can help you compare ongoing costs of investing in the Fund with those of other funds. To do so, compare this 5% hypothetical example for the class of shares you hold with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that expenses shown in the table are meant to highlight ongoing costs and do not reflect any transactional costs. Therefore, information under the heading "Hypothetical" is useful in comparing ongoing costs only, and will not help you compare total costs of owning different funds. In addition, if transactional costs were included, your total costs would have been higher.

Share Class	Beginning Account Value 10/1/22	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio <sup>2</sup>
		Ending Account Value 3/31/23	Expenses Paid During Period 10/1/22–3/31/23 <sup>1,2</sup>	Ending Account Value 3/31/23	Expenses Paid During Period 10/1/22–3/31/23 <sup>1,2</sup>	
A	\$1,000	\$1,167.40	\$4.43	\$1,020.84	\$4.13	0.82%
C	\$1,000	\$1,162.90	\$8.47	\$1,017.10	\$7.90	1.57%
R	\$1,000	\$1,165.90	\$5.78	\$1,019.60	\$5.39	1.07%
R6	\$1,000	\$1,169.30	\$2.56	\$1,022.57	\$2.39	0.47%
Advisor	\$1,000	\$1,168.90	\$3.08	\$1,022.09	\$2.87	0.57%

1. Expenses are equal to the annualized expense ratio for the six-month period as indicated above—in the far right column—multiplied by the simple average account value over the period indicated, and then multiplied by 182/365 to reflect the one-half year period.

2. Reflects expenses after fee waivers and expense reimbursements. Does not include acquired fund fees and expenses.

# Franklin Income Fund

This semiannual report for Franklin Income Fund covers the period ended March 31, 2023.

## Your Fund's Goal and Main Investments

The Fund seeks to maximize income, while maintaining prospects for capital appreciation by investing, under normal market conditions, in a diversified portfolio of debt and equity securities.

## Performance Overview

The Fund's Class A shares posted a cumulative total return of +10.67% for the six months under review. In comparison, the Fund's equity benchmark, the Standard & Poor's 500 Index (S&P 500), which is a broad measure of U.S. stock performance, posted a +15.62% cumulative total return.<sup>1</sup> The Fund's secondary benchmark, the blended 50% MSCI USA High Dividend Yield Index + 25% Bloomberg High Yield Very Liquid Index + 25% Bloomberg U.S. Aggregate Bond Index (Blended Benchmark), which is a combination of leading stock and bond indexes, posted a +10.07% cumulative total return.<sup>2</sup> You can find the Fund's long-term performance data in the Performance Summary beginning on page 26.

*Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to [franklintempleton.com](http://franklintempleton.com) or call (800) 342-5236.*

## Investment Strategy

In analyzing debt and equity securities, we consider such factors as a company's experience and managerial strength; responsiveness to changes in interest rates and business conditions; debt maturity schedules and borrowing requirements; changing financial condition and market recognition of the change; and a security's relative value based on such factors as anticipated cash flow, interest or dividend coverage, asset coverage and earnings. When choosing investments for the Fund, we apply a bottom-up, value oriented, long-term approach, focusing on the market price of a company's securities relative to the investment manager's evaluation of the company's long-term earning, asset value and cash flow potential.

1. Source: Morningstar.

2. Source: FactSet. The Fund's Blended Benchmark was calculated internally.

The indexes are unmanaged and include reinvestment of any income or distributions. They do not reflect any fees, expenses or sales charges. One cannot invest directly in an index, and an index is not representative of the Fund's portfolio.

See [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com) for additional data provider information.

**The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Schedule of Investments (SOL). The SOL begins on page 71.**

## Manager's Discussion

During the six-month period under review, our equity weighting decreased from 42.9% to 37.2%, and our fixed income weighting increased from 55.8% to 60.0%. The Fund's cash position increased from 1.7% to 3.6% of total net assets.

The Fund generated positive returns during the period with strong performance from both equity and fixed income holdings. The Fund was positioned with an overweight allocation to fixed income during the period. Relative to the Fund's blended benchmark, an overweight allocation to corporate credit broadly led to strong performance relative to the Fund's blended benchmark.

The Fund entered the period with a decreased equity weighting and an increased fixed income weighting, while also holding a portion in cash equivalents. The Fund, having already reduced equities meaningfully prior to the start of the period under review, continued the transition to a less equity-tilted portfolio over the period. The Fund ended the period with a decreased equity weighting and an increased fixed income exposure, while continuing to hold a portion in cash equivalents.

Dividend stocks, particularly value-oriented sectors, underperformed growth-oriented sectors during the period under review. The equity component of the Fund's blended benchmark advanced with the MSCI USA High Dividend Yield Index posting positive returns for the 6-month period. The Fund's equity positions underperformed the Fund's blended benchmark. Corporate credit spreads tightened during the period under review as inflationary pressures started to abate and the central bank tightening expectations decreased during the period. In addition to tightening credit spreads, interest rates broadly decreased during the period, which benefited the more duration sensitive positions in the Fund. Fixed income returns for the Fund outperformed the Fund's blended benchmark. The Bloomberg U.S. Aggregate Bond Index posted positive returns, while the Bloomberg Barclays U.S. High Yield Very Liquid Index also posted positive returns during the period.

**Portfolio Composition**

3/31/23

	<b>% of Total Net Assets</b>
Financial Services	12.7%
Banks	8.0%
Health Care Providers & Services	7.2%
Oil, Gas & Consumable Fuels	6.2%
Pharmaceuticals	5.6%
Semiconductors & Semiconductor Equipment	5.2%
Electric Utilities	5.0%
Aerospace & Defense	3.7%
Capital Markets	2.8%
Hotels, Restaurants & Leisure	2.8%
Consumer Finance	2.5%
Media	2.5%
Communications Equipment	2.3%
Metals & Mining	2.3%
Other*	27.3%
Short-Term Investments & Other Net Assets	3.9%

\*Categories within the Other category are listed in full in the Fund's Schedule of Investments (SOI), which can be found later in the report.

Fixed Income holdings posted positive returns during the period with outperformance relative to the Fund's blended fixed income benchmark. As an asset class, fixed income underperformed the equity asset class. The Fund's duration positioning was relatively in-line with the Fund's benchmark during the period. Corporate credit spreads within both investment-grade and sub-investment-grade tightened during the period; the Fund had an overweight posture to corporate credit during the period which contributed to the outperformance relative to the Fund's benchmark.

Every corporate credit sector generated positive absolute returns during the period under review. Relative to the Fund's blended benchmark, the leading contributors were health care, information technology (IT), materials and communication services. Our holdings in U.S. Treasuries were positive contributors during the period but these positions were large positive contributors relative to the Fund's blended benchmark given overweight allocation relative to the Fund's benchmark.

The largest contributors to performance were found in the health care sector with bonds of hospital peers CHS/Community Health Systems and Tenet Healthcare producing strong returns. Outside of health care, Ford Motor within the consumer discretionary sector and Boeing within the industrial sector generated strong returns. U.S. Treasuries were also a key contributor during the period, as previously noted.

In terms of fixed income detractors, high-yield health care players Multiplan and Medical Properties Trust (not held at period end) generated negative returns. Consumer discretionary player Carvana (not held at period end) also generated negative returns (not held at period end).

**Top Five Fixed Income Holdings**

3/31/23

<b>Company Industry, Country</b>	<b>% of Total Net Assets</b>
U.S. Treasury Notes <i>Financial Services, United States</i>	11.1%
CHS/Community Health Systems, Inc. <i>Health Care Providers &amp; Services, United States</i>	3.4%
Tenet Healthcare Corp. <i>Health Care Providers &amp; Services, United States</i>	1.5%
Bausch Health Cos., Inc. <i>Pharmaceuticals, United States</i>	1.4%
Boeing Co. (The) <i>Aerospace &amp; Defense, United States</i>	1.1%

Equity holdings decreased over the period. As an asset-class, equities outperformed fixed income during the period. The Fund actively trimmed its equity overweighting during the period under review.

**Top Five Equity Holdings\***

3/31/23

<b>Company Industry, Country</b>	<b>% of Total Net Assets</b>
Chevron Corp. <i>Oil, Gas &amp; Consumable Fuels, United States</i>	1.5%
Texas Instruments, Inc. <i>Semiconductors &amp; Semiconductor Equipment, United States</i>	1.0%
Southern Co. (The) <i>Electric Utilities, United States</i>	0.9%
Morgan Stanley <i>Capital Markets, United States</i>	0.9%
Bank of America Corp. <i>Banks, United States</i>	0.8%

\*Includes convertible bonds.

All sectors saw positive contributions during the period with the top absolute contributors coming from IT, energy, industrials and materials. The largest sector contributors relative to the Fund's benchmark were energy, financials and materials, with the largest sector detractors relative to the Fund's benchmark being consumer staples, health care and consumer discretionary.

IT returns were led by semiconductor peers Texas Instruments, Broadcom and Analog Devices, as well as equipment provider Cisco Systems. Strong energy returns were led by Chevron and Exxon Mobil during the period. Rio Tinto, Barrick Gold and Freeport-McMoRan generated strong results in the materials sector.

Top performers in the Fund outside of these sectors included Siemens and Lockheed Martin in the industrials sector, AbbVie within health care and Comcast within the communications services sector.

At the individual security level, the largest detractors from performance during the period came from financial peers Truist Financial, Charles Schwab and US Bancorp. Outside of these, utility Dominion Energy weighed on results.

During the period, the Fund used derivatives such as equity call and put options to sell and reduce positions (call options) and/or to initiate and add to positions, which generated gains during the period under review.

Thank you for your continued participation in Franklin Income Fund. We look forward to serving your future investment needs.

Edward D. Perks, CFA  
Lead Portfolio Manager

Brendan Circle, CFA  
Todd Brighton, CFA

Portfolio Management Team

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*The foregoing information reflects our analysis, opinions and portfolio holdings as of March 31, 2023, the end of the reporting period. The way we implement our main investment strategies and the resulting portfolio holdings may change depending on factors such as market and economic conditions. These opinions may not be relied upon as investment advice or an offer for a particular security. The information is not a complete analysis of every aspect of any market, country, industry, security or the Fund. Statements of fact are from sources considered reliable, but the investment manager makes no representation or warranty as to their completeness or accuracy. Although historical performance is no guarantee of future results, these insights may help you understand our investment management philosophy.*

## Performance Summary as of March 31, 2023

The performance tables do not reflect any taxes that a shareholder would pay on Fund dividends, capital gain distributions, if any, or any realized gains on the sale of Fund shares. Total return reflects reinvestment of the Fund's dividends and capital gain distributions, if any, and any unrealized gains or losses. Your dividend income will vary depending on dividends or interest paid by securities in the Fund's portfolio, adjusted for operating expenses of each class. Capital gain distributions are net profits realized from the sale of portfolio securities.

### Performance as of 3/31/23<sup>1</sup>

Cumulative total return excludes sales charges. Average annual total return includes maximum sales charges. Sales charges will vary depending on the size of the investment and the class of share purchased. The maximum is 3.75% and the minimum is 0%. **Class A:** 3.75% maximum initial sales charge; **Advisor Class:** no sales charges. For other share classes, visit [franklintempleton.com](http://franklintempleton.com).

Share Class	Cumulative Total Return <sup>2</sup>	Average Annual Total Return <sup>3</sup>
<b>A<sup>4,5</sup></b>		
6-Month	+10.67%	+6.52%
1-Year	-3.69%	-7.30%
5-Year	+32.52%	+4.99%
10-Year	+69.03%	+4.99%

<b>Advisor</b>		
6-Month	+10.91%	+10.91%
1-Year	-3.44%	-3.44%
5-Year	+34.36%	+6.09%
10-Year	+72.99%	+5.63%

Share Class	Distribution Rate <sup>6</sup>	30-Day Standardized Yield <sup>7</sup>
A	5.27%	4.19%
Advisor	5.74%	4.61%

Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to [franklintempleton.com](http://franklintempleton.com) or call (800) 342-5236.

See page 27 for Performance Summary footnotes.

## Net Asset Value

Share Class (Symbol)	3/31/23	9/30/22	Change
A (FKIQX)	\$2.30	\$2.14	+\$0.16
A1 (FKINX)	\$2.30	\$2.15	+\$0.15
C (FCISX)	\$2.35	\$2.18	+\$0.17
R (FISRX)	\$2.25	\$2.10	+\$0.15
R6 (FNCFX)	\$2.29	\$2.13	+\$0.16
Advisor (FRIAX)	\$2.28	\$2.12	+\$0.16

## Distributions (10/1/22–3/31/23)

Share Class	Net Investment Income
A	\$0.0666
A1	\$0.0681
C	\$0.0618
R	\$0.0636
R6	\$0.0702
Advisor	\$0.0696

## Total Annual Operating Expenses<sup>8</sup>

Share Class	With Fee Waiver	Without Fee Waiver
A	0.72%	0.73%
Advisor	0.47%	0.48%

Each class of shares is available to certain eligible investors and has different annual fees and expenses, as described in the prospectus.

All investments involve risks, including possible loss of principal. The Fund's portfolio includes a substantial portion of higher-yielding, lower-rated corporate bonds and some floating rate loans, which are also higher-yielding and lower-rated. These investments have more credit risk than investment-grade securities and are subject to increased risk of default and potential loss of principal. The Fund's share price and yield will be affected by interest rate movements. Bond prices generally move in the opposite direction of interest rates. Thus, as prices of bonds in the Fund adjust to a rise in interest rates, the Fund's share price may decline. Changes in the financial strength of a bond issuer or in a bond's credit rating may affect its value. Stock prices fluctuate, sometimes rapidly and dramatically, due to factors affecting individual companies, particular industries or sectors, or general market conditions. Foreign investing involves additional risks such as currency and market volatility, as well as political and social instability. Events such as the spread of deadly diseases, disasters, and financial, political or social disruptions, may heighten risks and adversely affect performance. The Fund's prospectus also includes a description of the main investment risks.

1. Gross expenses are the Fund's total annual operating expenses as of the Fund's prospectus available at the time of publication. Actual expenses may be higher and may impact portfolio returns. Net expenses reflect contractual fee waivers, expense caps and/or reimbursements, which cannot be terminated prior to 01/31/2024 without Board consent. Additional amounts may be voluntarily waived and/or reimbursed and may be modified or discontinued at any time without notice.
2. Cumulative total return represents the change in value of an investment over the periods indicated.
3. Average annual total return represents the average annual change in value of an investment over the periods indicated. Return for less than one year, if any, has not been annualized.
4. Effective 9/10/18, Class A shares closed to new investors, were renamed Class A1 shares, and a new Class A share with a different expense structure became available. Class A performance shown has been calculated as follows: (a) for periods prior to 9/10/18, a restated figure is used based on the Fund's Class A1 performance that includes any Rule 12b-1 rate differential that exists between Class A1 and Class A; and (b) for periods after 9/10/18, actual Class A performance is used, reflecting all charges and fees applicable to that class.
5. Prior to 3/1/19, these shares were offered at a higher initial sales charge of 4.25%, thus actual returns (with sales charges) would have differed. Average annual total returns (with sales charges) have been restated to reflect the current maximum initial sales charge of 3.75%.
6. Distribution rate is based on an annualization of the respective class's March dividend and the maximum offering price (NAV for Advisor Class) per share on 3/31/23.
7. The Fund's 30-day standardized yield is calculated over a trailing 30-day period using the yield to maturity on bonds and/or the dividends accrued on stocks. It may not equal the Fund's actual income distribution rate, which reflects the Fund's past dividends paid to shareholders.
8. Figures are as stated in the Fund's current prospectus and may differ from the expense ratios disclosed in the Your Fund's Expenses and Financial Highlights sections in this report. In periods of market volatility, assets may decline significantly, causing total annual Fund operating expenses to become higher than the figures shown. See [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com) for additional data provider information.

## Your Fund's Expenses

As a Fund shareholder, you can incur two types of costs: (1) transaction costs, including sales charges (loads) on Fund purchases and redemptions; and (2) ongoing Fund costs, including management fees, distribution and service (12b-1) fees, and other Fund expenses. All mutual funds have ongoing costs, sometimes referred to as operating expenses. The table below shows ongoing costs of investing in the Fund and can help you understand these costs and compare them with those of other mutual funds. The table assumes a \$1,000 investment held for the six months indicated.

### Actual Fund Expenses

The table below provides information about actual account values and actual expenses in the columns under the heading "Actual." In these columns the Fund's actual return, which includes the effect of Fund expenses, is used to calculate the "Ending Account Value" for each class of shares. You can estimate the expenses you paid during the period by following these steps (*of course, your account value and expenses will differ from those in this illustration*): Divide your account value by \$1,000 (*if your account had an \$8,600 value, then  $\$8,600 \div \$1,000 = 8.6$* ). Then multiply the result by the number in the row for your class of shares under the headings "Actual" and "Expenses Paid During Period" (*if Actual Expenses Paid During Period were \$7.50, then  $8.6 \times \$7.50 = \$64.50$* ). In this illustration, the actual expenses paid this period are \$64.50.

### Hypothetical Example for Comparison with Other Funds

Under the heading "Hypothetical" in the table, information is provided about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. This information may not be used to estimate the actual ending account balance or expenses you paid for the period, but it can help you compare ongoing costs of investing in the Fund with those of other funds. To do so, compare this 5% hypothetical example for the class of shares you hold with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that expenses shown in the table are meant to highlight ongoing costs and do not reflect any transactional costs. Therefore, information under the heading "Hypothetical" is useful in comparing ongoing costs only, and will not help you compare total costs of owning different funds. In addition, if transactional costs were included, your total costs would have been higher.

Share Class	Beginning Account Value 10/1/22	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio <sup>2</sup>
		Ending Account Value 3/31/23	Expenses Paid During Period 10/1/22–3/31/23 <sup>1,2</sup>	Ending Account Value 3/31/23	Expenses Paid During Period 10/1/22–3/31/23 <sup>1,2</sup>	
A	\$1,000	\$1,106.70	\$3.74	\$1,021.38	\$3.59	0.71%
A1	\$1,000	\$1,102.20	\$3.21	\$1,021.88	\$3.09	0.61%
C	\$1,000	\$1,107.00	\$5.84	\$1,019.39	\$5.60	1.11%
R	\$1,000	\$1,102.50	\$5.04	\$1,020.13	\$4.85	0.96%
R6	\$1,000	\$1,108.90	\$2.16	\$1,022.89	\$2.07	0.41%
Advisor	\$1,000	\$1,109.10	\$2.43	\$1,022.63	\$2.33	0.46%

1. Expenses are equal to the annualized expense ratio for the six-month period as indicated above—in the far right column—multiplied by the simple average account value over the period indicated, and then multiplied by 182/365 to reflect the one-half year period.

2. Reflects expenses after fee waivers and expense reimbursements. Does not include acquired fund fees and expenses.

# Franklin U.S. Government Securities Fund

This semiannual report for Franklin U.S. Government Securities Fund covers the period ended March 31, 2023.

## Your Fund's Goal and Main Investments

The Fund seeks income by investing at least 80% of its net assets in U.S. government securities. The Fund presently invests substantially all of its assets in Government National Mortgage Association obligations (Ginnie Maes).

*Since 1983, the Fund has invested substantially in Ginnie Mae securities, which carry a guarantee backed by the full faith and credit of the U.S. government as to the timely payment of interest and principal.<sup>1</sup> Issued by the Government National Mortgage Association (GNMA), Ginnie Maes have been among the highest yielding U.S. government obligations available.*

## Performance Overview

The Fund's Class A shares posted a +4.05% cumulative total return for the six months under review. In comparison, the Bloomberg U.S. Government - Intermediate Index, the intermediate component of the Bloomberg U.S. Government Index, posted a +3.29% cumulative total return.<sup>2</sup> You can find the Fund's long-term performance data in the Performance Summary beginning on page 31.

*Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to [franklintempleton.com](http://franklintempleton.com) or call (800) 342-5236.*

## Investment Strategy

We currently invest the Fund's assets substantially in GNMA obligations. We analyze securities using proprietary models to help us identify attractive investment opportunities.

## Manager's Discussion

During the six-months under review, after raising the fed funds rate by 75 basis points (bps) in November 2022, the fourth consecutive raise, the U.S. Federal Reserve (Fed) slowed their tightening path, raising rates by 50 bps at its

December meeting. The Fed then followed up with two consecutive 25 bp rate hikes in February and March 2023. From the recent March Federal Open Market Committee (FOMC) meeting, Chair Jerome Powell noted that inflation is still too high and the labor market still too hot. He also emphasized that the recent turmoil in the banking sector was limited and not a sign of systemic risk in the sector, but it seems likely to result in some contraction in credit conditions, which would have the same impact as more rate hikes and therefore would leave less need for additional policy tightening. Against this backdrop, U.S. Treasury (UST) yields ended the 6-month period lower across the curve, while remaining inverted. Mortgage-backed securities (MBS) spreads fluctuated throughout the performance period but ended March 2023 at a similar point compared to the beginning of October 2022.

## Portfolio Composition

3/31/23

	% of Total Net Assets
Mortgage-Backed Securities	97.6%
Other	0.6%
Short-Term Investments & Other Net Assets	1.8%

The Primary Mortgage Market Survey (PMMS) rate ended March 2023 at 6.32%, which is over 1% lower than the highs reached in October 2022. With just a very small amount of the universe with the economic incentive to refinance, in our view, we expect prepayment risk to remain contained.

The Fund maintains a conservative, disciplined investment strategy and seeks higher-yielding income generation than USTs by investing primarily in GNMA mortgage pass-throughs, which remain the only MBS that are backed by the full faith and credit of the U.S. government—the same guarantee applicable to U.S. Treasuries.<sup>1</sup> We believe our collateral-intensive research approach can allow us to uncover dislocations across the GNMA markets and associated mispricing of prepayment risk. We continue to focus on specified pools where we believe our experience and continual investment in new technologies help us uncover these discrepancies.

1. Securities owned by the Fund, but not shares of the Fund, are guaranteed by the U.S. government, its agencies or instrumentalities as to the timely payment of principal and interest. The Fund's yield and share price are not guaranteed and will vary with market conditions.

2. Source: Morningstar.

The index is unmanaged and includes reinvestment of any income or distributions. It does not reflect any fees, expenses or sales charges. One cannot invest directly in an index, and an index is not representative of the Fund's portfolio.

See [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com) for additional data provider information.

**The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Schedule of Investments (SOI). The SOI begins on page 99.**

Total return performance was positive across agency MBS sectors during the reporting period. Freddie Mac MBS was the best performer on a relative basis, followed by Fannie Mae MBS and Ginnie Mae MBS. Across the GNMA coupon stack, GNMA I and II 3.5% coupons were the best performers, while GNMA II 1.5% and 6.0% coupons lagged with negative excess returns.

At period-end, we remained heavily weighted to GNMA II securities (comprised of multiple-issuer pools), with over 85% of allocation in the sector, versus GNMA I securities (comprised of single-issuer pools). The portfolio's largest absolute allocations were in GNMA II 2.5% through 3.5% at period-end and relative to the Bloomberg GNMA Index the portfolio was significantly underweight the 2.0% coupons and overweight the 3.0% coupon through 4.5% coupons.

The Fund's overweight allocation to GNMA II 3.0% through 4.0% and underweight in 5.5% coupon securities contributed to relative performance. Overweight allocation to GNMA I 4.0% through 5.0%, and 7.0% coupon securities benefited results, as did security selection in GNMA I 5.0% coupons. Conversely, underweight allocation to GNMA II 2.0%, 2.5%, 4.5% and 5.0% coupon securities detracted from performance (especially the 2.0% coupons). Security selection in GNMA II 2.5%, and 3.5% through 5.5% coupons securities hindered results, as did security selection in GNMA I 4.0% coupon securities. Underweight allocation to GNMA I 3.0% coupon securities hindered results.

Thank you for your continued participation in Franklin U.S. Government Securities Fund. We welcome your comments and questions and look forward to serving your investment needs in the years ahead.

Paul Varunok  
Neil Dhruv

Portfolio Management Team

*manager makes no representation or warranty as to their completeness or accuracy. Although historical performance is no guarantee of future results, these insights may help you understand our investment management philosophy.*

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*The foregoing information reflects our analysis, opinions and portfolio holdings as of March 31, 2023, the end of the reporting period. The way we implement our main investment strategies and the resulting portfolio holdings may change depending on factors such as market and economic conditions. These opinions may not be relied upon as investment advice or an offer for a particular security. The information is not a complete analysis of every aspect of any market, country, industry, security or the Fund. Statements of fact are from sources considered reliable, but the investment*

## Performance Summary as of March 31, 2023

The performance tables do not reflect any taxes that a shareholder would pay on Fund dividends, capital gain distributions, if any, or any realized gains on the sale of Fund shares. Total return reflects reinvestment of the Fund's dividends and capital gain distributions, if any, and any unrealized gains or losses. Your dividend income will vary depending on dividends or interest paid by securities in the Fund's portfolio, adjusted for operating expenses of each class. Capital gain distributions are net profits realized from the sale of portfolio securities.

### Performance as of 3/31/23<sup>1</sup>

Cumulative total return excludes sales charges. Average annual total return includes maximum sales charges. Sales charges will vary depending on the size of the investment and the class of share purchased. The maximum is 3.75% and the minimum is 0%. **Class A:** 3.75% maximum initial sales charge; **Advisor Class:** no sales charges. For other share classes, visit [franklintempleton.com](http://franklintempleton.com).

Share Class	Cumulative Total Return <sup>2</sup>	Average Annual Total Return <sup>3</sup>
<b>A<sup>4,5</sup></b>		
6-Month	+4.05%	+0.15%
1-Year	-4.47%	-8.05%
5-Year	-1.04%	-0.97%
10-Year	+2.97%	-0.09%

<b>Advisor</b>		
6-Month	+4.16%	+4.16%
1-Year	-4.22%	-4.22%
5-Year	+0.08%	+0.02%
10-Year	+4.92%	+0.48%

Share Class	Distribution Rate <sup>6</sup>	30-Day Standardized Yield <sup>7</sup>	
		(with fee waiver)	(without fee waiver)
A	2.64%	2.19%	2.18%
Advisor	2.97%	2.52%	2.52%

Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to [franklintempleton.com](http://franklintempleton.com) or call (800) 342-5236.

See page 32 for Performance Summary footnotes.

## Distributions (10/1/22–3/31/23)

Share Class	Net Investment Income
A	\$0.0723
A1	\$0.0750
C	\$0.0622
R	\$0.0661
R6	\$0.0817
Advisor	\$0.0787

## Total Annual Operating Expenses<sup>8</sup>

Share Class	
A	0.87%
Advisor	0.62%

Each class of shares is available to certain eligible investors and has different annual fees and expenses, as described in the prospectus.

All investments involve risks, including loss of principal. The Fund's share price and yield will be affected by interest rate movements and mortgage prepayments. Bond prices generally move in the opposite direction of interest rates. Thus, as the prices of bonds in the Fund adjust to a rise in interest rates, the Fund's share price may decline. Changes in the financial strength of a bond issuer or in a bond's credit rating may affect its value. Events such as the spread of deadly diseases, disasters, and financial, political or social disruptions, may heighten risks and adversely affect performance. The Fund's prospectus also includes a description of the main investment risks.

1. Gross expenses are the Fund's total annual operating expenses as of the Fund's prospectus available at the time of publication. Net expenses are capped under a contractual agreement, which cannot be terminated prior to 01/31/2024 without Board consent. Actual expenses may be higher and may impact portfolio returns.
2. Cumulative total return represents the change in value of an investment over the periods indicated.
3. Average annual total return represents the average annual change in value of an investment over the periods indicated. Return for less than one year, if any, has not been annualized.
4. Effective 9/10/18, Class A shares closed to new investors, were renamed Class A1 shares, and a new Class A share with a different expense structure became available. Class A performance shown has been calculated as follows: (a) for periods prior to 9/10/18, a restated figure is used based on the Fund's Class A1 performance that includes any Rule 12b-1 rate differential that exists between Class A1 and Class A; and (b) for periods after 9/10/18, actual Class A performance is used, reflecting all charges and fees applicable to that class.
5. Prior to 3/1/19, these shares were offered at a higher initial sales charge of 4.25%, thus actual returns (with sales charges) would have differed. Average annual total returns (with sales charges) have been restated to reflect the current maximum initial sales charge of 3.75%.
6. Distribution rate is based on an annualization of the respective class's March dividend and the maximum offering price (NAV for Advisor Class) per share on 3/31/23.
7. The Fund's 30-day standardized yield is calculated over a trailing 30-day period using the yield to maturity on bonds and/or the dividends accrued on stocks. It may not equal the Fund's actual income distribution rate, which reflects the Fund's past dividends paid to shareholders.
8. Figures are as stated in the Fund's current prospectus and may differ from the expense ratios disclosed in the Your Fund's Expenses and Financial Highlights sections in this report. In periods of market volatility, assets may decline significantly, causing total annual Fund operating expenses to become higher than the figures shown.

See [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com) for additional data provider information.

## Your Fund's Expenses

As a Fund shareholder, you can incur two types of costs: (1) transaction costs, including sales charges (loads) on Fund purchases and redemptions; and (2) ongoing Fund costs, including management fees, distribution and service (12b-1) fees, and other Fund expenses. All mutual funds have ongoing costs, sometimes referred to as operating expenses. The table below shows ongoing costs of investing in the Fund and can help you understand these costs and compare them with those of other mutual funds. The table assumes a \$1,000 investment held for the six months indicated.

### Actual Fund Expenses

The table below provides information about actual account values and actual expenses in the columns under the heading "Actual." In these columns the Fund's actual return, which includes the effect of Fund expenses, is used to calculate the "Ending Account Value" for each class of shares. You can estimate the expenses you paid during the period by following these steps (*of course, your account value and expenses will differ from those in this illustration*): Divide your account value by \$1,000 (*if your account had an \$8,600 value, then  $\$8,600 \div \$1,000 = 8.6$* ). Then multiply the result by the number in the row for your class of shares under the headings "Actual" and "Expenses Paid During Period" (*if Actual Expenses Paid During Period were \$7.50, then  $8.6 \times \$7.50 = \$64.50$* ). In this illustration, the actual expenses paid this period are \$64.50.

### Hypothetical Example for Comparison with Other Funds

Under the heading "Hypothetical" in the table, information is provided about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. This information may not be used to estimate the actual ending account balance or expenses you paid for the period, but it can help you compare ongoing costs of investing in the Fund with those of other funds. To do so, compare this 5% hypothetical example for the class of shares you hold with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that expenses shown in the table are meant to highlight ongoing costs and do not reflect any transactional costs. Therefore, information under the heading "Hypothetical" is useful in comparing ongoing costs only, and will not help you compare total costs of owning different funds. In addition, if transactional costs were included, your total costs would have been higher.

Share Class	Beginning Account Value 10/1/22	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio <sup>2</sup>
		Ending Account Value 3/31/23	Expenses Paid During Period 10/1/22–3/31/23 <sup>1,2</sup>	Ending Account Value 3/31/23	Expenses Paid During Period 10/1/22–3/31/23 <sup>1,2</sup>	
A	\$1,000	\$1,040.50	\$4.56	\$1,020.47	\$4.51	0.90%
A1	\$1,000	\$1,041.00	\$4.02	\$1,020.99	\$3.98	0.79%
C	\$1,000	\$1,036.60	\$6.58	\$1,018.47	\$6.52	1.30%
R	\$1,000	\$1,039.20	\$5.83	\$1,019.21	\$5.78	1.15%
R6	\$1,000	\$1,042.10	\$2.68	\$1,022.30	\$2.66	0.53%
Advisor	\$1,000	\$1,041.60	\$3.29	\$1,021.71	\$3.26	0.65%

1. Expenses are equal to the annualized expense ratio for the six-month period as indicated above—in the far right column—multiplied by the simple average account value over the period indicated, and then multiplied by 182/365 to reflect the one-half year period.

2. Reflects expenses after fee waivers and expense reimbursements. Does not include acquired fund fees and expenses.

# Franklin Utilities Fund

This semiannual report for Franklin Utilities Fund covers the period ended March 31, 2023.

## Your Fund's Goal and Main Investments

The Fund seeks both capital appreciation and current income by investing at least 80% of its net assets in the securities of public utility companies. These are companies that provide electricity, natural gas, water, and communications services to the public and companies that provide services to public utilities companies. The Fund concentrates (invests more than 25% of its total assets) in companies operating in the utilities industry. The Fund invests primarily in equity securities, which consist mainly of common stocks.

## Performance Overview

The Fund's Class A shares posted a +6.74% cumulative total return for the six months under review. In comparison, the S&P 500 Utilities Index, which measures the performance of all utilities stocks in the Standard & Poor's 500 Index (S&P 500), posted a +5.11% cumulative total return, and the S&P 500 Index, which is a broad measure of U.S. stock performance, posted a +15.62% cumulative total return.<sup>1</sup> You can find the Fund's long-term performance data in the Performance Summary beginning on page 36.

*Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to [franklintempleton.com](http://franklintempleton.com) or call (800) 342-5236.*

## Investment Strategy

We search for the best return opportunities available in the global utilities arena with a specific focus on the U.S. electricity and gas sector. Generally, we seek to invest in companies producing a high percentage of earnings from their regulated operations.

## Portfolio Composition

3/31/23

	% of Total Net Assets
Electric Utilities	58.5%
Multi-Utilities	30.0%
Oil, Gas & Consumable Fuels	3.4%
Independent Power and Renewable Electricity Producers	2.6%
Construction & Engineering	1.9%
Water Utilities	1.4%
Other	1.8%
Short-Term Investments & Other Net Assets	0.4%

## Manager's Discussion

Over the six-month period under review, the electric utilities and multi-utilities industries were the key drivers of absolute performance, with additional contributions from both the industrials sector and independent power and renewable electricity producers. Only the energy sector detracted, just slightly, from performance.

Among the individual contributors, California-based Edison International led the way. We have watched Edison International's share price melt up amid a broad short squeeze (i.e., traders who had sold short the company's stocks then bought them to avoid further losses as the stock price rose, driving the stocks even higher). While we remain constructive on the company over the longer term, we are aware of the short-term risks associated with the upcoming fire season. We also note that Southern California Edison's (SCE's) efforts to improve fire resilience have drawn praise, and that property destruction from SCE-linked fires dropped significantly from 2019-2022.

E.ON, the Germany-based energy giant in the multi-utilities industry, also contributed. Shares advanced during the period, despite disruptions in European energy markets driven by the Russia-Ukraine war, as E.ON's focus on crisis management execution led the company to surpass earnings expectations in 2022. E.ON's strong guidance for 2023 likely supported investor sentiment, as did its plans to accelerate decarbonization and energy transition initiatives and infrastructure expansion plans through 2027. The company affirmed its 2022 dividend and its target of increasing the payout by as much as 5% annually through 2027.

1. Source: Morningstar.

The indexes are unmanaged and include reinvestment of any income or distributions. They do not reflect any fees, expenses or sales charges. One cannot invest directly in an index, and an index is not representative of the Fund's portfolio.

See [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com) for additional data provider information.

The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Schedule of Investments (SOI). The SOI begins on page 107.

Shares of California-based electric utility PG&E, which emerged from bankruptcy in 2020, advanced as the company beat earnings estimates twice during the period. The company revised guidance upward and increased its spending forecast through 2027. Like Edison International, PG&E shares likely benefited from fire resilience efforts and reduced liabilities since 2018. In December 2022, California regulators approved a 10% return on equity limit for 2023, which we believe is one of the highest in the country and will likely help support PG&E's growth. In February 2023, PG&E reaffirmed earning guidance through 2026, which would approach 10% annual growth, and in our view, will likely position the company to meet the post-bankruptcy threshold to resume dividend payments.

### Top 10 Holdings

3/31/23

<b>Company Industry, Country</b>	<b>% of Total Net Assets</b>
NextEra Energy, Inc. <i>Electric Utilities, United States</i>	11.5%
Southern Co. (The) <i>Electric Utilities, United States</i>	4.6%
Edison International <i>Electric Utilities, United States</i>	4.6%
Sempra Energy <i>Multi-Utilities, United States</i>	4.1%
Exelon Corp. <i>Electric Utilities, United States</i>	4.0%
Duke Energy Corp. <i>Electric Utilities, United States</i>	4.0%
Evergy, Inc. <i>Electric Utilities, United States</i>	3.9%
American Electric Power Co., Inc. <i>Electric Utilities, United States</i>	3.7%
Entergy Corp. <i>Electric Utilities, United States</i>	3.6%
CMS Energy Corp. <i>Multi-Utilities, United States</i>	3.5%

In contrast, a position in Virginia-based energy company Dominion Energy, in the multi-utilities industry, detracted from absolute performance. Early in the period, shares declined broadly due to investor concerns about its long-term strategic and costly merger and acquisition (M&A) activity. Earnings announced in early-November 2022 came mostly below expectations. Investors were further spooked when management announced it would undergo a "strategic review" upon release of the earnings results. In February 2023, Dominion reported a fourth-quarter loss, though it beat analysts' expectations for both earnings and revenues.

Michigan-based DTE Energy also weighed on returns. In November 2022, following a long, contested case in which environmental groups, a major supermarket chain and others opposed DTE's 8.8% rate increase request, Michigan regulators approved an increase of less than 0.8%. In February 2023, regulators denied DTE's appeal of the rate

ruling. The company came under criticism for widespread, multi-day power outages in the wake of a February ice storm, and for budget cuts. We appreciate the company's dividend growth and its electric and gas utilities' investment plan to upgrade Michigan's aging infrastructure, as well as gas power generation and renewable energy, which we believe will likely support growth.

Shares of energy sector stock Cheniere Energy, a liquefied natural gas (LNG) company, declined from all-time highs in November 2022, despite reporting robust financial results for the fourth quarter that exceeded consensus expectations. The company, which is a major LNG exporter, benefited from high LNG prices in 2022, as countries in Europe and elsewhere worked to replace Russian energy amid the war in Ukraine. Shares declined along with natural gas prices in early 2023, amid unusually warm weather and weaker than expected demand for LNG. In our view, Cheniere is well-positioned for the long-term growth of global LNG markets, given its ongoing capacity expansion and strong competitive position.

Thank you for your continued participation in Franklin Utilities Fund. We look forward to serving your future investment needs.

John Kohli, CFA  
Blair Schmicker, CFA

Portfolio Management Team

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*The foregoing information reflects our analysis, opinions and portfolio holdings as of March 31, 2023, the end of the reporting period. The way we implement our main investment strategies and the resulting portfolio holdings may change depending on factors such as market and economic conditions. These opinions may not be relied upon as investment advice or an offer for a particular security. The information is not a complete analysis of every aspect of any market, country, industry, security or the Fund. Statements of fact are from sources considered reliable, but the investment manager makes no representation or warranty as to their completeness or accuracy. Although historical performance is no guarantee of future results, these insights may help you understand our investment management philosophy.*

## Performance Summary as of March 31, 2023

The performance tables do not reflect any taxes that a shareholder would pay on Fund dividends, capital gain distributions, if any, or any realized gains on the sale of Fund shares. Total return reflects reinvestment of the Fund's dividends and capital gain distributions, if any, and any unrealized gains or losses. Your dividend income will vary depending on dividends or interest paid by securities in the Fund's portfolio, adjusted for operating expenses of each class. Capital gain distributions are net profits realized from the sale of portfolio securities.

### Performance as of 3/31/23<sup>1</sup>

Cumulative total return excludes sales charges. Average annual total return includes maximum sales charges. Sales charges will vary depending on the size of the investment and the class of share purchased. The maximum is 3.75% and the minimum is 0%. **Class A:** 3.75% maximum initial sales charge; **Advisor Class:** no sales charges. For other share classes, visit [franklintempleton.com](http://franklintempleton.com).

Share Class	Cumulative Total Return <sup>2</sup>	Average Annual Total Return <sup>3</sup>
<b>A<sup>4,5</sup></b>		
6-Month	+6.74%	+2.74%
1-Year	-5.30%	-8.86%
5-Year	+55.92%	+8.46%
10-Year	+129.86%	+8.26%

<b>Advisor</b>		
6-Month	+6.85%	+6.85%
1-Year	-5.10%	-5.10%
5-Year	+57.89%	+9.57%
10-Year	+134.68%	+8.90%

Share Class	Distribution Rate <sup>6</sup>	30-Day Standardized Yield <sup>7</sup>
A	2.09%	2.41%
Advisor	2.40%	2.75%

Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to [franklintempleton.com](http://franklintempleton.com) or call (800) 342-5236.

See page 37 for Performance Summary footnotes.

## Net Asset Value

Share Class (Symbol)	3/31/23	9/30/22	Change
A (FKUQX)	\$21.08	\$20.26	+\$0.82
A1 (FKUTX)	\$21.08	\$20.27	+\$0.81
C (FRUSX)	\$20.95	\$20.14	+\$0.81
R (FRURX)	\$20.98	\$20.17	+\$0.81
R6 (FUFRX)	\$21.30	\$20.47	+\$0.83
Advisor (FRUAX)	\$21.30	\$20.47	+\$0.83

## Distributions (10/1/22–3/31/23)

Share Class	Net Investment Income	Long-Term Capital Gain	Total
A	\$0.2447	\$0.3087	\$0.5534
A1	\$0.2553	\$0.3087	\$0.5640
C	\$0.2030	\$0.3087	\$0.5117
R	\$0.2186	\$0.3087	\$0.5273
R6	\$0.2777	\$0.3087	\$0.5864
Advisor	\$0.2710	\$0.3087	\$0.5797

## Total Annual Operating Expenses<sup>8</sup>

Share Class	
A	0.82%
Advisor	0.57%

Each class of shares is available to certain eligible investors and has different annual fees and expenses, as described in the prospectus.

All investments involve risks, including loss of principal. Investing in a Fund concentrating in the utilities sector involves special risks, including increased susceptibility to adverse economic and regulatory developments affecting the sector. Stocks historically have outperformed other asset classes over the long term, but tend to fluctuate more dramatically over the short term. Securities issued by utility companies have been historically sensitive to interest rate changes. When interest rates fall, utility securities prices, and thus a utilities Fund's share price, tend to rise; when interest rates rise, their prices generally fall. The manager's portfolio selection strategy is not solely based on ESG considerations, and therefore the issuers in which the fund invests may not be considered ESG-focused companies. Integrating ESG considerations into the investment process is not a guarantee that better performance will be achieved. Events such as the spread of deadly diseases, disasters, and financial, political or social disruptions, may heighten risks and adversely affect performance. The Fund's prospectus also includes a description of the main investment risks.

1. The total annual operating expenses are as of the Fund's prospectus available at the time of publication. Actual expenses may be higher and may impact portfolio returns.
2. Cumulative total return represents the change in value of an investment over the periods indicated.
3. Average annual total return represents the average annual change in value of an investment over the periods indicated. Return for less than one year, if any, has not been annualized.
4. Effective 9/10/18, Class A shares closed to new investors, were renamed Class A1 shares, and a new Class A share with a different expense structure became available. Class A performance shown has been calculated as follows: (a) for periods prior to 9/10/18, a restated figure is used based on the Fund's Class A1 performance that includes any Rule 12b-1 rate differential that exists between Class A1 and Class A; and (b) for periods after 9/10/18, actual Class A performance is used, reflecting all charges and fees applicable to that class.
5. Prior to 3/1/19, these shares were offered at a higher initial sales charge of 4.25%, thus actual returns (with sales charges) would have differed. Average annual total returns (with sales charges) have been restated to reflect the current maximum initial sales charge of 3.75%.
6. Distribution rate is based on an annualization of the respective class's current quarterly dividend and the maximum offering price (NAV for Advisor Class) per share on 3/31/23.
7. The Fund's 30-day standardized yield is calculated over a trailing 30-day period using the yield to maturity on bonds and/or the dividends accrued on stocks. It may not equal the Fund's actual income distribution rate, which reflects the Fund's past dividends paid to shareholders.
8. Figures are as stated in the Fund's current prospectus and may differ from the expense ratios disclosed in the Your Fund's Expenses and Financial Highlights sections in this report. In periods of market volatility, assets may decline significantly, causing total annual Fund operating expenses to become higher than the figures shown. See [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com) for additional data provider information.

## Your Fund's Expenses

As a Fund shareholder, you can incur two types of costs: (1) transaction costs, including sales charges (loads) on Fund purchases and redemptions; and (2) ongoing Fund costs, including management fees, distribution and service (12b-1) fees, and other Fund expenses. All mutual funds have ongoing costs, sometimes referred to as operating expenses. The table below shows ongoing costs of investing in the Fund and can help you understand these costs and compare them with those of other mutual funds. The table assumes a \$1,000 investment held for the six months indicated.

### Actual Fund Expenses

The table below provides information about actual account values and actual expenses in the columns under the heading "Actual." In these columns the Fund's actual return, which includes the effect of Fund expenses, is used to calculate the "Ending Account Value" for each class of shares. You can estimate the expenses you paid during the period by following these steps (*of course, your account value and expenses will differ from those in this illustration*): Divide your account value by \$1,000 (*if your account had an \$8,600 value, then  $\$8,600 \div \$1,000 = 8.6$* ). Then multiply the result by the number in the row for your class of shares under the headings "Actual" and "Expenses Paid During Period" (*if Actual Expenses Paid During Period were \$7.50, then  $8.6 \times \$7.50 = \$64.50$* ). In this illustration, the actual expenses paid this period are \$64.50.

### Hypothetical Example for Comparison with Other Funds

Under the heading "Hypothetical" in the table, information is provided about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. This information may not be used to estimate the actual ending account balance or expenses you paid for the period, but it can help you compare ongoing costs of investing in the Fund with those of other funds. To do so, compare this 5% hypothetical example for the class of shares you hold with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that expenses shown in the table are meant to highlight ongoing costs and do not reflect any transactional costs. Therefore, information under the heading "Hypothetical" is useful in comparing ongoing costs only, and will not help you compare total costs of owning different funds. In addition, if transactional costs were included, your total costs would have been higher.

Share Class	Beginning Account Value 10/1/22	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio <sup>2</sup>
		Ending Account Value 3/31/23	Expenses Paid During Period 10/1/22–3/31/23 <sup>1,2</sup>	Ending Account Value 3/31/23	Expenses Paid During Period 10/1/22–3/31/23 <sup>1,2</sup>	
A	\$1,000	\$1,067.40	\$4.13	\$1,020.94	\$4.03	0.80%
A1	\$1,000	\$1,067.40	\$3.61	\$1,021.44	\$3.53	0.70%
C	\$1,000	\$1,065.20	\$6.18	\$1,018.95	\$6.04	1.20%
R	\$1,000	\$1,065.90	\$5.41	\$1,019.69	\$5.29	1.05%
R6	\$1,000	\$1,068.90	\$2.53	\$1,022.49	\$2.47	0.49%
Advisor	\$1,000	\$1,068.50	\$2.84	\$1,022.19	\$2.77	0.55%

1. Expenses are equal to the annualized expense ratio for the six-month period as indicated above—in the far right column—multiplied by the simple average account value over the period indicated, and then multiplied by 182/365 to reflect the one-half year period.

2. Reflects expenses after fee waivers and expense reimbursements. Does not include acquired fund fees and expenses.

# Financial Highlights

## Franklin DynaTech Fund

	Six Months Ended March 31, 2023 (unaudited)	Year Ended September 30,				
		2022	2021	2020	2019	2018
<b>Class A</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$92.78	\$157.23	\$121.24	\$82.84	\$81.16	\$63.10
Income from investment operations <sup>a</sup> :						
Net investment (loss) <sup>b</sup> . . . . .	(0.17)	(0.64)	(0.82)	(0.38)	(0.20)	(0.23)
Net realized and unrealized gains (losses)	16.29	(61.59)	36.81	39.44	3.79	19.45
Total from investment operations . . . . .	16.12	(62.23)	35.99	39.06	3.59	19.22
Less distributions from:						
Net realized gains . . . . .	—	(2.22)	—	(0.66)	(1.91)	(1.16)
Net asset value, end of period . . . . .	\$108.90	\$92.78	\$157.23	\$121.24	\$82.84	\$81.16
Total return <sup>c</sup> . . . . .	17.37%	(40.15)%	29.68%	47.47%	4.77%	30.88%
<b>Ratios to average net assets<sup>d</sup></b>						
Expenses before waiver and payments by affiliates . . . . .	0.86%	0.82%	0.79%	0.85%	0.86%	0.86%
Expenses net of waiver and payments by affiliates <sup>e</sup> . . . . .	0.86% <sup>f</sup>	0.82% <sup>f</sup>	0.79% <sup>f</sup>	0.84%	0.85%	0.86% <sup>f</sup>
Net investment (loss) . . . . .	(0.35)%	(0.50)%	(0.56)%	(0.39)%	(0.26)%	(0.32)%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$8,213,117	\$7,214,315	\$12,129,483	\$8,378,574	\$4,504,434	\$3,741,562
Portfolio turnover rate . . . . .	8.10%	40.72%	18.77%	13.82%	20.01%	17.22%

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.

<sup>d</sup>Ratios are annualized for periods less than one year.

<sup>e</sup>Benefit of expense reduction rounds to less than 0.01%.

<sup>f</sup>Benefit of waiver and payments by affiliates rounds to less than 0.01%.

**Franklin DynaTech Fund** (continued)

	Six Months Ended March 31, 2023 (unaudited)	Year Ended September 30,				
		2022	2021	2020	2019	2018
<b>Class C</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$74.75	\$128.06	\$99.49	\$68.60	\$68.07	\$53.49
Income from investment operations <sup>a</sup> :						
Net investment (loss) <sup>b</sup> . . . . .	(0.43)	(1.29)	(1.55)	(0.91)	(0.66)	(0.65)
Net realized and unrealized gains (losses)	13.09	(49.80)	30.12	32.46	3.10	16.39
Total from investment operations . . . . .	12.66	(51.09)	28.57	31.55	2.44	15.74
Less distributions from:						
Net realized gains . . . . .	—	(2.22)	—	(0.66)	(1.91)	(1.16)
Net asset value, end of period . . . . .	\$87.41	\$74.75	\$128.06	\$99.49	\$68.60	\$68.07
Total return <sup>c</sup> . . . . .	16.94%	(40.60)%	28.72%	46.37%	3.97%	29.93%
<b>Ratios to average net assets<sup>d</sup></b>						
Expenses before waiver and payments by affiliates . . . . .	1.61%	1.57%	1.54%	1.60%	1.61%	1.61%
Expenses net of waiver and payments by affiliates <sup>e</sup> . . . . .	1.61% <sup>f</sup>	1.57% <sup>f</sup>	1.54% <sup>f</sup>	1.59%	1.60%	1.61% <sup>f</sup>
Net investment (loss) . . . . .	(1.10)%	(1.26)%	(1.31)%	(1.14)%	(1.01)%	(1.07)%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$772,011	\$715,976	\$1,339,016	\$1,095,702	\$597,927	\$611,221
Portfolio turnover rate . . . . .	8.10%	40.72%	18.77%	13.82%	20.01%	17.22%

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.

<sup>d</sup>Ratios are annualized for periods less than one year.

<sup>e</sup>Benefit of expense reduction rounds to less than 0.01%.

<sup>f</sup>Benefit of waiver and payments by affiliates rounds to less than 0.01%.

**Franklin DynaTech Fund** (continued)

	Six Months Ended March 31, 2023 (unaudited)	Year Ended September 30,				
		2022	2021	2020	2019	2018
<b>Class R</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$89.14	\$151.52	\$117.13	\$80.26	\$78.88	\$61.51
Income from investment operations <sup>a</sup> :						
Net investment (loss) <sup>b</sup> . . . . .	(0.28)	(0.91)	(1.14)	(0.60)	(0.39)	(0.40)
Net realized and unrealized gains (losses)	15.64	(59.25)	35.53	38.13	3.68	18.93
Total from investment operations . . . . .	15.36	(60.16)	34.39	37.53	3.29	18.53
Less distributions from:						
Net realized gains . . . . .	—	(2.22)	—	(0.66)	(1.91)	(1.16)
Net asset value, end of period . . . . .	\$104.50	\$89.14	\$151.52	\$117.13	\$80.26	\$78.88
Total return <sup>c</sup> . . . . .	17.23%	(40.29)%	29.36%	47.09%	4.52%	30.57%
<b>Ratios to average net assets<sup>d</sup></b>						
Expenses before waiver and payments by affiliates . . . . .	1.11%	1.07%	1.04%	1.10%	1.11%	1.11%
Expenses net of waiver and payments by affiliates <sup>e</sup> . . . . .	1.11% <sup>f</sup>	1.07% <sup>f</sup>	1.04% <sup>f</sup>	1.09%	1.10%	1.11% <sup>f</sup>
Net investment (loss) . . . . .	(0.60)%	(0.75)%	(0.81)%	(0.63)%	(0.51)%	(0.57)%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$210,747	\$188,831	\$311,646	\$221,041	\$123,721	\$95,925
Portfolio turnover rate . . . . .	8.10%	40.72%	18.77%	13.82%	20.01%	17.22%

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Total return is not annualized for periods less than one year.

<sup>d</sup>Ratios are annualized for periods less than one year.

<sup>e</sup>Benefit of expense reduction rounds to less than 0.01%.

<sup>f</sup>Benefit of waiver and payments by affiliates rounds to less than 0.01%.

**Franklin DynaTech Fund** (continued)

	<b>Six Months Ended March 31, 2023 (unaudited)</b>	<b>Year Ended September 30,</b>				
		<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Class R6</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$97.95	\$165.26	\$127.01	\$86.46	\$84.31	\$65.28
Income from investment operations <sup>a</sup> :						
Net investment income (loss) <sup>b</sup> . . . . .	0.02	(0.18)	(0.36)	(0.05)	0.07	0.04
Net realized and unrealized gains (losses) . . . . .	17.22	(64.91)	38.61	41.26	3.99	20.15
Total from investment operations . . . . .	17.24	(65.09)	38.25	41.21	4.06	20.19
Less distributions from:						
Net realized gains . . . . .	—	(2.22)	—	(0.66)	(1.91)	(1.16)
Net asset value, end of period . . . . .	\$115.19	\$97.95	\$165.26	\$127.01	\$86.46	\$84.31
Total return <sup>c</sup> . . . . .	17.60%	(39.92)%	30.12%	47.97%	5.15%	31.38%
<b>Ratios to average net assets<sup>d</sup></b>						
Expenses before waiver and payments by affiliates . . . . .	0.48%	0.46%	0.46%	0.50%	0.51%	0.50%
Expenses net of waiver and payments by affiliates <sup>e</sup> . . . . .	0.48% <sup>f</sup>	0.45%	0.46% <sup>f</sup>	0.50% <sup>f</sup>	0.50%	0.50% <sup>f</sup>
Net investment income (loss) . . . . .	0.03%	(0.13)%	(0.23)%	(0.05)%	0.09%	0.04%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$7,227,423	\$6,322,021	\$9,820,184	\$5,817,028	\$2,473,942	\$1,688,595
Portfolio turnover rate . . . . .	8.10%	40.72%	18.77%	13.82%	20.01%	17.22%

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Total return is not annualized for periods less than one year.

<sup>d</sup>Ratios are annualized for periods less than one year.

<sup>e</sup>Benefit of expense reduction rounds to less than 0.01%.

<sup>f</sup>Benefit of waiver and payments by affiliates rounds to less than 0.01%.

**Franklin DynaTech Fund** (continued)

	Six Months Ended March 31, 2023 (unaudited)	Year Ended September 30,				
		2022	2021	2020	2019	2018
<b>Advisor Class</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$96.64	\$163.27	\$125.58	\$85.58	\$83.56	\$64.78
Income from investment operations <sup>a</sup> :						
Net investment (loss) <sup>b</sup> . . . . .	(0.05)	(0.34)	(0.48)	(0.15)	(0.01)	(0.06)
Net realized and unrealized gains (losses)	16.98	(64.07)	38.17	40.81	3.94	20.00
Total from investment operations . . . . .	16.93	(64.41)	37.69	40.66	3.93	19.94
Less distributions from:						
Net realized gains . . . . .	—	(2.22)	—	(0.66)	(1.91)	(1.16)
Net asset value, end of period . . . . .	\$113.57	\$96.64	\$163.27	\$125.58	\$85.58	\$83.56
Total return <sup>c</sup> . . . . .	17.52%	(39.99)%	30.01%	47.83%	5.04%	31.21%
<b>Ratios to average net assets<sup>d</sup></b>						
Expenses before waiver and payments by affiliates . . . . .	0.61%	0.57%	0.54%	0.60%	0.61%	0.61%
Expenses net of waiver and payments by affiliates <sup>e</sup> . . . . .	0.61% <sup>f</sup>	0.57% <sup>f</sup>	0.54% <sup>f</sup>	0.59%	0.60%	0.61% <sup>f</sup>
Net investment (loss) . . . . .	(0.10)%	(0.26)%	(0.32)%	(0.15)%	(0.01)%	(0.07)%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$2,387,446	\$2,280,138	\$4,352,531	\$2,884,489	\$1,154,604	\$680,066
Portfolio turnover rate . . . . .	8.10%	40.72%	18.77%	13.82%	20.01%	17.22%

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Total return is not annualized for periods less than one year.

<sup>d</sup>Ratios are annualized for periods less than one year.

<sup>e</sup>Benefit of expense reduction rounds to less than 0.01%.

<sup>f</sup>Benefit of waiver and payments by affiliates rounds to less than 0.01%.

## Schedule of Investments (unaudited), March 31, 2023

## Franklin DynaTech Fund

	Country	Shares	Value
<b>Common Stocks 98.6%</b>			
<b>Aerospace &amp; Defense 1.3%</b>			
<sup>a</sup> Axon Enterprise, Inc. . . . .	United States	700,000	\$157,395,000
HEICO Corp. . . . .	United States	500,000	85,520,000
			242,915,000
<b>Automobile Components 0.1%</b>			
<sup>a,b</sup> Mobileye Global, Inc., A. . . . .	Israel	300,000	12,981,000
<b>Automobiles 2.8%</b>			
<sup>a</sup> Tesla, Inc. . . . .	United States	2,500,000	518,650,000
<b>Biotechnology 1.1%</b>			
<sup>a</sup> Argenx SE . . . . .	Netherlands	300,000	111,411,779
<sup>a</sup> Ascendis Pharma A/S, ADR . . . . .	Denmark	250,000	26,805,000
<sup>a</sup> Genmab A/S, ADR . . . . .	Denmark	500,000	18,880,000
<sup>a</sup> Halozyne Therapeutics, Inc. . . . .	United States	500,000	19,095,000
<sup>a</sup> Moderna, Inc. . . . .	United States	250,000	38,395,000
			214,586,779
<b>Broadline Retail 7.1%</b>			
<sup>a</sup> Amazon.com, Inc. . . . .	United States	10,000,000	1,032,900,000
<sup>a</sup> Etsy, Inc. . . . .	United States	300,000	33,399,000
<sup>a</sup> MercadoLibre, Inc. . . . .	Brazil	200,000	263,612,000
			1,329,911,000
<b>Capital Markets 2.6%</b>			
FactSet Research Systems, Inc. . . . .	United States	100,000	41,509,000
Moody's Corp. . . . .	United States	100,000	30,602,000
MSCI, Inc. . . . .	United States	400,000	223,876,000
Tradeweb Markets, Inc., A. . . . .	United States	2,500,000	197,550,000
			493,537,000
<b>Chemicals 1.0%</b>			
Corteva, Inc. . . . .	United States	2,750,000	165,852,500
FMC Corp. . . . .	United States	100,000	12,213,000
			178,065,500
<b>Construction &amp; Engineering 1.0%</b>			
Quanta Services, Inc. . . . .	United States	1,100,000	183,304,000
<b>Electric Utilities 1.6%</b>			
NextEra Energy, Inc. . . . .	United States	4,000,000	308,320,000
<b>Electrical Equipment 0.2%</b>			
<sup>a</sup> Array Technologies, Inc. . . . .	United States	600,000	13,128,000
<sup>a</sup> LG Energy Solution Ltd. . . . .	South Korea	10,000	4,489,461
<sup>a</sup> NEXTracker, Inc., A. . . . .	United States	200,000	7,252,000
<sup>a</sup> Shoals Technologies Group, Inc., A. . . . .	United States	600,000	13,674,000
			38,543,461
<b>Electronic Equipment, Instruments &amp; Components 1.3%</b>			
Amphenol Corp., A. . . . .	United States	500,000	40,860,000
Keyence Corp. . . . .	Japan	200,000	98,036,521
<sup>a</sup> Keysight Technologies, Inc. . . . .	United States	350,000	56,518,000
Samsung SDI Co. Ltd. . . . .	South Korea	100,000	56,601,284
			252,015,805
<b>Energy Equipment &amp; Services 1.2%</b>			
Baker Hughes Co. . . . .	United States	1,450,000	41,847,000
<sup>a</sup> Oceaneering International, Inc. . . . .	United States	1,100,000	19,393,000
Schlumberger NV . . . . .	United States	3,000,000	147,300,000

Franklin DynaTech Fund (continued)

	Country	Shares	Value
<b>Common Stocks</b> (continued)			
<b>Energy Equipment &amp; Services</b> (continued)			
<sup>a</sup> TechnipFMC plc . . . . .	United Kingdom	700,000	\$9,555,000
			218,095,000
<b>Entertainment 0.0%<sup>†</sup></b>			
<sup>a</sup> Sea Ltd., ADR . . . . .	Singapore	50,000	4,327,500
<b>Financial Services 6.2%</b>			
<sup>a,c</sup> Adyen NV, 144A, Reg S . . . . .	Netherlands	200,000	318,700,450
Mastercard, Inc., A . . . . .	United States	1,700,000	617,797,000
<sup>a</sup> Toast, Inc., A . . . . .	United States	550,000	9,762,500
Visa, Inc., A . . . . .	United States	1,000,000	225,460,000
			1,171,719,950
<b>Ground Transportation 0.2%</b>			
<sup>a</sup> Uber Technologies, Inc. . . . .	United States	1,250,000	39,625,000
<b>Health Care Equipment &amp; Supplies 5.5%</b>			
<sup>a</sup> Dexcom, Inc. . . . .	United States	300,000	34,854,000
<sup>a</sup> Edwards Lifesciences Corp. . . . .	United States	500,000	41,365,000
<sup>a</sup> GE HealthCare Technologies, Inc. . . . .	United States	50,000	4,101,500
<sup>a</sup> Haemonetics Corp. . . . .	United States	100,000	8,275,000
<sup>a</sup> IDEXX Laboratories, Inc. . . . .	United States	725,000	362,558,000
<sup>a</sup> Inmode Ltd. . . . .	United States	100,000	3,196,000
<sup>a</sup> Inspire Medical Systems, Inc. . . . .	United States	800,000	187,256,000
<sup>a</sup> Insulet Corp. . . . .	United States	350,000	111,636,000
<sup>a</sup> Intuitive Surgical, Inc. . . . .	United States	1,000,000	255,470,000
Stryker Corp. . . . .	United States	100,000	28,547,000
			1,037,258,500
<b>Health Care Providers &amp; Services 1.3%</b>			
UnitedHealth Group, Inc. . . . .	United States	500,000	236,295,000
<b>Health Care Technology 0.4%</b>			
<sup>a</sup> Veeva Systems, Inc., A . . . . .	United States	450,000	82,705,500
<b>Hotels, Restaurants &amp; Leisure 0.7%</b>			
<sup>a</sup> Airbnb, Inc., A . . . . .	United States	500,000	62,200,000
<sup>a</sup> Booking Holdings, Inc. . . . .	United States	25,000	66,310,250
			128,510,250
<b>Interactive Media &amp; Services 3.3%</b>			
<sup>a</sup> Alphabet, Inc., A . . . . .	United States	6,000,000	622,380,000
<b>IT Services 2.3%</b>			
<sup>a</sup> Cloudflare, Inc., A . . . . .	United States	400,000	24,664,000
<sup>a</sup> MongoDB, Inc. . . . .	United States	750,000	174,840,000
<sup>a</sup> Shopify, Inc., A . . . . .	Canada	3,250,000	155,815,330
<sup>a</sup> Snowflake, Inc., A . . . . .	United States	450,000	69,430,500
			424,749,830
<b>Life Sciences Tools &amp; Services 7.2%</b>			
Danaher Corp. . . . .	United States	2,000,000	504,080,000
Lonza Group AG . . . . .	Switzerland	200,000	120,406,520
<sup>a</sup> Repligen Corp. . . . .	United States	950,000	159,942,000
Thermo Fisher Scientific, Inc. . . . .	United States	1,000,000	576,370,000
			1,360,798,520
<b>Pharmaceuticals 1.6%</b>			
AstraZeneca plc, ADR . . . . .	United Kingdom	2,350,000	163,113,500
Eli Lilly & Co. . . . .	United States	325,000	111,611,500

**Franklin DynaTech Fund** (continued)

	Country	Shares	Value
<b>Common Stocks</b> (continued)			
<b>Pharmaceuticals</b> (continued)			
<sup>a</sup> Jazz Pharmaceuticals plc . . . . .	United States	225,000	\$32,924,250
			307,649,250
<b>Professional Services 0.3%</b>			
<sup>a</sup> CoStar Group, Inc. . . . .	United States	800,000	55,080,000
<b>Semiconductors &amp; Semiconductor Equipment 17.2%</b>			
<sup>a</sup> Advanced Micro Devices, Inc. . . . .	United States	50,000	4,900,500
Analog Devices, Inc. . . . .	United States	2,000,000	394,440,000
ASM International NV . . . . .	Netherlands	225,000	91,331,905
ASML Holding NV, ADR . . . . .	Netherlands	775,000	527,550,250
<sup>a</sup> Enphase Energy, Inc. . . . .	United States	500,000	105,140,000
Entegris, Inc. . . . .	United States	1,000,000	82,010,000
<sup>a</sup> First Solar, Inc. . . . .	United States	25,000	5,437,500
Intel Corp. . . . .	United States	500,000	16,335,000
KLA Corp. . . . .	United States	550,000	219,543,500
Lam Research Corp. . . . .	United States	535,000	283,614,200
<sup>a</sup> Lattice Semiconductor Corp. . . . .	United States	800,000	76,400,000
Monolithic Power Systems, Inc. . . . .	United States	525,000	262,783,500
NVIDIA Corp. . . . .	United States	4,000,000	1,111,080,000
<sup>a</sup> SolarEdge Technologies, Inc. . . . .	United States	150,000	45,592,500
Taiwan Semiconductor Manufacturing Co. Ltd., ADR . . . . .	Taiwan	75,000	6,976,500
			3,233,135,355
<b>Software 28.3%</b>			
<sup>a</sup> Adobe, Inc. . . . .	United States	100,000	38,537,000
<sup>a</sup> ANSYS, Inc. . . . .	United States	600,000	199,680,000
<sup>a</sup> Aspen Technology, Inc. . . . .	United States	500,000	114,435,000
<sup>a</sup> Atlassian Corp., A . . . . .	United States	650,000	111,260,500
<sup>a</sup> Cadence Design Systems, Inc. . . . .	United States	2,300,000	483,207,000
Constellation Software, Inc. . . . .	Canada	30,000	56,397,825
<sup>a</sup> Datadog, Inc., A . . . . .	United States	1,350,000	98,091,000
<sup>a</sup> Descartes Systems Group, Inc. (The) . . . . .	Canada	500,000	40,305,000
<sup>a</sup> Gitlab, Inc., A . . . . .	United States	1,100,000	37,719,000
<sup>a</sup> HubSpot, Inc. . . . .	United States	600,000	257,250,000
<sup>a</sup> Intapp, Inc. . . . .	United States	25,000	1,121,000
Intuit, Inc. . . . .	United States	1,000,000	445,830,000
<sup>a,c</sup> Lumine Group, Inc., Reg S . . . . .	Canada	90,011	979,625
Microsoft Corp. . . . .	United States	4,200,000	1,210,860,000
<sup>a</sup> Monday.com Ltd. . . . .	United States	750,000	107,062,500
<sup>a</sup> Palo Alto Networks, Inc. . . . .	United States	1,000,000	199,740,000
<sup>a</sup> Paycom Software, Inc. . . . .	United States	250,000	76,002,500
<sup>a</sup> Paylocity Holding Corp. . . . .	United States	250,000	49,695,000
<sup>a</sup> Procore Technologies, Inc. . . . .	United States	1,000,000	62,630,000
Roper Technologies, Inc. . . . .	United States	500,000	220,345,000
<sup>a</sup> Salesforce, Inc. . . . .	United States	1,000,000	199,780,000
<sup>a</sup> ServiceNow, Inc. . . . .	United States	1,150,000	534,428,000
<sup>a</sup> SPS Commerce, Inc. . . . .	United States	25,000	3,807,500
<sup>a</sup> Synopsys, Inc. . . . .	United States	1,250,000	482,812,500
<sup>a</sup> Tyler Technologies, Inc. . . . .	United States	250,000	88,660,000
<sup>a</sup> Workday, Inc., A . . . . .	United States	1,000,000	206,540,000
<sup>a</sup> Xero Ltd. . . . .	New Zealand	50,000	3,032,799
			5,330,208,749
<b>Specialized REITs 0.5%</b>			
Crown Castle, Inc. . . . .	United States	100,000	13,384,000
SBA Communications Corp. . . . .	United States	300,000	78,321,000
			91,705,000

Franklin DynaTech Fund (continued)

	Country	Shares	Value
<b>Common Stocks</b> (continued)			
<b>Technology Hardware, Storage &amp; Peripherals 2.2%</b>			
Apple, Inc. . . . .	United States	2,500,000	\$412,250,000
<b>Trading Companies &amp; Distributors 0.1%</b>			
Fastenal Co. . . . .	United States	300,000	16,182,000
<b>Total Common Stocks (Cost \$11,409,018,293)</b> . . . . .			<b>18,545,504,949</b>
<b>Preferred Stocks 0.2%</b>			
<b>Life Sciences Tools &amp; Services 0.2%</b>			
<sup>d</sup> Sartorius AG, 0.37% . . . . .	Germany	100,000	42,147,570
<b>Total Preferred Stocks (Cost \$40,747,986)</b> . . . . .			<b>42,147,570</b>
<b>Total Long Term Investments (Cost \$11,449,766,279)</b> . . . . .			<b>18,587,652,519</b>
<b>Short Term Investments 1.3%</b>			
<b>Money Market Funds 1.3%</b>			
<sup>e,f</sup> Institutional Fiduciary Trust - Money Market Portfolio, 4.371% . . . . .	United States	239,555,443	239,555,443
<b>Total Money Market Funds (Cost \$239,555,443)</b> . . . . .			<b>239,555,443</b>
<b>Investments from Cash Collateral Received for Loaned Securities 0.0%</b>			
<b>Money Market Funds 0.0%</b> <sup>†</sup>			
<sup>e,f</sup> Institutional Fiduciary Trust - Money Market Portfolio, 4.371% . . . . .	United States	11,474,000	11,474,000
<b>Total Investments from Cash Collateral Received for Loaned Securities (Cost \$11,474,000)</b> . . . . .			<b>11,474,000</b>
<b>Total Short Term Investments (Cost \$251,029,443)</b> . . . . .			<b>251,029,443</b>
<b>Total Investments (Cost \$11,700,795,722) 100.1%</b> . . . . .			<b>\$18,838,681,962</b>
<b>Other Assets, less Liabilities (0.1)%</b> . . . . .			<b>(27,937,859)</b>
<b>Net Assets 100.0%</b> . . . . .			<b>\$18,810,744,103</b>

See Abbreviations on page 145.

<sup>†</sup>Rounds to less than 0.1% of net assets.

<sup>a</sup>Non-income producing.

<sup>b</sup>A portion or all of the security is on loan at March 31, 2023. See Note 1(f).

<sup>c</sup>Security was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At March 31, 2023, the aggregate value of these securities was \$319,680,075, representing 1.7% of net assets.

<sup>d</sup>Variable rate security. The rate shown represents the yield at period end.

<sup>e</sup>See Note 3(f) regarding investments in affiliated management investment companies.

<sup>f</sup>The rate shown is the annualized seven-day effective yield at period end.

<sup>g</sup>See Note 1(f) regarding securities on loan.

## Financial Highlights

### Franklin Focused Growth Fund

	Six Months Ended March 31, 2023 (unaudited)	Year Ended September 30,		Year Ended September 30, 2020 <sup>a</sup>
		2022	2021	
<b>Class A</b>				
<b>Per share operating performance</b>				
(for a share outstanding throughout the period)				
Net asset value, beginning of period . . . . .	\$19.30	\$31.61	\$25.05	\$20.16
Income from investment operations <sup>b</sup> :				
Net investment (loss) <sup>c</sup> . . . . .	(0.04)	(0.18)	(0.23)	(0.10)
Net realized and unrealized gains (losses) . . . . .	3.56	(11.95)	7.00	4.99
Total from investment operations . . . . .	3.52	(12.13)	6.77	4.89
Less distributions from:				
Net realized gains . . . . .	—	(0.18)	(0.21)	—
Net asset value, end of period . . . . .	\$22.82	\$19.30	\$31.61	\$25.05
Total return <sup>d</sup> . . . . .	18.24%	(38.61)%	27.17%	24.26%
<b>Ratios to average net assets<sup>e</sup></b>				
Expenses before waiver and payments by affiliates . . . . .	1.45%	1.37%	1.36%	1.81%
Expenses net of waiver and payments by affiliates . . . . .	1.09%	1.10% <sup>f</sup>	1.10% <sup>f</sup>	1.10%
Net investment (loss) . . . . .	(0.40)%	(0.69)%	(0.78)%	(0.72)%
<b>Supplemental data</b>				
Net assets, end of period (000's) . . . . .	\$62,157	\$53,027	\$80,509	\$26,793
Portfolio turnover rate . . . . .	7.24%	39.93%	22.77%	33.93%

<sup>a</sup>For the period February 14, 2020 (effective date) to September 30, 2020.

<sup>b</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>c</sup>Based on average daily shares outstanding.

<sup>d</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.

<sup>e</sup>Ratios are annualized for periods less than one year, except for non-recurring expenses, if any.

<sup>f</sup>Benefit of expense reduction rounds to less than 0.01%.

**Franklin Focused Growth Fund** (continued)

	Six Months Ended March 31, 2023 (unaudited)	Year Ended September 30,		Year Ended September 30, 2020 <sup>a</sup>
		2022	2021	
<b>Class C</b>				
<b>Per share operating performance</b>				
(for a share outstanding throughout the period)				
Net asset value, beginning of period . . . . .	\$18.92	\$31.23	\$24.94	\$20.16
Income from investment operations <sup>b</sup> :				
Net investment (loss) <sup>c</sup> . . . . .	(0.11)	(0.37)	(0.44)	(0.21)
Net realized and unrealized gains (losses) . . . . .	3.48	(11.76)	6.94	4.99
Total from investment operations . . . . .	3.37	(12.13)	6.50	4.78
Less distributions from:				
Net realized gains . . . . .	—	(0.18)	(0.21)	—
Net asset value, end of period . . . . .	\$22.29	\$18.92	\$31.23	\$24.94
Total return <sup>d</sup> . . . . .	17.81%	(39.08)%	26.20%	23.71%
<b>Ratios to average net assets<sup>e</sup></b>				
Expenses before waiver and payments by affiliates . . . . .	2.21%	2.12%	2.12%	2.56%
Expenses net of waiver and payments by affiliates . . . . .	1.85%	1.85% <sup>f</sup>	1.85% <sup>f</sup>	1.85%
Net investment (loss) . . . . .	(1.15)%	(1.44)%	(1.53)%	(1.47)%
<b>Supplemental data</b>				
Net assets, end of period (000's) . . . . .	\$4,542	\$3,954	\$6,028	\$3,931
Portfolio turnover rate . . . . .	7.24%	39.93%	22.77%	33.93%

<sup>a</sup>For the period February 14, 2020 (effective date) to September 30, 2020.<sup>b</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.<sup>c</sup>Based on average daily shares outstanding.<sup>d</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.<sup>e</sup>Ratios are annualized for periods less than one year, except for non-recurring expenses, if any.<sup>f</sup>Benefit of expense reduction rounds to less than 0.01%.

**Franklin Focused Growth Fund** (continued)

	Six Months Ended March 31, 2023 (unaudited)	Year Ended September 30,		Year Ended September 30, 2020 <sup>a</sup>
		2022	2021	
<b>Class R</b>				
<b>Per share operating performance</b>				
(for a share outstanding throughout the period)				
Net asset value, beginning of period . . . . .	\$19.20	\$31.53	\$25.06	\$20.16
Income from investment operations <sup>b</sup> :				
Net investment (loss) <sup>c</sup> . . . . .	(0.07)	(0.24)	(0.31)	(0.11)
Net realized and unrealized gains (losses) . . . . .	3.55	(11.91)	6.99	5.01
Total from investment operations . . . . .	3.48	(12.15)	6.68	4.90
Less distributions from:				
Net realized gains . . . . .	—	(0.18)	(0.21)	—
Net asset value, end of period . . . . .	\$22.68	\$19.20	\$31.53	\$25.06
Total return <sup>d</sup> . . . . .	18.12%	(38.77)%	26.79%	24.31%
<b>Ratios to average net assets<sup>e</sup></b>				
Expenses before waiver and payments by affiliates . . . . .	1.71%	1.61%	1.66%	1.65%
Expenses net of waiver and payments by affiliates . . . . .	1.35%	1.35% <sup>f</sup>	1.38% <sup>f</sup>	1.04%
Net investment (loss) . . . . .	(0.65)%	(0.94)%	(1.05)%	(0.77)%
<b>Supplemental data</b>				
Net assets, end of period (000's) . . . . .	\$969	\$723	\$984	\$643
Portfolio turnover rate . . . . .	7.24%	39.93%	22.77%	33.93%

<sup>a</sup>For the period February 14, 2020 (effective date) to September 30, 2020.

<sup>b</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>c</sup>Based on average daily shares outstanding.

<sup>d</sup>Total return is not annualized for periods less than one year.

<sup>e</sup>Ratios are annualized for periods less than one year, except for non-recurring expenses, if any.

<sup>f</sup>Benefit of expense reduction rounds to less than 0.01%.

**Franklin Focused Growth Fund** (continued)

	Six Months Ended March 31, 2023 (unaudited)	Year Ended September 30,		Year Ended September 30, 2020 <sup>a</sup>
		2022	2021	
<b>Class R6</b>				
<b>Per share operating performance</b>				
(for a share outstanding throughout the period)				
Net asset value, beginning of period . . . . .	\$19.45	\$31.78	\$25.10	\$20.16
Income from investment operations <sup>b</sup> :				
Net investment (loss) <sup>c</sup> . . . . .	(0.01)	(0.11)	(0.13)	(0.07)
Net realized and unrealized gains (losses) . . . . .	3.60	(12.04)	7.02	5.01
Total from investment operations . . . . .	3.59	(12.15)	6.89	4.94
Less distributions from:				
Net realized gains . . . . .	—	(0.18)	(0.21)	—
Net asset value, end of period . . . . .	\$23.04	\$19.45	\$31.78	\$25.10
Total return <sup>d</sup> . . . . .	18.46%	(38.46)%	27.59%	24.50%
<b>Ratios to average net assets<sup>e</sup></b>				
Expenses before waiver and payments by affiliates . . . . .	1.03%	0.98%	1.05%	2.08%
Expenses net of waiver and payments by affiliates . . . . .	0.82%	0.82% <sup>f</sup>	0.77% <sup>f</sup>	0.85%
Net investment (loss) . . . . .	(0.13)%	(0.42)%	(0.44)%	(0.52)%
<b>Supplemental data</b>				
Net assets, end of period (000's) . . . . .	\$63	\$46	\$75	\$65
Portfolio turnover rate . . . . .	7.24%	39.93%	22.77%	33.93%

<sup>a</sup>For the period February 14, 2020 (effective date) to September 30, 2020.

<sup>b</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>c</sup>Based on average daily shares outstanding.

<sup>d</sup>Total return is not annualized for periods less than one year.

<sup>e</sup>Ratios are annualized for periods less than one year, except for non-recurring expenses, if any.

<sup>f</sup>Benefit of expense reduction rounds to less than 0.01%.

**Franklin Focused Growth Fund** (continued)

	Six Months Ended March 31, 2023 (unaudited)	Year Ended September 30,				
		2022	2021	2020	2019	2018
<b>Advisor Class</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$19.43	\$31.75	\$25.10	\$17.62	\$17.24	\$13.36
Income from investment operations <sup>a</sup> :						
Net investment (loss) <sup>b</sup> . . . . .	(0.01)	(0.13)	(0.16)	(0.09)	(0.06)	(0.05)
Net realized and unrealized gains (losses) . . . . .	3.60	(12.01)	7.02	8.66	0.52	3.93
Total from investment operations . . . . .	3.59	(12.14)	6.86	8.57	0.46	3.88
Less distributions from:						
Net investment income . . . . .	—	—	—	—	(0.01)	—
Net realized gains . . . . .	—	(0.18)	(0.21)	(1.09)	(0.07)	—
Total distributions . . . . .	—	(0.18)	(0.21)	(1.09)	(0.08)	—
Net asset value, end of period . . . . .	\$23.02	\$19.43	\$31.75	\$25.10	\$17.62	\$17.24
Total return <sup>c</sup> . . . . .	18.42%	(38.44)%	27.47%	51.20%	2.80%	29.04%
<b>Ratios to average net assets<sup>d</sup></b>						
Expenses before waiver and payments by affiliates . . . . .	1.22%	1.12%	1.12%	2.04%	2.41%	2.23%
Expenses net of waiver and payments by affiliates . . . . .	0.85%	0.85% <sup>e</sup>	0.85% <sup>e</sup>	0.88%	1.00%	1.00% <sup>e</sup>
Net investment (loss) . . . . .	(0.14)%	(0.47)%	(0.53)%	(0.41)%	(0.36)%	(0.34)%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$14,615	\$9,519	\$25,041	\$16,747	\$4,404	\$4,310
Portfolio turnover rate . . . . .	7.24%	39.93%	22.77%	33.93%	28.65%	14.47%

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Total return is not annualized for periods less than one year.

<sup>d</sup>Ratios are annualized for periods less than one year, except for non-recurring expenses, if any.

<sup>e</sup>Benefit of expense reduction rounds to less than 0.01%.

## Schedule of Investments (unaudited), March 31, 2023

## Franklin Focused Growth Fund

	Country	Shares	Value
<b>Common Stocks 98.3%</b>			
<b>Aerospace &amp; Defense 1.4%</b>			
<sup>a</sup> Axon Enterprise, Inc. . . . .	United States	5,000	\$1,124,250
<b>Automobiles 4.3%</b>			
<sup>a</sup> Tesla, Inc. . . . .	United States	17,000	3,526,820
<b>Broadline Retail 8.6%</b>			
<sup>a</sup> Amazon.com, Inc. . . . .	United States	58,958	6,089,772
<sup>a</sup> MercadoLibre, Inc. . . . .	Brazil	740	975,364
			7,065,136
<b>Capital Markets 2.4%</b>			
MSCI, Inc. . . . .	United States	3,500	1,958,915
<b>Consumer Staples Distribution &amp; Retail 4.8%</b>			
Costco Wholesale Corp. . . . .	United States	8,000	3,974,960
<b>Electric Utilities 4.3%</b>			
NextEra Energy, Inc. . . . .	United States	46,000	3,545,680
<b>Energy Equipment &amp; Services 0.8%</b>			
Schlumberger NV . . . . .	United States	14,000	687,400
<b>Financial Services 5.8%</b>			
<sup>a,b</sup> Adyen NV, 144A, Reg S . . . . .	Netherlands	1,000	1,593,502
Mastercard, Inc., A . . . . .	United States	8,850	3,216,179
			4,809,681
<b>Ground Transportation 0.9%</b>			
Canadian Pacific Railway Ltd. . . . .	Canada	10,000	769,400
<b>Health Care Equipment &amp; Supplies 4.8%</b>			
<sup>a</sup> IDEXX Laboratories, Inc. . . . .	United States	4,530	2,265,362
<sup>a</sup> Intuitive Surgical, Inc. . . . .	United States	6,500	1,660,555
			3,925,917
<b>Health Care Technology 1.1%</b>			
<sup>a</sup> Veeva Systems, Inc., A . . . . .	United States	4,920	904,247
<b>Interactive Media &amp; Services 3.6%</b>			
<sup>a</sup> Alphabet, Inc., A . . . . .	United States	28,900	2,997,797
<b>IT Services 3.2%</b>			
<sup>a</sup> MongoDB, Inc. . . . .	United States	3,000	699,360
<sup>a</sup> Shopify, Inc., A . . . . .	Canada	25,000	1,198,580
<sup>a</sup> Snowflake, Inc., A . . . . .	United States	5,000	771,450
			2,669,390
<b>Life Sciences Tools &amp; Services 5.3%</b>			
Danaher Corp. . . . .	United States	13,300	3,352,132
<sup>a</sup> Repligen Corp. . . . .	United States	5,895	992,482
			4,344,614
<b>Metals &amp; Mining 1.0%</b>			
Freeport-McMoRan, Inc. . . . .	United States	20,000	818,200
<b>Oil, Gas &amp; Consumable Fuels 0.8%</b>			
Hess Corp. . . . .	United States	5,000	661,700
<b>Personal Care Products 1.3%</b>			
Estee Lauder Cos., Inc. (The), A . . . . .	United States	4,500	1,109,070
<b>Pharmaceuticals 1.3%</b>			
Eli Lilly & Co. . . . .	United States	3,000	1,030,260

**Franklin Focused Growth Fund**

	Country	Shares	Value
<b>Common Stocks</b> (continued)			
<b>Semiconductors &amp; Semiconductor Equipment 19.2%</b>			
Analog Devices, Inc. . . . .	United States	15,000	\$2,958,300
ASML Holding NV, ADR . . . . .	Netherlands	5,700	3,880,047
<sup>a</sup> Enphase Energy, Inc. . . . .	United States	1,500	315,420
NVIDIA Corp. . . . .	United States	28,496	7,915,334
Taiwan Semiconductor Manufacturing Co. Ltd., ADR . . . . .	Taiwan	8,000	744,160
			<u>15,813,261</u>
<b>Software 21.5%</b>			
<sup>a</sup> Cadence Design Systems, Inc. . . . .	United States	10,000	2,100,900
Intuit, Inc. . . . .	United States	3,500	1,560,405
Microsoft Corp. . . . .	United States	32,427	9,348,704
<sup>a</sup> Salesforce, Inc. . . . .	United States	7,000	1,398,460
<sup>a</sup> ServiceNow, Inc. . . . .	United States	7,000	3,253,040
			<u>17,661,509</u>
<b>Specialized REITs 1.9%</b>			
SBA Communications Corp. . . . .	United States	6,000	1,566,420
<b>Total Common Stocks (Cost \$73,871,384) . . . . .</b>			<u><b>80,964,627</b></u>
<b>Short Term Investments 1.5%</b>			
	Country	Shares	Value
<b>Money Market Funds 1.5%</b>			
<sup>c,d</sup> Institutional Fiduciary Trust - Money Market Portfolio, 4.371% . . . .	United States	1,201,709	1,201,709
<b>Total Money Market Funds (Cost \$1,201,709) . . . . .</b>			<u><b>1,201,709</b></u>
<b>Total Short Term Investments (Cost \$1,201,709) . . . . .</b>			<u><b>1,201,709</b></u>
<b>Total Investments (Cost \$75,073,093) 99.8% . . . . .</b>			<u><b>\$82,166,336</b></u>
<b>Other Assets, less Liabilities 0.2% . . . . .</b>			<u><b>180,489</b></u>
<b>Net Assets 100.0% . . . . .</b>			<u><b>\$82,346,825</b></u>

See Abbreviations on page 145.

<sup>a</sup>Non-income producing.

<sup>b</sup>Security was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At March 31, 2023, the value of this security was \$1,593,502, representing 1.9% of net assets.

<sup>c</sup>See Note 3(f) regarding investments in affiliated management investment companies.

<sup>d</sup>The rate shown is the annualized seven-day effective yield at period end.

# Financial Highlights

## Franklin Growth Fund

	Six Months Ended March 31, 2023 (unaudited)	Year Ended September 30,				
		2022	2021	2020	2019	2018
<b>Class A</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$105.41	\$151.73	\$129.91	\$110.04	\$107.59	\$91.61
Income from investment operations <sup>a</sup> :						
Net investment income (loss) <sup>b</sup> . . . . .	0.10	0.01	(0.06)	0.33	0.46	0.41
Net realized and unrealized gains (losses)	16.75	(32.51)	32.67	25.99	3.47	18.18
Total from investment operations . . . . .	16.85	(32.50)	32.61	26.32	3.93	18.59
Less distributions from:						
Net investment income . . . . .	—	—	(0.18)	(0.46)	(0.44)	(0.36)
Net realized gains . . . . .	(10.71)	(13.82)	(10.61)	(5.99)	(1.04)	(2.25)
Total distributions . . . . .	(10.71)	(13.82)	(10.79)	(6.45)	(1.48)	(2.61)
Net asset value, end of period . . . . .	\$111.55	\$105.41	\$151.73	\$129.91	\$110.04	\$107.59
Total return <sup>c</sup> . . . . .	16.74%	(23.83)%	26.44%	25.09%	3.79%	20.72%
<b>Ratios to average net assets<sup>d</sup></b>						
Expenses before waiver and payments by affiliates . . . . .	0.82%	0.80%	0.79%	0.82%	0.83%	0.83%
Expenses net of waiver and payments by affiliates <sup>e</sup> . . . . .	0.82% <sup>f</sup>	0.80% <sup>f</sup>	0.79% <sup>f</sup>	0.81%	0.83% <sup>f</sup>	0.83% <sup>f</sup>
Net investment income (loss) . . . . .	0.18%	0.01%	(0.04)%	0.29%	0.45%	0.41%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$10,173,626	\$9,118,403	\$12,927,577	\$10,990,297	\$9,157,154	\$9,044,834
Portfolio turnover rate . . . . .	1.60%	4.95% <sup>g</sup>	6.04% <sup>g</sup>	9.01%	4.91% <sup>g</sup>	6.05% <sup>g</sup>

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.

<sup>d</sup>Ratios are annualized for periods less than one year.

<sup>e</sup>Benefit of expense reduction rounds to less than 0.01%.

<sup>f</sup>Benefit of waiver and payments by affiliates rounds to less than 0.01%.

<sup>g</sup>Excludes the value of portfolio activity as a result of in-kind transactions. See Note 3(h) and 13.

**Franklin Growth Fund** (continued)

	Six Months Ended March 31, 2023 (unaudited)	Year Ended September 30,				
		2022	2021	2020	2019	2018
<b>Class C</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$91.92	\$134.93	\$117.27	\$100.21	\$98.38	\$84.25
Income from investment operations <sup>a</sup> :						
Net investment (loss) <sup>b</sup> . . . . .	(0.27)	(0.87)	(1.01)	(0.47)	(0.29)	(0.30)
Net realized and unrealized gains (losses)	14.48	(28.32)	29.28	23.52	3.16	16.68
Total from investment operations . . . . .	14.21	(29.19)	28.27	23.05	2.87	16.38
Less distributions from:						
Net realized gains . . . . .	(10.71)	(13.82)	(10.61)	(5.99)	(1.04)	(2.25)
Net asset value, end of period . . . . .	\$95.42	\$91.92	\$134.93	\$117.27	\$100.21	\$98.38
Total return <sup>c</sup> . . . . .	16.29%	(24.40)%	25.51%	24.16%	3.02%	19.82%
<b>Ratios to average net assets<sup>d</sup></b>						
Expenses before waiver and payments by affiliates . . . . .	1.57%	1.55%	1.54%	1.57%	1.58%	1.58%
Expenses net of waiver and payments by affiliates <sup>e</sup> . . . . .	1.57% <sup>f</sup>	1.55% <sup>f</sup>	1.54% <sup>f</sup>	1.56%	1.58% <sup>f</sup>	1.58% <sup>f</sup>
Net investment (loss) . . . . .	(0.57)%	(0.75)%	(0.79)%	(0.46)%	(0.30)%	(0.34)%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$415,735	\$407,722	\$666,348	\$727,093	\$704,217	\$1,060,258
Portfolio turnover rate . . . . .	1.60%	4.95% <sup>g</sup>	6.04% <sup>g</sup>	9.01%	4.91% <sup>g</sup>	6.05% <sup>g</sup>

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.

<sup>d</sup>Ratios are annualized for periods less than one year.

<sup>e</sup>Benefit of expense reduction rounds to less than 0.01%.

<sup>f</sup>Benefit of waiver and payments by affiliates rounds to less than 0.01%.

<sup>g</sup>Excludes the value of portfolio activity as a result of in-kind transactions. See Note 3(h) and 13.

**Franklin Growth Fund** (continued)

	<b>Six Months Ended March 31, 2023 (unaudited)</b>	<b>Year Ended September 30,</b>				
		<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Class R</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$104.43	\$150.77	\$129.28	\$109.49	\$107.00	\$91.13
Income from investment operations <sup>a</sup> :						
Net investment income (loss) <sup>b</sup> . . . . .	(0.04)	(0.32)	(0.41)	0.05	0.21	0.16
Net realized and unrealized gains (losses)	16.58	(32.20)	32.51	25.86	3.46	18.09
Total from investment operations . . . . .	16.54	(32.52)	32.10	25.91	3.67	18.25
Less distributions from:						
Net investment income . . . . .	—	—	—	(0.13)	(0.14)	(0.13)
Net realized gains . . . . .	(10.71)	(13.82)	(10.61)	(5.99)	(1.04)	(2.25)
Total distributions . . . . .	(10.71)	(13.82)	(10.61)	(6.12)	(1.18)	(2.38)
Net asset value, end of period . . . . .	\$110.26	\$104.43	\$150.77	\$129.28	\$109.49	\$107.00
Total return <sup>c</sup> . . . . .	16.59%	(24.01)%	26.13%	24.78%	3.54%	20.42%
<b>Ratios to average net assets<sup>d</sup></b>						
Expenses before waiver and payments by affiliates . . . . .	1.07%	1.05%	1.04%	1.07%	1.08%	1.08%
Expenses net of waiver and payments by affiliates <sup>e</sup> . . . . .	1.07% <sup>f</sup>	1.05% <sup>f</sup>	1.04% <sup>f</sup>	1.06%	1.08% <sup>f</sup>	1.08% <sup>f</sup>
Net investment income (loss) . . . . .	(0.07)%	(0.25)%	(0.29)%	0.04%	0.20%	0.16%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$270,303	\$249,874	\$395,301	\$420,082	\$435,331	\$524,960
Portfolio turnover rate . . . . .	1.60%	4.95% <sup>g</sup>	6.04% <sup>g</sup>	9.01%	4.91% <sup>g</sup>	6.05% <sup>g</sup>

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Total return is not annualized for periods less than one year.

<sup>d</sup>Ratios are annualized for periods less than one year.

<sup>e</sup>Benefit of expense reduction rounds to less than 0.01%.

<sup>f</sup>Benefit of waiver and payments by affiliates rounds to less than 0.01%.

<sup>g</sup>Excludes the value of portfolio activity as a result of in-kind transactions. See Note 3(h) and 13.

**Franklin Growth Fund** (continued)

	Six Months Ended March 31, 2023 (unaudited)	Year Ended September 30,				
		2022	2021	2020	2019	2018
<b>Class R6</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$106.22	\$152.40	\$130.31	\$110.37	\$107.90	\$91.90
Income from investment operations <sup>a</sup> :						
Net investment income <sup>b</sup> . . . . .	0.29	0.46	0.41	0.71	0.83	0.77
Net realized and unrealized gains (losses) . . . . .	16.87	(32.72)	32.76	26.06	3.47	18.22
Total from investment operations . . . . .	17.16	(32.26)	33.17	26.77	4.30	18.99
Less distributions from:						
Net investment income . . . . .	(0.25)	(0.10)	(0.47)	(0.84)	(0.79)	(0.74)
Net realized gains . . . . .	(10.71)	(13.82)	(10.61)	(5.99)	(1.04)	(2.25)
Total distributions . . . . .	(10.96)	(13.92)	(11.08)	(6.83)	(1.83)	(2.99)
Net asset value, end of period . . . . .	\$112.42	\$106.22	\$152.40	\$130.31	\$110.37	\$107.90
Total return <sup>c</sup> . . . . .	16.93%	(23.57)%	26.86%	25.51%	4.16%	21.17%
<b>Ratios to average net assets<sup>d</sup></b>						
Expenses before waiver and payments by affiliates . . . . .	0.48%	0.46%	0.47%	0.48%	0.48%	0.47%
Expenses net of waiver and payments by affiliates <sup>e</sup> . . . . .	0.47%	0.46% <sup>f</sup>	0.47% <sup>f</sup>	0.48% <sup>f</sup>	0.48% <sup>f</sup>	0.46%
Net investment income . . . . .	0.53%	0.34%	0.29%	0.63%	0.80%	0.78%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$2,140,859	\$2,000,923	\$3,113,946	\$2,999,370	\$2,545,800	\$2,634,455
Portfolio turnover rate . . . . .	1.60%	4.95% <sup>g</sup>	6.04% <sup>g</sup>	9.01%	4.91% <sup>g</sup>	6.05% <sup>g</sup>

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Total return is not annualized for periods less than one year.

<sup>d</sup>Ratios are annualized for periods less than one year.

<sup>e</sup>Benefit of expense reduction rounds to less than 0.01%.

<sup>f</sup>Benefit of waiver and payments by affiliates rounds to less than 0.01%.

<sup>g</sup>Excludes the value of portfolio activity as a result of in-kind transactions. See Note 3(h) and 13.

**Franklin Growth Fund** (continued)

	Six Months Ended March 31, 2023 (unaudited)	Year Ended September 30,				
		2022	2021	2020	2019	2018
<b>Advisor Class</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$106.25	\$152.47	\$130.38	\$110.41	\$107.95	\$91.90
Income from investment operations <sup>a</sup> :						
Net investment income <sup>b</sup> . . . . .	0.24	0.34	0.30	0.62	0.72	0.66
Net realized and unrealized gains (losses) . . . . .	16.89	(32.74)	32.79	26.07	3.47	18.23
Total from investment operations . . . . .	17.13	(32.40)	33.09	26.69	4.19	18.89
Less distributions from:						
Net investment income . . . . .	(0.16)	—	(0.39)	(0.73)	(0.69)	(0.59)
Net realized gains . . . . .	(10.71)	(13.82)	(10.61)	(5.99)	(1.04)	(2.25)
Total distributions . . . . .	(10.87)	(13.82)	(11.00)	(6.72)	(1.73)	(2.84)
Net asset value, end of period . . . . .	\$112.51	\$106.25	\$152.47	\$130.38	\$110.41	\$107.95
Total return <sup>c</sup> . . . . .	16.89%	(23.64)%	26.76%	25.41%	4.05%	21.02%
<b>Ratios to average net assets<sup>d</sup></b>						
Expenses before waiver and payments by affiliates . . . . .	0.57%	0.55%	0.54%	0.57%	0.58%	0.58%
Expenses net of waiver and payments by affiliates <sup>e</sup> . . . . .	0.57% <sup>f</sup>	0.55% <sup>f</sup>	0.54% <sup>f</sup>	0.56%	0.58% <sup>f</sup>	0.58% <sup>f</sup>
Net investment income . . . . .	0.43%	0.25%	0.21%	0.54%	0.70%	0.66%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$2,889,366	\$2,652,765	\$4,229,679	\$3,549,412	\$3,154,342	\$3,139,208
Portfolio turnover rate . . . . .	1.60%	4.95% <sup>g</sup>	6.04% <sup>g</sup>	9.01%	4.91% <sup>g</sup>	6.05% <sup>g</sup>

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Total return is not annualized for periods less than one year.

<sup>d</sup>Ratios are annualized for periods less than one year.

<sup>e</sup>Benefit of expense reduction rounds to less than 0.01%.

<sup>f</sup>Benefit of waiver and payments by affiliates rounds to less than 0.01%.

<sup>g</sup>Excludes the value of portfolio activity as a result of in-kind transactions. See Note 3(h) and 13.

## Schedule of Investments (unaudited), March 31, 2023

## Franklin Growth Fund

	Country	Shares	Value
<b>Common Stocks 98.8%</b>			
<b>Aerospace &amp; Defense 4.9%</b>			
BWX Technologies, Inc. ....	United States	1,361,711	\$85,842,262
Lockheed Martin Corp. ....	United States	350,955	165,906,957
Northrop Grumman Corp. ....	United States	635,597	293,467,847
Raytheon Technologies Corp. ....	United States	2,319,110	227,110,442
			<u>772,327,508</u>
<b>Automobiles 0.6%</b>			
<sup>a</sup> Tesla, Inc. ....	United States	485,583	100,739,049
<b>Beverages 3.6%</b>			
Brown-Forman Corp., B ....	United States	1,560,182	100,272,897
Constellation Brands, Inc., A ....	United States	535,378	120,936,536
<sup>a</sup> Monster Beverage Corp. ....	United States	4,283,526	231,353,239
PepsiCo, Inc. ....	United States	624,045	113,763,404
			<u>566,326,076</u>
<b>Biotechnology 1.7%</b>			
AbbVie, Inc. ....	United States	441,587	70,375,720
Amgen, Inc. ....	United States	516,636	124,896,753
<sup>a</sup> Argenx SE, ADR ....	Netherlands	30,811	11,479,562
<sup>a</sup> Regeneron Pharmaceuticals, Inc. ....	United States	73,146	60,101,874
			<u>266,853,909</u>
<b>Broadline Retail 3.0%</b>			
<sup>a</sup> Amazon.com, Inc. ....	United States	4,686,824	484,102,051
<b>Building Products 1.5%</b>			
Allegion plc. ....	United States	476,985	50,908,609
Trane Technologies plc ....	United States	1,002,969	184,526,237
			<u>235,434,846</u>
<b>Capital Markets 3.9%</b>			
BlackRock, Inc. ....	United States	125,420	83,921,031
Blackstone, Inc. ....	United States	356,607	31,324,359
Charles Schwab Corp. (The) ....	United States	2,857,882	149,695,859
Intercontinental Exchange, Inc. ....	United States	1,368,390	142,709,393
S&P Global, Inc. ....	United States	355,225	122,470,923
Tradeweb Markets, Inc., A. ....	United States	1,144,120	90,408,362
			<u>620,529,927</u>
<b>Chemicals 3.0%</b>			
Air Products and Chemicals, Inc. ....	United States	480,067	137,880,043
Ecolab, Inc. ....	United States	598,778	99,115,722
Linde plc. ....	United States	697,627	247,964,541
			<u>484,960,306</u>
<b>Commercial Services &amp; Supplies 0.5%</b>			
Republic Services, Inc. ....	United States	624,999	84,512,365
<b>Construction Materials 0.7%</b>			
Martin Marietta Materials, Inc. ....	United States	304,897	108,256,729
<b>Consumer Staples Distribution &amp; Retail 0.2%</b>			
Costco Wholesale Corp. ....	United States	53,949	26,805,640
<b>Electric Utilities 1.0%</b>			
NextEra Energy, Inc. ....	United States	1,971,046	151,928,226

**Franklin Growth Fund** (continued)

	Country	Shares	Value
<b>Common Stocks</b> (continued)			
<b>Electrical Equipment 1.1%</b>			
AMETEK, Inc. ....	United States	672,067	\$97,671,497
Eaton Corp. plc. ....	United States	443,764	76,034,524
			173,706,021
<b>Electronic Equipment, Instruments &amp; Components 3.1%</b>			
Amphenol Corp., A. ....	United States	2,780,815	227,248,202
<sup>a</sup> Keysight Technologies, Inc. ....	United States	147,391	23,800,699
TE Connectivity Ltd. ....	United States	1,794,257	235,316,805
			486,365,706
<b>Entertainment 0.3%</b>			
<sup>a</sup> ROBLOX Corp., A. ....	United States	1,192,286	53,629,024
<b>Financial Services 4.8%</b>			
<sup>a,b</sup> Adyen NV, 144A, Reg S. ....	Netherlands	73,341	116,869,048
Mastercard, Inc., A. ....	United States	976,926	355,024,678
<sup>a</sup> Paymentus Holdings, Inc., A. ....	United States	906,285	8,029,685
Visa, Inc., A. ....	United States	1,226,618	276,553,294
			756,476,705
<b>Food Products 0.3%</b>			
Lamb Weston Holdings, Inc. ....	United States	526,459	55,025,495
<b>Ground Transportation 3.3%</b>			
Canadian Pacific Railway Ltd. ....	Canada	1,364,749	105,003,788
JB Hunt Transport Services, Inc. ....	United States	480,067	84,232,556
<sup>a</sup> Uber Technologies, Inc. ....	United States	978,339	31,013,346
Union Pacific Corp. ....	United States	1,500,110	301,912,139
			522,161,829
<b>Health Care Equipment &amp; Supplies 4.2%</b>			
Abbott Laboratories. ....	United States	751,302	76,076,840
<sup>a</sup> Edwards Lifesciences Corp. ....	United States	1,048,724	86,760,936
<sup>a</sup> Haemonetics Corp. ....	United States	747,064	61,819,546
<sup>a</sup> Intuitive Surgical, Inc. ....	United States	996,140	254,483,886
Stryker Corp. ....	United States	394,047	112,488,597
Teleflex, Inc. ....	United States	321,702	81,490,334
			673,120,139
<b>Health Care Providers &amp; Services 0.9%</b>			
Laboratory Corp. of America Holdings. ....	United States	323,216	74,152,214
UnitedHealth Group, Inc. ....	United States	150,015	70,895,589
			145,047,803
<b>Health Care Technology 0.3%</b>			
<sup>a</sup> Veeva Systems, Inc., A. ....	United States	265,213	48,743,497
<b>Hotels, Restaurants &amp; Leisure 1.4%</b>			
<sup>a</sup> Airbnb, Inc., A. ....	United States	350,090	43,551,196
<sup>a</sup> Booking Holdings, Inc. ....	United States	28,473	75,522,070
<sup>a</sup> Las Vegas Sands Corp. ....	United States	1,745,783	100,295,233
			219,368,499
<b>Industrial REITs 0.1%</b>			
Prologis, Inc. ....	United States	134,800	16,818,996
<b>Interactive Media &amp; Services 3.0%</b>			
<sup>a</sup> Alphabet, Inc., A. ....	United States	2,083,620	216,133,902

**Franklin Growth Fund** (continued)

	Country	Shares	Value
<b>Common Stocks</b> (continued)			
<b>Interactive Media &amp; Services</b> (continued)			
<sup>a</sup> Alphabet, Inc., C . . . . .	United States	2,519,700	\$262,048,800
			478,182,702
<b>IT Services 0.8%</b>			
<sup>a,c,d</sup> Canva, Inc. . . . .	Australia	25,413	20,112,109
<sup>a</sup> Shopify, Inc., A . . . . .	Canada	417,200	20,000,568
<sup>a</sup> Snowflake, Inc., A . . . . .	United States	537,179	82,881,348
			122,994,025
<b>Life Sciences Tools &amp; Services 6.8%</b>			
Agilent Technologies, Inc. . . . .	United States	1,248,068	172,657,727
Danaher Corp. . . . .	United States	1,106,072	278,774,387
<sup>a</sup> Illumina, Inc. . . . .	United States	577,514	134,300,881
<sup>a</sup> Mettler-Toledo International, Inc. . . . .	United States	221,809	339,414,350
Thermo Fisher Scientific, Inc. . . . .	United States	272,834	157,253,332
			1,082,400,677
<b>Machinery 4.2%</b>			
Deere & Co. . . . .	United States	451,451	186,395,089
Dover Corp. . . . .	United States	380,644	57,835,049
Illinois Tool Works, Inc. . . . .	United States	960,119	233,740,971
Ingersoll Rand, Inc. . . . .	United States	1,884,276	109,627,178
<sup>a</sup> Proterra, Inc. . . . .	United States	3,038,197	4,618,059
Xylem, Inc. . . . .	United States	802,201	83,990,445
			676,206,791
<b>Media 0.3%</b>			
Cable One, Inc. . . . .	United States	37,275	26,167,050
Comcast Corp., A . . . . .	United States	771,078	29,231,567
			55,398,617
<b>Personal Care Products 0.3%</b>			
Estee Lauder Cos., Inc. (The), A . . . . .	United States	180,608	44,512,648
<b>Pharmaceuticals 3.8%</b>			
AstraZeneca plc, ADR . . . . .	United Kingdom	2,138,016	148,399,691
<sup>a</sup> Catalent, Inc. . . . .	United States	2,119,187	139,251,778
Eli Lilly & Co. . . . .	United States	903,784	310,377,501
			598,028,970
<b>Professional Services 1.5%</b>			
Automatic Data Processing, Inc. . . . .	United States	106,629	23,738,814
<sup>a</sup> CoStar Group, Inc. . . . .	United States	1,248,423	85,953,924
Equifax, Inc. . . . .	United States	470,856	95,508,431
Verisk Analytics, Inc. . . . .	United States	180,621	34,653,945
			239,855,114
<b>Semiconductors &amp; Semiconductor Equipment 8.9%</b>			
ASML Holding NV, ADR . . . . .	Netherlands	393,994	268,195,656
<sup>a</sup> Enphase Energy, Inc. . . . .	United States	106,000	22,289,680
Lam Research Corp. . . . .	United States	28,850	15,293,962
<sup>a</sup> Lattice Semiconductor Corp. . . . .	United States	253,000	24,161,500
Monolithic Power Systems, Inc. . . . .	United States	432,145	216,305,858
NVIDIA Corp. . . . .	United States	1,797,267	499,226,854
NXP Semiconductors NV . . . . .	China	674,130	125,708,392
Texas Instruments, Inc. . . . .	United States	1,344,118	250,019,389
			1,421,201,291

Franklin Growth Fund (continued)

	Country	Shares	Value
<b>Common Stocks (continued)</b>			
<b>Software 16.5%</b>			
<sup>a</sup> Adobe, Inc. ....	United States	145,393	\$56,030,100
<sup>a</sup> ANSYS, Inc. ....	United States	126,932	42,242,970
<sup>a</sup> Atlassian Corp., A. ....	United States	269,462	46,123,811
<sup>a</sup> Autodesk, Inc. ....	United States	751,213	156,372,498
<sup>a</sup> BILL Holdings, Inc. ....	United States	1,040,382	84,416,596
<sup>a,c,d</sup> Checkout Payments Group Ltd., B. ....	United Kingdom	96,603	8,763,882
<sup>a</sup> CrowdStrike Holdings, Inc., A. ....	United States	134,553	18,468,745
<sup>a</sup> Gitlab, Inc., A. ....	United States	99,936	3,426,805
Intuit, Inc. ....	United States	738,631	329,303,859
Microsoft Corp. ....	United States	2,988,268	861,517,664
<sup>a</sup> Paycom Software, Inc. ....	United States	181,566	55,197,880
<sup>a</sup> Procore Technologies, Inc. ....	United States	67,551	4,230,719
<sup>a</sup> PTC, Inc. ....	United States	1,156,115	148,248,627
<sup>a</sup> Salesforce, Inc. ....	United States	541,262	108,133,322
<sup>a</sup> ServiceNow, Inc. ....	United States	656,895	305,272,244
<sup>a,c,d</sup> Stripe, Inc., B. ....	United States	540,043	10,873,301
<sup>a</sup> Synopsys, Inc. ....	United States	509,920	196,956,600
<sup>a</sup> Tyler Technologies, Inc. ....	United States	115,752	41,050,289
<sup>a</sup> Workday, Inc., A. ....	United States	670,401	138,464,623
			2,615,094,535
<b>Specialized REITs 0.6%</b>			
Crown Castle, Inc. ....	United States	758,119	101,466,647
<b>Technology Hardware, Storage &amp; Peripherals 4.8%</b>			
Apple, Inc. ....	United States	4,586,193	756,263,226
<b>Textiles, Apparel &amp; Luxury Goods 1.4%</b>			
NIKE, Inc., B. ....	United States	1,780,736	218,389,463
<b>Trading Companies &amp; Distributors 0.9%</b>			
Fastenal Co. ....	United States	2,639,613	142,380,725
<b>Water Utilities 0.6%</b>			
American Water Works Co., Inc. ....	United States	672,067	98,451,095
<b>Total Common Stocks (Cost \$4,999,379,053) .....</b>			<b>15,704,066,872</b>
<b>Convertible Preferred Stocks 0.5%</b>			
<b>IT Services 0.0%<sup>†</sup></b>			
<sup>a,c,d</sup> Canva, Inc., A. ....	Australia	2,353	1,862,188
<sup>a,c,d</sup> Canva, Inc., A-3. ....	Australia	94	74,393
<sup>a,c,d</sup> Canva, Inc., A-4. ....	Australia	8	6,331
<sup>a,c,d</sup> Canva, Inc., A-5. ....	Australia	5	3,957
			1,946,869
<b>Software 0.5%</b>			
<sup>a,c,d</sup> Gusto, Inc., E. ....	United States	822,494	28,668,904
<sup>a,c,d</sup> OneTrust LLC, C. ....	United States	849,894	9,348,834
<sup>a,c,d</sup> Stripe, Inc., H. ....	United States	756,137	15,224,168
<sup>a,c,d</sup> Stripe, Inc., I. ....	United States	1,230,266	24,770,348
			78,012,254
<b>Total Convertible Preferred Stocks (Cost \$100,970,705) .....</b>			<b>79,959,123</b>

**Franklin Growth Fund** (continued)

	Country	Shares	Value
<b>Preferred Stocks 0.4%</b>			
<b>Life Sciences Tools &amp; Services 0.4%</b>			
<sup>e</sup> Sartorius AG, 0.37% . . . . .	Germany	138,200	\$58,247,942
<b>Total Preferred Stocks (Cost \$55,133,304)</b> . . . . .			<b>58,247,942</b>
<b>Total Long Term Investments (Cost \$5,155,483,062)</b> . . . . .			<b>15,842,273,937</b>
<b>Short Term Investments 0.6%</b>			
	Country	Shares	Value
<b>Money Market Funds 0.6%</b>			
<sup>f,g</sup> Institutional Fiduciary Trust - Money Market Portfolio, 4.371% . . . .	United States	94,647,361	94,647,361
<b>Total Money Market Funds (Cost \$94,647,361)</b> . . . . .			<b>94,647,361</b>
<b>Total Short Term Investments (Cost \$94,647,361)</b> . . . . .			<b>94,647,361</b>
<b>Total Investments (Cost \$5,250,130,423) 100.3%</b> . . . . .			<b>\$15,936,921,298</b>
<b>Other Assets, less Liabilities (0.3)%</b> . . . . .			<b>(47,032,451)</b>
<b>Net Assets 100.0%</b> . . . . .			<b>\$15,889,888,847</b>

See Abbreviations on page 145.

<sup>†</sup>Rounds to less than 0.1% of net assets.

<sup>a</sup>Non-income producing.

<sup>b</sup>Security was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At March 31, 2023, the value of this security was \$116,869,048, representing 0.7% of net assets.

<sup>c</sup>Fair valued using significant unobservable inputs. See Note 14 regarding fair value measurements.

<sup>d</sup>See Note 8 regarding restricted securities.

<sup>e</sup>Variable rate security. The rate shown represents the yield at period end.

<sup>f</sup>See Note 3(f) regarding investments in affiliated management investment companies.

<sup>g</sup>The rate shown is the annualized seven-day effective yield at period end.

## Financial Highlights

### Franklin Income Fund

	Six Months Ended March 31, 2023 (unaudited)	Year Ended September 30,				Year Ended September 30, 2018 <sup>a</sup>
		2022	2021	2020	2019	
<b>Class A</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$2.14	\$2.47	\$2.08	\$2.30	\$2.32	\$2.31
Income from investment operations <sup>b</sup> :						
Net investment income (loss) <sup>c</sup> . . . . .	0.04	0.07	0.08	0.08	0.08	(0.04)
Net realized and unrealized gains (losses) . . . . .	0.19	(0.24)	0.42	(0.18)	0.02	0.05
Total from investment operations . . . . .	0.23	(0.17)	0.50	(0.10)	0.10	0.01
Less distributions from:						
Net investment income . . . . .	(0.07)	(0.11)	(0.11)	(0.12)	(0.12)	—
Net realized gains . . . . .	—	(0.05)	—	—	—	—
Total distributions . . . . .	(0.07)	(0.16)	(0.11)	(0.12)	(0.12)	—
Net asset value, end of period . . . . .	\$2.30	\$2.14	\$2.47	\$2.08	\$2.30	\$2.32
Total return <sup>d</sup> . . . . .	10.67%	(7.28)%	24.55%	(4.48)%	4.40%	0.43%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses before waiver and payments by affiliates . . . . .	0.72%	0.72%	0.72%	0.71%	0.72%	0.71%
Expenses net of waiver and payments by affiliates <sup>f</sup> . . . . .	0.71%	0.71%	0.72% <sup>g</sup>	0.70%	0.72% <sup>g</sup>	0.71% <sup>g</sup>
Net investment income . . . . .	3.85%	3.08%	3.19%	3.64%	3.92%	3.89%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$19,503,026	\$16,829,899	\$16,044,379	\$10,072,437	\$7,427,468	\$107,057
Portfolio turnover rate . . . . .	30.95%	77.65%	68.93%	69.13%	43.63%	49.95%

<sup>a</sup>For the period September 10, 2018 (effective date) to September 30, 2018.

<sup>b</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>c</sup>Based on average daily shares outstanding.

<sup>d</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.

<sup>e</sup>Ratios are annualized for periods less than one year.

<sup>f</sup>Benefit of expense reduction rounds to less than 0.01%.

<sup>g</sup>Benefit of waiver and payments by affiliates rounds to less than 0.01%.

**Franklin Income Fund** (continued)

	Six Months Ended March 31, 2023 (unaudited)	Year Ended September 30,				
		2022	2021	2020	2019	2018
<b>Class A1</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$2.15	\$2.48	\$2.08	\$2.30	\$2.32	\$2.39
Income from investment operations <sup>a</sup> :						
Net investment income <sup>b</sup> . . . . .	0.04	0.08	0.08	0.08	0.09	0.09
Net realized and unrealized gains (losses) . . . . .	0.18	(0.24)	0.43	(0.18)	0.01	(0.04)
Total from investment operations . . . . .	0.22	(0.16)	0.51	(0.10)	0.10	0.05
Less distributions from:						
Net investment income . . . . .	(0.07)	(0.12)	(0.11)	(0.12)	(0.12)	(0.12)
Net realized gains . . . . .	—	(0.05)	—	—	—	—
Total distributions . . . . .	(0.07)	(0.17)	(0.11)	(0.12)	(0.12)	(0.12)
Net asset value, end of period . . . . .	\$2.30	\$2.15	\$2.48	\$2.08	\$2.30	\$2.32
Total return <sup>c</sup> . . . . .	10.22%	(7.10)%	25.19%	(4.39)%	4.50%	2.18%
<b>Ratios to average net assets<sup>d</sup></b>						
Expenses before waiver and payments by affiliates . . . . .	0.62%	0.62%	0.62%	0.61%	0.62%	0.61%
Expenses net of waiver and payments by affiliates <sup>e</sup> . . . . .	0.61%	0.61%	0.62% <sup>f</sup>	0.60%	0.62% <sup>f</sup>	0.61% <sup>f</sup>
Net investment income . . . . .	3.95%	3.15%	3.32%	3.74%	4.02%	3.99%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$31,801,876	\$30,236,582	\$35,704,730	\$32,693,224	\$39,625,649	\$42,929,573
Portfolio turnover rate . . . . .	30.95%	77.65%	68.93%	69.13%	43.63%	49.95%

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.

<sup>d</sup>Ratios are annualized for periods less than one year.

<sup>e</sup>Benefit of expense reduction rounds to less than 0.01%.

<sup>f</sup>Benefit of waiver and payments by affiliates rounds to less than 0.01%.

**Franklin Income Fund** (continued)

	<b>Six Months Ended March 31, 2023 (unaudited)</b>	<b>Year Ended September 30,</b>				
		<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Class C</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$2.19	\$2.52	\$2.12	\$2.34	\$2.35	\$2.42
Income from investment operations <sup>a</sup> :						
Net investment income <sup>b</sup> . . . . .	0.04	0.07	0.07	0.07	0.08	0.08
Net realized and unrealized gains (losses) . . . . .	0.18	(0.25)	0.43	(0.18)	0.02	(0.04)
Total from investment operations . . . . .	0.22	(0.18)	0.50	(0.11)	0.10	0.04
Less distributions from:						
Net investment income . . . . .	(0.06)	(0.10)	(0.10)	(0.11)	(0.11)	(0.11)
Net realized gains . . . . .	—	(0.05)	—	—	—	—
Total distributions . . . . .	(0.06)	(0.15)	(0.10)	(0.11)	(0.11)	(0.11)
Net asset value, end of period . . . . .	\$2.35	\$2.19	\$2.52	\$2.12	\$2.34	\$2.35
Total return <sup>c</sup> . . . . .	10.70%	(7.89)%	24.09%	(4.80)%	4.35%	1.61%
<b>Ratios to average net assets<sup>d</sup></b>						
Expenses before waiver and payments by affiliates . . . . .	1.12%	1.12%	1.13%	1.11%	1.12%	1.11%
Expenses net of waiver and payments by affiliates <sup>e</sup> . . . . .	1.11%	1.11%	1.12%	1.10%	1.12% <sup>f</sup>	1.11% <sup>f</sup>
Net investment income . . . . .	3.44%	2.63%	2.84%	3.24%	3.52%	3.49%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$5,594,774	\$5,654,802	\$7,507,658	\$9,339,238	\$13,488,627	\$19,895,441
Portfolio turnover rate . . . . .	30.95%	77.65%	68.93%	69.13%	43.63%	49.95%

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.

<sup>d</sup>Ratios are annualized for periods less than one year.

<sup>e</sup>Benefit of expense reduction rounds to less than 0.01%.

<sup>f</sup>Benefit of waiver and payments by affiliates rounds to less than 0.01%.

**Franklin Income Fund** (continued)

	Six Months Ended March 31, 2023 (unaudited)	Year Ended September 30,				
		2022	2021	2020	2019	2018
<b>Class R</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$2.10	\$2.43	\$2.04	\$2.26	\$2.28	\$2.35
Income from investment operations <sup>a</sup> :						
Net investment income <sup>b</sup> . . . . .	0.04	0.07	0.07	0.07	0.08	0.08
Net realized and unrealized gains (losses) . . . . .	0.17	(0.24)	0.43	(0.18)	0.01	(0.04)
Total from investment operations . . . . .	0.21	(0.17)	0.50	(0.11)	0.09	0.04
Less distributions from:						
Net investment income . . . . .	(0.06)	(0.11)	(0.11)	(0.11)	(0.11)	(0.11)
Net realized gains . . . . .	—	(0.05)	—	—	—	—
Total distributions . . . . .	(0.06)	(0.16)	(0.11)	(0.11)	(0.11)	(0.11)
Net asset value, end of period . . . . .	\$2.25	\$2.10	\$2.43	\$2.04	\$2.26	\$2.28
Total return <sup>c</sup> . . . . .	10.25%	(7.61)%	24.75%	(4.82)%	4.20%	1.86%
<b>Ratios to average net assets<sup>d</sup></b>						
Expenses before waiver and payments by affiliates . . . . .	0.97%	0.97%	0.97%	0.96%	0.97%	0.96%
Expenses net of waiver and payments by affiliates <sup>e</sup> . . . . .	0.96%	0.96%	0.97% <sup>f</sup>	0.95%	0.97% <sup>f</sup>	0.96% <sup>f</sup>
Net investment income . . . . .	3.60%	2.84%	2.97%	3.40%	3.67%	3.64%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$302,991	\$270,060	\$257,109	\$221,584	\$265,531	\$296,098
Portfolio turnover rate . . . . .	30.95%	77.65%	68.93%	69.13%	43.63%	49.95%

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Total return is not annualized for periods less than one year.

<sup>d</sup>Ratios are annualized for periods less than one year.

<sup>e</sup>Benefit of expense reduction rounds to less than 0.01%.

<sup>f</sup>Benefit of waiver and payments by affiliates rounds to less than 0.01%.

**Franklin Income Fund** (continued)

	Six Months Ended March 31, 2023 (unaudited)	Year Ended September 30,				
		2022	2021	2020	2019	2018
<b>Class R6</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$2.14	\$2.47	\$2.07	\$2.29	\$2.30	\$2.37
Income from investment operations <sup>a</sup> :						
Net investment income <sup>b</sup> . . . . .	0.05	0.08	0.08	0.09	0.10	0.10
Net realized and unrealized gains (losses) . . . . .	0.17	(0.24)	0.44	(0.19)	0.01	(0.05)
Total from investment operations . . . . .	0.22	(0.16)	0.52	(0.10)	0.11	0.05
Less distributions from:						
Net investment income . . . . .	(0.07)	(0.12)	(0.12)	(0.12)	(0.12)	(0.12)
Net realized gains . . . . .	—	(0.05)	—	—	—	—
Total distributions . . . . .	(0.07)	(0.17)	(0.12)	(0.12)	(0.12)	(0.12)
Net asset value, end of period . . . . .	\$2.29	\$2.14	\$2.47	\$2.07	\$2.29	\$2.30
Total return <sup>c</sup> . . . . .	10.89%	(7.38)%	25.53%	(4.23)%	5.17%	2.40%
<b>Ratios to average net assets<sup>d</sup></b>						
Expenses before waiver and payments by affiliates . . . . .	0.42%	0.42%	0.43%	0.40%	0.41%	0.39%
Expenses net of waiver and payments by affiliates <sup>e</sup> . . . . .	0.41%	0.40%	0.41%	0.39%	0.40%	0.39% <sup>f</sup>
Net investment income . . . . .	4.16%	3.43%	3.50%	3.96%	4.24%	4.21%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$1,686,761	\$1,158,685	\$748,355	\$1,626,735	\$1,902,027	\$2,062,334
Portfolio turnover rate . . . . .	30.95%	77.65%	68.93%	69.13%	43.63%	49.95%

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Total return is not annualized for periods less than one year.

<sup>d</sup>Ratios are annualized for periods less than one year.

<sup>e</sup>Benefit of expense reduction rounds to less than 0.01%.

<sup>f</sup>Benefit of waiver and payments by affiliates rounds to less than 0.01%.

**Franklin Income Fund** (continued)

	Six Months Ended March 31, 2023 (unaudited)	Year Ended September 30,				
		2022	2021	2020	2019	2018
<b>Advisor Class</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$2.13	\$2.46	\$2.07	\$2.28	\$2.30	\$2.37
Income from investment operations <sup>a</sup> :						
Net investment income <sup>b</sup> . . . . .	0.05	0.08	0.08	0.08	0.09	0.10
Net realized and unrealized gains (losses) . . . . .	0.17	(0.24)	0.43	(0.17)	0.01	(0.05)
Total from investment operations . . . . .	0.22	(0.16)	0.51	(0.09)	0.10	0.05
Less distributions from:						
Net investment income . . . . .	(0.07)	(0.12)	(0.12)	(0.12)	(0.12)	(0.12)
Net realized gains . . . . .	—	(0.05)	—	—	—	—
Total distributions . . . . .	(0.07)	(0.17)	(0.12)	(0.12)	(0.12)	(0.12)
Net asset value, end of period . . . . .	\$2.28	\$2.13	\$2.46	\$2.07	\$2.28	\$2.30
Total return <sup>c</sup> . . . . .	10.91%	(7.44)%	24.98%	(3.86)%	4.65%	2.34%
<b>Ratios to average net assets<sup>d</sup></b>						
Expenses before waiver and payments by affiliates . . . . .	0.47%	0.47%	0.47%	0.46%	0.47%	0.46%
Expenses net of waiver and payments by affiliates <sup>e</sup> . . . . .	0.46%	0.46%	0.47% <sup>f</sup>	0.45%	0.47% <sup>f</sup>	0.46% <sup>f</sup>
Net investment income . . . . .	4.10%	3.32%	3.46%	3.89%	4.17%	4.14%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$13,138,278	\$11,638,757	\$11,969,691	\$9,712,076	\$11,816,599	\$11,328,761
Portfolio turnover rate . . . . .	30.95%	77.65%	68.93%	69.13%	43.63%	49.95%

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Total return is not annualized for periods less than one year.

<sup>d</sup>Ratios are annualized for periods less than one year.

<sup>e</sup>Benefit of expense reduction rounds to less than 0.01%.

<sup>f</sup>Benefit of waiver and payments by affiliates rounds to less than 0.01%.

## Schedule of Investments (unaudited), March 31, 2023

## Franklin Income Fund

	Country	Shares	Value
<b>Common Stocks 21.0%</b>			
<b>Aerospace &amp; Defense 1.4%</b>			
Lockheed Martin Corp. . . . .	United States	1,100,000	\$520,003,000
Northrop Grumman Corp. . . . .	United States	400,000	184,688,000
Raytheon Technologies Corp. . . . .	United States	2,959,550	289,828,732
			994,519,732
<b>Air Freight &amp; Logistics 0.4%</b>			
United Parcel Service, Inc., B . . . . .	United States	1,500,000	290,985,000
<b>Automobiles 0.2%</b>			
General Motors Co. . . . .	United States	4,839,024	177,495,400
<b>Banks 3.0%</b>			
<sup>a</sup> Bank of America Corp. . . . .	United States	19,000,000	543,400,000
<sup>a</sup> Citigroup, Inc. . . . .	United States	10,086,303	472,946,748
Fifth Third Bancorp . . . . .	United States	8,000,000	213,120,000
<sup>a</sup> JPMorgan Chase & Co. . . . .	United States	2,000,000	260,620,000
PNC Financial Services Group, Inc. (The) . . . . .	United States	750,000	95,325,000
Truist Financial Corp. . . . .	United States	6,000,000	204,600,000
US Bancorp . . . . .	United States	6,500,000	234,325,000
<sup>a</sup> Wells Fargo & Co. . . . .	United States	4,000,000	149,520,000
			2,173,856,748
<b>Biotechnology 0.3%</b>			
<sup>a</sup> AbbVie, Inc. . . . .	United States	600,000	95,622,000
<sup>a</sup> Amgen, Inc. . . . .	United States	500,000	120,875,000
			216,497,000
<b>Broadline Retail 0.2%</b>			
<sup>a,b</sup> Amazon.com, Inc. . . . .	United States	1,500,000	154,935,000
<b>Capital Markets 1.3%</b>			
<sup>a</sup> Charles Schwab Corp. (The) . . . . .	United States	2,000,000	104,760,000
<sup>a</sup> Goldman Sachs Group, Inc. (The) . . . . .	United States	746,574	244,211,821
<sup>a</sup> Morgan Stanley. . . . .	United States	7,100,000	623,380,000
			972,351,821
<b>Communications Equipment 0.7%</b>			
<sup>a</sup> Cisco Systems, Inc. . . . .	United States	9,700,000	507,067,500
<b>Consumer Staples Distribution &amp; Retail 0.2%</b>			
Target Corp. . . . .	United States	1,000,000	165,630,000
<b>Diversified Telecommunication Services 0.3%</b>			
Verizon Communications, Inc. . . . .	United States	5,000,000	194,450,000
<b>Electric Utilities 2.2%</b>			
American Electric Power Co., Inc. . . . .	United States	1,500,000	136,485,000
Duke Energy Corp. . . . .	United States	3,000,000	289,410,000
Edison International . . . . .	United States	5,000,000	352,950,000
NextEra Energy, Inc. . . . .	United States	1,695,594	130,696,386
<sup>b</sup> PG&E Corp. . . . .	United States	5,000,000	80,850,000
Southern Co. (The) . . . . .	United States	9,000,000	626,220,000
			1,616,611,386
<b>Ground Transportation 0.2%</b>			
<sup>a</sup> Union Pacific Corp. . . . .	United States	750,000	150,945,000
<b>Household Products 0.6%</b>			
Procter & Gamble Co. (The) . . . . .	United States	2,750,000	408,897,500
<b>Industrial Conglomerates 0.7%</b>			
Siemens AG . . . . .	Germany	3,000,000	486,034,137

**Franklin Income Fund** (continued)

	Country	Shares	Value
<b>Common Stocks</b> (continued)			
<b>Insurance 0.8%</b>			
Allianz SE . . . . .	Germany	500,000	\$115,423,365
AXA SA . . . . .	France	2,000,000	61,037,980
Zurich Insurance Group AG . . . . .	Switzerland	800,000	383,379,923
			<hr/> 559,841,268
<b>Metals &amp; Mining 0.8%</b>			
<sup>a</sup> Freeport-McMoRan, Inc. . . . .	United States	5,000,000	204,550,000
<sup>a</sup> Rio Tinto plc, ADR . . . . .	Australia	5,000,000	343,000,000
			<hr/> 547,550,000
<b>Multi-Utilities 1.0%</b>			
<sup>a</sup> Dominion Energy, Inc. . . . .	United States	8,995,000	502,910,450
Sempra Energy . . . . .	United States	1,250,000	188,950,000
			<hr/> 691,860,450
<b>Oil, Gas &amp; Consumable Fuels 2.8%</b>			
<sup>a</sup> BP plc, ADR . . . . .	United Kingdom	3,500,000	132,790,000
<sup>a</sup> Chevron Corp. . . . .	United States	6,500,000	1,060,540,000
Exxon Mobil Corp. . . . .	United States	4,059,000	445,109,940
<sup>a</sup> Shell plc, ADR . . . . .	Netherlands	4,000,000	230,160,000
<sup>a</sup> TotalEnergies SE, ADR . . . . .	France	2,000,000	118,100,000
			<hr/> 1,986,699,940
<b>Pharmaceuticals 1.9%</b>			
<sup>b</sup> Bausch Health Cos., Inc. . . . .	United States	15,000,000	121,500,000
Johnson & Johnson . . . . .	United States	3,500,000	542,500,000
<sup>a</sup> Pfizer, Inc. . . . .	United States	10,698,956	436,517,405
Roche Holding AG . . . . .	United States	1,000,000	285,758,219
			<hr/> 1,386,275,624
<b>Semiconductors &amp; Semiconductor Equipment 1.4%</b>			
<sup>a</sup> Intel Corp. . . . .	United States	4,000,000	130,680,000
<sup>a</sup> QUALCOMM, Inc. . . . .	United States	1,000,000	127,580,000
<sup>a</sup> Texas Instruments, Inc. . . . .	United States	4,000,000	744,040,000
			<hr/> 1,002,300,000
<b>Specialty Retail 0.3%</b>			
Home Depot, Inc. (The) . . . . .	United States	762,000	224,881,440
<b>Tobacco 0.3%</b>			
Philip Morris International, Inc. . . . .	United States	2,000,000	194,500,000
<b>Total Common Stocks (Cost \$13,366,821,434) . . . . .</b>			<hr/> <b>15,104,184,946</b>
<b>Management Investment Companies 0.1%</b>			
<b>Capital Markets 0.1%</b>			
<sup>c</sup> Clarion Partners Real Estate Income Fund, Inc., Class I . . . . .	United States	7,867,833	96,774,343
<b>Total Management Investment Companies (Cost \$100,000,000) . . . . .</b>			<hr/> <b>96,774,343</b>
<b><sup>d</sup>Equity-Linked Securities 15.4%</b>			
<b>Aerospace &amp; Defense 0.3%</b>			
<sup>e</sup> Mizuho Markets Cayman LP into Lockheed Martin Corp., 144A, 9%, 11/07/23 . . . . .	United States	459,000	215,724,016
<b>Automobiles 0.1%</b>			
<sup>e</sup> Barclays Bank plc into Ford Motor Co., 144A, 12%, 2/09/24 . . . . .	United States	7,600,000	97,231,463

Franklin Income Fund (continued)

	Country	Shares	Value
<b>Equity-Linked Securities (continued)</b>			
<b>Banks 2.0%</b>			
<sup>e</sup> BNP Paribas Issuance BV into Bank of America Corp., 144A, 8.5%, 7/13/23	United States	8,500,000	\$252,292,504
<sup>e</sup> J.P. Morgan Structured Products BV into Bank of America Corp., 144A, 9.5%, 5/12/23	United States	7,100,000	208,881,235
<sup>e</sup> JPMorgan Chase Bank NA into Bank of America Corp., 144A, 9%, 2/02/24	United States	8,450,000	256,727,100
<sup>e</sup> National Bank of Canada into JPMorgan Chase & Co., 144A, 8%, 8/16/23	United States	2,643,000	330,613,273
<sup>e</sup> National Bank of Canada into Truist Financial Corp., 144A, 9%, 10/10/23	United States	5,000,000	179,726,506
<sup>e</sup> UBS AG into Citigroup, Inc., 144A, 8.5%, 7/19/23	United States	5,007,000	240,001,482
			1,468,242,100
<b>Biotechnology 0.2%</b>			
<sup>e</sup> Goldman Sachs International Bank into AbbVie, Inc., 144A, 8.5%, 2/06/24	United States	1,150,000	180,851,055
<b>Broadline Retail 0.4%</b>			
<sup>e</sup> Royal Bank of Canada into Amazon.com, Inc., 144A, 10%, 4/05/24	United States	2,800,000	280,422,814
<b>Capital Markets 0.6%</b>			
<sup>e</sup> BNP Paribas Issuance BV into Morgan Stanley, 144A, 8%, 5/22/23	United States	3,050,000	270,079,178
<sup>e</sup> UBS AG into Charles Schwab Corp. (The), 144A, 10%, 6/16/23	United States	3,567,000	190,836,117
			460,915,295
<b>Chemicals 0.4%</b>			
<sup>e</sup> JPMorgan Chase Bank NA into LyondellBasell Industries NV, 144A, 11%, 1/22/24	United States	2,700,000	256,512,092
<b>Communications Equipment 0.4%</b>			
<sup>e</sup> Royal Bank of Canada into Cisco Systems, Inc., 144A, 8%, 9/11/23	United States	5,850,000	298,266,211
<b>Containers &amp; Packaging 0.4%</b>			
<sup>e</sup> Mizuho Markets Cayman LP into International Paper Co., 144A, 10.5%, 12/15/23	United States	7,400,000	271,102,546
<b>Electric Utilities 0.9%</b>			
<sup>e</sup> Mizuho Markets Cayman LP into NextEra Energy, Inc., 144A, 8%, 3/19/24	United States	3,500,000	258,902,073
<sup>e</sup> Morgan Stanley Finance II Ltd. into PG&E Corp., 144A, 10%, 11/14/23	United States	10,800,000	154,034,756
<sup>e</sup> National Bank of Canada into NextEra Energy, Inc., 144A, 8.5%, 12/05/23	United States	3,300,000	253,858,400
			666,795,229
<b>Financial Services 0.3%</b>			
<sup>e</sup> UBS AG into Fidelity National Information Services, Inc., 144A, 10%, 10/19/23	United States	3,200,000	187,850,814
<b>Ground Transportation 0.7%</b>			
<sup>e</sup> Merrill Lynch International & Co. CV into Union Pacific Corp., 144A, Reg S, 9%, 11/01/23	United States	1,240,000	254,355,910
<sup>e</sup> UBS AG into Union Pacific Corp., 144A, 8%, 3/13/24	United States	1,190,000	236,790,823
			491,146,733
<b>Hotels, Restaurants &amp; Leisure 0.2%</b>			
<sup>e</sup> Societe Generale SA into Las Vegas Sands Corp., 144A, 10.137%, 9/12/23	United States	2,843,000	131,234,740
<b>Industrial Conglomerates 0.4%</b>			
<sup>e</sup> Goldman Sachs International Bank into Honeywell International, Inc., 144A, 8.5%, 4/04/23	United States	1,335,000	257,049,459

**Franklin Income Fund** (continued)

	Country	Shares	Value
<b>Equity-Linked Securities</b> (continued)			
<b>Insurance 0.6%</b>			
<sup>e</sup> Royal Bank of Canada into MetLife, Inc., 144A, 9%, 9/22/23 . . . . .	United States	3,200,000	\$189,726,367
<sup>e</sup> Royal Bank of Canada into MetLife, Inc., 144A, 10%, 5/19/23 . . . . .	United States	3,581,000	211,281,029
			401,007,396
<b>Interactive Media &amp; Services 0.3%</b>			
<sup>e</sup> Citigroup Global Markets Holdings, Inc. into Alphabet, Inc., 144A, 9%, 6/22/23 . . . . .	United States	115,000	240,377,683
<b>Machinery 0.3%</b>			
<sup>e</sup> National Bank of Canada into Cummins, Inc., 144A, 8.5%, 2/13/24	United States	1,000,000	245,405,684
<b>Media 0.8%</b>			
<sup>e</sup> Citigroup Global Markets Holdings, Inc. into Comcast Corp., 144A, 8.5%, 6/23/23 . . . . .	United States	5,667,000	217,748,101
<sup>e</sup> Societe Generale SA into Comcast Corp., 144A, 8%, 4/17/23 . . . . .	United States	5,300,000	204,183,369
<sup>e</sup> UBS AG into Comcast Corp., 144A, 8.5%, 7/20/23. . . . .	United States	3,765,000	145,651,415
			567,582,885
<b>Metals &amp; Mining 0.4%</b>			
<sup>e</sup> Goldman Sachs International Bank into Newmont Corp., 144A, 10%, 7/05/23 . . . . .	United States	3,850,000	197,517,341
<sup>e</sup> Royal Bank of Canada into Barrick Gold Corp., 144A, 11%, 3/07/24	Canada	5,600,000	106,349,689
			303,867,030
<b>Oil, Gas &amp; Consumable Fuels 1.5%</b>			
<sup>e</sup> Citigroup Global Markets Holdings, Inc. into Exxon Mobil Corp., 144A, 9.5%, 2/22/24 . . . . .	United States	2,000,000	225,051,848
<sup>e</sup> J.P. Morgan Structured Products BV into Exxon Mobil Corp., 144A, 9%, 9/24/24 . . . . .	United States	2,435,000	263,144,623
<sup>e</sup> Merrill Lynch International & Co. CV into Chevron Corp., 144A, 10%, 12/04/23 . . . . .	United States	1,650,000	270,481,222
<sup>e</sup> UBS AG into BP plc, 144A, 10%, 6/14/23. . . . .	United Kingdom	8,460,000	301,778,471
			1,060,456,164
<b>Passenger Airlines 0.3%</b>			
<sup>e</sup> BNP Paribas Issuance BV into Delta Air Lines, Inc., 144A, 10%, 7/12/23 . . . . .	United States	5,500,000	201,817,176
<b>Pharmaceuticals 0.8%</b>			
<sup>e</sup> BNP Paribas Issuance BV into Bristol-Myers Squibb Co., 144A, 7.5%, 4/18/23 . . . . .	United States	3,300,000	231,296,512
<sup>e</sup> Mizuho Markets Cayman LP into Bristol-Myers Squibb Co., 144A, 8.5%, 12/04/23 . . . . .	United States	2,600,000	187,542,742
<sup>e</sup> Societe Generale SA into Pfizer, Inc., 144A, 8.5%, 6/09/23 . . . . .	United States	4,200,000	174,080,410
			592,919,664
<b>Semiconductors &amp; Semiconductor Equipment 2.8%</b>			
<sup>e</sup> Barclays Bank plc into Texas Instruments, Inc., 144A, 9%, 10/10/23	United States	1,600,000	287,725,260
<sup>e</sup> BNP Paribas Issuance BV into Broadcom, Inc., 144A, 9%, 8/14/23	United States	530,000	313,789,689
<sup>e</sup> Citigroup Global Markets Holdings, Inc. into Intel Corp., 144A, 10%, 9/14/23 . . . . .	United States	8,050,000	265,176,859
<sup>e</sup> Goldman Sachs International Bank into Intel Corp., 144A, 10%, 4/04/23 . . . . .	United States	3,315,000	106,322,679
<sup>e</sup> Merrill Lynch International & Co. CV into Analog Devices, Inc., 144A, 9%, 4/04/23 . . . . .	United States	1,551,000	281,973,436
<sup>e</sup> Merrill Lynch International & Co. CV into Broadcom, Inc., 144A, 10%, 12/05/23 . . . . .	United States	500,000	275,069,132
<sup>e</sup> Mizuho Markets Cayman LP into Microchip Technology, Inc., 144A, 10%, 11/03/23 . . . . .	United States	4,200,000	310,975,841

Franklin Income Fund (continued)

	Country	Shares	Value
<b>Equity-Linked Securities (continued)</b>			
<b>Semiconductors &amp; Semiconductor Equipment (continued)</b>			
<sup>d</sup> Morgan Stanley Finance II Ltd. into Microchip Technology, Inc., 144A, 10%, 9/12/23 .....	United States	2,045,000	\$158,674,137
			1,999,707,033
<b>Specialty Retail 0.3%</b>			
<sup>e</sup> Citigroup Global Markets Holdings, Inc. into Home Depot, Inc. (The), 144A, 8.5%, 6/12/24 .....	United States	811,000	248,370,086
<b>Total Equity-Linked Securities (Cost \$11,362,682,226) .....</b>			<b>11,124,855,368</b>
<b>Convertible Preferred Stocks 0.8%</b>			
<b>Electric Utilities 0.7%</b>			
American Electric Power Co., Inc., 6.125% .....	United States	1,500,000	75,525,000
NextEra Energy, Inc., 6.219% .....	United States	7,500,000	366,300,000
PG&E Corp., 5.5% .....	United States	500,000	71,165,000
			512,990,000
<b>Financial Services 0.1%</b>			
<sup>b</sup> FNMA, 5.375% .....	United States	4,240	27,027,880
<b>Total Convertible Preferred Stocks (Cost \$819,342,988) .....</b>			<b>540,017,880</b>
<b>Preferred Stocks 0.0%<sup>†</sup></b>			
<b>Financial Services 0.0%<sup>†</sup></b>			
<sup>b</sup> FNMA, 8.25%, S .....	United States	4,000,000	6,880,000
<b>Total Preferred Stocks (Cost \$93,801,501) .....</b>			<b>6,880,000</b>
		<b>Principal Amount<sup>†</sup></b>	
<b>Convertible Bonds 0.1%</b>			
<b>Media 0.1%</b>			
DISH Network Corp., Senior Note, 2.375%, 3/15/24 .....	United States	50,000,000	44,437,500
<b>Total Convertible Bonds (Cost \$48,768,196) .....</b>			<b>44,437,500</b>
<b>Corporate Bonds 46.3%</b>			
<b>Aerospace &amp; Defense 2.0%</b>			
Boeing Co. (The), Senior Bond, 3.2%, 3/01/29 .....	United States	74,000,000	67,665,343
Senior Bond, 3.625%, 2/01/31 .....	United States	79,000,000	72,439,688
Senior Note, 2.196%, 2/04/26 .....	United States	45,000,000	41,771,545
Senior Note, 5.04%, 5/01/27 .....	United States	180,000,000	181,425,228
Senior Note, 3.25%, 2/01/28 .....	United States	60,000,000	55,937,293
Senior Note, 5.15%, 5/01/30 .....	United States	370,000,000	372,505,381
<sup>e</sup> Bombardier, Inc., Senior Bond, 144A, 7.5%, 3/15/25 .....	Canada	28,076,000	28,102,089
Raytheon Technologies Corp., Senior Note, 3.125%, 5/04/27 .....	United States	40,000,000	37,972,255
Textron, Inc., Senior Bond, 3%, 6/01/30 .....	United States	59,049,000	52,789,618
Senior Bond, 2.45%, 3/15/31 .....	United States	40,000,000	33,754,499
TransDigm, Inc., Senior Note, 6.375%, 6/15/26 .....	United States	102,500,000	100,301,887
<sup>e</sup> Senior Secured Note, 144A, 8%, 12/15/25 .....	United States	65,176,000	66,438,785
<sup>e</sup> Senior Secured Note, 144A, 6.25%, 3/15/26 .....	United States	208,000,000	208,400,400
<sup>e</sup> Senior Secured Note, 144A, 6.75%, 8/15/28 .....	United States	85,000,000	85,956,250
			1,405,460,261

**Franklin Income Fund** (continued)

	Country	Principal Amount <sup>†</sup>	Value
<b>Corporate Bonds</b> (continued)			
<b>Air Freight &amp; Logistics 0.0%<sup>†</sup></b>			
FedEx Corp., Senior Bond, 2.4%, 5/15/31 .....	United States	29,000,000	\$24,690,531
<b>Automobile Components 0.6%</b>			
American Axle & Manufacturing, Inc., Senior Note, 5%, 10/01/29 ..	United States	45,000,000	38,056,973
<sup>e</sup> Dornoch Debt Merger Sub, Inc., Senior Note, 144A, 6.625%, 10/15/29 .....	United States	95,000,000	64,208,724
Goodyear Tire & Rubber Co. (The),			
<sup>g</sup> Senior Bond, 5%, 5/31/26 .....	United States	77,000,000	74,536,770
<sup>g</sup> Senior Bond, 5.25%, 4/30/31 .....	United States	52,500,000	46,215,750
<sup>g</sup> Senior Note, 4.875%, 3/15/27 .....	United States	34,757,000	32,855,792
Senior Note, 5%, 7/15/29 .....	United States	130,000,000	116,308,400
Senior Note, 5.25%, 7/15/31 .....	United States	40,500,000	35,026,830
			407,209,239
<b>Automobiles 0.8%</b>			
Ford Motor Co.,			
Senior Bond, 3.25%, 2/12/32 .....	United States	107,500,000	84,641,910
Senior Bond, 6.1%, 8/19/32 .....	United States	139,000,000	134,894,087
<sup>g</sup> Senior Note, 4.346%, 12/08/26 .....	United States	145,000,000	141,041,848
General Motors Co.,			
Senior Bond, 5%, 10/01/28 .....	United States	25,000,000	24,653,523
Senior Bond, 5.6%, 10/15/32 .....	United States	35,000,000	34,303,838
Senior Bond, 5.15%, 4/01/38 .....	United States	105,000,000	94,808,410
<sup>e</sup> Volkswagen Group of America Finance LLC, Senior Note, 144A, 1.25%, 11/24/25 .....	Germany	97,000,000	88,295,991
			602,639,607
<b>Banks 3.0%</b>			
Bank of America Corp.,			
<sup>h</sup> AA, Junior Sub. Bond, 6.1% to 3/16/25, FRN thereafter, Perpetual	United States	70,000,000	68,798,100
<sup>h</sup> X, Junior Sub. Bond, 6.25% to 9/04/24, FRN thereafter, Perpetual	United States	55,000,000	53,831,250
Senior Bond, 3.419% to 12/19/27, FRN thereafter, 12/20/28 ..	United States	135,000,000	125,537,376
Senior Bond, 4.571% to 4/26/32, FRN thereafter, 4/27/33 .....	United States	65,000,000	61,921,977
Barclays plc,			
Senior Bond, 4.337%, 1/10/28 .....	United Kingdom	31,000,000	29,547,743
Senior Bond, 2.645% to 6/23/30, FRN thereafter, 6/24/31 .....	United Kingdom	31,000,000	24,939,051
Senior Bond, 5.746% to 8/08/32, FRN thereafter, 8/09/33 .....	United Kingdom	100,000,000	98,068,679
Senior Bond, 7.437% to 11/01/32, FRN thereafter, 11/02/33 .....	United Kingdom	75,000,000	82,971,619
Senior Note, 3.932% to 5/06/24, FRN thereafter, 5/07/25 .....	United Kingdom	30,000,000	29,199,709
Senior Note, 4.375%, 1/12/26 .....	United Kingdom	95,000,000	91,785,402
Senior Note, 7.325% to 11/01/25, FRN thereafter, 11/02/26 .....	United Kingdom	30,000,000	30,751,106
Senior Note, 5.501% to 8/08/27, FRN thereafter, 8/09/28 .....	United Kingdom	80,000,000	78,954,034
Citigroup, Inc.,			
<sup>h,i</sup> Junior Sub. Bond, FRN, 8.87%, (3-month USD LIBOR + 4.068%), Perpetual .....	United States	118,000,000	117,410,000
<sup>g,h</sup> D, Junior Sub. Bond, 5.35% to 5/14/23, FRN thereafter, Perpetual	United States	75,000,000	72,510,000
<sup>h</sup> M, Junior Sub. Bond, 6.3% to 5/14/24, FRN thereafter, Perpetual	United States	105,000,000	100,143,750
Senior Bond, 3.52% to 10/26/27, FRN thereafter, 10/27/28 .....	United States	35,000,000	32,743,417
Senior Bond, 6.27% to 11/16/32, FRN thereafter, 11/17/33 .....	United States	60,000,000	64,941,552
Senior Note, 1.462% to 6/08/26, FRN thereafter, 6/09/27 .....	United States	20,000,000	17,773,437
Sub. Bond, 4.125%, 7/25/28 .....	United States	95,000,000	89,781,431
Fifth Third Bancorp, Senior Note, 3.65%, 1/25/24 .....	United States	62,689,000	61,187,296
Fifth Third Bank NA, Senior Note, 5.852% to 10/26/24, FRN thereafter, 10/27/25 .....	United States	28,185,000	27,800,975
<sup>h</sup> JPMorgan Chase & Co.,			
<sup>g</sup> Q, Junior Sub. Bond, 5.15% to 4/30/23, FRN thereafter, Perpetual	United States	60,700,000	59,562,447
<sup>g</sup> R, Junior Sub. Bond, 6% to 7/31/23, FRN thereafter, Perpetual ..	United States	55,000,000	53,968,750

**Franklin Income Fund** (continued)

	Country	Principal Amount <sup>1</sup>	Value
<b>Corporate Bonds</b> (continued)			
<b>Banks</b> (continued)			
<sup>h</sup> JPMorgan Chase & Co., (continued)			
S, Junior Sub. Bond, 6.75% to 1/31/24, FRN thereafter, Perpetual	United States	65,000,000	\$65,266,825
KeyBank NA,			
Senior Note, 5.85%, 11/15/27	United States	50,000,000	49,208,291
Sub. Bond, 4.9%, 8/08/32	United States	35,000,000	30,759,820
PNC Financial Services Group, Inc. (The),			
Senior Bond, 6.037% to 10/27/32, FRN thereafter, 10/28/33	United States	70,000,000	73,717,851
Senior Bond, 5.068% to 1/23/33, FRN thereafter, 1/24/34	United States	40,000,000	39,492,269
Royal Bank of Canada, Senior Bond, 5%, 2/01/33	Canada	50,000,000	50,640,174
Truist Bank, Sub. Bond, 2.25%, 3/11/30	United States	22,645,000	18,625,796
Truist Financial Corp.,			
Senior Bond, 5.122% to 1/25/33, FRN thereafter, 1/26/34	United States	55,000,000	53,683,599
Sub. Bond, 4.916% to 7/27/32, FRN thereafter, 7/28/33	United States	95,000,000	88,619,751
US Bancorp, Senior Bond, 5.85% to 10/20/32, FRN thereafter, 10/21/33	United States	45,000,000	47,041,016
Wells Fargo & Co.,			
<sup>h</sup> S, Junior Sub. Bond, 5.9% to 6/14/24, FRN thereafter, Perpetual	United States	70,000,000	66,538,500
Senior Bond, 4.478% to 4/03/30, FRN thereafter, 4/04/31	United States	20,000,000	19,159,547
Senior Bond, 4.897% to 7/24/32, FRN thereafter, 7/25/33	United States	50,000,000	48,835,397
			2,125,717,937
<b>Beverages 0.1%</b>			
Anheuser-Busch InBev Worldwide, Inc., Senior Bond, 4%, 4/13/28	Belgium	25,000,000	24,732,473
Constellation Brands, Inc., Senior Bond, 3.15%, 8/01/29	United States	35,000,000	32,017,764
			56,750,237
<b>Biotechnology 0.3%</b>			
AbbVie, Inc.,			
Senior Note, 3.2%, 5/14/26	United States	25,000,000	24,152,661
Senior Note, 3.2%, 11/21/29	United States	115,000,000	106,766,729
Amgen, Inc.,			
Senior Bond, 2.45%, 2/21/30	United States	25,000,000	21,805,932
Senior Bond, 5.25%, 3/02/33	United States	30,000,000	30,838,375
Senior Note, 5.25%, 3/02/30	United States	20,000,000	20,462,624
			204,026,321
<b>Broadline Retail 0.1%</b>			
Amazon.com, Inc., Senior Bond, 3.6%, 4/13/32	United States	67,500,000	64,161,632
<b>Building Products 0.3%</b>			
<sup>e</sup> Camelot Return Merger Sub, Inc., Senior Secured Note, 144A, 8.75%, 8/01/28	United States	50,000,000	46,350,000
Carrier Global Corp.,			
Senior Bond, 2.7%, 2/15/31	United States	22,500,000	19,367,080
Senior Note, 2.722%, 2/15/30	United States	98,200,000	85,978,236
Johnson Controls International plc / Tyco Fire & Security Finance SCA,			
Senior Bond, 2%, 9/16/31	United States	10,000,000	8,156,570
Senior Bond, 4.9%, 12/01/32	United States	39,500,000	40,107,373
			199,959,259
<b>Capital Markets 0.8%</b>			
Brookfield Finance, Inc., Senior Bond, 4.85%, 3/29/29	Canada	34,444,000	33,200,172
<sup>e,g</sup> Coinbase Global, Inc., Senior Note, 144A, 3.375%, 10/01/28	United States	57,500,000	35,565,762
Goldman Sachs Group, Inc. (The),			
Senior Bond, 3.814% to 4/22/28, FRN thereafter, 4/23/29	United States	21,000,000	19,744,219
Senior Bond, 4.223% to 4/30/28, FRN thereafter, 5/01/29	United States	20,000,000	19,179,245

**Franklin Income Fund** (continued)

	Country	Principal Amount <sup>a</sup>	Value
<b>Corporate Bonds</b> (continued)			
<b>Capital Markets</b> (continued)			
Goldman Sachs Group, Inc. (The), (continued)			
Senior Bond, 2.6%, 2/07/30	United States	36,250,000	\$31,136,696
Senior Bond, 2.65% to 10/20/31, FRN thereafter, 10/21/32	United States	58,600,000	48,458,897
Senior Note, 3.5%, 4/01/25	United States	73,000,000	70,923,754
Senior Note, 3.8%, 3/15/30	United States	25,000,000	23,307,856
Morgan Stanley,			
Senior Bond, 2.699% to 1/21/30, FRN thereafter, 1/22/31	United States	50,000,000	43,097,124
Senior Bond, 3.622% to 3/31/30, FRN thereafter, 4/01/31	United States	23,600,000	21,597,559
Senior Bond, 2.239% to 7/20/31, FRN thereafter, 7/21/32	United States	30,482,000	24,479,669
Senior Bond, 2.511% to 10/19/31, FRN thereafter, 10/20/32	United States	81,000,000	66,412,964
Senior Bond, 6.342% to 10/17/32, FRN thereafter, 10/18/33	United States	35,000,000	38,257,341
Senior Note, 1.512% to 7/19/26, FRN thereafter, 7/20/27	United States	25,000,000	22,237,885
Senior Note, 5.123% to 1/31/28, FRN thereafter, 2/01/29	United States	30,000,000	30,261,712
Sub. Bond, 5.948% to 1/18/33, FRN thereafter, 1/19/38	United States	37,095,000	36,923,758
			<u>564,784,613</u>
<b>Chemicals 1.0%</b>			
Celanese US Holdings LLC,			
<sup>9</sup> Senior Bond, 6.379%, 7/15/32	United States	50,000,000	50,742,632
Senior Note, 6.165%, 7/15/27	United States	20,000,000	20,142,486
<sup>e</sup> Consolidated Energy Finance SA, Senior Note, 144A, 6.5%, 5/15/26	Switzerland	125,000,000	117,801,658
<sup>e</sup> CVR Partners LP / CVR Nitrogen Finance Corp., Senior Secured Note, 144A, 6.125%, 6/15/28	United States	31,500,000	27,959,558
Dow Chemical Co. (The), Senior Bond, 6.3%, 3/15/33	United States	35,000,000	38,111,433
Huntsman International LLC, Senior Bond, 4.5%, 5/01/29	United States	25,000,000	23,499,860
<sup>e</sup> International Flavors & Fragrances, Inc.,			
Senior Bond, 144A, 2.3%, 11/01/30	United States	130,000,000	104,420,138
Senior Note, 144A, 1.832%, 10/15/27	United States	20,000,000	16,991,268
<sup>e</sup> Olin Corp., Senior Note, 144A, 9.5%, 6/01/25	United States	40,000,000	42,220,440
<sup>e</sup> Rain CII Carbon LLC / CII Carbon Corp., Secured Note, 144A, 7.25%, 4/01/25	United States	33,249,000	32,237,565
<sup>e</sup> SCIH Salt Holdings, Inc.,			
Senior Note, 144A, 6.625%, 5/01/29	United States	119,500,000	99,038,015
Senior Secured Note, 144A, 4.875%, 5/01/28	United States	155,000,000	138,371,600
			<u>711,536,653</u>
<b>Commercial Services &amp; Supplies 0.4%</b>			
<sup>e</sup> ADT Security Corp. (The), Senior Secured Note, 144A, 4.125%, 8/01/29			
	United States	30,000,000	26,790,750
<sup>e</sup> APX Group, Inc.,			
Senior Note, 144A, 5.75%, 7/15/29	United States	113,000,000	101,277,380
Senior Secured Note, 144A, 6.75%, 2/15/27	United States	111,000,000	110,567,655
<sup>e</sup> Madison IAQ LLC, Senior Secured Note, 144A, 4.125%, 6/30/28	United States	41,000,000	35,510,715
			<u>274,146,500</u>
<b>Communications Equipment 1.2%</b>			
<sup>e</sup> CommScope Technologies LLC,			
Senior Note, 144A, 6%, 6/15/25	United States	463,500,000	436,958,085
Senior Note, 144A, 5%, 3/15/27	United States	50,000,000	36,620,000
<sup>e</sup> CommScope, Inc.,			
Senior Note, 144A, 8.25%, 3/01/27	United States	120,000,000	98,400,000
Senior Note, 144A, 7.125%, 7/01/28	United States	125,000,000	92,346,250
Senior Secured Note, 144A, 6%, 3/01/26	United States	230,085,000	222,309,277
			<u>886,633,612</u>
<b>Construction &amp; Engineering 0.1%</b>			
Quanta Services, Inc., Senior Bond, 2.9%, 10/01/30	United States	110,000,000	94,952,339

**Franklin Income Fund** (continued)

	Country	Principal Amount <sup>f</sup>	Value
<b>Corporate Bonds</b> (continued)			
<b>Consumer Finance 2.5%</b>			
Capital One Financial Corp.,			
Senior Bond, 3.8%, 1/31/28 .....	United States	47,300,000	\$43,428,733
Senior Bond, 5.268% to 5/09/32, FRN thereafter, 5/10/33 .....	United States	50,000,000	47,116,116
Senior Bond, 5.817% to 1/31/33, FRN thereafter, 2/01/34 .....	United States	40,000,000	38,689,489
Senior Note, 4.985% to 7/23/25, FRN thereafter, 7/24/26 .....	United States	40,000,000	38,590,812
Senior Note, 4.927% to 5/09/27, FRN thereafter, 5/10/28 .....	United States	144,532,733	138,990,456
Senior Note, 5.247% to 7/25/29, FRN thereafter, 7/26/30 .....	United States	50,000,000	47,248,700
Sub. Note, 4.2%, 10/29/25 .....	United States	123,500,000	115,246,441
Sub. Note, 3.75%, 7/28/26 .....	United States	117,800,000	107,231,823
Ford Motor Credit Co. LLC,			
Senior Bond, 4.389%, 1/08/26 .....	United States	25,000,000	23,755,500
Senior Note, 2.3%, 2/10/25 .....	United States	35,000,000	32,487,700
Senior Note, 5.125%, 6/16/25 .....	United States	146,375,000	143,483,391
Senior Note, 4.134%, 8/04/25 .....	United States	154,650,000	147,336,057
Senior Note, 3.375%, 11/13/25 .....	United States	32,000,000	30,035,680
Senior Note, 2.7%, 8/10/26 .....	United States	60,000,000	53,475,000
Senior Note, 4.95%, 5/28/27 .....	United States	115,000,000	109,859,500
Senior Note, 7.35%, 11/04/27 .....	United States	30,000,000	30,975,300
Senior Note, 5.113%, 5/03/29 .....	United States	75,000,000	70,515,375
Senior Note, 7.35%, 3/06/30 .....	United States	45,000,000	46,282,500
General Motors Financial Co., Inc.,			
Senior Bond, 4.35%, 1/17/27 .....	United States	40,000,000	38,792,981
Senior Bond, 3.6%, 6/21/30 .....	United States	37,720,000	33,078,345
Senior Bond, 3.1%, 1/12/32 .....	United States	80,000,000	65,251,847
<sup>g</sup> Senior Bond, 6.4%, 1/09/33 .....	United States	50,000,000	51,605,385
Senior Note, 4.15%, 6/19/23 .....	United States	75,000,000	74,770,419
Senior Note, 5%, 4/09/27 .....	United States	50,000,000	49,443,453
Senior Note, 2.4%, 4/10/28 .....	United States	35,000,000	30,583,997
Senior Note, 4.3%, 4/06/29 .....	United States	69,000,000	64,197,493
John Deere Capital Corp., Senior Bond, 4.35%, 9/15/32 .....	United States	40,000,000	39,955,302
OneMain Finance Corp.,			
Senior Bond, 5.375%, 11/15/29 .....	United States	42,100,000	35,460,830
Senior Note, 6.875%, 3/15/25 .....	United States	25,000,000	24,250,000
Senior Note, 6.625%, 1/15/28 .....	United States	26,000,000	23,862,800
Senior Note, 4%, 9/15/30 .....	United States	42,375,000	31,819,387
			1,827,820,812
<b>Consumer Staples Distribution &amp; Retail 0.2%</b>			
<sup>e</sup> 7-Eleven, Inc., Senior Bond, 144A, 1.8%, 2/10/31 .....	United States	75,000,000	59,474,567
Target Corp., Senior Bond, 4.5%, 9/15/32 .....	United States	90,000,000	90,241,352
			149,715,919
<b>Containers &amp; Packaging 1.4%</b>			
<sup>e,j</sup> ARD Finance SA, Senior Secured Note, 144A, PIK, 6.5%, 6/30/27 .....	Luxembourg	25,144,215	19,265,497
<sup>e,g</sup> Ardagh Metal Packaging Finance USA LLC / Ardagh Metal Packaging Finance plc, Senior Note, 144A, 4%, 9/01/29 .....	United States	37,000,000	28,987,835
<sup>e</sup> Ardagh Packaging Finance plc / Ardagh Holdings USA, Inc.,			
Senior Note, 144A, 5.25%, 8/15/27 .....	United States	200,440,000	158,229,341
Senior Secured Note, 144A, 5.25%, 4/30/25 .....	United States	25,669,000	25,308,222
Senior Secured Note, 144A, 4.125%, 8/15/26 .....	United States	50,000,000	46,692,750
<sup>e</sup> Mauser Packaging Solutions Holding Co.,			
Secured Note, 144A, 9.25%, 4/15/27 .....	United States	400,000,000	370,000,000
Senior Secured Note, 144A, 7.875%, 8/15/26 .....	United States	295,000,000	295,266,975
<sup>e</sup> Pactiv Evergreen Group Issuer, Inc./Pactiv Evergreen Group Issuer LLC, Senior Secured Note, 144A, 4%, 10/15/27 .....	United States	70,000,000	62,945,050

**Franklin Income Fund** (continued)

	Country	Principal Amount <sup>a</sup>	Value
<b>Corporate Bonds</b> (continued)			
<b>Containers &amp; Packaging</b> (continued)			
<sup>e,g</sup> Sealed Air Corp., Senior Note, 144A, 6.125%, 2/01/28 . . . . .	United States	25,000,000	\$25,305,000
			1,032,000,670
<b>Diversified REITs 0.2%</b>			
VICI Properties LP,			
Senior Bond, 5.125%, 5/15/32 . . . . .	United States	60,000,000	56,582,400
Senior Note, 4.95%, 2/15/30 . . . . .	United States	43,357,000	40,728,564
<sup>e</sup> VICI Properties LP / VICI Note Co., Inc., Senior Note, 144A, 4.25%, 12/01/26 . . . . .	United States	82,000,000	76,584,409
			173,895,373
<b>Diversified Telecommunication Services 0.2%</b>			
<sup>e</sup> CCO Holdings LLC / CCO Holdings Capital Corp.,			
Senior Bond, 144A, 5.125%, 5/01/27 . . . . .	United States	95,000,000	89,892,800
Senior Bond, 144A, 5%, 2/01/28 . . . . .	United States	25,000,000	23,092,875
Verizon Communications, Inc., Senior Bond, 4.016%, 12/03/29 . . .	United States	50,000,000	47,900,895
			160,886,570
<b>Electric Utilities 1.2%</b>			
American Electric Power Co., Inc.,			
Senior Bond, 5.95%, 11/01/32 . . . . .	United States	30,000,000	31,948,021
Senior Bond, 5.625%, 3/01/33 . . . . .	United States	30,000,000	31,057,494
NextEra Energy Capital Holdings, Inc., Senior Note, 1.875%, 1/15/27	United States	65,000,000	58,818,192
NRG Energy, Inc.,			
<sup>e</sup> Senior Bond, 144A, 3.625%, 2/15/31 . . . . .	United States	72,000,000	57,813,060
Senior Note, 5.75%, 1/15/28 . . . . .	United States	18,075,000	17,753,265
<sup>e</sup> Senior Note, 144A, 3.375%, 2/15/29 . . . . .	United States	38,300,000	31,755,578
<sup>e</sup> Senior Secured Bond, 144A, 7%, 3/15/33 . . . . .	United States	30,000,000	31,107,450
<sup>e</sup> Senior Secured Note, 144A, 2.45%, 12/02/27 . . . . .	United States	30,000,000	25,690,001
Pacific Gas and Electric Co.,			
Senior Bond, 4.55%, 7/01/30 . . . . .	United States	122,500,000	114,858,348
Senior Bond, 6.15%, 1/15/33 . . . . .	United States	30,000,000	30,826,574
Senior Note, 3.15%, 1/01/26 . . . . .	United States	78,000,000	72,848,716
PG&E Corp., Senior Secured Note, 5%, 7/01/28 . . . . .	United States	50,264,000	47,514,559
<sup>g</sup> Southern Co. (The), Senior Bond, 5.7%, 10/15/32 . . . . .	United States	45,000,000	47,368,627
<sup>e</sup> Vistra Operations Co. LLC,			
Senior Note, 144A, 5.5%, 9/01/26 . . . . .	United States	45,000,000	43,753,680
Senior Note, 144A, 5%, 7/31/27 . . . . .	United States	56,000,000	53,026,680
Senior Note, 144A, 4.375%, 5/01/29 . . . . .	United States	130,000,000	115,282,089
Senior Secured Bond, 144A, 4.3%, 7/15/29 . . . . .	United States	35,000,000	31,369,012
Senior Secured Note, 144A, 3.55%, 7/15/24 . . . . .	United States	25,000,000	24,150,137
Senior Secured Note, 144A, 3.7%, 1/30/27 . . . . .	United States	18,000,000	16,634,205
			883,575,688
<b>Electrical Equipment 0.1%</b>			
<sup>e</sup> Regal Rexnord Corp.,			
Senior Bond, 144A, 6.4%, 4/15/33 . . . . .	United States	25,000,000	25,045,224
Senior Note, 144A, 6.05%, 4/15/28 . . . . .	United States	35,000,000	35,041,159
Senior Note, 144A, 6.3%, 2/15/30 . . . . .	United States	25,000,000	25,198,153
<sup>e</sup> Vertiv Group Corp., Senior Secured Note, 144A, 4.125%, 11/15/28	United States	20,668,000	18,259,867
			103,544,403
<b>Electronic Equipment, Instruments &amp; Components 0.1%</b>			
Flex Ltd., Senior Note, 4.75%, 6/15/25 . . . . .	United States	50,000,000	49,114,921
<b>Energy Equipment &amp; Services 0.6%</b>			
<sup>e</sup> Schlumberger Holdings Corp., Senior Note, 144A, 3.9%, 5/17/28. . .	United States	42,500,000	40,896,169

Franklin Income Fund (continued)

	Country	Principal Amount <sup>1</sup>	Value
<b>Corporate Bonds (continued)</b>			
<b>Energy Equipment &amp; Services (continued)</b>			
Weatherford International Ltd.,			
Senior Note, 144A, 11%, 12/01/24	United States	24,651,000	\$25,318,122
Senior Note, 144A, 8.625%, 4/30/30	United States	250,000,000	255,990,000
Senior Secured Note, 144A, 6.5%, 9/15/28	United States	80,000,000	80,212,400
			402,416,691
<b>Entertainment 0.5%</b>			
Netflix, Inc.,			
Senior Bond, 4.375%, 11/15/26	United States	100,000,000	98,965,000
Senior Bond, 4.875%, 4/15/28	United States	89,300,000	88,933,870
Senior Bond, 5.875%, 11/15/28	United States	50,000,000	52,667,500
Warnermedia Holdings, Inc., Senior Bond, 144A, 4.279%, 3/15/32	United States	100,000,000	89,351,888
			329,918,258
<b>Financial Services 0.4%</b>			
Fidelity National Information Services, Inc.,			
Senior Bond, 2.25%, 3/01/31	United States	53,000,000	42,433,470
Senior Bond, 5.1%, 7/15/32	United States	20,000,000	19,492,279
Fiserv, Inc.,			
Senior Bond, 4.2%, 10/01/28	United States	52,000,000	50,484,968
Senior Bond, 3.5%, 7/01/29	United States	40,000,000	37,143,066
Senior Bond, 2.65%, 6/01/30	United States	38,000,000	32,825,512
Senior Bond, 5.6%, 3/02/33	United States	30,000,000	31,130,345
Woodside Finance Ltd., Senior Bond, 144A, 4.5%, 3/04/29	Australia	100,000,000	96,624,231
			310,133,871
<b>Food Products 0.3%</b>			
Darling Ingredients, Inc., Senior Note, 144A, 6%, 6/15/30			
	United States	35,000,000	34,912,500
JBS USA LUX SA / JBS USA Food Co. / JBS USA Finance, Inc.,			
Senior Bond, 144A, 5.75%, 4/01/33	United States	80,000,000	76,600,000
Senior Note, 144A, 5.125%, 2/01/28	United States	20,000,000	19,352,100
Post Holdings, Inc.,			
Senior Bond, 144A, 5.625%, 1/15/28	United States	59,800,000	58,659,614
Senior Bond, 144A, 5.5%, 12/15/29	United States	10,000,000	9,434,690
Senior Bond, 144A, 4.5%, 9/15/31	United States	55,400,000	48,807,400
			247,766,304
<b>Ground Transportation 0.2%</b>			
Ashtead Capital, Inc.,			
Senior Bond, 144A, 5.55%, 5/30/33	United Kingdom	55,000,000	54,399,317
Senior Note, 144A, 4.375%, 8/15/27	United Kingdom	34,500,000	33,083,141
Union Pacific Corp., Senior Bond, 4.5%, 1/20/33	United States	73,000,000	73,232,452
			160,714,910
<b>Health Care Equipment &amp; Supplies 0.8%</b>			
Baxter International, Inc., Senior Bond, 2.539%, 2/01/32			
	United States	15,935,000	12,985,667
DENTSPLY SIRONA, Inc., Senior Bond, 3.25%, 6/01/30	United States	51,249,000	45,330,601
GE Healthcare Technologies, Inc., Senior Bond, 144A, 5.905%, 11/22/32			
	United States	90,000,000	95,916,233
Medline Borrower LP,			
Senior Note, 144A, 5.25%, 10/01/29	United States	135,000,000	117,256,612
Senior Secured Note, 144A, 3.875%, 4/01/29	United States	354,000,000	307,505,640
			578,994,753
<b>Health Care Providers &amp; Services 7.2%</b>			
Centene Corp.,			
Senior Bond, 2.5%, 3/01/31	United States	19,380,000	15,711,366

**Franklin Income Fund** (continued)

	Country	Principal Amount <sup>1</sup>	Value
<b>Corporate Bonds</b> (continued)			
<b>Health Care Providers &amp; Services</b> (continued)			
Centene Corp., (continued)			
Senior Note, 4.25%, 12/15/27	United States	37,645,000	\$36,307,097
Senior Note, 4.625%, 12/15/29	United States	162,000,000	152,464,680
eCHS/Community Health Systems, Inc.,			
Secured Note, 144A, 6.875%, 4/15/29	United States	600,000,000	372,180,000
Secured Note, 144A, 6.125%, 4/01/30	United States	585,000,000	353,065,050
Senior Note, 144A, 6.875%, 4/01/28	United States	565,000,000	350,961,050
Senior Secured Note, 144A, 8%, 3/15/26	United States	537,565,000	520,094,138
Senior Secured Note, 144A, 5.625%, 3/15/27	United States	310,000,000	272,471,400
Senior Secured Note, 144A, 8%, 12/15/27	United States	382,000,000	370,463,600
Senior Secured Note, 144A, 6%, 1/15/29	United States	269,000,000	227,813,410
CVS Health Corp.,			
Senior Bond, 4.3%, 3/25/28	United States	125,000,000	122,828,419
Senior Bond, 1.875%, 2/28/31	United States	70,000,000	56,731,794
Senior Bond, 5.25%, 2/21/33	United States	45,000,000	45,945,080
Senior Bond, 5.05%, 3/25/48	United States	40,000,000	37,458,759
eDaVita, Inc.,			
Senior Bond, 144A, 3.75%, 2/15/31	United States	148,855,000	117,553,771
Senior Note, 144A, 4.625%, 6/01/30	United States	300,000,000	256,350,000
eFresenius Medical Care US Finance III, Inc.,			
Senior Bond, 144A, 2.375%, 2/16/31	Germany	20,000,000	15,053,472
Senior Bond, 144A, 3%, 12/01/31	Germany	30,941,000	23,954,260
HCA, Inc.,			
Senior Bond, 5.625%, 9/01/28	United States	80,000,000	80,992,999
Senior Bond, 4.125%, 6/15/29	United States	38,500,000	36,102,951
Senior Bond, 2.375%, 7/15/31	United States	28,716,000	23,197,159
e Senior Bond, 144A, 3.625%, 3/15/32	United States	32,954,000	29,080,499
Senior Note, 5%, 3/15/24	United States	114,800,000	114,156,068
Humana, Inc., Senior Bond, 5.875%, 3/01/33	United States	35,000,000	37,694,667
eMPH Acquisition Holdings LLC,			
g Senior Note, 144A, 5.75%, 11/01/28	United States	181,000,000	130,394,907
Senior Secured Note, 144A, 5.5%, 9/01/28	United States	174,850,000	139,171,882
Quest Diagnostics, Inc., Senior Bond, 2.95%, 6/30/30	United States	58,755,000	52,620,993
Tenet Healthcare Corp.,			
Secured Note, 6.25%, 2/01/27	United States	115,331,000	113,543,369
Senior Bond, 6.875%, 11/15/31	United States	55,258,000	52,829,135
Senior Note, 6.125%, 10/01/28	United States	386,400,000	370,690,908
Senior Secured Note, 4.25%, 6/01/29	United States	119,800,000	108,492,078
Senior Secured Note, 4.375%, 1/15/30	United States	42,000,000	37,732,800
e Senior Secured Note, 144A, 6.125%, 6/15/30	United States	371,000,000	366,325,400
UnitedHealth Group, Inc., Senior Bond, 5.35%, 2/15/33	United States	125,000,000	132,966,727
			5,173,399,888
<b>Health Care REITs 0.3%</b>			
MPT Operating Partnership LP / MPT Finance Corp.,			
g Senior Bond, 5.25%, 8/01/26	United States	47,000,000	42,300,000
Senior Bond, 5%, 10/15/27	United States	145,000,000	119,422,725
Senior Bond, 4.625%, 8/01/29	United States	29,650,000	21,934,922
			183,657,647
<b>Health Care Technology 0.2%</b>			
eJ Multiplan Corp., Senior Note, 144A, PIK, 6%, 10/15/27	United States	185,000,000	118,030,000
<b>Hotel &amp; Resort REITs 0.1%</b>			
Service Properties Trust, Senior Note, 4.35%, 10/01/24	United States	39,445,000	37,783,577
<b>Hotels, Restaurants &amp; Leisure 2.6%</b>			
eBrinker International, Inc., Senior Note, 144A, 5%, 10/01/24	United States	30,000,000	29,462,700

Franklin Income Fund (continued)

	Country	Principal Amount <sup>a</sup>	Value
<b>Corporate Bonds (continued)</b>			
<b>Hotels, Restaurants &amp; Leisure (continued)</b>			
<sup>e</sup> Caesars Entertainment, Inc.,			
Senior Note, 144A, 8.125%, 7/01/27	United States	99,750,000	\$101,834,775
Senior Note, 144A, 4.625%, 10/15/29	United States	92,000,000	80,549,220
Senior Secured Note, 144A, 6.25%, 7/01/25	United States	189,759,000	189,945,298
Senior Secured Note, 144A, 7%, 2/15/30	United States	52,000,000	52,957,580
<sup>e</sup> Carnival Corp.,			
Secured Note, 144A, 10.5%, 2/01/26	United States	13,000,000	13,556,855
<sup>g</sup> Senior Note, 144A, 7.625%, 3/01/26	United States	112,100,000	102,401,108
Senior Note, 144A, 5.75%, 3/01/27	United States	100,000,000	82,141,500
<sup>g</sup> Senior Note, 144A, 10.5%, 6/01/30	United States	65,000,000	62,458,500
<sup>e</sup> Everi Holdings, Inc., Senior Note, 144A, 5%, 7/15/29	United States	20,000,000	17,823,319
Expedia Group, Inc.,			
Senior Bond, 3.8%, 2/15/28	United States	57,000,000	54,044,340
Senior Note, 5%, 2/15/26	United States	30,000,000	29,888,161
Senior Note, 3.25%, 2/15/30	United States	60,000,000	52,065,918
Senior Note, 2.95%, 3/15/31	United States	10,000,000	8,353,452
<sup>e</sup> Senior Note, 144A, 6.25%, 5/01/25	United States	54,596,000	55,312,020
<sup>e</sup> Fertitta Entertainment LLC / Fertitta Entertainment Finance Co., Inc.,			
Senior Note, 144A, 6.75%, 1/15/30	United States	85,000,000	70,008,550
Senior Secured Note, 144A, 4.625%, 1/15/29	United States	145,000,000	127,433,250
Marriott International, Inc.,			
Senior Note, 5%, 10/15/27	United States	25,000,000	25,070,691
Senior Note, 4.9%, 4/15/29	United States	20,000,000	19,834,618
McDonald's Corp., Senior Bond, 4.6%, 9/09/32	United States	50,000,000	50,633,176
<sup>e</sup> Penn Entertainment, Inc.,			
Senior Note, 144A, 5.625%, 1/15/27	United States	20,000,000	18,802,700
Senior Note, 144A, 4.125%, 7/01/29	United States	65,000,000	54,265,575
<sup>e</sup> Wynn Las Vegas LLC / Wynn Las Vegas Capital Corp.,			
Senior Bond, 144A, 5.5%, 3/01/25	United States	425,000,000	417,532,750
<sup>g</sup> Senior Note, 144A, 5.25%, 5/15/27	United States	146,722,000	138,825,422
<sup>e</sup> Wynn Resorts Finance LLC / Wynn Resorts Capital Corp., Senior Note, 144A, 7.125%, 2/15/31	United States	30,000,000	30,458,100
			1,885,659,578
<b>Household Durables 0.2%</b>			
KB Home, Senior Note, 7.25%, 7/15/30	United States	23,800,000	24,168,597
Lennar Corp., Senior Note, 4.5%, 4/30/24	United States	44,675,000	44,153,338
Shea Homes LP / Shea Homes Funding Corp.,			
Senior Note, 4.75%, 2/15/28	United States	34,630,000	30,994,369
Senior Note, 4.75%, 4/01/29	United States	49,895,000	43,607,731
			142,924,035
<b>Household Products 0.1%</b>			
<sup>e</sup> Energizer Holdings, Inc.,			
Senior Note, 144A, 6.5%, 12/31/27	United States	20,000,000	19,442,454
Senior Note, 144A, 4.75%, 6/15/28	United States	24,000,000	21,629,974
Senior Note, 144A, 4.375%, 3/31/29	United States	16,000,000	14,080,320
			55,152,748
<b>Independent Power and Renewable Electricity Producers 0.4%</b>			
<sup>e</sup> Calpine Corp.,			
Senior Note, 144A, 5.125%, 3/15/28	United States	132,000,000	121,032,160
Senior Secured Note, 144A, 4.5%, 2/15/28	United States	103,500,000	96,132,721
<sup>e,h</sup> Vistra Corp., Junior Sub. Bond, 144A, 7% to 12/14/26, FRN thereafter, Perpetual	United States	100,000,000	88,103,500
			305,268,381

**Franklin Income Fund** (continued)

	Country	Principal Amount <sup>a</sup>	Value
<b>Corporate Bonds</b> (continued)			
<b>Insurance 0.2%</b>			
<sup>e</sup> Five Corners Funding Trust III, Senior Note, 144A, 5.791%, 2/15/33 Lincoln National Corp.,	United States	30,000,000	\$30,818,184
Senior Bond, 3.4%, 1/15/31	United States	15,000,000	12,276,594
Senior Bond, 3.4%, 3/01/32	United States	20,572,000	16,583,854
<sup>e</sup> Northwestern Mutual Global Funding, Secured Note, 144A, 4.35%, 9/15/27	United States	40,000,000	39,666,505
Prudential Financial, Inc., Junior Sub. Bond, 5.7% to 9/14/28, FRN thereafter, 9/15/48	United States	65,000,000	60,727,875
			160,073,012
<b>Interactive Media &amp; Services 0.1%</b>			
Meta Platforms, Inc., Senior Note, 3.85%, 8/15/32	United States	65,000,000	60,882,167
<sup>e</sup> ZipRecruiter, Inc., Senior Note, 144A, 5%, 1/15/30	United States	40,000,000	34,249,800
			95,131,967
<b>IT Services 0.1%</b>			
Twilio, Inc.,			
Senior Bond, 3.875%, 3/15/31	United States	46,500,000	39,500,355
Senior Note, 3.625%, 3/15/29	United States	45,000,000	38,863,350
			78,363,705
<b>Machinery 0.2%</b>			
<sup>e</sup> Chart Industries, Inc., Senior Secured Note, 144A, 7.5%, 1/01/30	United States	30,000,000	31,034,100
Parker-Hannifin Corp., Senior Bond, 3.25%, 6/14/29	United States	43,000,000	39,642,897
<sup>e</sup> Roller Bearing Co. of America, Inc., Senior Note, 144A, 4.375%, 10/15/29	United States	35,000,000	31,295,600
<sup>e</sup> TK Elevator U.S. Newco, Inc., Senior Secured Note, 144A, 5.25%, 7/15/27	Germany	43,000,000	40,652,415
			142,625,012
<b>Media 1.6%</b>			
<sup>e</sup> Clear Channel Outdoor Holdings, Inc.,			
Senior Note, 144A, 7.75%, 4/15/28	United States	129,000,000	96,866,100
Senior Note, 144A, 7.5%, 6/01/29	United States	115,000,000	81,834,000
Senior Secured Note, 144A, 5.125%, 8/15/27	United States	65,000,000	58,405,100
CSC Holdings LLC,			
Senior Bond, 5.25%, 6/01/24	United States	58,026,000	56,061,240
<sup>e</sup> Senior Bond, 144A, 5.5%, 4/15/27	United States	149,000,000	125,626,370
DISH DBS Corp.,			
Senior Note, 5.875%, 11/15/24	United States	205,000,000	183,024,000
Senior Note, 7.75%, 7/01/26	United States	64,320,000	42,517,771
<sup>e</sup> Senior Secured Note, 144A, 5.25%, 12/01/26	United States	75,000,000	59,982,750
<sup>e</sup> Stagwell Global LLC, Senior Note, 144A, 5.625%, 8/15/29	United States	60,000,000	52,679,823
<sup>e</sup> Univision Communications, Inc.,			
Senior Secured Note, 144A, 5.125%, 2/15/25	United States	330,000,000	324,510,450
Senior Secured Note, 144A, 6.625%, 6/01/27	United States	70,000,000	66,437,000
Senior Secured Note, 144A, 7.375%, 6/30/30	United States	20,000,000	18,926,800
			1,166,871,404
<b>Metals &amp; Mining 1.1%</b>			
<sup>e</sup> Alcoa Nederland Holding BV, Senior Note, 144A, 4.125%, 3/31/29.	United States	75,122,000	66,946,459
ArcelorMittal SA,			
Senior Bond, 6.8%, 11/29/32	Luxembourg	40,000,000	41,993,125
Senior Note, 6.55%, 11/29/27	Luxembourg	25,000,000	26,026,005
<sup>e</sup> Cleveland-Cliffs, Inc.,			
Senior Bond, 144A, 4.875%, 3/01/31	United States	30,000,000	27,306,247
Senior Secured Note, 144A, 6.75%, 3/15/26	United States	50,000,000	50,950,000

**Franklin Income Fund** (continued)

	Country	Principal Amount <sup>†</sup>	Value
<b>Corporate Bonds</b> (continued)			
<b>Metals &amp; Mining</b> (continued)			
•First Quantum Minerals Ltd., Senior Note, 144A, 7.5%, 4/01/25 . . .	Zambia	120,000,000	\$120,021,600
•FMG Resources August 2006 Pty. Ltd.,			
Senior Bond, 144A, 4.375%, 4/01/31 . . . . .	Australia	130,000,000	114,206,950
Senior Bond, 144A, 6.125%, 4/15/32 . . . . .	Australia	30,500,000	29,398,798
Senior Note, 144A, 5.125%, 5/15/24 . . . . .	Australia	114,540,000	113,433,721
Senior Note, 144A, 5.875%, 4/15/30 . . . . .	Australia	45,000,000	43,190,512
Freeport-McMoRan, Inc.,			
Senior Bond, 5.25%, 9/01/29 . . . . .	United States	30,000,000	29,446,275
Senior Bond, 4.625%, 8/01/30 . . . . .	United States	36,000,000	34,046,214
•Glencore Funding LLC, Senior Bond, 144A, 2.5%, 9/01/30 . . . . .	Australia	100,000,000	83,825,019
•Mineral Resources Ltd.,			
Senior Note, 144A, 8%, 11/01/27 . . . . .	Australia	20,000,000	20,590,000
Senior Note, 144A, 8.5%, 5/01/30 . . . . .	Australia	25,000,000	25,682,500
			827,063,425
<b>Multi-Utilities 0.2%</b>			
Dominion Energy, Inc.,			
A, Senior Note, 4.35%, 8/15/32 . . . . .	United States	30,000,000	28,666,907
C, Senior Note, 3.375%, 4/01/30 . . . . .	United States	30,000,000	27,296,708
NiSource, Inc., Senior Bond, 3.6%, 5/01/30 . . . . .	United States	33,750,000	31,169,659
Southern Co. Gas Capital Corp., Senior Bond, 5.15%, 9/15/32 . . .	United States	40,000,000	40,368,853
			127,502,127
<b>Oil, Gas &amp; Consumable Fuels 1.9%</b>			
BP Capital Markets America, Inc.,			
Senior Bond, 4.234%, 11/06/28 . . . . .	United States	28,705,000	28,471,822
Senior Bond, 3.633%, 4/06/30 . . . . .	United States	46,500,000	44,152,426
Senior Bond, 2.721%, 1/12/32 . . . . .	United States	15,000,000	13,086,144
•Calumet Specialty Products Partners LP / Calumet Finance Corp.,			
Senior Note, 144A, 11%, 4/15/25 . . . . .	United States	260,000,000	268,898,102
Senior Note, 144A, 8.125%, 1/15/27 . . . . .	United States	95,000,000	90,529,421
Senior Secured Note, 144A, 9.25%, 7/15/24 . . . . .	United States	111,402,000	112,062,057
Cheniere Corpus Christi Holdings LLC,			
Senior Secured Note, 5.125%, 6/30/27 . . . . .	United States	87,973,000	88,089,683
Senior Secured Note, 3.7%, 11/15/29 . . . . .	United States	107,245,000	98,864,922
•Chesapeake Energy Corp., Senior Note, 144A, 5.875%, 2/01/29 . .	United States	25,000,000	23,826,875
Chevron Corp., Senior Bond, 2.236%, 5/11/30 . . . . .	United States	40,000,000	35,384,626
•CITGO Petroleum Corp.,			
Senior Secured Note, 144A, 7%, 6/15/25 . . . . .	United States	33,224,000	32,811,192
Senior Secured Note, 144A, 6.375%, 6/15/26 . . . . .	United States	30,000,000	29,277,150
Energy Transfer LP, Senior Bond, 5.75%, 2/15/33 . . . . .	United States	30,000,000	30,757,500
•Hilcorp Energy I LP / Hilcorp Finance Co., Senior Note, 144A, 6%,			
4/15/30 . . . . .	United States	32,000,000	29,548,795
Kinder Morgan, Inc., Senior Bond, 5.2%, 6/01/33 . . . . .	United States	50,000,000	49,712,806
•Kinetik Holdings LP, Senior Note, 144A, 5.875%, 6/15/30 . . . . .	United States	50,000,000	48,200,000
Occidental Petroleum Corp.,			
Senior Note, 5.5%, 12/01/25 . . . . .	United States	30,000,000	29,993,132
Senior Note, 6.375%, 9/01/28 . . . . .	United States	60,000,000	62,190,579
Senior Note, 6.625%, 9/01/30 . . . . .	United States	40,000,000	42,163,400
Senior Note, 6.125%, 1/01/31 . . . . .	United States	30,000,000	31,155,450
Williams Cos., Inc. (The),			
Senior Bond, 3.5%, 11/15/30 . . . . .	United States	27,575,000	24,995,962
Senior Bond, 2.6%, 3/15/31 . . . . .	United States	50,000,000	42,081,426
Senior Bond, 4.65%, 8/15/32 . . . . .	United States	70,000,000	67,514,223
Senior Bond, 5.65%, 3/15/33 . . . . .	United States	30,000,000	31,000,408
			1,354,768,101

**Franklin Income Fund** (continued)

	Country	Principal Amount <sup>a</sup>	Value
<b>Corporate Bonds</b> (continued)			
<b>Passenger Airlines 1.0%</b>			
<sup>a</sup> American Airlines Group, Inc., Senior Note, 144A, 3.75%, 3/01/25 .	United States	43,000,000	\$39,498,919
<sup>a</sup> American Airlines Inc/AAdvantage Loyalty IP Ltd.,			
Senior Secured Note, 144A, 5.5%, 4/20/26 . . . . .	United States	152,500,000	150,264,625
Senior Secured Note, 144A, 5.75%, 4/20/29 . . . . .	United States	104,850,000	100,687,549
<sup>a</sup> Delta Air Lines, Inc. / SkyMiles IP Ltd.,			
Senior Secured Note, 144A, 4.5%, 10/20/25 . . . . .	United States	37,181,211	36,580,302
Senior Secured Note, 144A, 4.75%, 10/20/28 . . . . .	United States	178,000,000	171,920,949
<sup>a</sup> Mileage Plus Holdings LLC / Mileage Plus Intellectual Property Assets Ltd., Senior Secured Note, 144A, 6.5%, 6/20/27 . . . . .	United States	93,500,000	93,291,028
<sup>a</sup> United Airlines, Inc.,			
Senior Secured Note, 144A, 4.375%, 4/15/26 . . . . .	United States	69,462,000	66,536,135
Senior Secured Note, 144A, 4.625%, 4/15/29 . . . . .	United States	98,259,000	89,005,105
			747,784,612
<b>Personal Care Products 0.2%</b>			
<sup>a</sup> BellRing Brands, Inc., Senior Note, 144A, 7%, 3/15/30 . . . . .	United States	35,000,000	35,485,450
Haleon US Capital LLC,			
Senior Note, 3.375%, 3/24/29 . . . . .	United States	30,000,000	27,691,084
Senior Note, 3.625%, 3/24/32 . . . . .	United States	65,043,000	59,107,896
			122,284,430
<b>Pharmaceuticals 2.9%</b>			
<sup>a</sup> 1375209 BC Ltd., Senior Secured Note, 144A, 9%, 1/30/28 . . . . .	Canada	467,060,000	463,557,050
<sup>a</sup> Bausch Health Cos., Inc.,			
Secured Note, 144A, 14%, 10/15/30 . . . . .	United States	164,340,000	93,337,222
Senior Secured Note, 144A, 5.5%, 11/01/25 . . . . .	United States	219,000,000	180,304,443
Senior Secured Note, 144A, 6.125%, 2/01/27 . . . . .	United States	185,000,000	119,920,700
Senior Secured Note, 144A, 5.75%, 8/15/27 . . . . .	United States	53,850,000	33,593,784
Senior Secured Note, 144A, 11%, 9/30/28 . . . . .	United States	800,000,000	592,672,000
<sup>a</sup> Bayer US Finance II LLC, Senior Note, 144A, 4.25%, 12/15/25 . . .	Germany	65,000,000	63,637,929
Bristol-Myers Squibb Co., Senior Note, 3.9%, 2/20/28 . . . . .	United States	30,000,000	29,451,361
<sup>a</sup> Endo Dac / Endo Finance LLC / Endo Finco, Inc., Senior Secured Note, 144A, 5.875%, 10/15/24 . . . . .	United States	47,500,000	35,485,147
<sup>a</sup> Endo Luxembourg Finance Co. I SARL / Endo US, Inc., Senior Secured Note, 144A, 6.125%, 4/01/29 . . . . .	United States	66,355,000	49,144,555
<sup>a</sup> Par Pharmaceutical, Inc., Senior Secured Note, 144A, 7.5%, 4/01/27	United States	193,401,000	144,055,526
Royalty Pharma plc,			
Senior Bond, 2.15%, 9/02/31 . . . . .	United States	45,800,000	36,224,033
Senior Note, 2.2%, 9/02/30 . . . . .	United States	35,000,000	28,610,560
Teva Pharmaceutical Finance Netherlands III BV,			
Senior Note, 7.125%, 1/31/25 . . . . .	Israel	27,220,000	27,805,502
Senior Note, 6.75%, 3/01/28 . . . . .	Israel	16,000,000	16,020,880
<sup>g</sup> Senior Note, 7.875%, 9/15/29 . . . . .	Israel	25,000,000	26,187,500
<sup>g</sup> Senior Note, 8.125%, 9/15/31 . . . . .	Israel	30,000,000	31,528,526
Utah Acquisition Sub, Inc., Senior Note, 3.95%, 6/15/26 . . . . .	United States	130,500,000	124,391,641
Viatis, Inc., Senior Note, 2.7%, 6/22/30 . . . . .	United States	25,000,000	20,333,127
			2,116,261,486
<b>Semiconductors &amp; Semiconductor Equipment 1.0%</b>			
Broadcom, Inc.,			
Senior Bond, 4.15%, 11/15/30 . . . . .	United States	20,000,000	18,555,984
Senior Bond, 4.3%, 11/15/32 . . . . .	United States	80,000,000	73,749,568
<sup>e</sup> Senior Bond, 144A, 2.45%, 2/15/31 . . . . .	United States	80,000,000	65,534,283
<sup>e</sup> Senior Bond, 144A, 4.15%, 4/15/32 . . . . .	United States	65,000,000	59,259,009
<sup>e</sup> Senior Bond, 144A, 3.469%, 4/15/34 . . . . .	United States	66,000,000	54,255,586
<sup>e</sup> Senior Bond, 144A, 3.137%, 11/15/35 . . . . .	United States	20,000,000	15,396,751
<sup>e</sup> Senior Note, 144A, 4%, 4/15/29 . . . . .	United States	58,307,000	54,594,275

Franklin Income Fund (continued)

	Country	Principal Amount <sup>1</sup>	Value
<b>Corporate Bonds (continued)</b>			
<b>Semiconductors &amp; Semiconductor Equipment (continued)</b>			
Intel Corp.,			
Senior Bond, 5.2%, 2/10/33 . . . . .	United States	25,000,000	\$25,477,297
Senior Note, 5.125%, 2/10/30 . . . . .	United States	30,000,000	30,563,660
Microchip Technology, Inc., Senior Note, 4.333%, 6/01/23 . . . . .	United States	69,000,000	68,751,102
Micron Technology, Inc.,			
Senior Bond, 5.327%, 2/06/29 . . . . .	United States	25,000,000	25,167,236
Senior Bond, 4.663%, 2/15/30 . . . . .	United States	34,000,000	32,661,121
Senior Bond, 5.875%, 2/09/33 . . . . .	United States	40,000,000	40,466,826
Senior Note, 6.75%, 11/01/29 . . . . .	United States	55,000,000	58,455,303
NXP BV / NXP Funding LLC, Senior Note, 5.55%, 12/01/28. . . . .	China	20,000,000	20,422,197
NXP BV / NXP Funding LLC / NXP USA, Inc.,			
Senior Note, 3.4%, 5/01/30 . . . . .	China	31,200,000	28,075,309
Senior Note, 2.5%, 5/11/31 . . . . .	China	35,000,000	28,956,075
°Qorvo, Inc., Senior Bond, 144A, 3.375%, 4/01/31 . . . . .	United States	30,800,000	25,510,716
			725,852,298
<b>Software 1.0%</b>			
Autodesk, Inc., Senior Bond, 2.85%, 1/15/30 . . . . .	United States	20,000,000	17,679,354
°McAfee Corp., Senior Note, 144A, 7.375%, 2/15/30. . . . .	United States	72,875,000	61,170,860
Oracle Corp.,			
Senior Bond, 2.65%, 7/15/26 . . . . .	United States	100,000,000	93,478,006
Senior Bond, 3.25%, 11/15/27 . . . . .	United States	40,000,000	37,612,471
Senior Bond, 2.95%, 4/01/30 . . . . .	United States	44,000,000	38,866,154
Senior Bond, 3.25%, 5/15/30 . . . . .	United States	21,960,000	19,690,058
Senior Bond, 2.875%, 3/25/31 . . . . .	United States	101,000,000	86,477,390
Senior Bond, 6.25%, 11/09/32 . . . . .	United States	45,000,000	48,424,467
Senior Note, 2.3%, 3/25/28 . . . . .	United States	50,000,000	44,764,509
Senior Note, 6.15%, 11/09/29 . . . . .	United States	20,000,000	21,312,011
°Rocket Software, Inc., Senior Note, 144A, 6.5%, 2/15/29. . . . .	United States	12,500,000	9,856,647
Roper Technologies, Inc.,			
Senior Bond, 2%, 6/30/30 . . . . .	United States	30,303,000	24,980,104
Senior Bond, 1.75%, 2/15/31 . . . . .	United States	20,000,000	15,999,789
Workday, Inc., Senior Bond, 3.8%, 4/01/32 . . . . .	United States	200,000,000	183,546,376
			703,858,196
<b>Specialized REITs 0.6%</b>			
American Tower Corp.,			
Senior Bond, 3.375%, 10/15/26 . . . . .	United States	30,000,000	28,443,667
Senior Bond, 3.55%, 7/15/27 . . . . .	United States	40,000,000	37,721,020
Senior Bond, 3.95%, 3/15/29 . . . . .	United States	20,000,000	18,747,328
Senior Bond, 2.9%, 1/15/30 . . . . .	United States	15,000,000	13,054,117
Senior Bond, 5.65%, 3/15/33 . . . . .	United States	60,000,000	61,797,570
Senior Note, 1.6%, 4/15/26 . . . . .	United States	45,318,000	41,007,153
Senior Note, 4.05%, 3/15/32 . . . . .	United States	50,000,000	45,795,983
Crown Castle, Inc.,			
Senior Bond, 3.3%, 7/01/30 . . . . .	United States	74,583,000	67,299,012
Senior Bond, 2.1%, 4/01/31 . . . . .	United States	33,500,000	27,391,822
Senior Bond, 2.5%, 7/15/31 . . . . .	United States	25,000,000	21,025,237
°Iron Mountain, Inc., Senior Note, 144A, 4.875%, 9/15/27 . . . . .	United States	73,500,000	69,568,117
Weyerhaeuser Co., Senior Bond, 3.375%, 3/09/33 . . . . .	United States	42,300,000	37,213,946
			469,064,972
<b>Specialty Retail 0.8%</b>			
AutoNation, Inc.,			
Senior Bond, 4.75%, 6/01/30 . . . . .	United States	40,959,000	38,533,165
Senior Bond, 2.4%, 8/01/31 . . . . .	United States	44,451,000	34,267,409

**Franklin Income Fund** (continued)

	Country	Principal Amount <sup>†</sup>	Value
<b>Corporate Bonds</b> (continued)			
<b>Specialty Retail</b> (continued)			
AutoNation, Inc., (continued)			
Senior Bond, 3.85%, 3/01/32	United States	32,953,000	\$28,098,640
Senior Note, 1.95%, 8/01/28	United States	44,000,000	36,454,349
Bath & Body Works, Inc., Senior Bond, 6.875%, 11/01/35	United States	50,000,000	45,119,327
<sup>e</sup> Gap, Inc. (The), Senior Bond, 144A, 3.875%, 10/01/31	United States	12,233,000	8,499,122
<sup>g</sup> Home Depot, Inc. (The), Senior Note, 4.5%, 9/15/32	United States	100,000,000	100,784,634
Lowe's Cos., Inc.,			
Senior Bond, 3.65%, 4/05/29	United States	20,000,000	18,944,360
Senior Bond, 4.5%, 4/15/30	United States	35,000,000	34,603,500
<sup>g</sup> Senior Bond, 3.75%, 4/01/32	United States	40,000,000	36,978,728
Senior Bond, 5%, 4/15/33	United States	115,000,000	115,101,704
Senior Bond, 5.15%, 7/01/33	United States	35,000,000	35,348,891
Senior Note, 1.7%, 10/15/30	United States	15,000,000	12,135,558
<sup>e</sup> Michaels Cos., Inc. (The), Senior Secured Note, 144A, 5.25%, 5/01/28	United States	60,000,000	50,068,200
			594,937,587
<b>Technology Hardware, Storage &amp; Peripherals 0.6%</b>			
<sup>g</sup> Apple, Inc., Senior Bond, 3.35%, 8/08/32	United States	60,000,000	56,616,595
Dell International LLC / EMC Corp.,			
<sup>g</sup> Senior Bond, 5.75%, 2/01/33	United States	40,000,000	40,269,198
Senior Note, 5.3%, 10/01/29	United States	55,000,000	55,454,184
HP, Inc.,			
Senior Bond, 4.2%, 4/15/32	United States	48,960,000	44,159,407
Senior Bond, 5.5%, 1/15/33	United States	50,000,000	49,578,899
Senior Note, 4%, 4/15/29	United States	150,309,000	142,735,519
Senior Note, 2.65%, 6/17/31	United States	30,000,000	24,489,434
			413,303,236
<b>Textiles, Apparel &amp; Luxury Goods 0.0%<sup>†</sup></b>			
<sup>e,g</sup> Hanesbrands, Inc., Senior Note, 144A, 9%, 2/15/31	United States	25,000,000	25,617,625
<b>Tobacco 0.7%</b>			
BAT Capital Corp.,			
Senior Note, 3.222%, 8/15/24	United Kingdom	78,500,000	76,163,933
Senior Note, 3.557%, 8/15/27	United Kingdom	323,000,000	300,481,002
Senior Note, 2.259%, 3/25/28	United Kingdom	37,812,000	32,445,782
Philip Morris International, Inc.,			
Senior Bond, 5.75%, 11/17/32	United States	25,000,000	26,253,096
Senior Bond, 5.375%, 2/15/33	United States	45,000,000	46,004,202
			481,348,015
<b>Trading Companies &amp; Distributors 0.6%</b>			
United Rentals North America, Inc.,			
Secured Note, 3.875%, 11/15/27	United States	19,000,000	17,836,250
Senior Bond, 4.875%, 1/15/28	United States	120,000,000	114,876,000
Senior Bond, 4%, 7/15/30	United States	61,623,000	55,442,213
Senior Bond, 3.875%, 2/15/31	United States	104,657,000	92,474,925
Senior Bond, 3.75%, 1/15/32	United States	31,000,000	26,731,765
<sup>e</sup> Senior Secured Note, 144A, 6%, 12/15/29	United States	65,000,000	65,957,450
<sup>e</sup> WESCO Distribution, Inc., Senior Note, 144A, 7.125%, 6/15/25	United States	30,000,000	30,522,600
			403,841,203
<b>Water Utilities 0.1%</b>			
American Water Capital Corp., Senior Bond, 4.45%, 6/01/32	United States	40,336,000	39,749,076

Franklin Income Fund (continued)

	Country	Principal Amount <sup>†</sup>	Value
<b>Corporate Bonds (continued)</b>			
<b>Wireless Telecommunication Services 0.9%</b>			
Sprint LLC,			
Senior Note, 7.875%, 9/15/23 .....	United States	187,350,000	\$188,903,881
Senior Note, 7.125%, 6/15/24 .....	United States	190,650,000	193,980,852
Senior Note, 7.625%, 3/01/26 .....	United States	86,300,000	91,338,207
<sup>e</sup> Sprint Spectrum Co. LLC / Sprint Spectrum Co. II LLC / Sprint Spectrum Co. III LLC, Senior Secured Note, 144A, 5.152%, 3/20/28 .....	United States	90,000,000	89,470,650
T-Mobile USA, Inc.,			
Senior Bond, 5.2%, 1/15/33 .....	United States	45,000,000	45,925,041
Senior Note, 3.375%, 4/15/29 .....	United States	30,000,000	27,377,622
			636,996,253
<b>Total Corporate Bonds (Cost \$34,745,599,534) .....</b>			<b>33,368,341,480</b>
<b><sup>l</sup>Senior Floating Rate Interests 0.3%</b>			
<b>Software 0.3%</b>			
<sup>m</sup> TIBCO Software, Inc., First Lien, CME Term Loan, A, 9.18%, (3-month SOFR + 4.5%), 9/29/28 .....	United States	250,000,000	226,651,250
<b>Total Senior Floating Rate Interests (Cost \$218,431,709) .....</b>			<b>226,651,250</b>
<b>U.S. Government and Agency Securities 11.9%</b>			
U.S. Treasury Bonds, 3.375%, 8/15/42 .....	United States	600,000,000	563,625,000
U.S. Treasury Notes,			
4.375%, 10/31/24 .....	United States	1,000,000,000	1,001,347,660
4.25%, 10/15/25 .....	United States	1,000,000,000	1,007,929,690
4.125%, 10/31/27 .....	United States	1,250,000,000	1,274,218,750
3.875%, 11/30/27 .....	United States	500,000,000	505,283,205
2.375%, 3/31/29 .....	United States	1,000,000,000	933,847,660
2.875%, 5/15/32 .....	United States	1,250,000,000	1,189,843,750
2.75%, 8/15/32 .....	United States	2,250,000,000	2,117,988,270
<b>Total U.S. Government and Agency Securities (Cost \$8,652,741,081) .....</b>			<b>8,594,083,985</b>
<b>Asset-Backed Securities 0.1%</b>			
<b>Passenger Airlines 0.1%</b>			
United Airlines Pass-Through Trust, 2020-1, A, 5.875%, 10/15/27 ..	United States	41,499,333	41,429,502
<b>Total Asset-Backed Securities (Cost \$41,499,333) .....</b>			<b>41,429,502</b>
<b>Mortgage-Backed Securities 0.0%<sup>†</sup></b>			
<b>Federal National Mortgage Association (FNMA) Fixed Rate 0.0%<sup>†</sup></b>			
FNMA, 30 Year, 4%, 8/01/49 .....	United States	27,081,202	26,348,111
<b>Total Mortgage-Backed Securities (Cost \$28,689,148) .....</b>			<b>26,348,111</b>
		<b>Shares</b>	
<b>Escrows and Litigation Trusts 0.1%</b>			
<sup>e</sup> Entegris Escrow Corp., Escrow Account, 144A .....	United States	60,000,000	56,778,757
<b>Total Escrows and Litigation Trusts (Cost \$57,993,678) .....</b>			<b>56,778,757</b>
<b>Total Long Term Investments (Cost \$69,536,370,828) .....</b>			<b>69,230,783,122</b>

**Franklin Income Fund** (continued)

**Short Term Investments 3.2%**

	Country	Shares	Value
<b>Money Market Funds 3.0%</b>			
<sup>c,n</sup> Institutional Fiduciary Trust - Money Market Portfolio, 4.371% . . . .	United States	2,176,491,078	\$2,176,491,078
<b>Total Money Market Funds (Cost \$2,176,491,078)</b> . . . . .			<b>2,176,491,078</b>
<b><sup>o</sup>Investments from Cash Collateral Received for Loaned Securities 0.2%</b>			
<b>Money Market Funds 0.2%</b>			
<sup>c,n</sup> Institutional Fiduciary Trust - Money Market Portfolio, 4.371% . . . .	United States	173,182,000	173,182,000
<b>Total Investments from Cash Collateral Received for Loaned Securities (Cost \$173,182,000)</b> . . . . .			<b>173,182,000</b>
<b>Total Short Term Investments (Cost \$2,349,673,078)</b> . . . . .			<b>2,349,673,078</b>
<b>Total Investments (Cost \$71,886,043,906) 99.3%</b> . . . . .			<b>\$71,580,456,200</b>
<b>Options Written (0.1)%</b> . . . . .			<b>(50,464,750)</b>
<b>Other Assets, less Liabilities 0.8%</b> . . . . .			<b>497,714,090</b>
<b>Net Assets 100.0%</b> . . . . .			<b>\$72,027,705,540</b>

	Number of Contracts	Notional Amount <sup>#</sup>	
<b><sup>p</sup>Options Written (0.1)%</b>			
<b>Calls - Exchange-Traded</b>			
<b>Equity Options</b>			
AbbVie, Inc., April Strike Price \$160.00, Expires 4/21/23 . . . . .	6,000	95,622,000	(1,194,000)
Amazon.com, Inc., June Strike Price \$120.00, Expires 6/16/23 . . .	5,000	51,645,000	(900,000)
Amazon.com, Inc., June Strike Price \$125.00, Expires 6/16/23 . . .	10,000	103,290,000	(1,100,000)
Amgen, Inc., June Strike Price \$260.00, Expires 6/16/23 . . . . .	5,000	120,875,000	(1,275,000)
Bank of America Corp., April Strike Price \$30.00, Expires 4/21/23 .	25,000	71,500,000	(1,025,000)
Bank of America Corp., May Strike Price \$32.00, Expires 5/19/23 .	25,000	71,500,000	(750,000)
BP plc, April Strike Price \$39.00, Expires 4/21/23 . . . . .	10,000	37,940,000	(490,000)
Charles Schwab Corp. (The), June Strike Price \$72.50, Expires 6/16/23 . . . . .	10,000	52,380,000	(280,000)
Charles Schwab Corp. (The), May Strike Price \$75.00, Expires 5/19/23 . . . . .	10,000	52,380,000	(90,000)
Chevron Corp., June Strike Price \$180.00, Expires 6/16/23 . . . . .	15,000	244,740,000	(2,865,000)
Cisco Systems, Inc., April Strike Price \$52.50, Expires 4/21/23 . . .	20,000	104,550,000	(1,140,000)
Cisco Systems, Inc., May Strike Price \$55.00, Expires 5/19/23 . . .	20,000	104,550,000	(1,420,000)
Citigroup, Inc., June Strike Price \$50.00, Expires 6/16/23 . . . . .	20,000	93,780,000	(2,420,000)
Dominion Energy, Inc., April Strike Price \$67.50, Expires 4/21/23 . .	5,000	27,955,000	(25,000)
Freeport-McMoRan, Inc., May Strike Price \$43.00, Expires 5/19/23	10,000	40,910,000	(1,730,000)
Goldman Sachs Group, Inc. (The), April Strike Price \$350.00, Expires 4/21/23 . . . . .	7,000	228,977,000	(1,162,000)
Intel Corp., April Strike Price \$30.00, Expires 4/21/23 . . . . .	20,000	65,340,000	(5,840,000)
JPMorgan Chase & Co., June Strike Price \$145.00, Expires 6/16/23	10,000	130,310,000	(1,200,000)
JPMorgan Chase & Co., June Strike Price \$160.00, Expires 6/16/23	10,000	130,310,000	(180,000)
Morgan Stanley, May Strike Price \$90.00, Expires 5/19/23 . . . . .	10,000	87,800,000	(2,640,000)
Morgan Stanley, June Strike Price \$95.00, Expires 6/16/23 . . . . .	10,000	87,800,000	(1,680,000)
Pfizer, Inc., June Strike Price \$50.00, Expires 6/16/23 . . . . .	10,000	40,800,000	(60,000)
QUALCOMM, Inc., June Strike Price \$145.00, Expires 6/16/23 . . .	10,000	127,580,000	(2,240,000)
Rio Tinto plc, May Strike Price \$72.50, Expires 5/19/23 . . . . .	20,000	137,200,000	(2,900,000)
Shell plc, April Strike Price \$62.50, Expires 4/21/23 . . . . .	10,000	57,540,000	(150,000)
Shell plc, April Strike Price \$65.00, Expires 4/21/23 . . . . .	20,000	115,080,000	(100,000)

**Franklin Income Fund (continued)**

	Number of Contracts	Notional Amount <sup>#</sup>	Value
<b><sup>p</sup>Options Written (continued)</b>			
<b>Calls - Exchange-Traded (continued)</b>			
<b>Equity Options (continued)</b>			
Texas Instruments, Inc., April Strike Price \$190.00, Expires 4/21/23	10,000	186,010,000	\$(2,510,000)
Texas Instruments, Inc., April Strike Price \$200.00, Expires 4/21/23	20,000	372,020,000	(760,000)
Texas Instruments, Inc., June Strike Price \$200.00, Expires 6/16/23	10,000	186,010,000	(3,510,000)
TotalEnergies SE, April Strike Price \$65.00, Expires 4/21/23 . . . . .	10,000	59,050,000	(150,000)
TotalEnergies SE, May Strike Price \$67.50, Expires 5/19/23 . . . . .	10,000	59,050,000	(175,000)
Union Pacific Corp., May Strike Price \$235.00, Expires 5/19/23 . . .	7,500	150,945,000	(168,750)
Wells Fargo & Co., June Strike Price \$42.50, Expires 6/16/23 . . . .	20,000	74,760,000	(1,100,000)
Wells Fargo & Co., May Strike Price \$45.00, Expires 5/19/23 . . . . .	20,000	74,760,000	(220,000)
			<u>(43,449,750)</u>
<b>Puts - Exchange-Traded</b>			
<b>Equity Options</b>			
Amgen, Inc., April Strike Price \$227.50, Expires 4/21/23 . . . . .	5,000	120,875,000	(550,000)
BP plc, April Strike Price \$33.00, Expires 4/21/23 . . . . .	10,000	37,940,000	(80,000)
Home Depot, Inc. (The), April Strike Price \$270.00, Expires 4/21/23	5,000	147,560,000	(345,000)
Honeywell International, Inc., April Strike Price \$180.00, Expires 4/21/23 . . . . .	10,000	191,120,000	(780,000)
Johnson & Johnson, April Strike Price \$150.00, Expires 4/21/23 . .	15,000	232,500,000	(1,530,000)
Microsoft Corp., April Strike Price \$225.00, Expires 4/21/23 . . . . .	10,000	288,300,000	(90,000)
Pfizer, Inc., June Strike Price \$37.50, Expires 6/16/23 . . . . .	10,000	40,800,000	(690,000)
QUALCOMM, Inc., May Strike Price \$100.00, Expires 5/19/23 . . . .	10,000	127,580,000	(620,000)
Target Corp., April Strike Price \$140.00, Expires 4/21/23 . . . . .	10,000	165,630,000	(160,000)
Texas Instruments, Inc., April Strike Price \$160.00, Expires 4/21/23	10,000	186,010,000	(160,000)
Union Pacific Corp., May Strike Price \$180.00, Expires 5/19/23 . . .	10,000	201,260,000	(1,750,000)
Walmart, Inc., April Strike Price \$135.00, Expires 4/21/23 . . . . .	10,000	147,450,000	(260,000)
			<u>(7,015,000)</u>
<b>Total Options Written (Premiums received \$71,548,702) . . . . .</b>			<b>\$(50,464,750)</b>

<sup>#</sup>Notional amount is the number of contracts multiplied by contract size, and may be multiplied by the underlying price. May include currency units, bushels, shares, pounds, barrels or other units. Currency units are stated in U.S. dollars unless otherwise indicated.

<sup>†</sup>The principal amount is stated in U.S. dollars unless otherwise indicated.

<sup>†</sup>Rounds to less than 0.1% of net assets.

<sup>a</sup>A portion or all of the security is held in connection with written option contracts open at period end.

<sup>b</sup>Non-income producing.

<sup>c</sup>See Note 3(f) regarding investments in affiliated management investment companies.

<sup>d</sup>See Note 1(e) regarding equity-linked securities.

<sup>e</sup>Security was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At March 31, 2023, the aggregate value of these securities was \$28,141,368,047, representing 39.1% of net assets.

<sup>f</sup>A portion or all of the security purchased on a delayed delivery basis. See Note 1(c).

<sup>g</sup>A portion or all of the security is on loan at March 31, 2023. See Note 1(f).

<sup>h</sup>Perpetual security with no stated maturity date.

<sup>i</sup>The coupon rate shown represents the rate at period end.

<sup>j</sup>Income may be received in additional securities and/or cash.

<sup>k</sup>See Note 7 regarding credit risk and defaulted securities.

<sup>l</sup>See Note 1(g) regarding senior floating rate interests.

<sup>m</sup>The coupon rate shown represents the rate inclusive of any caps or floors, if applicable, in effect at period end.

<sup>n</sup>The rate shown is the annualized seven-day effective yield at period end.

<sup>o</sup>See Note 1(f) regarding securities on loan.

<sup>p</sup>See Note 1(d) regarding written options.

**Franklin Income Fund** (continued)

At March 31, 2023, the Fund had the following futures contracts outstanding. See Note 1(d).

**Futures Contracts**

Description	Type	Number of Contracts	Notional Amount*	Expiration Date	Value/ Unrealized Appreciation (Depreciation)
<b>Interest rate contracts</b>					
U.S. Treasury 10 Year Notes . . . . .	Long	54,000	\$6,205,781,250	6/21/23	\$170,829,378
U.S. Treasury Ultra Bonds . . . . .	Long	3,000	423,375,000	6/21/23	21,691,593
Total Futures Contracts . . . . .					<u>\$192,520,971</u>

\*As of period end.

See Note 10 regarding derivative financial instruments.

## Financial Highlights

### Franklin U.S. Government Securities Fund

	Six Months Ended March 31, 2023 (unaudited)	Year Ended September 30,				Year Ended September 30, 2018 <sup>a</sup>
		2022	2021	2020	2019	
<b>Class A</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$5.03	\$5.89	\$6.09	\$6.07	\$5.86	\$5.89
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.06	0.08	0.05	0.10	0.14	0.01
Net realized and unrealized gains (losses) . . . . .	0.14	(0.81)	(0.12)	0.08	0.25	(0.02)
Total from investment operations . . . . .	0.20	(0.73)	(0.07)	0.18	0.39	(0.01)
Less distributions from:						
Net investment income . . . . .	(0.07)	(0.13)	(0.13)	(0.16)	(0.18)	(0.02)
Net asset value, end of period . . . . .	\$5.16	\$5.03	\$5.89	\$6.09	\$6.07	\$5.86
Total return <sup>d</sup> . . . . .	4.05%	(12.50)%	(1.15)%	3.01%	6.70%	(0.23)%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses before waiver and payments by affiliates . . . . .	0.90%	0.87%	0.87%	0.89%	0.89%	0.86%
Expenses net of waiver and payments by affiliates <sup>f</sup> . . . . .	0.90% <sup>g</sup>	0.86%	0.87% <sup>g</sup>	0.88%	0.88%	0.86% <sup>g</sup>
Net investment income . . . . .	2.35%	1.44%	0.79%	1.58%	2.36%	2.40%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$655,487	\$687,607	\$1,020,574	\$1,097,545	\$336,646	\$4,472
Portfolio turnover rate . . . . .	—%	53.63%	89.16%	65.54%	41.34%	44.67%

<sup>a</sup>For the period September 10, 2018 (effective date) to September 30, 2018.

<sup>b</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>c</sup>Based on average daily shares outstanding.

<sup>d</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.

<sup>e</sup>Ratios are annualized for periods less than one year.

<sup>f</sup>Benefit of expense reduction rounds to less than 0.01%.

<sup>g</sup>Benefit of waiver and payments by affiliates rounds to less than 0.01%.

**Franklin U.S. Government Securities Fund** (continued)

	Six Months Ended March 31, 2023 (unaudited)	Year Ended September 30,				
		2022	2021	2020	2019	2018
<b>Class A1</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$5.03	\$5.90	\$6.09	\$6.07	\$5.85	\$6.13
Income from investment operations <sup>a</sup> :						
Net investment income <sup>b</sup> . . . . .	0.06	0.09	0.05	0.10	0.15	0.15
Net realized and unrealized gains (losses) . . . . .	0.15	(0.82)	(0.10)	0.09	0.25	(0.25)
Total from investment operations . . . . .	0.21	(0.73)	(0.05)	0.19	0.40	(0.10)
Less distributions from:						
Net investment income . . . . .	(0.08)	(0.14)	(0.14)	(0.17)	(0.18)	(0.18)
Net asset value, end of period . . . . .	\$5.16	\$5.03	\$5.90	\$6.09	\$6.07	\$5.85
Total return <sup>c</sup> . . . . .	4.10%	(12.55)%	(0.89)%	3.09%	6.94%	(1.60)%
<b>Ratios to average net assets<sup>d</sup></b>						
Expenses before waiver and payments by affiliates . . . . .	0.80%	0.76%	0.77%	0.78%	0.79%	0.76%
Expenses net of waiver and payments by affiliates <sup>e</sup> . . . . .	0.79%	0.76% <sup>f</sup>	0.76%	0.77%	0.78%	0.76% <sup>f</sup>
Net investment income . . . . .	2.46%	1.56%	0.90%	1.69%	2.46%	2.50%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$1,526,353	\$1,592,268	\$2,104,978	\$2,661,888	\$2,885,194	\$3,099,373
Portfolio turnover rate . . . . .	—%	53.63%	89.16%	65.54%	41.34%	44.67%

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.

<sup>d</sup>Ratios are annualized for periods less than one year.

<sup>e</sup>Benefit of expense reduction rounds to less than 0.01%.

<sup>f</sup>Benefit of waiver and payments by affiliates rounds to less than 0.01%.

**Franklin U.S. Government Securities Fund** (continued)

	Six Months Ended March 31, 2023 (unaudited)	Year Ended September 30,				
		2022	2021	2020	2019	2018
<b>Class C</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$5.00	\$5.85	\$6.04	\$6.03	\$5.81	\$6.08
Income from investment operations <sup>a</sup> :						
Net investment income <sup>b</sup> . . . . .	0.05	0.06	0.02	0.07	0.12	0.12
Net realized and unrealized gains (losses)	0.13	(0.80)	(0.10)	0.08	0.25	(0.24)
Total from investment operations . . . . .	0.18	(0.74)	(0.08)	0.15	0.37	(0.12)
Less distributions from:						
Net investment income . . . . .	(0.06)	(0.11)	(0.11)	(0.14)	(0.15)	(0.15)
Net asset value, end of period . . . . .	\$5.12	\$5.00	\$5.85	\$6.04	\$6.03	\$5.81
Total return <sup>c</sup> . . . . .	3.66%	(12.77)%	(1.41)%	2.43%	6.45%	(1.94)%
<b>Ratios to average net assets<sup>d</sup></b>						
Expenses before waiver and payments by affiliates . . . . .	1.30%	1.27%	1.27%	1.29%	1.29%	1.26%
Expenses net of waiver and payments by affiliates <sup>e</sup> . . . . .	1.30% <sup>f</sup>	1.26%	1.27% <sup>f</sup>	1.28%	1.28%	1.26% <sup>f</sup>
Net investment income . . . . .	1.95%	1.04%	0.39%	1.18%	1.96%	2.00%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$118,720	\$116,145	\$196,643	\$354,483	\$389,021	\$571,525
Portfolio turnover rate . . . . .	—%	53.63%	89.16%	65.54%	41.34%	44.67%

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.

<sup>d</sup>Ratios are annualized for periods less than one year.

<sup>e</sup>Benefit of expense reduction rounds to less than 0.01%.

<sup>f</sup>Benefit of waiver and payments by affiliates rounds to less than 0.01%.

**Franklin U.S. Government Securities Fund** (continued)

	Six Months Ended March 31, 2023 (unaudited)	Year Ended September 30,				
		2022	2021	2020	2019	2018
<b>Class R</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$5.03	\$5.89	\$6.09	\$6.07	\$5.85	\$6.12
Income from investment operations <sup>a</sup> :						
Net investment income <sup>b</sup> . . . . .	0.05	0.07	0.03	0.08	0.13	0.13
Net realized and unrealized gains (losses) . . . . .	0.15	(0.81)	(0.11)	0.08	0.25	(0.24)
Total from investment operations . . . . .	0.20	(0.74)	(0.08)	0.16	0.38	(0.11)
Less distributions from:						
Net investment income . . . . .	(0.07)	(0.12)	(0.12)	(0.14)	(0.16)	(0.16)
Net asset value, end of period . . . . .	\$5.16	\$5.03	\$5.89	\$6.09	\$6.07	\$5.85
Total return <sup>c</sup> . . . . .	3.92%	(12.72)%	(1.41)%	2.73%	6.58%	(1.78)%
<b>Ratios to average net assets<sup>d</sup></b>						
Expenses before waiver and payments by affiliates . . . . .	1.15%	1.12%	1.11%	1.13%	1.14%	1.11%
Expenses net of waiver and payments by affiliates <sup>e</sup> . . . . .	1.15% <sup>f</sup>	1.11%	1.11% <sup>f</sup>	1.12%	1.13%	1.11% <sup>f</sup>
Net investment income . . . . .	2.11%	1.20%	0.55%	1.34%	2.11%	2.15%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$16,037	\$15,476	\$19,513	\$27,746	\$32,906	\$31,144
Portfolio turnover rate . . . . .	—%	53.63%	89.16%	65.54%	41.34%	44.67%

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Total return is not annualized for periods less than one year.

<sup>d</sup>Ratios are annualized for periods less than one year.

<sup>e</sup>Benefit of expense reduction rounds to less than 0.01%.

<sup>f</sup>Benefit of waiver and payments by affiliates rounds to less than 0.01%.

**Franklin U.S. Government Securities Fund** (continued)

	Six Months Ended March 31, 2023 (unaudited)	Year Ended September 30,				
		2022	2021	2020	2019	2018
<b>Class R6</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$5.06	\$5.92	\$6.12	\$6.10	\$5.87	\$6.15
Income from investment operations <sup>a</sup> :						
Net investment income <sup>b</sup> . . . . .	0.07	0.10	0.07	0.12	0.16	0.17
Net realized and unrealized gains (losses)	0.14	(0.81)	(0.12)	0.08	0.27	(0.25)
Total from investment operations . . . . .	0.21	(0.71)	(0.05)	0.20	0.43	(0.08)
Less distributions from:						
Net investment income . . . . .	(0.08)	(0.15)	(0.15)	(0.18)	(0.20)	(0.20)
Net asset value, end of period . . . . .	\$5.19	\$5.06	\$5.92	\$6.12	\$6.10	\$5.87
Total return <sup>c</sup> . . . . .	4.21%	(12.11)%	(0.80)%	3.34%	7.39%	(1.33)%
<b>Ratios to average net assets<sup>d</sup></b>						
Expenses before waiver and payments by affiliates . . . . .	0.54%	0.50%	0.53%	0.54%	0.51%	0.49%
Expenses net of waiver and payments by affiliates <sup>e</sup> . . . . .	0.53%	0.50% <sup>f</sup>	0.51%	0.52%	0.50%	0.48%
Net investment income . . . . .	2.72%	1.81%	1.15%	1.96%	2.74%	2.78%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$201,207	\$202,611	\$304,650	\$361,791	\$573,957	\$694,813
Portfolio turnover rate . . . . .	—%	53.63%	89.16%	65.54%	41.34%	44.67%

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Total return is not annualized for periods less than one year.

<sup>d</sup>Ratios are annualized for periods less than one year.

<sup>e</sup>Benefit of expense reduction rounds to less than 0.01%.

<sup>f</sup>Benefit of waiver and payments by affiliates rounds to less than 0.01%.

**Franklin U.S. Government Securities Fund** (continued)

	Six Months Ended March 31, 2023 (unaudited)	Year Ended September 30,				
		2022	2021	2020	2019	2018
<b>Advisor Class</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$5.05	\$5.92	\$6.11	\$6.10	\$5.87	\$6.15
Income from investment operations <sup>a</sup> :						
Net investment income <sup>b</sup> . . . . .	0.07	0.09	0.06	0.11	0.16	0.16
Net realized and unrealized gains (losses) . . . . .	0.14	(0.81)	(0.10)	0.07	0.26	(0.25)
Total from investment operations . . . . .	0.21	(0.72)	(0.04)	0.18	0.42	(0.09)
Less distributions from:						
Net investment income . . . . .	(0.08)	(0.15)	(0.15)	(0.17)	(0.19)	(0.19)
Net asset value, end of period . . . . .	\$5.18	\$5.05	\$5.92	\$6.11	\$6.10	\$5.87
Total return <sup>c</sup> . . . . .	4.16%	(12.39)%	(0.74)%	3.23%	7.08%	(1.45)%
<b>Ratios to average net assets<sup>d</sup></b>						
Expenses before waiver and payments by affiliates . . . . .	0.65%	0.62%	0.62%	0.64%	0.64%	0.61%
Expenses net of waiver and payments by affiliates <sup>e</sup> . . . . .	0.65% <sup>f</sup>	0.61%	0.62% <sup>f</sup>	0.63%	0.63%	0.61% <sup>f</sup>
Net investment income . . . . .	2.60%	1.67%	1.04%	1.84%	2.61%	2.65%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$287,392	\$300,303	\$692,010	\$743,012	\$946,318	\$720,281
Portfolio turnover rate . . . . .	—%	53.63%	89.16%	65.54%	41.34%	44.67%

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Total return is not annualized for periods less than one year.

<sup>d</sup>Ratios are annualized for periods less than one year.

<sup>e</sup>Benefit of expense reduction rounds to less than 0.01%.

<sup>f</sup>Benefit of waiver and payments by affiliates rounds to less than 0.01%.

## Schedule of Investments (unaudited), March 31, 2023

## Franklin U.S. Government Securities Fund

	Principal Amount	Value
<b>U.S. Government and Agency Securities 0.6%</b>		
U.S. Treasury Bonds, 4.75%, 2/15/37 .....	\$14,500,000	\$16,551,240
<b>Total U.S. Government and Agency Securities (Cost \$18,428,449) .....</b>		<b>16,551,240</b>
<b>Mortgage-Backed Securities 97.6%</b>		
<b>Government National Mortgage Association (GNMA) Fixed Rate 97.6%</b>		
GNMA I, 30 Year, 4.5%, 4/15/40 .....	3,554,302	3,592,386
GNMA I, 30 Year, 5%, 9/15/40 .....	126,403,556	129,645,928
GNMA I, 30 Year, 5.5%, 2/15/40 .....	56,430,114	59,074,633
GNMA I, 30 Year, 6%, 12/15/39 .....	51,957,356	54,758,011
GNMA I, 30 Year, 6.5%, 8/15/37 .....	13,160,847	13,557,956
GNMA I, 30 Year, 7%, 9/15/32 .....	8,197,482	8,707,918
GNMA I, 30 Year, 7.5%, 7/15/26 - 8/15/33 .....	772,081	806,008
GNMA I, 30 Year, 8%, 10/15/29 .....	1,181	1,233
GNMA I, 30 Year, 8.5%, 11/15/24 .....	88	88
GNMA I, Single-family, 30 Year, 3.5%, 4/15/43 - 5/15/43 .....	11,813,121	11,491,344
GNMA I, Single-family, 30 Year, 4%, 10/15/40 - 8/15/46 .....	34,471,959	33,306,105
GNMA I, Single-family, 30 Year, 4.5%, 2/15/39 - 6/15/41 .....	65,696,111	66,220,397
GNMA I, Single-family, 30 Year, 5%, 2/15/35 .....	14,927	15,147
GNMA I, Single-family, 30 Year, 5.5%, 5/15/33 - 10/15/48 .....	560,516	577,065
GNMA I, Single-family, 30 Year, 7.25%, 12/15/25 .....	23,851	23,968
GNMA I, Single-family, 30 Year, 7.5%, 4/15/23 - 7/15/31 .....	889,308	898,752
GNMA I, Single-family, 30 Year, 8%, 6/15/23 - 9/15/30 .....	312,441	313,899
GNMA I, Single-family, 30 Year, 8.5%, 4/15/23 - 5/15/25 .....	5,113	5,103
GNMA I, Single-family, 30 Year, 10%, 2/15/25 .....	2,240	2,237
GNMA II, 30 Year, 4.5%, 5/20/34 - 6/20/41 .....	2,967,263	3,006,542
GNMA II, 30 Year, 6%, 3/20/34 - 9/20/34 .....	935,355	937,938
GNMA II, 30 Year, 6%, 7/20/39 .....	23,214,664	24,580,997
GNMA II, 30 Year, 6.5%, 9/20/31 - 9/20/32 .....	971,863	1,009,277
GNMA II, 30 Year, 7%, 7/20/32 .....	279,654	297,139
GNMA II, 30 Year, 7.5%, 10/20/24 .....	5,771	5,753
GNMA II, 30 Year, 8%, 12/20/28 .....	38,211	38,894
GNMA II, Single-family, 30 Year, 2%, 8/20/51 .....	169,832,308	144,957,947
GNMA II, Single-family, 30 Year, 2.5%, 11/20/50 .....	15,120,164	12,872,625
GNMA II, Single-family, 30 Year, 2.5%, 7/20/51 .....	74,417,122	65,582,385
GNMA II, Single-family, 30 Year, 2.5%, 8/20/51 .....	220,771,313	194,582,265
GNMA II, Single-family, 30 Year, 2.5%, 9/20/51 .....	89,260,661	78,654,235
GNMA II, Single-family, 30 Year, 2.5%, 10/20/51 .....	87,114,035	76,779,937
GNMA II, Single-family, 30 Year, 2.5%, 12/20/51 .....	88,936,012	78,363,248
GNMA II, Single-family, 30 Year, 2.5%, 1/20/52 .....	133,451,989	117,610,216
GNMA II, Single-family, 30 Year, 3%, 10/20/44 .....	19,367,032	18,091,340
GNMA II, Single-family, 30 Year, 3%, 12/20/44 .....	9,701,813	9,073,708
GNMA II, Single-family, 30 Year, 3%, 5/20/45 .....	14,256,759	13,300,755
GNMA II, Single-family, 30 Year, 3%, 4/20/46 .....	19,035,226	17,663,676
GNMA II, Single-family, 30 Year, 3%, 9/20/47 .....	15,276,051	14,103,094
GNMA II, Single-family, 30 Year, 3%, 10/20/47 .....	24,638,973	22,753,872
GNMA II, Single-family, 30 Year, 3%, 6/20/50 .....	11,672,763	10,874,247
GNMA II, Single-family, 30 Year, 3%, 9/20/50 .....	9,163,597	8,491,268
GNMA II, Single-family, 30 Year, 3%, 7/20/51 .....	153,002,992	140,124,537
GNMA II, Single-family, 30 Year, 3%, 8/20/51 .....	174,057,873	159,300,280
GNMA II, Single-family, 30 Year, 3%, 9/20/51 .....	28,829,212	26,384,904
GNMA II, Single-family, 30 Year, 3%, 10/20/51 .....	124,505,517	113,909,677
GNMA II, Single-family, 30 Year, 3%, 2/20/45 - 10/20/50 .....	62,433,637	57,990,422
GNMA II, Single-family, 30 Year, 3.5%, 7/20/42 .....	30,515,265	29,193,990
GNMA II, Single-family, 30 Year, 3.5%, 9/20/42 .....	38,340,498	36,707,619
GNMA II, Single-family, 30 Year, 3.5%, 5/20/43 .....	11,365,580	10,892,418
GNMA II, Single-family, 30 Year, 3.5%, 6/20/43 .....	13,165,309	12,608,792
GNMA II, Single-family, 30 Year, 3.5%, 9/20/47 .....	137,184,487	130,929,873
GNMA II, Single-family, 30 Year, 3.5%, 11/20/47 .....	130,456,627	123,976,990

**Franklin U.S. Government Securities Fund** (continued)

	Principal Amount	Value
<b>Mortgage-Backed Securities</b> (continued)		
<b>Government National Mortgage Association (GNMA) Fixed Rate</b> (continued)		
GNMA II, Single-family, 30 Year, 3.5%, 10/20/40 - 1/20/49	\$49,589,098	\$47,411,476
GNMA II, Single-family, 30 Year, 3.5%, 11/20/51	24,240,057	22,803,790
GNMA II, Single-family, 30 Year, 3.5%, 2/20/52	69,311,548	65,032,985
GNMA II, Single-family, 30 Year, 4%, 11/20/40	10,106,835	9,988,756
GNMA II, Single-family, 30 Year, 4%, 9/20/41	10,045,911	9,928,529
GNMA II, Single-family, 30 Year, 4%, 10/20/41	12,389,772	12,245,040
GNMA II, Single-family, 30 Year, 4%, 11/20/41	11,672,560	11,536,186
GNMA II, Single-family, 30 Year, 4%, 5/20/47	32,902,179	32,151,716
GNMA II, Single-family, 30 Year, 4%, 6/20/47	25,433,345	24,853,391
GNMA II, Single-family, 30 Year, 4%, 7/20/47	16,287,172	15,915,660
GNMA II, Single-family, 30 Year, 4%, 5/20/40 - 12/20/49	48,100,589	47,357,603
GNMA II, Single-family, 30 Year, 4%, 6/20/52	127,392,236	122,826,877
GNMA II, Single-family, 30 Year, 4.5%, 5/20/41	9,140,719	9,265,024
GNMA II, Single-family, 30 Year, 4.5%, 6/20/41	11,288,308	11,441,781
GNMA II, Single-family, 30 Year, 4.5%, 7/20/41	12,539,061	12,709,555
GNMA II, Single-family, 30 Year, 4.5%, 9/20/41	18,055,076	18,300,435
GNMA II, Single-family, 30 Year, 4.5%, 10/20/41	12,862,778	13,035,557
GNMA II, Single-family, 30 Year, 4.5%, 5/20/33 - 2/20/44	28,637,147	29,009,397
GNMA II, Single-family, 30 Year, 5%, 9/20/33	7,993,387	8,246,587
GNMA II, Single-family, 30 Year, 5%, 7/20/33 - 9/20/41	25,975,170	26,739,040
GNMA II, Single-family, 30 Year, 5.5%, 6/20/34 - 2/20/50	36,926,504	38,366,658
GNMA II, Single-family, 30 Year, 6%, 6/20/34	536,181	553,448
GNMA II, Single-family, 30 Year, 6.5%, 6/20/24 - 1/20/39	7,422,234	7,835,028
GNMA II, Single-family, 30 Year, 7%, 2/20/28 - 7/20/33	1,947,091	2,031,706
GNMA II, Single-family, 30 Year, 7.5%, 5/20/23 - 4/20/32	248,529	257,449
GNMA II, Single-family, 30 Year, 8%, 12/20/24 - 6/20/30	124,018	128,099
GNMA II, Single-family, 30 Year, 8.5%, 1/20/25 - 6/20/25	63	63
GNMA II, Single-family, 30 Year, 9.5%, 1/20/25	353	352
		2,738,621,226
<b>Total Mortgage-Backed Securities (Cost \$3,029,273,043)</b>		<b>2,738,621,226</b>
<b>Total Long Term Investments (Cost \$3,047,701,492)</b>		<b>2,755,172,466</b>
<b>Short Term Investments 1.6%</b>		
	Shares	
<b>Money Market Funds 1.6%</b>		
<sup>a,b</sup> Institutional Fiduciary Trust - Money Market Portfolio, 4.371%	45,008,101	45,008,101
<b>Total Money Market Funds (Cost \$45,008,101)</b>		<b>45,008,101</b>
<b>Total Short Term Investments (Cost \$45,008,101)</b>		<b>45,008,101</b>
<b>Total Investments (Cost \$3,092,709,593) 99.8%</b>		<b>\$2,800,180,567</b>
<b>Other Assets, less Liabilities 0.2%</b>		<b>5,015,989</b>
<b>Net Assets 100.0%</b>		<b>\$2,805,196,556</b>

See Abbreviations on page 145.

<sup>a</sup>See Note 3(f) regarding investments in affiliated management investment companies.

<sup>b</sup>The rate shown is the annualized seven-day effective yield at period end.

# Financial Highlights

## Franklin Utilities Fund

	Six Months Ended March 31, 2023 (unaudited)	Year Ended September 30,				Year Ended September 30, 2018 <sup>a</sup>
		2022	2021	2020	2019	
<b>Class A</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$20.26	\$20.20	\$19.76	\$22.53	\$18.66	\$19.16
Income from investment operations <sup>b</sup> :						
Net investment income <sup>c</sup> . . . . .	0.26	0.46	0.43	0.51	0.53	0.02
Net realized and unrealized gains (losses) . . . . .	1.11	0.67	1.94	(2.43)	4.41	(0.52)
Total from investment operations . . . . .	1.37	1.13	2.37	(1.92)	4.94	(0.50)
Less distributions from:						
Net investment income . . . . .	(0.24)	(0.47)	(0.52)	(0.50)	(0.49)	—
Net realized gains . . . . .	(0.31)	(0.60)	(1.41)	(0.35)	(0.58)	—
Total distributions . . . . .	(0.55)	(1.07)	(1.93)	(0.85)	(1.07)	—
Net asset value, end of period . . . . .	\$21.08	\$20.26	\$20.20	\$19.76	\$22.53	\$18.66
Total return <sup>d</sup> . . . . .	6.74%	5.56%	12.29%	(8.68)%	27.43%	(2.61)%
<b>Ratios to average net assets<sup>e</sup></b>						
Expenses <sup>f,g</sup> . . . . .	0.80%	0.82%	0.82%	0.83%	0.83%	0.84%
Net investment income . . . . .	2.49%	2.08%	2.10%	2.46%	2.51%	2.62%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$1,293,253	\$1,200,671	\$982,201	\$742,188	\$521,782	\$3,536
Portfolio turnover rate . . . . .	2.78%	5.66%	5.18%	12.19%	7.90%	4.58%

<sup>a</sup>For the period September 10, 2018 (effective date) to September 30, 2018.

<sup>b</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>c</sup>Based on average daily shares outstanding.

<sup>d</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.

<sup>e</sup>Ratios are annualized for periods less than one year.

<sup>f</sup>Benefit of expense reduction rounds to less than 0.01%.

<sup>g</sup>Benefit of waiver and payments by affiliates rounds to less than 0.01%.

**Franklin Utilities Fund** (continued)

	Six Months Ended March 31, 2023 (unaudited)	Year Ended September 30,				
		2022	2021	2020	2019	2018
<b>Class A1</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$20.27	\$20.21	\$19.77	\$22.54	\$18.66	\$19.18
Income from investment operations <sup>a</sup> :						
Net investment income <sup>b</sup> . . . . .	0.27	0.47	0.45	0.52	0.53	0.50
Net realized and unrealized gains (losses) . . . . .	1.12	0.68	1.94	(2.41)	4.44	(0.17)
Total from investment operations . . . . .	1.39	1.15	2.39	(1.89)	4.97	0.33
Less distributions from:						
Net investment income . . . . .	(0.26)	(0.49)	(0.54)	(0.53)	(0.51)	(0.54)
Net realized gains . . . . .	(0.31)	(0.60)	(1.41)	(0.35)	(0.58)	(0.31)
Total distributions . . . . .	(0.57)	(1.09)	(1.95)	(0.88)	(1.09)	(0.85)
Net asset value, end of period . . . . .	\$21.09	\$20.27	\$20.21	\$19.77	\$22.54	\$18.66
Total return <sup>c</sup> . . . . .	6.74%	5.67%	12.40%	(8.59)%	27.61%	1.68%
<b>Ratios to average net assets<sup>d</sup></b>						
Expenses <sup>e,f</sup> . . . . .	0.70%	0.72%	0.72%	0.73%	0.73%	0.74%
Net investment income . . . . .	2.58%	2.16%	2.20%	2.50%	2.61%	2.72%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$3,268,501	\$3,230,150	\$3,321,370	\$3,388,126	\$4,176,487	\$3,654,795
Portfolio turnover rate . . . . .	2.78%	5.66%	5.18%	12.19%	7.90%	4.58%

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.

<sup>d</sup>Ratios are annualized for periods less than one year.

<sup>e</sup>Benefit of expense reduction rounds to less than 0.01%.

<sup>f</sup>Benefit of waiver and payments by affiliates rounds to less than 0.01%.

**Franklin Utilities Fund** (continued)

	Six Months Ended March 31, 2023 (unaudited)	Year Ended September 30,				
		2022	2021	2020	2019	2018
<b>Class C</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$20.14	\$20.09	\$19.65	\$22.42	\$18.57	\$19.09
Income from investment operations <sup>a</sup> :						
Net investment income <sup>b</sup> . . . . .	0.21	0.36	0.34	0.41	0.42	0.41
Net realized and unrealized gains (losses)	1.11	0.67	1.95	(2.41)	4.43	(0.18)
Total from investment operations . . . . .	1.32	1.03	2.29	(2.00)	4.85	0.23
Less distributions from:						
Net investment income . . . . .	(0.20)	(0.38)	(0.44)	(0.42)	(0.42)	(0.44)
Net realized gains . . . . .	(0.31)	(0.60)	(1.41)	(0.35)	(0.58)	(0.31)
Total distributions . . . . .	(0.51)	(0.98)	(1.85)	(0.77)	(1.00)	(0.75)
Net asset value, end of period . . . . .	\$20.95	\$20.14	\$20.09	\$19.65	\$22.42	\$18.57
Total return <sup>c</sup> . . . . .	6.52%	5.11%	11.91%	(9.10)%	26.96%	1.18%
<b>Ratios to average net assets<sup>d</sup></b>						
Expenses <sup>e,f</sup> . . . . .	1.20%	1.22%	1.22%	1.23%	1.23%	1.24%
Net investment income . . . . .	2.06%	1.66%	1.69%	1.98%	2.11%	2.22%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$284,148	\$302,959	\$350,553	\$537,808	\$767,363	\$834,070
Portfolio turnover rate . . . . .	2.78%	5.66%	5.18%	12.19%	7.90%	4.58%

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.

<sup>d</sup>Ratios are annualized for periods less than one year.

<sup>e</sup>Benefit of expense reduction rounds to less than 0.01%.

<sup>f</sup>Benefit of waiver and payments by affiliates rounds to less than 0.01%.

**Franklin Utilities Fund** (continued)

	Six Months Ended March 31, 2023 (unaudited)	Year Ended September 30,				
		2022	2021	2020	2019	2018
<b>Class R</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$20.17	\$20.12	\$19.68	\$22.45	\$18.59	\$19.11
Income from investment operations <sup>a</sup> :						
Net investment income <sup>b</sup> . . . . .	0.23	0.40	0.38	0.44	0.45	0.44
Net realized and unrealized gains (losses) . . . . .	1.11	0.67	1.94	(2.41)	4.44	(0.18)
Total from investment operations . . . . .	1.34	1.07	2.32	(1.97)	4.89	0.26
Less distributions from:						
Net investment income . . . . .	(0.22)	(0.42)	(0.47)	(0.45)	(0.45)	(0.47)
Net realized gains . . . . .	(0.31)	(0.60)	(1.41)	(0.35)	(0.58)	(0.31)
Total distributions . . . . .	(0.53)	(1.02)	(1.88)	(0.80)	(1.03)	(0.78)
Net asset value, end of period . . . . .	\$20.98	\$20.17	\$20.12	\$19.68	\$22.45	\$18.59
Total return <sup>c</sup> . . . . .	6.59%	5.26%	12.06%	(8.95)%	27.17%	1.33%
<b>Ratios to average net assets<sup>d</sup></b>						
Expenses <sup>e,f</sup> . . . . .	1.05%	1.07%	1.07%	1.08%	1.08%	1.09%
Net investment income . . . . .	2.24%	1.83%	1.85%	2.15%	2.26%	2.37%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$111,560	\$103,579	\$83,441	\$84,488	\$103,376	\$72,927
Portfolio turnover rate . . . . .	2.78%	5.66%	5.18%	12.19%	7.90%	4.58%

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Total return is not annualized for periods less than one year.

<sup>d</sup>Ratios are annualized for periods less than one year.

<sup>e</sup>Benefit of expense reduction rounds to less than 0.01%.

<sup>f</sup>Benefit of waiver and payments by affiliates rounds to less than 0.01%.

**Franklin Utilities Fund** (continued)

	Six Months Ended March 31, 2023 (unaudited)	Year Ended September 30,				
		2022	2021	2020	2019	2018
<b>Class R6</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$20.47	\$20.40	\$19.93	\$22.73	\$18.81	\$19.32
Income from investment operations <sup>a</sup> :						
Net investment income <sup>b</sup> . . . . .	0.29	0.54	0.50	0.58	0.56	0.55
Net realized and unrealized gains (losses) . . . . .	1.13	0.67	1.96	(2.46)	4.50	(0.17)
Total from investment operations . . . . .	1.42	1.21	2.46	(1.88)	5.06	0.38
Less distributions from:						
Net investment income . . . . .	(0.28)	(0.54)	(0.58)	(0.57)	(0.56)	(0.58)
Net realized gains . . . . .	(0.31)	(0.60)	(1.41)	(0.35)	(0.58)	(0.31)
Total distributions . . . . .	(0.59)	(1.14)	(1.99)	(0.92)	(1.14)	(0.89)
Net asset value, end of period . . . . .	\$21.30	\$20.47	\$20.40	\$19.93	\$22.73	\$18.81
Total return <sup>c</sup> . . . . .	6.89%	5.90%	12.71%	(8.44)%	27.89%	1.97%
<b>Ratios to average net assets<sup>d</sup></b>						
Expenses before waiver and payments by affiliates . . . . .	0.52%	0.54%	0.58%	0.56%	0.53%	0.52%
Expenses net of waiver and payments by affiliates <sup>e</sup> . . . . .	0.49%	0.50%	0.50%	0.50%	0.50%	0.48%
Net investment income . . . . .	2.78%	2.41%	2.42%	2.75%	2.84%	2.98%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$233,477	\$223,710	\$153,969	\$144,079	\$150,244	\$230,393
Portfolio turnover rate . . . . .	2.78%	5.66%	5.18%	12.19%	7.90%	4.58%

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Total return is not annualized for periods less than one year.

<sup>d</sup>Ratios are annualized for periods less than one year.

<sup>e</sup>Benefit of expense reduction rounds to less than 0.01%.

**Franklin Utilities Fund** (continued)

	Six Months Ended March 31, 2023 (unaudited)	Year Ended September 30,				
		2022	2021	2020	2019	2018
<b>Advisor Class</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$20.47	\$20.40	\$19.93	\$22.73	\$18.81	\$19.32
Income from investment operations <sup>a</sup> :						
Net investment income <sup>b</sup> . . . . .	0.29	0.52	0.48	0.56	0.56	0.54
Net realized and unrealized gains (losses) . . . . .	1.12	0.68	1.97	(2.46)	4.48	(0.18)
Total from investment operations . . . . .	1.41	1.20	2.45	(1.90)	5.04	0.36
Less distributions from:						
Net investment income . . . . .	(0.27)	(0.53)	(0.57)	(0.55)	(0.54)	(0.56)
Net realized gains . . . . .	(0.31)	(0.60)	(1.41)	(0.35)	(0.58)	(0.31)
Total distributions . . . . .	(0.58)	(1.13)	(1.98)	(0.90)	(1.12)	(0.87)
Net asset value, end of period . . . . .	\$21.30	\$20.47	\$20.40	\$19.93	\$22.73	\$18.81
Total return <sup>c</sup> . . . . .	6.85%	5.82%	12.62%	(8.51)%	27.78%	1.82%
<b>Ratios to average net assets<sup>d</sup></b>						
Expenses <sup>e,f</sup> . . . . .	0.55%	0.57%	0.57%	0.58%	0.58%	0.59%
Net investment income . . . . .	2.73%	2.32%	2.35%	2.66%	2.76%	2.87%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$1,395,835	\$1,383,667	\$1,200,859	\$1,179,002	\$1,262,883	\$927,845
Portfolio turnover rate . . . . .	2.78%	5.66%	5.18%	12.19%	7.90%	4.58%

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Total return is not annualized for periods less than one year.

<sup>d</sup>Ratios are annualized for periods less than one year.

<sup>e</sup>Benefit of expense reduction rounds to less than 0.01%.

<sup>f</sup>Benefit of waiver and payments by affiliates rounds to less than 0.01%.

## Schedule of Investments (unaudited), March 31, 2023

## Franklin Utilities Fund

	Country	Shares	Value
<b>Common Stocks 99.6%</b>			
<b>Construction &amp; Engineering 1.9%</b>			
MDU Resources Group, Inc. . . . .	United States	4,200,000	\$128,016,000
<b>Diversified Telecommunication Services 0.9%</b>			
TELUS Corp. . . . .	Canada	3,000,000	59,551,643
<b>Electric Utilities 58.5%</b>			
Alliant Energy Corp. . . . .	United States	3,700,000	197,580,000
American Electric Power Co., Inc. . . . .	United States	2,700,000	245,673,000
Constellation Energy Corp. . . . .	United States	1,349,999	105,974,922
Duke Energy Corp. . . . .	United States	2,700,000	260,469,000
Edison International . . . . .	United States	4,300,000	303,537,000
Emera, Inc. . . . .	Canada	1,464,300	60,149,405
Entergy Corp. . . . .	United States	2,200,000	237,028,000
Eversource Energy . . . . .	United States	4,150,000	253,648,000
Exelon Corp. . . . .	United States	1,900,000	148,694,000
FirstEnergy Corp. . . . .	United States	6,350,000	266,001,500
NextEra Energy, Inc. . . . .	United States	2,000,000	80,120,000
OGE Energy Corp. . . . .	United States	9,800,000	755,383,999
PG&E Corp. . . . .	United States	1,600,000	60,256,000
PG&E Corp. . . . .	United States	11,000,000	177,870,000
Pinnacle West Capital Corp. . . . .	United States	1,050,000	83,202,000
PPL Corp. . . . .	United States	6,000,000	166,740,000
Southern Co. (The) . . . . .	United States	4,400,000	306,152,000
Xcel Energy, Inc. . . . .	United States	2,100,000	141,624,000
			3,850,102,826
<b>Gas Utilities 0.9%</b>			
Spire, Inc. . . . .	United States	800,000	56,112,000
<b>Independent Power and Renewable Electricity Producers 2.6%</b>			
Clearway Energy, Inc., C. . . . .	United States	800,000	25,064,000
Drax Group plc . . . . .	United Kingdom	7,000,000	52,583,483
Vistra Corp. . . . .	United States	3,994,269	95,862,456
			173,509,939
<b>Multi-Utilities 30.0%</b>			
Ameren Corp. . . . .	United States	1,668,250	144,120,117
Black Hills Corp. . . . .	United States	400,000	25,240,000
CenterPoint Energy, Inc. . . . .	United States	6,000,000	176,760,000
CMS Energy Corp. . . . .	United States	3,800,000	233,244,000
Consolidated Edison, Inc. . . . .	United States	900,000	86,103,000
Dominion Energy, Inc. . . . .	United States	4,000,000	223,640,000
DTE Energy Co. . . . .	United States	1,500,000	164,310,000
E.ON SE. . . . .	Germany	9,000,000	112,277,663
National Grid plc . . . . .	United Kingdom	5,000,000	67,640,516
NiSource, Inc. . . . .	United States	6,200,000	173,352,000
NorthWestern Corp. . . . .	United States	1,300,000	75,218,000
Public Service Enterprise Group, Inc. . . . .	United States	2,200,000	137,390,000
Sempra Energy. . . . .	United States	1,800,000	272,088,000
WEC Energy Group, Inc. . . . .	United States	900,000	85,311,000
			1,976,694,296
<b>Oil, Gas &amp; Consumable Fuels 3.4%</b>			
Cheniere Energy, Inc. . . . .	United States	700,000	110,320,000
DT Midstream, Inc. . . . .	United States	1,400,000	69,118,000
Equitrans Midstream Corp. . . . .	United States	839,500	4,852,310
Williams Cos., Inc. (The) . . . . .	United States	1,400,000	41,804,000
			226,094,310

**Franklin Utilities Fund** (continued)

	Country	Shares	Value
<b>Common Stocks</b> (continued)			
<b>Water Utilities 1.4%</b>			
Essential Utilities, Inc. . . . .	United States	1,500,000	\$65,475,000
United Utilities Group plc. . . . .	United Kingdom	2,000,000	26,177,050
			91,652,050
<b>Total Common Stocks (Cost \$3,230,987,818)</b> . . . . .			<b>6,561,733,064</b>
<b>Short Term Investments 0.3%</b>			
	Country	Shares	Value
<b>Money Market Funds 0.3%</b>			
<sup>b,c</sup> Institutional Fiduciary Trust - Money Market Portfolio, 4.371% . . . .	United States	18,744,661	18,744,661
<b>Total Money Market Funds (Cost \$18,744,661)</b> . . . . .			<b>18,744,661</b>
<b>Total Short Term Investments (Cost \$18,744,661)</b> . . . . .			<b>18,744,661</b>
<b>Total Investments (Cost \$3,249,732,479) 99.9%</b> . . . . .			<b>\$6,580,477,725</b>
<b>Other Assets, less Liabilities 0.1%</b> . . . . .			<b>6,296,057</b>
<b>Net Assets 100.0%</b> . . . . .			<b>\$6,586,773,782</b>

See Abbreviations on page 145.

<sup>a</sup> Non-income producing.

<sup>b</sup> See Note 3(f) regarding investments in affiliated management investment companies.

<sup>c</sup> The rate shown is the annualized seven-day effective yield at period end.

## Statements of Assets and Liabilities

March 31, 2023 (unaudited)

	Franklin DynaTech Fund	Franklin Focused Growth Fund	Franklin Growth Fund
<b>Assets:</b>			
Investments in securities:			
Cost - Unaffiliated issuers . . . . .	\$11,449,766,279	\$73,871,384	\$5,155,483,062
Cost - Non-controlled affiliates (Note 3f) . . . . .	251,029,443	1,201,709	94,647,361
Value - Unaffiliated issuers (Includes securities loaned of \$11,682,900, \$— and \$—, respectively) . . . . .	\$18,587,652,519	\$80,964,627	\$15,842,273,937
Value - Non-controlled affiliates (Note 3f) . . . . .	251,029,443	1,201,709	94,647,361
Foreign currency, at value (cost \$349, \$86 and \$655, respectively) . . . .	357	84	655
Receivables:			
Capital shares sold . . . . .	17,265,060	213,305	5,612,631
Dividends . . . . .	4,078,363	11,123	7,268,837
Affiliates . . . . .	—	53,380	—
Total assets . . . . .	18,860,025,742	82,444,228	15,949,803,421
<b>Liabilities:</b>			
Payables:			
Investment securities purchased . . . . .	14,902	—	—
Capital shares redeemed . . . . .	23,661,967	27,367	46,271,479
Management fees . . . . .	6,428,712	—	5,600,495
Distribution fees . . . . .	2,365,945	16,385	2,530,513
Transfer agent fees . . . . .	4,678,672	27,993	4,673,499
Professional fees . . . . .	40,766	20,793	49,763
Trustees' fees and expenses . . . . .	17,367	1,774	2,534
Payable upon return of securities loaned (Note 1f) . . . . .	11,474,000	—	—
Accrued expenses and other liabilities . . . . .	599,308	3,091	786,291
Total liabilities . . . . .	49,281,639	97,403	59,914,574
Net assets, at value . . . . .	\$18,810,744,103	\$82,346,825	\$15,889,888,847
<b>Net assets consist of:</b>			
Paid-in capital . . . . .	\$13,077,089,042	\$90,067,722	\$4,722,970,024
Total distributable earnings (losses) . . . . .	5,733,655,061	(7,720,897)	11,166,918,823
Net assets, at value . . . . .	\$18,810,744,103	\$82,346,825	\$15,889,888,847

## Statements of Assets and Liabilities (continued)

March 31, 2023 (unaudited)

	Franklin DynaTech Fund	Franklin Focused Growth Fund	Franklin Growth Fund
<b>Class A:</b>			
Net assets, at value	\$8,213,116,929	\$62,157,252	\$10,173,625,975
Shares outstanding	75,417,580	2,723,734	91,201,192
Net asset value per share <sup>a</sup>	\$108.90	\$22.82	\$111.55
Maximum offering price per share (net asset value per share + 94.50%)	\$115.24	\$24.15	\$118.04
<b>Class C:</b>			
Net assets, at value	\$772,010,928	\$4,542,493	\$415,735,309
Shares outstanding	8,831,850	203,773	4,356,789
Net asset value and maximum offering price per share <sup>a</sup>	\$87.41	\$22.29	\$95.42
<b>Class R:</b>			
Net assets, at value	\$210,746,963	\$968,870	\$270,302,899
Shares outstanding	2,016,760	42,727	2,451,540
Net asset value and maximum offering price per share	\$104.50	\$22.68	\$110.26
<b>Class R6:</b>			
Net assets, at value	\$7,227,423,335	\$63,149	\$2,140,858,594
Shares outstanding	62,740,775	2,742	19,042,580
Net asset value and maximum offering price per share	\$115.19	\$23.04	\$112.42
<b>Advisor Class:</b>			
Net assets, at value	\$2,387,445,948	\$14,615,061	\$2,889,366,070
Shares outstanding	21,021,148	634,979	25,681,757
Net asset value and maximum offering price per share	\$113.57	\$23.02	\$112.51

<sup>a</sup>Redemption price is equal to net asset value less contingent deferred sales charges, if applicable.

## Statements of Assets and Liabilities (continued)

March 31, 2023 (unaudited)

	Franklin Income Fund	Franklin U.S. Government Securities Fund	Franklin Utilities Fund
<b>Assets:</b>			
Investments in securities:			
Cost - Unaffiliated issuers . . . . .	\$69,436,370,828	\$3,047,701,492	\$3,230,987,818
Cost - Non-controlled affiliates (Note 3f) . . . . .	2,449,673,078	45,008,101	18,744,661
Value - Unaffiliated issuers (Includes securities loaned of \$170,347,549, \$— and \$—, respectively) . . . . .	\$69,134,008,779	\$2,755,172,466	\$6,561,733,064
Value - Non-controlled affiliates (Note 3f) . . . . .	2,446,447,421	45,008,101	18,744,661
Cash . . . . .	52,264,470	—	—
Foreign currency, at value (cost \$12,199,441, \$— and \$—, respectively) . . . . .	12,199,441	—	—
Receivables:			
Investment securities sold . . . . .	223,650,935	—	11,919,987
Capital shares sold . . . . .	34,554,924	3,183,664	1,728,772
Dividends and interest . . . . .	687,483,260	8,404,372	13,065,703
European Union tax reclaims (Note 1h) . . . . .	26,290,980	—	—
Deposits with brokers for:			
Futures contracts . . . . .	141,000,000	—	—
Variation margin on futures contracts . . . . .	22,593,750	—	—
Total assets . . . . .	72,780,493,960	2,811,768,603	6,607,192,187
<b>Liabilities:</b>			
Payables:			
Investment securities purchased . . . . .	432,520,091	—	11,132,882
Capital shares redeemed . . . . .	45,764,594	2,136,754	4,776,373
Management fees . . . . .	21,761,668	1,053,778	2,418,513
Distribution fees . . . . .	11,271,549	396,638	871,254
Transfer agent fees . . . . .	11,274,026	1,095,518	794,651
Trustees' fees and expenses . . . . .	246	2,584	173
Pricing fees . . . . .	—	153,895	10,165
Options written, at value (premiums received \$71,548,702, \$— and \$—, respectively) . . . . .	50,464,750	—	—
Payable upon return of securities loaned (Note 1f) . . . . .	173,182,000	—	—
Accrued expenses and other liabilities . . . . .	6,549,496	1,732,880	414,394
Total liabilities . . . . .	752,788,420	6,572,047	20,418,405
Net assets, at value . . . . .	\$72,027,705,540	\$2,805,196,556	\$6,586,773,782
<b>Net assets consist of:</b>			
Paid-in capital . . . . .	\$73,195,746,658	\$3,889,533,362	\$3,225,095,848
Total distributable earnings (losses) . . . . .	(1,168,041,118)	(1,084,336,806)	3,361,677,934
Net assets, at value . . . . .	\$72,027,705,540	\$2,805,196,556	\$6,586,773,782

## Statements of Assets and Liabilities (continued)

March 31, 2023 (unaudited)

	Franklin Income Fund	Franklin U.S. Government Securities Fund	Franklin Utilities Fund
<b>Class A:</b>			
Net assets, at value	\$19,503,026,159	\$655,486,938	\$1,293,253,101
Shares outstanding	8,485,583,117	127,047,620	61,356,732
Net asset value per share <sup>a</sup>	\$2.30	\$5.16	\$21.08
Maximum offering price per share (net asset value per share + 96.25%)	\$2.39	\$5.36	\$21.90
<b>Class A1:</b>			
Net assets, at value	\$31,801,875,940	\$1,526,353,419	\$3,268,500,722
Shares outstanding	13,807,284,209	295,698,913	155,015,256
Net asset value per share <sup>a</sup>	\$2.30	\$5.16	\$21.09
Maximum offering price per share (net asset value per share + 96.25%)	\$2.39	\$5.36	\$21.91
<b>Class C:</b>			
Net assets, at value	\$5,594,774,085	\$118,720,444	\$284,147,635
Shares outstanding	2,385,093,351	23,184,510	13,564,508
Net asset value and maximum offering price per share <sup>a</sup>	\$2.35	\$5.12	\$20.95
<b>Class R:</b>			
Net assets, at value	\$302,990,796	\$16,037,467	\$111,560,465
Shares outstanding	134,614,659	3,107,684	5,316,704
Net asset value and maximum offering price per share	\$2.25	\$5.16	\$20.98
<b>Class R6:</b>			
Net assets, at value	\$1,686,760,597	\$201,206,550	\$233,477,052
Shares outstanding	735,823,093	38,803,055	10,962,407
Net asset value and maximum offering price per share	\$2.29	\$5.19	\$21.30
<b>Advisor Class:</b>			
Net assets, at value	\$13,138,277,963	\$287,391,738	\$1,395,834,807
Shares outstanding	5,759,903,677	55,479,683	65,534,608
Net asset value and maximum offering price per share	\$2.28	\$5.18	\$21.30

<sup>a</sup>Redemption price is equal to net asset value less contingent deferred sales charges, if applicable.

# Statements of Operations

for the six months ended March 31, 2023 (unaudited)

	Franklin DynaTech Fund	Franklin Focused Growth Fund	Franklin Growth Fund
Investment income:			
Dividends: (net of foreign taxes of \$399,723, \$3,475 and \$446,683, respectively)			
Unaffiliated issuers . . . . .	\$41,355,806	\$214,895	\$74,860,645
Non-controlled affiliates (Note 3f) . . . . .	2,506,726	38,722	1,497,435
Income from securities loaned:			
Unaffiliated entities (net of fees and rebates) . . . . .	5,921	—	14,204
Non-controlled affiliates (Note 3f) . . . . .	91,388	—	453
Total investment income. . . . .	43,959,841	253,617	76,372,737
Expenses:			
Management fees (Note 3a) . . . . .	37,531,406	253,831	33,604,702
Distribution fees: (Note 3c)			
Class A . . . . .	9,339,352	68,214	12,119,802
Class C . . . . .	3,606,724	20,645	2,070,186
Class R . . . . .	492,810	2,099	657,938
Transfer agent fees: (Note 3e)			
Class A . . . . .	5,541,450	64,274	5,759,586
Class C . . . . .	535,056	4,721	246,002
Class R . . . . .	146,199	959	156,340
Class R6 . . . . .	668,250	9	235,930
Advisor Class . . . . .	1,674,998	12,914	1,669,119
Custodian fees (Note 4) . . . . .	242,982	827	70,112
Reports to shareholders fees . . . . .	1,283,596	7,061	350,732
Registration and filing fees . . . . .	276,740	60,333	187,726
Professional fees . . . . .	45,773	27,957	59,652
Trustees' fees and expenses . . . . .	103,367	1,012	86,356
Interest expense . . . . .	1,931	415	1,367
Other . . . . .	319,760	4,794	259,555
Total expenses . . . . .	61,810,394	530,065	57,535,105
Expense reductions (Note 4) . . . . .	(6)	—	(1,876)
Expenses waived/paid by affiliates (Note 3f and 3g) . . . . .	(297,445)	(130,475)	(168,085)
Net expenses . . . . .	61,512,943	399,590	57,365,144
Net investment income (loss) . . . . .	(17,553,102)	(145,973)	19,007,593
Realized and unrealized gains (losses):			
Net realized gain (loss) from:			
Investments:			
Unaffiliated issuers . . . . .	(453,269,555)	(2,290,222)	456,165,216
Foreign currency transactions . . . . .	396,499	383	3,363
Net realized gain (loss) . . . . .	(452,873,056)	(2,289,839)	456,168,579
Net change in unrealized appreciation (depreciation) on:			
Investments:			
Unaffiliated issuers . . . . .	3,302,642,401	15,067,671	1,890,388,182
Translation of other assets and liabilities denominated in foreign currencies . . . . .	19,586	26	453
Net change in unrealized appreciation (depreciation) . . . . .	3,302,661,987	15,067,697	1,890,388,635
Net realized and unrealized gain (loss) . . . . .	2,849,788,931	12,777,858	2,346,557,214
Net increase (decrease) in net assets resulting from operations . . . . .	\$2,832,235,829	\$12,631,885	\$2,365,564,807

## Statements of Operations (continued)

for the six months ended March 31, 2023 (unaudited)

	Franklin Income Fund	Franklin U.S. Government Securities Fund	Franklin Utilities Fund
Investment income:			
Dividends: (net of foreign taxes of \$5,382,757, \$— and \$491,738, respectively)			
Unaffiliated issuers . . . . .	\$284,938,133	\$—	\$108,113,419
Non-controlled affiliates (Note 3f) . . . . .	23,360,745	883,404	477,191
Interest:			
Unaffiliated issuers:			
Paydown gain (loss) . . . . .	(41,075)	(5,996,518)	—
Paid in cash <sup>a</sup> . . . . .	1,289,040,998	51,411,411	—
Income from securities loaned:			
Unaffiliated entities (net of fees and rebates) . . . . .	(62,329)	—	—
Non-controlled affiliates (Note 3f) . . . . .	2,915,543	—	—
Other income (Note 1h) . . . . .	928,234	—	—
Total investment income . . . . .	1,601,080,249	46,298,297	108,590,610
Expenses:			
Management fees (Note 3a) . . . . .	132,015,265	6,484,910	14,819,134
Distribution fees: (Note 3c)			
Class A . . . . .	23,118,028	835,572	1,587,117
Class A1 . . . . .	23,736,574	1,122,024	2,470,908
Class C . . . . .	18,606,789	388,269	971,906
Class R . . . . .	726,921	39,270	276,785
Transfer agent fees: (Note 3e)			
Class A . . . . .	7,624,443	497,376	570,363
Class A1 . . . . .	13,049,924	1,159,475	1,480,191
Class C . . . . .	2,361,011	88,853	134,378
Class R . . . . .	119,880	11,682	49,734
Class R6 . . . . .	192,928	33,404	62,882
Advisor Class . . . . .	5,247,068	216,328	637,757
Custodian fees (Note 4) . . . . .	262,337	10,880	25,358
Reports to shareholders fees . . . . .	1,259,309	124,206	140,018
Registration and filing fees . . . . .	526,520	69,808	111,896
Professional fees . . . . .	465,703	44,739	38,939
Trustees' fees and expenses . . . . .	404,781	17,548	39,992
Other . . . . .	920,775	429,837	119,213
Total expenses . . . . .	230,638,256	11,574,181	23,536,571
Expense reductions (Note 4) . . . . .	(4,464)	(67)	(235)
Expenses waived/paid by affiliates (Note 3f and 3g) . . . . .	(2,526,901)	(95,888)	(83,798)
Net expenses . . . . .	228,106,891	11,478,226	23,452,538
Net investment income . . . . .	1,372,973,358	34,820,071	85,138,072

# Statements of Operations (continued)

for the six months ended March 31, 2023 (unaudited)

	Franklin Income Fund	Franklin U.S. Government Securities Fund	Franklin Utilities Fund
Realized and unrealized gains (losses):			
Net realized gain (loss) from:			
Investments:			
Unaffiliated issuers . . . . .	343,450,982	(625,615)	34,261,287
Written options . . . . .	181,110,682	—	—
Foreign currency transactions . . . . .	(2,723,607)	—	(216,260)
Futures contracts . . . . .	(29,340,528)	—	—
Net realized gain (loss) . . . . .	492,497,529	(625,615)	34,045,027
Net change in unrealized appreciation (depreciation) on:			
Investments:			
Unaffiliated issuers . . . . .	4,781,670,169	78,543,551	312,439,138
Non-controlled affiliates (Note 3f) . . . . .	(3,324,129)	—	—
Translation of other assets and liabilities denominated in foreign currencies . . . . .	8,964,091	—	100,001
Written options . . . . .	24,572,876	—	—
Futures contracts . . . . .	177,716,721	—	—
Net change in unrealized appreciation (depreciation) . . . . .	4,989,599,728	78,543,551	312,539,139
Net realized and unrealized gain (loss) . . . . .	5,482,097,257	77,917,936	346,584,166
Net increase (decrease) in net assets resulting from operations . . . . .	\$6,855,070,615	\$112,738,007	\$431,722,238

<sup>a</sup>Includes amortization of premium and accretion of discount.

## Statements of Changes in Net Assets

	Franklin DynaTech Fund		Franklin Focused Growth Fund	
	Six Months Ended March 31, 2023 (unaudited)	Year Ended September 30, 2022	Six Months Ended March 31, 2023 (unaudited)	Year Ended September 30, 2022
Increase (decrease) in net assets:				
Operations:				
Net investment income (loss) . . . . .	\$(17,553,102)	\$(84,996,268)	\$(145,973)	\$(671,705)
Net realized gain (loss) . . . . .	(452,873,056)	(812,697,850)	(2,289,839)	(11,577,019)
Net change in unrealized appreciation (depreciation) . . . . .	3,302,661,987	(10,578,235,213)	15,067,697	(33,530,551)
Net increase (decrease) in net assets resulting from operations.	2,832,235,829	(11,475,929,331)	12,631,885	(45,779,275)
Distributions to shareholders:				
Class A. . . . .	—	(172,943,583)	—	(493,434)
Class C. . . . .	—	(23,184,109)	—	(38,188)
Class R. . . . .	—	(4,586,975)	—	(5,897)
Class R6. . . . .	—	(134,824,197)	—	(415)
Advisor Class . . . . .	—	(60,590,104)	—	(131,680)
Total distributions to shareholders . . . . .	—	(396,128,968)	—	(669,614)
Capital share transactions: (Note 2)				
Class A. . . . .	(224,760,107)	192,477,080	(564,739)	8,401,386
Class C. . . . .	(58,123,687)	(72,201,401)	(100,234)	711,737
Class R. . . . .	(10,160,906)	10,119,125	94,290	196,571
Class R6. . . . .	(193,261,478)	788,549,445	8,013	415
Advisor Class . . . . .	(256,467,029)	(278,464,615)	3,008,890	(8,229,494)
Total capital share transactions . . . . .	(742,773,207)	640,479,634	2,446,220	1,080,615
Net increase (decrease) in net assets . . . . .	2,089,462,622	(11,231,578,665)	15,078,105	(45,368,274)
Net assets:				
Beginning of period . . . . .	16,721,281,481	27,952,860,146	67,268,720	112,636,994
End of period . . . . .	\$18,810,744,103	\$16,721,281,481	\$82,346,825	\$67,268,720

## Statements of Changes in Net Assets (continued)

	Franklin Growth Fund		Franklin Income Fund	
	Six Months Ended March 31, 2023 (unaudited)	Year Ended September 30, 2022	Six Months Ended March 31, 2023 (unaudited)	Year Ended September 30, 2022
Increase (decrease) in net assets:				
Operations:				
Net investment income . . . . .	\$19,007,593	\$14,326,662	\$1,372,973,358	\$2,273,669,839
Net realized gain (loss) . . . . .	456,168,579	1,846,110,618	492,497,529	430,503,782
Net change in unrealized appreciation (depreciation) . . . . .	1,890,388,635	(6,521,606,215)	4,989,599,728	(7,786,851,093)
Net increase (decrease) in net assets resulting from operations.	2,365,564,807	(4,661,168,935)	6,855,070,615	(5,082,677,472)
Distributions to shareholders:				
Class A . . . . .	(909,635,091)	(1,168,961,036)	(540,753,912)	(1,152,988,107)
Class A1 . . . . .	—	—	(950,605,344)	(2,410,250,572)
Class C . . . . .	(44,719,553)	(66,622,776)	(153,972,573)	(440,734,378)
Class R . . . . .	(24,964,554)	(34,890,151)	(8,296,672)	(18,070,687)
Class R6 . . . . .	(198,355,706)	(278,038,777)	(40,121,112)	(71,339,359)
Advisor Class . . . . .	(266,375,785)	(380,494,855)	(392,227,662)	(871,094,088)
Total distributions to shareholders . . . . .	(1,444,050,689)	(1,929,007,595)	(2,085,977,275)	(4,964,477,191)
Capital share transactions: (Note 2)				
Class A . . . . .	468,806,538	278,407,375	1,436,831,776	3,309,460,327
Class A1 . . . . .	—	—	(613,781,923)	(809,147,805)
Class C . . . . .	(9,970,336)	(49,537,765)	(464,147,841)	(977,179,035)
Class R . . . . .	4,994,065	(30,209,220)	13,369,468	53,857,218
Class R6 . . . . .	11,237,803	(204,647,567)	436,099,809	581,612,935
Advisor Class . . . . .	63,619,179	(306,999,175)	661,455,031	1,445,415,173
Total capital share transactions . . . . .	538,687,249	(312,986,352)	1,469,826,320	3,604,018,813
Net increase (decrease) in net assets . . . . .	1,460,201,367	(6,903,162,882)	6,238,919,660	(6,443,135,850)
Net assets:				
Beginning of period . . . . .	14,429,687,480	21,332,850,362	65,788,785,880	72,231,921,730
End of period . . . . .	\$15,889,888,847	\$14,429,687,480	\$72,027,705,540	\$65,788,785,880

## Statements of Changes in Net Assets (continued)

	Franklin U.S. Government Securities Fund		Franklin Utilities Fund	
	Six Months Ended March 31, 2023 (unaudited)	Year Ended September 30, 2022	Six Months Ended March 31, 2023 (unaudited)	Year Ended September 30, 2022
Increase (decrease) in net assets:				
Operations:				
Net investment income . . . . .	\$34,820,071	\$56,545,892	\$85,138,072	\$145,646,532
Net realized gain (loss) . . . . .	(625,615)	(58,392,142)	34,045,027	109,367,801
Net change in unrealized appreciation (depreciation) . . . . .	78,543,551	(461,258,575)	312,539,139	64,616,747
Net increase (decrease) in net assets resulting from operations.	112,738,007	(463,104,825)	431,722,238	319,631,080
Distributions to shareholders:				
Class A . . . . .	(9,445,389)	(20,267,585)	(33,465,379)	(55,029,799)
Class A1 . . . . .	(22,819,556)	(46,598,044)	(88,076,012)	(176,291,048)
Class C . . . . .	(1,462,039)	(3,045,344)	(7,279,027)	(16,186,173)
Class R . . . . .	(204,269)	(367,976)	(2,778,331)	(4,384,032)
Class R6 . . . . .	(3,178,960)	(7,008,183)	(6,312,853)	(9,709,506)
Advisor Class . . . . .	(4,451,687)	(13,110,289)	(38,803,723)	(67,381,826)
Total distributions to shareholders . . . . .	(41,561,900)	(90,397,421)	(176,715,325)	(328,982,384)
Capital share transactions: (Note 2)				
Class A . . . . .	(48,615,772)	(204,548,972)	44,789,931	235,216,595
Class A1 . . . . .	(104,945,124)	(227,866,480)	(89,195,307)	(116,776,805)
Class C . . . . .	(464,492)	(57,456,291)	(30,385,186)	(52,951,717)
Class R . . . . .	195,149	(1,409,442)	3,754,262	21,829,002
Class R6 . . . . .	(6,407,153)	(63,528,606)	492,996	75,674,198
Advisor Class . . . . .	(20,152,613)	(315,646,464)	(42,424,954)	198,701,770
Total capital share transactions . . . . .	(180,390,005)	(870,456,255)	(112,968,258)	361,693,043
Net increase (decrease) in net assets . . . . .	(109,213,898)	(1,423,958,501)	142,038,655	352,341,739
Net assets:				
Beginning of period . . . . .	2,914,410,454	4,338,368,955	6,444,735,127	6,092,393,388
End of period . . . . .	\$2,805,196,556	\$2,914,410,454	\$6,586,773,782	\$6,444,735,127

# Notes to Financial Statements (unaudited)

## 1. Organization and Significant Accounting Policies

Franklin Custodian Funds (Trust) is registered under the Investment Company Act of 1940 (1940 Act) as an open-end management investment company, consisting of six separate funds (Funds). The Funds follow the accounting and reporting guidance in Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 946, Financial Services – Investment Companies (ASC 946) and apply the specialized accounting and reporting guidance in U.S. Generally Accepted Accounting Principles (U.S. GAAP), including, but not limited to, ASC 946. The classes of shares offered within each of the Funds are indicated below. Class C shares automatically convert to Class A shares on a monthly basis, after they have been held for 8 years. Each class of shares may differ by its initial sales load, contingent deferred sales charges, voting rights on matters affecting a single class, its exchange privilege and fees due to differing arrangements for distribution and transfer agent fees.

### **Class A, Class C, Class R, Class R6, & Advisor Class**

Franklin DynaTech Fund  
Franklin Focused Growth Fund  
Franklin Growth Fund

### **Class A, Class A1, Class C, Class R, Class R6, & Advisor Class**

Franklin Income Fund  
Franklin U.S. Government Securities Fund  
Franklin Utilities Fund

The following summarizes the Funds' significant accounting policies.

#### **a. Financial Instrument Valuation**

The Funds' investments in financial instruments are carried at fair value daily. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The Funds calculate the net asset value (NAV) per share each business day as of 4 p.m. Eastern time or the regularly scheduled close of the New York Stock Exchange (NYSE), whichever is earlier. Under compliance policies and procedures approved by the Trust's Board of Trustees (the Board), the Board has designated the Funds' investment manager as the valuation designee and has responsibility for oversight of valuation. The investment manager is assisted by the Funds' administrator in performing this responsibility, including leading the cross-functional Valuation Committee (VC). The Funds may utilize

independent pricing services, quotations from securities and financial instrument dealers, and other market sources to determine fair value.

Equity securities and derivative financial instruments listed on an exchange or on the NASDAQ National Market System are valued at the last quoted sale price or the official closing price of the day, respectively. Foreign equity securities are valued as of the close of trading on the foreign stock exchange on which the security is primarily traded, or as of 4 p.m. Eastern time. The value is then converted into its U.S. dollar equivalent at the foreign exchange rate in effect at 4 p.m. Eastern time on the day that the value of the security is determined. Over-the-counter (OTC) securities are valued within the range of the most recent quoted bid and ask prices. Securities that trade in multiple markets or on multiple exchanges are valued according to the broadest and most representative market. Certain equity securities are valued based upon fundamental characteristics or relationships to similar securities.

Debt securities generally trade in the OTC market rather than on a securities exchange. The Funds' pricing services use multiple valuation techniques to determine fair value. In instances where sufficient market activity exists, the pricing services may utilize a market-based approach through which quotes from market makers are used to determine fair value. In instances where sufficient market activity may not exist or is limited, the pricing services also utilize proprietary valuation models which may consider market characteristics such as benchmark yield curves, credit spreads, estimated default rates, anticipated market interest rate volatility, coupon rates, anticipated timing of principal repayments, underlying collateral, and other unique security features in order to estimate the relevant cash flows, which are then discounted to calculate the fair value. Securities denominated in a foreign currency are converted into their U.S. dollar equivalent at the foreign exchange rate in effect at 4 p.m. Eastern time on the date that the values of the foreign debt securities are determined.

Investments in open-end mutual funds are valued at the closing NAV.

The Funds have procedures to determine the fair value of financial instruments for which market prices are not reliable or readily available. Under these procedures, the Funds primarily employ a market-based approach which may use related or comparable assets or liabilities, recent transactions, market multiples, and other relevant

## 1. Organization and Significant Accounting Policies

(continued)

### a. Financial Instrument Valuation (continued)

information for the investment to determine the fair value of the investment. An income-based valuation approach may also be used in which the anticipated future cash flows of the investment are discounted to calculate fair value. Discounts may also be applied due to the nature or duration of any restrictions on the disposition of the investments. Due to the inherent uncertainty of valuations of such investments, the fair values may differ significantly from the values that would have been used had an active market existed.

Trading in securities on foreign securities stock exchanges and OTC markets may be completed before 4 p.m. Eastern time. In addition, trading in certain foreign markets may not take place on every Funds' business day. Events can occur between the time at which trading in a foreign security is completed and 4 p.m. Eastern time that might call into question the reliability of the value of a portfolio security held by the Fund. As a result, differences may arise between the value of the Funds' portfolio securities as determined at the foreign market close and the latest indications of value at 4 p.m. Eastern time. In order to minimize the potential for these differences, an independent pricing service may be used to adjust the value of the Funds' portfolio securities to the latest indications of fair value at 4 p.m. Eastern time. At March 31, 2023, certain securities may have been fair valued using these procedures, in which case the securities were categorized as Level 2 within the fair value hierarchy (referred to as "market level fair value"). See the Fair Value Measurements note for more information.

When the last day of the reporting period is a non-business day, certain foreign markets may be open on those days that the Funds' NAV is not calculated, which could result in differences between the value of the Funds' portfolio securities on the last business day and the last calendar day of the reporting period. Any security valuation changes due to an open foreign market are adjusted and reflected by the Funds for financial reporting purposes.

### b. Foreign Currency Translation

Portfolio securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars based on the exchange rate of such currencies against U.S. dollars on the date of valuation. The Funds may enter into foreign currency exchange contracts to facilitate

transactions denominated in a foreign currency. Purchases and sales of securities, income and expense items denominated in foreign currencies are translated into U.S. dollars at the exchange rate in effect on the transaction date. Portfolio securities and assets and liabilities denominated in foreign currencies contain risks that those currencies will decline in value relative to the U.S. dollar. Occasionally, events may impact the availability or reliability of foreign exchange rates used to convert the U.S. dollar equivalent value. If such an event occurs, the foreign exchange rate will be valued at fair value using procedures established and approved by the Board.

The Funds do not separately report the effect of changes in foreign exchange rates from changes in market prices on securities held. Such changes are included in net realized and unrealized gain or loss from investments in the Statements of Operations.

Realized foreign exchange gains or losses arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions and the difference between the recorded amounts of dividends, interest, and foreign withholding taxes and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in foreign exchange rates on foreign denominated assets and liabilities other than investments in securities held at the end of the reporting period.

### c. Securities Purchased on a Delayed Delivery Basis

Certain or all Funds purchase securities on a delayed delivery basis, with payment and delivery scheduled for a future date. These transactions are subject to market fluctuations and are subject to the risk that the value at delivery may be more or less than the trade date purchase price. Although the Funds will generally purchase these securities with the intention of holding the securities, they may sell the securities before the settlement date.

### d. Derivative Financial Instruments

Certain or all Funds invested in derivative financial instruments in order to manage risk or gain exposure to various other investments or markets. Derivatives are financial contracts based on an underlying or notional amount, require no initial investment or an initial net investment that is smaller than would normally be required

## 1. Organization and Significant Accounting Policies

(continued)

### d. Derivative Financial Instruments (continued)

to have a similar response to changes in market factors, and require or permit net settlement. Derivatives contain various risks including the potential inability of the counterparty to fulfill their obligations under the terms of the contract, the potential for an illiquid secondary market, and/or the potential for market movements which expose the Fund to gains or losses in excess of the amounts shown in the Statements of Assets and Liabilities. Realized gain and loss and unrealized appreciation and depreciation on these contracts for the period are included in the Statements of Operations.

Collateral requirements differ by type of derivative. Collateral or initial margin requirements are set by the broker or exchange clearing house for exchange traded and centrally cleared derivatives. Initial margin deposited is held at the exchange and can be in the form of cash and/or securities.

Certain or all Funds entered into exchange traded futures contracts primarily to manage and/or gain exposure to interest rate risk. A futures contract is an agreement between the Fund and a counterparty to buy or sell an asset at a specified price on a future date. Required initial margins are pledged by the Fund, and the daily change in fair value is accounted for as a variation margin payable or receivable in the Statements of Assets and Liabilities. At March 31, 2023, Franklin DynaTech Fund, Franklin Focused Growth Fund, Franklin Growth Fund, Franklin U.S. Government Securities Fund and Franklin Utilities Fund had no futures contracts.

Certain or all Funds purchased or wrote exchange traded option contracts primarily to manage exposure to equity price risk. An option is a contract entitling the holder to purchase or sell a specific amount of shares or units of an asset or notional amount of a swap (swaption), at a specified price. When an option is purchased or written, an amount equal to the premium paid or received is recorded as an asset or liability, respectively. Upon exercise of an option, the acquisition cost or sales proceeds of the underlying investment is adjusted by any premium received or paid. Upon expiration of an option, any premium received or paid is recorded as a realized gain or loss. Upon closing an option other than through expiration or exercise, the difference between the premium received or paid and the cost to close the position is recorded as a realized gain or loss. At March

31, 2023, Franklin DynaTech Fund, Franklin Focused Growth Fund, Franklin Growth Fund, Franklin U.S. Government Securities Fund and Franklin Utilities Fund had no options.

See Note 10 regarding other derivative information.

### e. Equity-Linked Securities

Certain or all Funds invest in equity-linked securities. Equity-linked securities are hybrid financial instruments that generally combine both debt and equity characteristics into a single note form. Income received from equity-linked securities is recorded as realized gains in the Statements of Operations and may be based on the performance of an underlying equity security, an equity index, or an option position. The risks of investing in equity-linked securities include unfavorable price movements in the underlying security and the credit risk of the issuing financial institution. There may be no guarantee of a return of principal with equity-linked securities and the appreciation potential may be limited. Equity-linked securities may be more volatile and less liquid than other investments held by the Funds.

### f. Securities Lending

Certain or all Funds participate in an agency based securities lending program to earn additional income. The Fund receives collateral in the form of cash and/or U.S. Government and Agency securities against the loaned securities in an amount equal to at least 102% of the fair value of the loaned securities. Collateral is maintained over the life of the loan in an amount not less than 100% of the fair value of loaned securities, as determined at the close of Fund business each day; any additional collateral required due to changes in security values is delivered to the Fund on the next business day. Any cash collateral received is deposited into a joint cash account with other funds and is used to invest in a money market fund managed by Franklin Advisers, Inc., an affiliate of the Funds, and/or a joint repurchase agreement. Additionally, at March 31, 2023, Franklin DynaTech Fund and Franklin Income Fund held \$977 and \$3,582,070, respectively, in U.S. Government and Agency securities as collateral. These securities are held as collateral in segregated accounts with the Fund's custodian. The Fund cannot repledge or resell these securities held as collateral. As such, the non-cash collateral is excluded from the Statements of Assets and Liabilities. The Fund may receive income from the investment of cash collateral, in addition to lending fees and rebates paid by the borrower. Income from securities loaned, net of fees paid to the

## 1. Organization and Significant Accounting Policies

(continued)

### f. Securities Lending (continued)

securities lending agent and/or third-party vendor, is reported separately in the Statements of Operations. The Fund bears the market risk with respect to any cash collateral investment, securities loaned, and the risk that the agent may default on its obligations to the Fund. If the borrower defaults on its obligation to return the securities loaned, the Fund has the right to repurchase the securities in the open market using the collateral received. The securities lending agent has agreed to indemnify the Fund in the event of default by a third party borrower. At March 31, 2023, Franklin Focused Growth Fund, Franklin Growth Fund, Franklin U.S. Government Securities Fund and Franklin Utilities Fund had no securities on loan.

### g. Senior Floating Rate Interests

Certain or all Funds invest in senior secured corporate loans that 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 Secured Overnight Financing Rate (SOFR). Senior secured corporate loans often require prepayment of principal from excess cash flows or at the discretion of the borrower. As a result, actual maturity may be substantially less than the stated maturity. Senior secured corporate loans in which the Funds invest are generally readily marketable, but may be subject to certain restrictions on resale.

### h. Income and Deferred Taxes

It is each Fund's policy to qualify as a regulated investment company under the Internal Revenue Code. Each Fund intends to distribute to shareholders substantially all of its taxable income and net realized gains to relieve it from federal income and excise taxes. As a result, no provision for U.S. federal income taxes is required.

The Funds may be subject to foreign taxation related to income received, capital gains on the sale of securities and certain foreign currency transactions in the foreign jurisdictions in which the Funds invest. Foreign taxes, if any, are recorded based on the tax regulations and rates that exist in the foreign markets in which the Funds invest. When a capital gain tax is determined to apply, certain or all Funds

record an estimated deferred tax liability in an amount that would be payable if the securities were disposed of on the valuation date.

As a result of several court cases, in certain countries across the European Union, certain or all Funds filed additional tax reclaims for previously withheld taxes on dividends earned in those countries (EU reclaims). Income recognized, if any, for EU reclaims is reflected as other income in the Statements of Operations and any related receivable, if any, is reflected as European Union tax reclaims in the Statements of Assets and Liabilities. Any fees associated with these filings are reflected in other expenses in the Statements of Operations. When uncertainty exists as to the ultimate resolution of these proceedings, the likelihood of receipt of these EU reclaims, and the potential timing of payment, no amounts are reflected in the financial statements. For U.S. income tax purposes, EU reclaims received by the Funds, if any, reduce the amount of foreign taxes Fund shareholders can use as tax deductions or credits on their income tax returns.

Each Fund may recognize an income tax liability related to its uncertain tax positions under U.S. GAAP when the uncertain tax position has a less than 50% probability that it will be sustained upon examination by the tax authorities based on its technical merits. As of March 31, 2023, each Fund has determined that no tax liability is required in its financial statements related to uncertain tax positions for any open tax years (or expected to be taken in future tax years). Open tax years are those that remain subject to examination and are based on the statute of limitations in each jurisdiction in which the Fund invests.

### i. Security Transactions, Investment Income, Expenses and Distributions

Security transactions are accounted for on trade date. Realized gains and losses on security transactions are determined on a specific identification basis. Interest income and estimated expenses are accrued daily. Amortization of premium and accretion of discount on debt securities are included in interest income. Paydown gains and losses are recorded separately on the Statements of Operations. Facility fees are recognized as income over the expected term of the loan. Dividend income is recorded on the ex-dividend date except for certain dividends from securities where the dividend rate is not available. In such cases, the dividend is recorded as soon as the information is received by the Funds. Distributions to shareholders are recorded on the ex-dividend date. Distributable earnings are determined

## **1. Organization and Significant Accounting Policies**

(continued)

### **i. Security Transactions, Investment Income, Expenses and Distributions** (continued)

according to income tax regulations (tax basis) and may differ from earnings recorded in accordance with U.S. GAAP. These differences may be permanent or temporary. Permanent differences are reclassified among capital accounts to reflect their tax character. These reclassifications have no impact on net assets or the results of operations. Temporary differences are not reclassified, as they may reverse in subsequent periods.

Common expenses incurred by the Trust are allocated among the Funds based on the ratio of net assets of each Fund to the combined net assets of the Trust or based on the ratio of number of shareholders of each Fund to the combined number of shareholders of the Trust. Fund specific expenses are charged directly to the Fund that incurred the expense.

Realized and unrealized gains and losses and net investment income, excluding class specific expenses, are allocated daily to each class of shares based upon the relative proportion of net assets of each class. Differences in per share distributions by class are generally due to differences in class specific expenses.

### **j. Accounting Estimates**

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

### **k. Guarantees and Indemnifications**

Under the Trust's organizational documents, its officers and trustees are indemnified by the Trust against certain liabilities arising out of the performance of their duties to the Trust. Additionally, in the normal course of business, the Trust, on behalf of the Funds, enters into contracts with service providers that contain general indemnification clauses. The Trust's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Trust that have not yet occurred. Currently, the Trust expects the risk of loss to be remote.

## 2. Shares of Beneficial Interest

At March 31, 2023, there were an unlimited number of shares authorized (without par value). Transactions in the Funds' shares were as follows:

	Franklin DynaTech Fund		Franklin Focused Growth Fund	
	Shares	Amount	Shares	Amount
<b>Class A Shares:</b>				
Six Months ended March 31, 2023				
Shares sold <sup>a</sup> . . . . .	4,685,166	\$460,901,763	437,081	\$8,927,863
Shares redeemed . . . . .	(7,027,391)	(685,661,870)	(460,881)	(9,492,602)
Net increase (decrease) . . . . .	(2,342,225)	\$(224,760,107)	(23,800)	\$(564,739)
Year ended September 30, 2022				
Shares sold <sup>a</sup> . . . . .	14,363,386	\$1,856,702,021	1,213,199	\$33,600,799
Shares issued in reinvestment of distributions . . . . .	1,053,354	163,733,239	15,386	489,286
Shares redeemed . . . . .	(14,802,906)	(1,827,958,180)	(1,027,936)	(25,688,699)
Net increase (decrease) . . . . .	613,834	\$192,477,080	200,649	\$8,401,386
<b>Class C Shares:</b>				
Six Months ended March 31, 2023				
Shares sold . . . . .	488,176	\$38,511,045	39,255	\$794,606
Shares redeemed <sup>a</sup> . . . . .	(1,234,662)	(96,634,732)	(44,407)	(894,840)
Net increase (decrease) . . . . .	(746,486)	\$(58,123,687)	(5,152)	\$(100,234)
Year ended September 30, 2022				
Shares sold . . . . .	1,588,693	\$169,004,456	97,172	\$2,671,024
Shares issued in reinvestment of distributions . . . . .	175,065	22,063,462	1,220	38,258
Shares redeemed <sup>a</sup> . . . . .	(2,641,655)	(263,269,319)	(82,494)	(1,997,545)
Net increase (decrease) . . . . .	(877,897)	\$(72,201,401)	15,898	\$711,737
<b>Class R Shares:</b>				
Six Months ended March 31, 2023				
Shares sold . . . . .	111,287	\$10,339,910	9,255	\$181,749
Shares redeemed . . . . .	(212,985)	(20,500,816)	(4,169)	(87,459)
Net increase (decrease) . . . . .	(101,698)	\$(10,160,906)	5,086	\$94,290
Year ended September 30, 2022				
Shares sold . . . . .	453,729	\$56,189,217	24,654	\$667,940
Shares issued in reinvestment of distributions . . . . .	30,631	4,583,974	186	5,897
Shares redeemed . . . . .	(422,749)	(50,654,066)	(18,389)	(477,266)
Net increase (decrease) . . . . .	61,611	\$10,119,125	6,451	\$196,571

## 2. Shares of Beneficial Interest (continued)

	Franklin DynaTech Fund		Franklin Focused Growth Fund	
	Shares	Amount	Shares	Amount
<b>Class R6 Shares:</b>				
Six Months ended March 31, 2023				
Shares sold . . . . .	7,310,819	\$753,323,014	368	\$8,013
Shares redeemed . . . . .	(9,111,231)	(946,584,492)	—	—
Net increase (decrease) . . . . .	(1,800,412)	\$(193,261,478)	368	\$8,013
Year ended September 30, 2022				
Shares sold . . . . .	19,924,717	\$2,652,793,439	—	\$—
Shares issued in reinvestment of distributions . . . . .	819,201	134,013,149	13	415
Shares redeemed . . . . .	(15,624,599)	(1,998,257,143)	—	—
Net increase (decrease) . . . . .	5,119,319	\$788,549,445	13	\$415
<b>Advisor Class Shares:</b>				
Six Months ended March 31, 2023				
Shares sold . . . . .	2,596,154	\$265,725,546	262,336	\$5,397,904
Shares redeemed . . . . .	(5,170,202)	(522,192,575)	(117,214)	(2,389,014)
Net increase (decrease) . . . . .	(2,574,048)	\$(256,467,029)	145,122	\$3,008,890
Year ended September 30, 2022				
Shares sold . . . . .	8,399,379	\$1,127,784,359	315,963	\$8,974,322
Shares issued in reinvestment of distributions . . . . .	331,088	53,493,894	4,116	131,564
Shares redeemed . . . . .	(11,793,370)	(1,459,742,868)	(618,869)	(17,335,380)
Net increase (decrease) . . . . .	(3,062,903)	\$(278,464,615)	(298,790)	\$(8,229,494)

## 2. Shares of Beneficial Interest (continued)

	Franklin Growth Fund		Franklin Income Fund	
	Shares	Amount	Shares	Amount
<b>Class A Shares:</b>				
Six Months ended March 31, 2023				
Shares sold <sup>a</sup> . . . . .	3,437,816	\$371,119,221	1,030,086,796	\$2,337,638,915
Shares issued in reinvestment of distributions . . . . .	8,412,604	874,237,952	219,687,812	498,953,240
Shares redeemed . . . . .	(7,151,713)	(776,550,635)	(617,671,671)	(1,399,760,379)
Net increase (decrease) . . . . .	4,698,707	\$468,806,538	632,102,937	\$1,436,831,776
Year ended September 30, 2022				
Shares sold <sup>a</sup> . . . . .	7,112,775	\$950,008,754	1,967,528,153	\$4,769,802,324
Shares issued in reinvestment of distributions . . . . .	7,829,335	1,123,352,847	441,349,127	1,064,714,504
Shares redeemed . . . . .	(13,642,430)	(1,794,954,226)	(1,046,858,486)	(2,525,056,501)
Net increase (decrease) . . . . .	1,299,680	\$278,407,375	1,362,018,794	\$3,309,460,327
<b>Class A1 Shares:</b>				
Six Months ended March 31, 2023				
Shares sold . . . . .	—	\$—	210,456,105	\$478,478,333
Shares issued in reinvestment of distributions . . . . .	—	—	383,696,060	872,094,476
Shares redeemed . . . . .	—	—	(864,749,439)	(1,964,354,732)
Net increase (decrease) . . . . .	—	\$—	(270,597,274)	\$(613,781,923)
Year ended September 30, 2022				
Shares sold . . . . .	—	\$—	462,966,749	\$1,128,353,082
Shares issued in reinvestment of distributions . . . . .	—	—	921,359,816	2,231,616,951
Shares redeemed . . . . .	—	—	(1,716,035,662)	(4,169,117,838)
Net increase (decrease) . . . . .	—	\$—	(331,709,097)	\$(809,147,805)
<b>Class C Shares:</b>				
Six Months ended March 31, 2023				
Shares sold . . . . .	271,699	\$25,235,702	159,595,937	\$370,402,159
Shares issued in reinvestment of distributions . . . . .	495,655	44,157,863	63,636,929	147,427,513
Shares redeemed <sup>a</sup> . . . . .	(846,377)	(79,363,901)	(425,275,563)	(981,977,513)
Net increase (decrease) . . . . .	(79,023)	\$(9,970,336)	(202,042,697)	\$(464,147,841)
Year ended September 30, 2022				
Shares sold . . . . .	555,692	\$66,038,572	376,265,055	\$933,445,062
Shares issued in reinvestment of distributions . . . . .	521,624	65,667,219	172,175,078	424,342,430
Shares redeemed <sup>a</sup> . . . . .	(1,579,860)	(181,243,556)	(943,189,191)	(2,334,966,527)
Net increase (decrease) . . . . .	(502,544)	\$(49,537,765)	(394,749,058)	\$(977,179,035)

## 2. Shares of Beneficial Interest (continued)

	Franklin Growth Fund		Franklin Income Fund	
	Shares	Amount	Shares	Amount
<b>Class R Shares:</b>				
Six Months ended March 31, 2023				
Shares sold . . . . .	135,397	\$14,547,505	13,865,236	\$30,844,749
Shares issued in reinvestment of distributions . . . . .	242,555	24,932,196	3,709,635	8,244,652
Shares redeemed . . . . .	(319,210)	(34,485,636)	(11,576,386)	(25,719,933)
Net increase (decrease) . . . . .	58,742	\$4,994,065	5,998,485	\$13,369,468
Year ended September 30, 2022				
Shares sold . . . . .	225,684	\$29,038,794	38,495,084	\$91,632,223
Shares issued in reinvestment of distributions . . . . .	244,578	34,832,817	7,597,250	17,950,459
Shares redeemed . . . . .	(699,391)	(94,080,831)	(23,493,263)	(55,725,464)
Net increase (decrease) . . . . .	(229,129)	\$(30,209,220)	22,599,071	\$53,857,218
<b>Class R6 Shares:</b>				
Six Months ended March 31, 2023				
Shares sold . . . . .	1,273,623	\$138,229,779	237,262,719	\$534,267,242
Shares issued in reinvestment of distributions . . . . .	1,715,972	179,878,131	15,649,013	35,407,199
Shares redeemed . . . . .	(2,783,858)	(306,870,107)	(59,154,435)	(133,574,632)
Net increase (decrease) . . . . .	205,737	\$11,237,803	193,757,297	\$436,099,809
Year ended September 30, 2022				
Shares sold . . . . .	3,675,674	\$475,633,325	297,381,010	\$723,113,206
Shares issued in reinvestment of distributions . . . . .	1,758,267	253,489,423	25,240,470	60,705,956
Shares redeemed in-kind (Note 13) . . . . .	(448,827)	(65,832,485)	—	—
Shares redeemed . . . . .	(6,581,226)	(867,937,830)	(83,879,771)	(202,206,227)
Net increase (decrease) . . . . .	(1,596,112)	\$(204,647,567)	238,741,709	\$581,612,935
<b>Advisor Class Shares:</b>				
Six Months ended March 31, 2023				
Shares sold . . . . .	2,212,577	\$241,128,327	828,674,687	\$1,871,685,832
Shares issued in reinvestment of distributions . . . . .	2,262,495	237,226,372	160,441,957	361,368,031
Shares redeemed . . . . .	(3,760,985)	(414,735,520)	(699,939,283)	(1,571,598,832)
Net increase (decrease) . . . . .	714,087	\$63,619,179	289,177,361	\$661,455,031
Year ended September 30, 2022				
Shares sold . . . . .	5,539,441	\$691,586,170	1,421,259,437	\$3,411,492,621
Shares issued in reinvestment of distributions . . . . .	2,305,617	332,746,676	333,722,149	799,087,621
Shares redeemed in-kind (Note 3h) . . . . .	(924,131)	(104,759,504)	—	—
Shares redeemed . . . . .	(9,694,616)	(1,226,572,517)	(1,157,679,072)	(2,765,165,069)
Net increase (decrease) . . . . .	(2,773,689)	\$(306,999,175)	597,302,514	\$1,445,415,173

## 2. Shares of Beneficial Interest (continued)

	Franklin U.S. Government Securities Fund		Franklin Utilities Fund	
	Shares	Amount	Shares	Amount
<b>Class A Shares:</b>				
Six Months ended March 31, 2023				
Shares sold <sup>a</sup> . . . . .	10,623,324	\$54,323,068	7,328,292	\$153,964,181
Shares issued in reinvestment of distributions . . . . .	1,758,127	8,968,078	1,386,537	29,851,732
Shares redeemed . . . . .	(21,964,498)	(111,906,918)	(6,615,764)	(139,025,982)
Net increase (decrease) . . . . .	(9,583,047)	\$(48,615,772)	2,099,065	\$44,789,931
Year ended September 30, 2022				
Shares sold <sup>a</sup> . . . . .	28,163,866	\$157,662,763	20,426,933	\$453,472,027
Shares issued in reinvestment of distributions . . . . .	3,489,049	19,245,353	2,332,270	48,266,115
Shares redeemed . . . . .	(68,182,403)	(381,457,088)	(12,123,828)	(266,521,547)
Net increase (decrease) . . . . .	(36,529,488)	\$(204,548,972)	10,635,375	\$235,216,595
<b>Class A1 Shares:</b>				
Six Months ended March 31, 2023				
Shares sold . . . . .	8,866,937	\$44,834,275	2,481,737	\$52,290,239
Shares issued in reinvestment of distributions . . . . .	4,050,570	20,676,064	3,749,950	80,758,949
Shares redeemed . . . . .	(33,464,609)	(170,455,463)	(10,581,999)	(222,244,495)
Net increase (decrease) . . . . .	(20,547,102)	\$(104,945,124)	(4,350,312)	\$(89,195,307)
Year ended September 30, 2022				
Shares sold . . . . .	10,992,579	\$61,460,301	6,815,891	\$150,191,697
Shares issued in reinvestment of distributions . . . . .	7,641,977	42,120,329	7,794,675	161,036,003
Shares redeemed . . . . .	(59,374,388)	(331,447,110)	(19,602,339)	(428,004,505)
Net increase (decrease) . . . . .	(40,739,832)	\$(227,866,480)	(4,991,773)	\$(116,776,805)
<b>Class C Shares:</b>				
Six Months ended March 31, 2023				
Shares sold . . . . .	6,477,155	\$32,611,133	772,028	\$16,213,243
Shares issued in reinvestment of distributions . . . . .	285,122	1,444,343	329,706	7,068,284
Shares redeemed <sup>a</sup> . . . . .	(6,826,926)	(34,519,968)	(2,579,152)	(53,666,713)
Net increase (decrease) . . . . .	(64,649)	\$(464,492)	(1,477,418)	\$(30,385,186)
Year ended September 30, 2022				
Shares sold . . . . .	4,759,211	\$26,534,963	2,115,656	\$46,531,797
Shares issued in reinvestment of distributions . . . . .	546,780	2,996,336	769,737	15,737,676
Shares redeemed <sup>a</sup> . . . . .	(15,663,297)	(86,987,590)	(5,296,474)	(115,221,190)
Net increase (decrease) . . . . .	(10,357,306)	\$(57,456,291)	(2,411,081)	\$(52,951,717)

## 2. Shares of Beneficial Interest (continued)

	Franklin U.S. Government Securities Fund		Franklin Utilities Fund	
	Shares	Amount	Shares	Amount
<b>Class R Shares:</b>				
Six Months ended March 31, 2023				
Shares sold . . . . .	469,675	\$2,429,010	754,082	\$15,749,214
Shares issued in reinvestment of distributions . . . . .	39,838	203,389	129,523	2,778,208
Shares redeemed . . . . .	(476,488)	(2,437,250)	(701,312)	(14,773,160)
Net increase (decrease) . . . . .	33,025	\$195,149	182,293	\$3,754,262
Year ended September 30, 2022				
Shares sold . . . . .	781,481	\$4,240,961	1,807,582	\$39,910,876
Shares issued in reinvestment of distributions . . . . .	66,564	366,299	212,284	4,365,844
Shares redeemed . . . . .	(1,083,625)	(6,016,702)	(1,033,330)	(22,447,718)
Net increase (decrease) . . . . .	(235,580)	\$(1,409,442)	986,536	\$21,829,002
<b>Class R6 Shares:</b>				
Six Months ended March 31, 2023				
Shares sold . . . . .	4,204,299	\$21,609,304	2,497,370	\$52,754,719
Shares issued in reinvestment of distributions . . . . .	609,932	3,127,584	289,637	6,295,835
Shares redeemed . . . . .	(6,072,388)	(31,144,041)	(2,754,318)	(58,557,558)
Net increase (decrease) . . . . .	(1,258,157)	\$(6,407,153)	32,689	\$492,996
Year ended September 30, 2022				
Shares sold . . . . .	9,713,988	\$54,869,336	5,404,404	\$121,039,182
Shares issued in reinvestment of distributions . . . . .	1,245,685	6,913,611	460,767	9,666,565
Shares redeemed . . . . .	(22,336,576)	(125,311,553)	(2,484,233)	(55,031,549)
Net increase (decrease) . . . . .	(11,376,903)	\$(63,528,606)	3,380,938	\$75,674,198
<b>Advisor Class Shares:</b>				
Six Months ended March 31, 2023				
Shares sold . . . . .	6,740,162	\$34,689,613	7,448,326	\$158,471,155
Shares issued in reinvestment of distributions . . . . .	764,342	3,913,945	1,681,519	36,561,209
Shares redeemed . . . . .	(11,461,384)	(58,756,171)	(11,193,258)	(237,457,318)
Net increase (decrease) . . . . .	(3,956,880)	\$(20,152,613)	(2,063,413)	\$(42,424,954)
Year ended September 30, 2022				
Shares sold . . . . .	26,643,569	\$146,873,967	18,972,988	\$427,940,062
Shares issued in reinvestment of distributions . . . . .	2,135,912	11,924,174	3,023,204	63,261,713
Shares redeemed . . . . .	(86,296,878)	(474,444,605)	(13,271,920)	(292,500,005)
Net increase (decrease) . . . . .	(57,517,397)	\$(315,646,464)	8,724,272	\$198,701,770

\*May include a portion of Class C shares that were automatically converted to Class A.

### 3. Transactions with Affiliates

Franklin Resources, Inc. is the holding company for various subsidiaries that together are referred to as Franklin Templeton. Certain officers and trustees of the Trust are also officers and/or directors of the following subsidiaries:

Subsidiary	Affiliation
Franklin Advisers, Inc. (Advisers)	Investment manager
Franklin Templeton Services, LLC (FT Services)	Administrative manager
Franklin Distributors, LLC (Distributors)	Principal underwriter
Franklin Templeton Investor Services, LLC (Investor Services)	Transfer agent

#### a. Management Fees

Franklin Income Fund and Franklin Utilities Fund pay an investment management fee, calculated daily and paid monthly, to Advisers based on the month-end net assets of each of the Funds as follows:

Annualized Fee Rate	Net Assets
0.625%	Up to and including \$100 million
0.500%	Over \$100 million, up to and including \$250 million
0.450%	Over \$250 million, up to and including \$7.5 billion
0.440%	Over \$7.5 billion, up to and including \$10 billion
0.430%	Over \$10 billion, up to and including \$12.5 billion
0.420%	Over \$12.5 billion, up to and including \$15 billion
0.400%	Over \$15 billion, up to and including \$17.5 billion
0.380%	Over \$17.5 billion, up to and including \$20 billion
0.360%	Over \$20 billion, up to and including \$35 billion
0.355%	Over \$35 billion, up to and including \$50 billion
0.350%	Over \$50 billion, up to and including \$65 billion
0.345%	Over \$65 billion, up to and including \$80 billion
0.340%	In excess of \$80 billion

Franklin DynaTech Fund, Franklin Growth Fund and Franklin U.S. Government Securities Fund pay an investment management fee, calculated daily and paid monthly, to Advisers based on the month-end net assets of each of the Funds as follows:

Annualized Fee Rate	Net Assets
0.625%	Up to and including \$100 million
0.500%	Over \$100 million, up to and including \$250 million
0.450%	Over \$250 million, up to and including \$7.5 billion
0.440%	Over \$7.5 billion, up to and including \$10 billion
0.430%	Over \$10 billion, up to and including \$12.5 billion
0.420%	Over \$12.5 billion, up to and including \$15 billion
0.400%	Over \$15 billion, up to and including \$17.5 billion
0.380%	Over \$17.5 billion, up to and including \$20 billion
0.360%	Over \$20 billion, up to and including \$35 billion
0.355%	Over \$35 billion, up to and including \$50 billion
0.350%	In excess of \$50 billion

### 3. Transactions with Affiliates (continued)

#### a. Management Fees (continued)

Franklin Focused Growth Fund pays an investment management fee, calculated daily and paid monthly, to Advisers based on the average daily net assets of the Fund as follows:

Annualized Fee Rate	Net Assets
0.700%	Up to and including \$500 million
0.600%	Over \$500 million, up to and including \$1 billion
0.550%	Over \$1 billion, up to and including \$3 billion
0.500%	Over \$3 billion, up to and including \$5 billion
0.450%	In excess of \$5 billion

For the period ended March 31, 2023, each Fund's annualized gross effective investment management fee rate based on average daily net assets was as follows:

	Franklin DynaTech Fund	Franklin Focused Growth Fund	Franklin Growth Fund
Gross effective investment management fee rate. . . . .	0.435%	0.700%	0.440%

  

	Franklin Income Fund	Franklin U.S. Government Securities Fund	Franklin Utilities Fund
Gross effective investment management fee rate. . . . .	0.376%	0.455%	0.450%

#### b. Administrative Fees

Under an agreement with Advisers, FT Services provides administrative services to the Funds. The fee is paid by Advisers based on each of the Funds' average daily net assets, and is not an additional expense of the Funds.

#### c. Distribution Fees

The Board has adopted distribution plans for each share class, with the exception of Class R6 and Advisor Class shares, pursuant to Rule 12b-1 under the 1940 Act. Under the Funds' Class A and A1 reimbursement distribution plans, the Funds reimburse Distributors for costs incurred in connection with the servicing, sale and distribution of each Fund's shares up to the maximum annual plan rate for each class. Under the Class A and A1 reimbursement distribution plans, costs exceeding the maximum for the current plan year cannot be reimbursed in subsequent periods. In addition, under the Funds' Class C and R compensation distribution plans, the Funds pay Distributors for costs incurred in connection with the servicing, sale and distribution of each Fund's shares up to the maximum annual plan rate for each class. The plan year, for purposes of monitoring compliance with the maximum annual plan rates, is February 1 through January 31 for each Fund.

The maximum annual plan rates, based on the average daily net assets, for each class, are as follows:

### 3. Transactions with Affiliates (continued)

#### c. Distribution Fees (continued)

	Franklin DynaTech Fund	Franklin Focused Growth Fund	Franklin Growth Fund
Class A . . . . .	0.25%	0.25%	0.25%
Class C . . . . .	1.00%	1.00%	1.00%
Class R . . . . .	0.50%	0.50%	0.50%

  

	Franklin Income Fund	Franklin U.S. Government Securities Fund	Franklin Utilities Fund
Class A . . . . .	0.25%	0.25%	0.25%
Class A1 . . . . .	0.15%	0.15%	0.15%
Class C . . . . .	0.65%	0.65%	0.65%
Class R . . . . .	0.50%	0.50%	0.50%

#### d. Sales Charges/Underwriting Agreements

Front-end sales charges and contingent deferred sales charges (CDSC) do not represent expenses of the Funds. These charges are deducted from the proceeds of sales of fund shares prior to investment or from redemption proceeds prior to remittance, as applicable. Distributors has advised the Funds of the following commission transactions related to the sales and redemptions of the Funds' shares for the period:

	Franklin DynaTech Fund	Franklin Focused Growth Fund	Franklin Growth Fund
Sales charges retained net of commissions paid to unaffiliated brokers/dealers . . . . .	\$835,348	\$8,681	\$458,912
CDSC retained . . . . .	\$69,219	\$181	\$22,843

  

	Franklin Income Fund	Franklin U.S. Government Securities Fund	Franklin Utilities Fund
Sales charges retained net of commissions paid to unaffiliated brokers/dealers . . . . .	\$1,206,392	\$10,541	\$63,308
CDSC retained . . . . .	\$605,399	\$7,971	\$27,637

Effective March 1, 2023, any front-end sales charges applicable to the purchase of Franklin Focused Growth Fund shares or CDSC applicable to the redemption of the Fund's shares are waived.

#### e. Transfer Agent Fees

Each class of shares pays transfer agent fees to Investor Services for its performance of shareholder servicing obligations. Effective October 1, 2022, the fees are based on an annualized asset based fee of 0.016% plus a reduced transaction based fee. Prior to October 1, 2022, the fees were based on an annualized asset based fee of 0.02% plus a transaction based fee. In addition, each class reimburses Investor Services for out of pocket expenses incurred and, except for Class R6, reimburses shareholder servicing fees paid to third parties. These fees are allocated daily based upon their relative proportion of such classes' aggregate net assets. Class R6 pays Investor Services transfer agent fees specific to that class.

### 3. Transactions with Affiliates (continued)

#### e. Transfer Agent Fees (continued)

For the period ended March 31, 2023, the Funds paid transfer agent fees as noted in the Statements of Operations of which the following amounts were retained by Investor Services:

	Franklin DynaTech Fund	Franklin Focused Growth Fund	Franklin Growth Fund
Transfer agent fees . . . . .	\$2,476,755	\$39,555	\$2,646,391
	Franklin Income Fund	Franklin U.S. Government Securities Fund	Franklin Utilities Fund
Transfer agent fees . . . . .	\$9,753,692	\$791,715	\$1,176,648

#### f. Investments in Affiliated Management Investment Companies

Certain or all Funds invest in one or more affiliated management investment companies. As defined in the 1940 Act, an investment is deemed to be a "Controlled Affiliate" of a fund when a fund owns, either directly or indirectly, 25% or more of the affiliated fund's outstanding shares or has the power to exercise control over management or policies of such fund. The Funds do not invest for purposes of exercising a controlling influence over the management or policies. Management fees paid by the Funds are waived on assets invested in the affiliated management investment companies, as noted in the Statements of Operations, in an amount not to exceed the management and administrative fees paid directly or indirectly by each affiliate. During the period ended March 31, 2023, investments in affiliated management investment companies were as follows:

	Value at Beginning of Period	Purchases	Sales	Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Value at End of Period	Number of Shares Held at End of Period	Investment Income
<b>Franklin DynaTech Fund</b>								
<b>Non-Controlled Affiliates</b>								
								Dividends
Institutional Fiduciary Trust - Money Market Portfolio, 4.371%	\$270,863,972	\$1,120,218,106	\$(1,151,526,635)	\$—	\$—	\$239,555,443	239,555,443	\$2,506,726
<b>Non-Controlled Affiliates</b>								
								Income from securities loaned
Institutional Fiduciary Trust - Money Market Portfolio, 4.371%	\$385,000	\$42,513,000	\$(31,424,000)	\$—	\$—	\$11,474,000	11,474,000	\$91,388
<b>Total Affiliated Securities . . .</b>	<b>\$271,248,972</b>	<b>\$1,162,731,106</b>	<b>\$(1,182,950,635)</b>	<b>\$—</b>	<b>\$—</b>	<b>\$251,029,443</b>		<b>\$2,598,114</b>
<b>Franklin Focused Growth Fund</b>								
<b>Non-Controlled Affiliates</b>								
								Dividends
Institutional Fiduciary Trust - Money Market Portfolio, 4.371%	\$1,276,224	\$9,474,862	\$(9,549,377)	\$—	\$—	\$1,201,709	1,201,709	\$38,722
<b>Total Affiliated Securities . . .</b>	<b>\$1,276,224</b>	<b>\$9,474,862</b>	<b>\$(9,549,377)</b>	<b>\$—</b>	<b>\$—</b>	<b>\$1,201,709</b>		<b>\$38,722</b>

### 3. Transactions with Affiliates (continued)

#### f. Investments in Affiliated Management Investment Companies (continued)

	Value at Beginning of Period	Purchases	Sales	Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Value at End of Period	Number of Shares Held at End of Period	Investment Income
<b>Franklin Growth Fund</b>								
<b>Non-Controlled Affiliates</b>								
								Dividends
Institutional Fiduciary Trust - Money Market Portfolio, 4.371%	\$69,725,524	\$822,019,714	\$(797,097,877)	\$—	\$—	\$94,647,361	94,647,361	\$1,497,435
<b>Non-Controlled Affiliates</b>								
								Income from securities loaned
Institutional Fiduciary Trust - Money Market Portfolio, 4.371%	\$—	\$1,386,000	\$(1,386,000)	\$—	\$—	\$—	—	\$453
<b>Total Affiliated Securities . . .</b>	<b>\$69,725,524</b>	<b>\$823,405,714</b>	<b>\$(798,483,877)</b>	<b>\$—</b>	<b>\$—</b>	<b>\$94,647,361</b>		<b>\$1,497,888</b>
<b>Franklin Income Fund</b>								
<b>Non-Controlled Affiliates</b>								
								Dividends
Clarion Partners Real Estate Income Fund, Inc., Class I . . .	\$75,098,472	\$25,000,000	\$—	\$—	\$(3,324,129)	\$96,774,343	7,867,833	\$2,560,350
Institutional Fiduciary Trust - Money Market Portfolio, 4.371%	880,891,701	8,707,735,691	(7,412,136,314)	—	—	2,176,491,078	2,176,491,078	20,800,395
<b>Total Non-Controlled Affiliates</b>	<b>\$955,990,173</b>	<b>\$8,732,735,691</b>	<b>\$(7,412,136,314)</b>	<b>\$—</b>	<b>\$(3,324,129)</b>	<b>\$2,273,265,421</b>		<b>\$23,360,745</b>
<b>Non-Controlled Affiliates</b>								
								Income from securities loaned
Institutional Fiduciary Trust - Money Market Portfolio, 4.371%	\$124,103,000	\$379,739,000	\$(330,660,000)	\$—	\$—	\$173,182,000	173,182,000	\$2,915,543
<b>Total Affiliated Securities . . .</b>	<b>\$1,080,093,173</b>	<b>\$9,112,474,691</b>	<b>\$(7,742,796,314)</b>	<b>\$—</b>	<b>\$(3,324,129)</b>	<b>\$2,446,447,421</b>		<b>\$26,276,288</b>
<b>Franklin U.S. Government Securities Fund</b>								
<b>Non-Controlled Affiliates</b>								
								Dividends
Institutional Fiduciary Trust - Money Market Portfolio, 4.371%	\$47,626,883	\$223,973,996	\$(226,592,778)	\$—	\$—	\$45,008,101	45,008,101	\$883,404
<b>Total Affiliated Securities . . .</b>	<b>\$47,626,883</b>	<b>\$223,973,996</b>	<b>\$(226,592,778)</b>	<b>\$—</b>	<b>\$—</b>	<b>\$45,008,101</b>		<b>\$883,404</b>

### 3. Transactions with Affiliates (continued)

#### f. Investments in Affiliated Management Investment Companies (continued)

	Value at Beginning of Period	Purchases	Sales	Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Value at End of Period	Number of Shares Held at End of Period	Investment Income
<b>Franklin Utilities Fund</b>								
<b>Non-Controlled Affiliates</b>								
								Dividends
Institutional Fiduciary Trust - Money Market Portfolio, 4.371%	\$67,045,219	\$274,296,307	\$(322,596,865)	\$—	\$—	\$18,744,661	18,744,661	\$477,191
<b>Total Affiliated Securities . . .</b>	<b>\$67,045,219</b>	<b>\$274,296,307</b>	<b>\$(322,596,865)</b>	<b>\$—</b>	<b>\$—</b>	<b>\$18,744,661</b>		<b>\$477,191</b>

#### g. Waiver and Expense Reimbursements

Advisers has contractually agreed in advance to waive or limit its respective fees and to assume as its own expense certain expenses otherwise payable by Franklin Focused Growth Fund so that the operating expenses (excluding interest expense, distribution fees, acquired fund fees and expenses and certain non-routine expenses or costs, including those relating to litigation, indemnification, reorganizations, and liquidations) for each class of the Fund does not exceed 0.85% based on the average net assets of each class until January 31, 2024. Total expenses waived or paid are not subject to recapture subsequent to the Fund's fiscal year end.

Investor Services has contractually agreed in advance to waive or limit its fees so that the Class R6 transfer agent fees do not exceed 0.03% based on the average net assets of the class until January 31, 2024.

#### h. Other Affiliated Transactions

During the year ended September 30, 2022, the New Jersey Better Educational Savings Trust Program – Franklin Templeton Managed Investments Options (529 Portfolios) redeemed out of Franklin Growth Fund. As a result, on July 15, 2022, the Fund delivered portfolio securities and cash that were transferred in-kind to the 529 Portfolios, which included \$74,761,884 of net realized gains. As such gains are not taxable to the Fund and are not distributed to remaining shareholders, they are reclassified from accumulated net realized gains to paid-in capital.

### 4. Expense Offset Arrangement

The Funds have entered into an arrangement with their custodian whereby credits realized as a result of uninvested cash balances are used to reduce a portion of the Funds' custodian expenses. During the period ended March 31, 2023, the custodian fees were reduced as noted in the Statements of Operations.

## 5. Income Taxes

For tax purposes, capital losses may be carried over to offset future capital gains.

At September 30, 2022, the capital loss carryforwards were as follows:

	Franklin Income Fund	Franklin U.S. Government Securities Fund
Capital loss carryforwards not subject to expiration:		
Short term . . . . .	\$686,503,830	\$348,984,907
Long term . . . . .	—	434,722,766
Total capital loss carryforwards . . . . .	\$686,503,830	\$783,707,673

For tax purposes, the Funds may elect to defer any portion of a post-October capital loss or late-year ordinary loss to the first day of the following fiscal year. At September 30, 2022, the deferred losses were as follows:

	Franklin DynaTech Fund	Franklin Focused Growth Fund
Late-year ordinary loss. . . . .	\$50,086,969	\$430,108
Post-October capital loss . . . . .	883,455,170	11,785,456
	\$933,542,139	\$12,215,564

At March 31, 2023, the cost of investments and net unrealized appreciation (depreciation) for income tax purposes were as follows:

	Franklin DynaTech Fund	Franklin Focused Growth Fund	Franklin Growth Fund
Cost of investments . . . . .	\$11,701,043,761	\$75,235,858	\$5,245,170,977
Unrealized appreciation. . . . .	\$7,330,901,105	\$12,990,316	\$10,954,062,837
Unrealized depreciation. . . . .	(193,262,904)	(6,059,838)	(262,312,516)
Net unrealized appreciation (depreciation). . . . .	\$7,137,638,201	\$6,930,478	\$10,691,750,321

	Franklin Income Fund	Franklin U.S. Government Securities Fund	Franklin Utilities Fund
Cost of investments . . . . .	\$72,141,098,592	\$3,093,995,821	\$3,250,502,157
Unrealized appreciation. . . . .	\$3,534,322,209	\$5,635,916	\$3,339,317,657
Unrealized depreciation. . . . .	(3,952,908,380)	(299,451,170)	(9,342,089)
Net unrealized appreciation (depreciation). . . . .	\$(418,586,171)	\$(293,815,254)	\$3,329,975,568

Differences between income and/or capital gains as determined on a book basis and a tax basis are primarily due to differing treatments of defaulted securities, EU reclaims, paydown losses, bond discounts and premiums, equity-linked securities, wash sales and gains realized on in-kind shareholder redemptions.

## 6. Investment Transactions

Purchases and sales of investments (excluding short term securities) for the period ended March 31, 2023, were as follows:

	Franklin DynaTech Fund	Franklin Focused Growth Fund	Franklin Growth Fund
Purchases . . . . .	\$1,405,053,533	\$7,276,938	\$245,417,406
Sales . . . . .	\$2,203,155,551	\$5,178,174	\$1,125,156,032

  

	Franklin Income Fund	Franklin U.S. Government Securities Fund	Franklin Utilities Fund
Purchases . . . . .	\$21,154,643,819	\$—	\$183,972,121
Sales . . . . .	\$21,404,550,829	\$181,093,680	\$344,876,236

At March 31, 2023, in connection with securities lending transactions, certain or all Funds loaned investments and received cash collateral as follows:

	Franklin DynaTech Fund	Franklin Income Fund
<b>Securities lending transactions<sup>a</sup>:</b>		
Equity investments <sup>b</sup> . . . . .	\$11,474,000	\$173,182,000

<sup>a</sup>The agreements can be terminated at any time.

<sup>b</sup>The gross amount of recognized liability for such transactions is included in payable upon return of securities loaned in the Statements of Assets and Liabilities.

## 7. Credit Risk and Defaulted Securities

At March 31, 2023, Franklin Income Fund had 30.3% of its portfolio invested in high yield securities, senior secured floating rate loans, or other securities rated below investment grade and unrated securities. These securities may be more sensitive to economic conditions causing greater price volatility and are potentially subject to a greater risk of loss due to default than higher rated securities.

Franklin Income Fund held defaulted securities and/or other securities for which the income has been deemed uncollectible. At March 31, 2023, the aggregate value of these securities was \$228,685,228, representing 0.3% of the Fund's net assets. The Fund discontinues accruing income on securities for which income has been deemed uncollectible and provides an estimate for losses on interest receivable. The securities have been identified in the accompanying Schedule of Investments.

## 8. Restricted Securities

Certain or all Funds invest in securities that are restricted under the Securities Act of 1933 (1933 Act). Restricted securities are often purchased in private placement transactions, and cannot be sold without prior registration unless the sale is pursuant to an exemption under the 1933 Act. Disposal of these securities may require greater effort and expense, and prompt sale at an acceptable price may be difficult. The Funds may have registration rights for restricted securities. The issuer generally incurs all registration costs.

## 8. Restricted Securities (continued)

At March 31, 2023, investments in restricted securities, excluding securities exempt from registration under the 1933 Act, were as follows:

Shares	Issuer	Acquisition Date	Cost	Value
<b>Franklin Growth Fund</b>				
25,413	Canva, Inc. . . . .	11/08/21	\$43,323,040	\$20,112,109
2,353	Canva, Inc., A . . . . .	11/08/21	4,011,298	1,862,188
94	Canva, Inc., A-3 . . . . .	11/08/21	160,247	74,393
8	Canva, Inc., A-4 . . . . .	11/08/21	13,638	6,331
5	Canva, Inc., A-5 . . . . .	11/08/21	8,524	3,957
96,603	Checkout Payments Group Ltd., B . . . . .	1/11/22	30,000,062	8,763,882
822,494	Gusto, Inc., E . . . . .	7/13/21	24,999,977	28,668,904
849,894	OneTrust LLC, C . . . . .	4/01/21	16,666,676	9,348,834
540,043	Stripe, Inc., B . . . . .	5/18/21	21,671,052	10,873,301
756,137	Stripe, Inc., H . . . . .	3/15/21	30,339,997	15,224,168
1,230,266	Stripe, Inc., I . . . . .	3/15/23	24,770,348	24,770,348
<b>Total Restricted Securities</b> (Value is 0.8% of Net Assets). . . . .			<b>\$195,964,859</b>	<b>\$119,708,415</b>

## 9. Unfunded Capital Commitments

Certain or all Funds may enter into certain capital commitments and may be obligated to perform on such agreements at a future date. The Fund monitors these commitments and assesses the probability of required performance. For any agreements whose probability of performance is determined to be greater than remote, the Fund assesses the fair value of the commitment. In instances where the probability of performance is greater than remote and the performance under the commitment would result in a material unrealized loss, the Fund recognizes such losses in the Statements of Assets and Liabilities and the Statements of Operations.

At March 31, 2023, Franklin Growth Fund had an unfunded capital commitment with a maximum amount of \$15,399,657, for which no depreciation has been recognized.

## 10. Other Derivative Information

At March 31, 2023, investments in derivative contracts are reflected in the Statements of Assets and Liabilities as follows:

Derivative Contracts Not Accounted for as Hedging Instruments	Asset Derivatives		Liability Derivatives	
	Statement of Assets and Liabilities Location	Fair Value	Statement of Assets and Liabilities Location	Fair Value
<b>Franklin Income Fund</b>				
Interest rate contracts . . . . .				
	Variation margin on futures contracts	\$192,520,971 <sup>a</sup>	Variation margin on futures contracts	\$—
Equity contracts . . . . .				
	Investments in securities, at value	—	Options written, at value	50,464,750
Total . . . . .		<u>\$192,520,971</u>		<u>\$50,464,750</u>

## 10. Other Derivative Information (continued)

\*This amount reflects the cumulative appreciation (depreciation) of futures contracts as reported in the Schedule of Investments. Only the variation margin receivable/payable at period end is separately reported within the Statement of Assets and Liabilities. Prior variation margin movements were recorded to cash upon receipt or payment.

For the period ended March 31, 2023, the effect of derivative contracts in the Statements of Operations was as follows:

Derivative Contracts Not Accounted for as Hedging Instruments	Statement of Operations Location	Net Realized Gain (Loss) for the Period	Statement of Operations Location	Net Change in Unrealized Appreciation (Depreciation) for the Period
<b>Franklin Income Fund</b>				
	Net realized gain (loss) from:		Net change in unrealized appreciation (depreciation) on:	
Interest rate contracts . . . . .				
	Futures contracts	\$(29,340,528)	Futures contracts	\$177,716,721
Equity Contracts . . . . .				
	Written options	181,110,682	Written options	24,572,876
Total . . . . .		<u>\$151,770,154</u>		<u>\$202,289,597</u>

For the period ended March 31, 2023, the average month end notional amount of options represented 49,707,129 shares. The average month end notional amount of futures contracts was \$4,688,272,321.

See Note 1(d) regarding derivative financial instruments.

## 11. Upcoming Reorganization

On December 14, 2022, the Board for Franklin Custodian Funds approved a proposal to reorganize Franklin Focused Growth Fund into the Franklin Focused Growth ETF effective November 3, 2023, subject to approval by the shareholders of Franklin Focused Growth Fund.

## 12. Credit Facility

The Funds, together with other U.S. registered and foreign investment funds (collectively, Borrowers), managed by Franklin Templeton, are borrowers in a joint syndicated senior unsecured credit facility totaling \$2.675 billion (Global Credit Facility) which matures on February 2, 2024. This Global Credit Facility provides a source of funds to the Borrowers for temporary and emergency purposes, including the ability to meet future unanticipated or unusually large redemption requests.

Under the terms of the Global Credit Facility, the Funds shall, in addition to interest charged on any borrowings made by the Funds and other costs incurred by the Funds, pay their share of fees and expenses incurred in connection with the implementation and maintenance of the Global Credit Facility, based upon their relative share of the aggregate net assets of all of the Borrowers, including an annual commitment fee of 0.15% based upon the unused portion of the Global Credit Facility. These fees are reflected in other expenses in the Statements of Operations. During the period ended March 31, 2023, the Funds did not use the Global Credit Facility.

### 13. Redemption In-Kind

During the year ended September 30, 2022, Franklin Growth Fund realized \$47,765,967 of net gains resulting from redemptions in-kind in which a shareholder redeemed fund shares for cash and securities held by the Fund. Because such gains are not taxable to the Fund and are not distributed to remaining shareholders, they are reclassified from accumulated net realized gains to paid-in capital.

### 14. Fair Value Measurements

The Funds follow a fair value hierarchy that distinguishes between market data obtained from independent sources (observable inputs) and the Funds' own market assumptions (unobservable inputs). These inputs are used in determining the value of the Funds' financial instruments and are summarized in the following fair value hierarchy:

- Level 1 – quoted prices in active markets for identical financial instruments
- Level 2 – other significant observable inputs (including quoted prices for similar financial instruments, interest rates, prepayment speed, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the Funds' own assumptions in determining the fair value of financial instruments)

The input levels are not necessarily an indication of the risk or liquidity associated with financial instruments at that level.

A summary of inputs used as of March 31, 2023, in valuing the Funds' assets and liabilities carried at fair value, is as follows:

	Level 1	Level 2	Level 3	Total
<b>Franklin DynaTech Fund</b>				
<b>Assets:</b>				
Investments in Securities:				
Common Stocks:				
Aerospace & Defense . . . . .	\$242,915,000	\$—	\$—	\$242,915,000
Automobile Components . . . . .	12,981,000	—	—	12,981,000
Automobiles . . . . .	518,650,000	—	—	518,650,000
Biotechnology . . . . .	103,175,000	111,411,779	—	214,586,779
Broadline Retail . . . . .	1,329,911,000	—	—	1,329,911,000
Capital Markets . . . . .	493,537,000	—	—	493,537,000
Chemicals . . . . .	178,065,500	—	—	178,065,500
Construction & Engineering . . . . .	183,304,000	—	—	183,304,000
Electric Utilities . . . . .	308,320,000	—	—	308,320,000
Electrical Equipment . . . . .	34,054,000	4,489,461	—	38,543,461
Electronic Equipment, Instruments & Components . . . . .	97,378,000	154,637,805	—	252,015,805
Energy Equipment & Services . . . . .	218,095,000	—	—	218,095,000
Entertainment . . . . .	4,327,500	—	—	4,327,500
Financial Services . . . . .	853,019,500	318,700,450	—	1,171,719,950
Ground Transportation . . . . .	39,625,000	—	—	39,625,000
Health Care Equipment & Supplies . . . . .	1,037,258,500	—	—	1,037,258,500
Health Care Providers & Services . . . . .	236,295,000	—	—	236,295,000
Health Care Technology . . . . .	82,705,500	—	—	82,705,500
Hotels, Restaurants & Leisure . . . . .	128,510,250	—	—	128,510,250
Interactive Media & Services . . . . .	622,380,000	—	—	622,380,000
IT Services . . . . .	424,749,830	—	—	424,749,830
Life Sciences Tools & Services . . . . .	1,240,392,000	120,406,520	—	1,360,798,520
Pharmaceuticals . . . . .	307,649,250	—	—	307,649,250
Professional Services . . . . .	55,080,000	—	—	55,080,000
Semiconductors & Semiconductor Equipment . . . . .	3,141,803,450	91,331,905	—	3,233,135,355
Software . . . . .	5,327,175,950	3,032,799	—	5,330,208,749

# 14. Fair Value Measurements (continued)

	Level 1	Level 2	Level 3	Total
<b>Franklin DynaTech Fund (continued)</b>				
<b>Assets: (continued)</b>				
Investments in Securities:				
Common Stocks:				
Specialized REITs . . . . .	\$91,705,000	\$—	\$—	\$91,705,000
Technology Hardware, Storage & Peripherals . . . . .	412,250,000	—	—	412,250,000
Trading Companies & Distributors . . . . .	16,182,000	—	—	16,182,000
Preferred Stocks . . . . .	—	42,147,570	—	42,147,570
Short Term Investments . . . . .	251,029,443	—	—	251,029,443
Total Investments in Securities . . . . .	\$17,992,523,673	\$846,158,289 <sup>a</sup>	\$—	\$18,838,681,962
<b>Franklin Focused Growth Fund</b>				
<b>Assets:</b>				
Investments in Securities:				
Common Stocks:				
Aerospace & Defense . . . . .	1,124,250	—	—	1,124,250
Automobiles . . . . .	3,526,820	—	—	3,526,820
Broadline Retail . . . . .	7,065,136	—	—	7,065,136
Capital Markets . . . . .	1,958,915	—	—	1,958,915
Consumer Staples Distribution & Retail . . . . .	3,974,960	—	—	3,974,960
Electric Utilities . . . . .	3,545,680	—	—	3,545,680
Energy Equipment & Services . . . . .	687,400	—	—	687,400
Financial Services . . . . .	3,216,179	1,593,502	—	4,809,681
Ground Transportation . . . . .	769,400	—	—	769,400
Health Care Equipment & Supplies . . . . .	3,925,917	—	—	3,925,917
Health Care Technology . . . . .	904,247	—	—	904,247
Interactive Media & Services . . . . .	2,997,797	—	—	2,997,797
IT Services . . . . .	2,669,390	—	—	2,669,390
Life Sciences Tools & Services . . . . .	4,344,614	—	—	4,344,614
Metals & Mining . . . . .	818,200	—	—	818,200
Oil, Gas & Consumable Fuels . . . . .	661,700	—	—	661,700
Personal Care Products . . . . .	1,109,070	—	—	1,109,070
Pharmaceuticals . . . . .	1,030,260	—	—	1,030,260
Semiconductors & Semiconductor Equipment . . . . .	15,813,261	—	—	15,813,261
Software . . . . .	17,661,509	—	—	17,661,509
Specialized REITs . . . . .	1,566,420	—	—	1,566,420
Short Term Investments . . . . .	1,201,709	—	—	1,201,709
Total Investments in Securities . . . . .	\$80,572,834	\$1,593,502 <sup>b</sup>	\$—	\$82,166,336
<b>Franklin Growth Fund</b>				
<b>Assets:</b>				
Investments in Securities:				
Common Stocks:				
Aerospace & Defense . . . . .	772,327,508	—	—	772,327,508
Automobiles . . . . .	100,739,049	—	—	100,739,049
Beverages . . . . .	566,326,076	—	—	566,326,076
Biotechnology . . . . .	266,853,909	—	—	266,853,909
Broadline Retail . . . . .	484,102,051	—	—	484,102,051
Building Products . . . . .	235,434,846	—	—	235,434,846
Capital Markets . . . . .	620,529,927	—	—	620,529,927
Chemicals . . . . .	484,960,306	—	—	484,960,306
Commercial Services & Supplies . . . . .	84,512,365	—	—	84,512,365
Construction Materials . . . . .	108,256,729	—	—	108,256,729
Consumer Staples Distribution & Retail . . . . .	26,805,640	—	—	26,805,640
Electric Utilities . . . . .	151,928,226	—	—	151,928,226
Electrical Equipment . . . . .	173,706,021	—	—	173,706,021
Electronic Equipment, Instruments & Components . . . . .	486,365,706	—	—	486,365,706

#### 14. Fair Value Measurements (continued)

	Level 1	Level 2	Level 3	Total
<b>Franklin Growth Fund (continued)</b>				
<b>Assets: (continued)</b>				
Investments in Securities:				
Common Stocks:				
Entertainment . . . . .	\$53,629,024	\$—	\$—	\$53,629,024
Financial Services . . . . .	639,607,657	116,869,048	—	756,476,705
Food Products . . . . .	55,025,495	—	—	55,025,495
Ground Transportation . . . . .	522,161,829	—	—	522,161,829
Health Care Equipment & Supplies . . . . .	673,120,139	—	—	673,120,139
Health Care Providers & Services . . . . .	145,047,803	—	—	145,047,803
Health Care Technology . . . . .	48,743,497	—	—	48,743,497
Hotels, Restaurants & Leisure . . . . .	219,368,499	—	—	219,368,499
Industrial REITs . . . . .	16,818,996	—	—	16,818,996
Interactive Media & Services . . . . .	478,182,702	—	—	478,182,702
IT Services . . . . .	102,881,916	—	20,112,109	122,994,025
Life Sciences Tools & Services . . . . .	1,082,400,677	—	—	1,082,400,677
Machinery . . . . .	676,206,791	—	—	676,206,791
Media . . . . .	55,398,617	—	—	55,398,617
Personal Care Products . . . . .	44,512,648	—	—	44,512,648
Pharmaceuticals . . . . .	598,028,970	—	—	598,028,970
Professional Services . . . . .	239,855,114	—	—	239,855,114
Semiconductors & Semiconductor Equipment . . . . .	1,421,201,291	—	—	1,421,201,291
Software . . . . .	2,595,457,352	—	19,637,183	2,615,094,535
Specialized REITs . . . . .	101,466,647	—	—	101,466,647
Technology Hardware, Storage & Peripherals . . . . .	756,263,226	—	—	756,263,226
Textiles, Apparel & Luxury Goods . . . . .	218,389,463	—	—	218,389,463
Trading Companies & Distributors . . . . .	142,380,725	—	—	142,380,725
Water Utilities . . . . .	98,451,095	—	—	98,451,095
Convertible Preferred Stocks . . . . .	—	—	79,959,123	79,959,123
Preferred Stocks . . . . .	—	58,247,942	—	58,247,942
Short Term Investments . . . . .	94,647,361	—	—	94,647,361
Total Investments in Securities . . . . .	\$15,642,095,893	\$175,116,990 <sup>c</sup>	\$119,708,415	\$15,936,921,298
<b>Franklin Income Fund</b>				
<b>Assets:</b>				
Investments in Securities:				
Common Stocks:				
Aerospace & Defense . . . . .	994,519,732	—	—	994,519,732
Air Freight & Logistics . . . . .	290,985,000	—	—	290,985,000
Automobiles . . . . .	177,495,400	—	—	177,495,400
Banks . . . . .	2,173,856,748	—	—	2,173,856,748
Biotechnology . . . . .	216,497,000	—	—	216,497,000
Broadline Retail . . . . .	154,935,000	—	—	154,935,000
Capital Markets . . . . .	972,351,821	—	—	972,351,821
Communications Equipment . . . . .	507,067,500	—	—	507,067,500
Consumer Staples Distribution & Retail . . . . .	165,630,000	—	—	165,630,000
Diversified Telecommunication Services . . . . .	194,450,000	—	—	194,450,000
Electric Utilities . . . . .	1,616,611,386	—	—	1,616,611,386
Ground Transportation . . . . .	150,945,000	—	—	150,945,000
Household Products . . . . .	408,897,500	—	—	408,897,500
Industrial Conglomerates . . . . .	—	486,034,137	—	486,034,137
Insurance . . . . .	—	559,841,268	—	559,841,268
Metals & Mining . . . . .	547,550,000	—	—	547,550,000
Multi-Utilities . . . . .	691,860,450	—	—	691,860,450
Oil, Gas & Consumable Fuels . . . . .	1,986,699,940	—	—	1,986,699,940
Pharmaceuticals . . . . .	1,100,517,405	285,758,219	—	1,386,275,624
Semiconductors & Semiconductor Equipment . . . . .	1,002,300,000	—	—	1,002,300,000
Specialty Retail . . . . .	224,881,440	—	—	224,881,440

# 14. Fair Value Measurements (continued)

	Level 1	Level 2	Level 3	Total
<b>Franklin Income Fund (continued)</b>				
<b>Assets: (continued)</b>				
Investments in Securities:				
Common Stocks:				
Tobacco . . . . .	\$194,500,000	\$—	\$—	\$194,500,000
Management Investment Companies . . . . .	96,774,343	—	—	96,774,343
Equity-Linked Securities . . . . .	—	11,124,855,368	—	11,124,855,368
Convertible Preferred Stocks:				
Electric Utilities . . . . .	512,990,000	—	—	512,990,000
Financial Services . . . . .	—	27,027,880	—	27,027,880
Preferred Stocks . . . . .	6,880,000	—	—	6,880,000
Convertible Bonds . . . . .	—	44,437,500	—	44,437,500
Corporate Bonds . . . . .	—	33,368,341,480	—	33,368,341,480
Senior Floating Rate Interests . . . . .	—	226,651,250	—	226,651,250
U.S. Government and Agency Securities . . . . .	—	8,594,083,985	—	8,594,083,985
Asset-Backed Securities . . . . .	—	41,429,502	—	41,429,502
Mortgage-Backed Securities . . . . .	—	26,348,111	—	26,348,111
Escrows and Litigation Trusts . . . . .	—	56,778,757	—	56,778,757
Short Term Investments . . . . .	2,349,673,078	—	—	2,349,673,078
Total Investments in Securities . . . . .	\$16,738,868,743	\$54,841,587,457 <sup>d</sup>	\$—	\$71,580,456,200
Other Financial Instruments:				
Futures contracts . . . . .	\$192,520,971	\$—	\$—	\$192,520,971
Total Other Financial Instruments . . . . .	\$192,520,971	\$—	\$—	\$192,520,971
<b>Liabilities:</b>				
Other Financial Instruments:				
Options written . . . . .	\$50,464,750	\$—	\$—	\$50,464,750
Total Other Financial Instruments . . . . .	\$50,464,750	\$—	\$—	\$50,464,750
<b>Franklin U.S. Government Securities Fund</b>				
<b>Assets:</b>				
Investments in Securities: <sup>a</sup>				
U.S. Government and Agency Securities . . . . .	—	16,551,240	—	16,551,240
Mortgage-Backed Securities . . . . .	—	2,738,621,226	—	2,738,621,226
Short Term Investments . . . . .	45,008,101	—	—	45,008,101
Total Investments in Securities . . . . .	\$45,008,101	\$2,755,172,466	\$—	\$2,800,180,567
<b>Franklin Utilities Fund</b>				
<b>Assets:</b>				
Investments in Securities:				
Common Stocks:				
Construction & Engineering . . . . .	128,016,000	—	—	128,016,000
Diversified Telecommunication Services . . . . .	—	59,551,643	—	59,551,643
Electric Utilities . . . . .	3,850,102,826	—	—	3,850,102,826
Gas Utilities . . . . .	56,112,000	—	—	56,112,000
Independent Power and Renewable Electricity Producers . . . . .	120,926,456	52,583,483	—	173,509,939
Multi-Utilities . . . . .	1,796,776,117	179,918,179	—	1,976,694,296
Oil, Gas & Consumable Fuels . . . . .	226,094,310	—	—	226,094,310
Water Utilities . . . . .	65,475,000	26,177,050	—	91,652,050
Short Term Investments . . . . .	18,744,661	—	—	18,744,661
Total Investments in Securities . . . . .	\$6,262,247,370	\$318,230,355 <sup>f</sup>	\$—	\$6,580,477,725

<sup>a</sup> Includes foreign securities valued at \$846,158,289, which were categorized as Level 2 as a result of the application of market level fair value procedures. See the Financial Instrument Valuation note for more information.

## 14. Fair Value Measurements (continued)

<sup>b</sup> Includes foreign securities valued at \$1,593,502, which were categorized as Level 2 as a result of the application of market level fair value procedures. See the Financial Instrument Valuation note for more information.

<sup>c</sup> Includes foreign securities valued at \$175,116,990, which were categorized as Level 2 as a result of the application of market level fair value procedures. See the Financial Instrument Valuation note for more information.

<sup>d</sup> Includes foreign securities valued at \$1,331,633,624, which were categorized as Level 2 as a result of the application of market level fair value procedures. See the Financial Instrument Valuation note for more information.

<sup>e</sup> For detailed categories, see the accompanying Schedule of Investments.

<sup>f</sup> Includes foreign securities valued at \$258,678,712, which were categorized as Level 2 as a result of the application of market level fair value procedures. See the Financial Instrument Valuation note for more information.

A reconciliation in which Level 3 inputs are used in determining fair value is presented when there are significant Level 3 assets and/or liabilities at the beginning and/or end of the period.

## 15. New Accounting Pronouncements

In March 2020, the FASB issued Accounting Standards Update (ASU) No. 2020-04, Reference Rate Reform (Topic 848) – Facilitation of the Effects of Reference Rate Reform on Financial Reporting. In January 2021 and December 2022, the FASB issued ASU No. 2021-01 and ASU No. 2022-06, with further amendments to Topic 848. The amendments in the ASUs provide optional temporary accounting recognition and financial reporting relief from the effect of certain types of contract modifications due to the planned discontinuation of LIBOR and other interbank-offered based reference rates as of the end of 2021 for certain LIBOR settings and 2023 for the remainder. The ASUs are effective for certain reference rate-related contract modifications that occur during the period March 12, 2020 through December 31, 2024. Management has reviewed the requirements and believes the adoption of these ASUs will not have a material impact on the financial statements.

In June 2022, the FASB issued ASU No. 2022-03, Fair Value Measurement (Topic 820) – Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions. The amendments in the ASU clarify that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, should not be considered in measuring fair value. The ASU is effective for interim and annual reporting periods beginning after December 15, 2023, with the option of early adoption. Management has reviewed the requirements and believes that the adoption of the ASU will not have a material impact on the financial statements.

## 16. Subsequent Events

The Funds have evaluated subsequent events through the issuance of the financial statements and determined that no events have occurred that require disclosure.

## Abbreviations

### Currency

<b>USD</b>	United States Dollar
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### Selected Portfolio

<b>ADR</b>	American Depositary Receipt
<b>CME</b>	Chicago Mercantile Exchange
<b>CVR</b>	Contingent Value Right
<b>FNMA</b>	Federal National Mortgage Association
<b>FRN</b>	Floating Rate Note
<b>GNMA</b>	Government National Mortgage Association
<b>LIBOR</b>	London Inter-Bank Offered Rate
<b>PIK</b>	Payment-In-Kind
<b>REIT</b>	Real Estate Investment Trust
<b>SOFR</b>	Secured Overnight Financing Rate

## Shareholder Information

### Proxy Voting Policies and Procedures

The Trust's investment manager has established Proxy Voting Policies and Procedures (Policies) that the Trust uses to determine how to vote proxies relating to portfolio securities. Shareholders may view the Trust's complete Policies online at [franklintempleton.com](http://franklintempleton.com). Alternatively, shareholders may request copies of the Policies free of charge by calling the Proxy Group collect at (954) 527-7678 or by sending a written request to: Franklin Templeton Companies, LLC, 300 S.E. 2nd Street, Fort Lauderdale, FL 33301, Attention: Proxy Group. Copies of the Trust's proxy voting records are also made available online at [franklintempleton.com](http://franklintempleton.com) and posted on the U.S. Securities and Exchange Commission's website at [sec.gov](http://sec.gov) and reflect the most recent 12-month period ended June 30.

### Quarterly Schedule of Investments

The Trust files a complete schedule of investments with the U.S. Securities and Exchange Commission for the first and third quarters for each fiscal year as an exhibit to its report on Form N-PORT. Shareholders may view the filed Form N-PORT by visiting the Commission's website at [sec.gov](http://sec.gov). The filed form may also be viewed and copied at the Commission's Public Reference Room in Washington, DC. Information regarding the operations of the Public Reference Room may be obtained by calling (800) SEC-0330.

### Householding of Reports and Prospectuses

You will receive, or receive notice of availability of, the Fund's financial reports every six months. In addition, you will receive an annual updated summary prospectus (detail prospectus available upon request). To reduce Fund expenses, we try to identify related shareholders in a household and send only one copy of the financial reports (to the extent received by mail) and summary prospectus. This process, called "householding," will continue indefinitely unless you instruct us otherwise. If you prefer not to have these documents househanded, please call us at (800) 632-2301. At any time you may view current prospectuses/summary prospectuses and financial reports on our website. If you choose, you may receive these documents through electronic delivery.

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Authorized for distribution only when accompanied or preceded by a summary prospectus and/or prospectus. Investors should carefully consider a fund's investment goals, risks, charges and expenses before investing. A prospectus contains this and other information; please read it carefully before investing.

To help ensure we provide you with quality service, all calls to and from our service areas are monitored and/or recorded.



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