

SEMIANNUAL REPORT

FRANKLIN FUND ALLOCATOR SERIES

June 30, 2023



FRANKLIN
TEMPLETON

Franklin Conservative Allocation Fund

Franklin Moderate Allocation Fund

Franklin Growth Allocation Fund

The Securities and Exchange Commission has adopted new regulations that will result in changes to the design and delivery of annual and semiannual shareholder reports beginning in July 2024.

If you have previously elected to receive shareholder reports electronically, you will continue to do so and need not take any action.

Otherwise, paper copies of the Fund's shareholder reports will be mailed to you beginning in July 2024. If you would like to receive shareholder reports and other communications from the Fund electronically instead of by mail, you may make that request at any time by contacting your financial intermediary (such as a broker-dealer or bank) or, if you are a direct investor, enrolling at franklintempleton.com.

You may access franklintempleton.com by scanning the code below.



Not FDIC Insured | May Lose Value | No Bank Guarantee

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

Franklin Conservative Allocation Fund

This semiannual report for Franklin Conservative Allocation Fund covers the period ended June 30, 2023.

Fund Overview

Your Fund's Goal and Main Investments

The Fund seeks the highest level of long-term total return consistent with an acceptable level of risk.¹ The Fund is a fund of funds, meaning that it seeks to achieve its investment goal by investing its assets primarily in other funds (underlying funds), predominantly other Franklin Templeton and Legg Mason mutual funds and exchange traded funds (ETFs). The Fund is designed for investors seeking the highest level of long-term total return that is consistent with a lower level of risk.

Performance Overview

The Fund's Class A shares posted a +6.18% cumulative total return for the six months under review. In comparison, the Linked Franklin Conservative Allocation Fund Benchmark-NR (Blended Benchmark-NR), which consists of 40% MSCI All Country World Index-NR and 60% Bloomberg Multiverse Index, posted a +6.42% cumulative total return.² The equity benchmark, the MSCI All Country World Index (ACWI)-NR, which measures the equity market performance of global developed and emerging markets, posted a +13.93% cumulative total return.³ The Fund's fixed income benchmark, the Bloomberg Multiverse Index, a broad-based measure of the global fixed income bond market, posted a +1.59% cumulative total return.³ You can find the Fund's long-term performance data in the Performance Summary beginning on page 3.

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.

Portfolio Composition*

6/30/23

	% of Total Net Assets
Domestic Fixed Income	54.4%
Domestic Equity	28.8%
Foreign Equity	9.1%
Foreign Fixed Income	4.1%
Alternative Strategies	1.0%
Short-Term Investments & Other Net Assets	2.6%

The portfolio composition is based on the Schedule of Investments (SOI), which classifies each underlying fund and other fund investments into a broad asset class based on its predominant investments under normal market conditions.

Top 10 Holdings

6/30/23

Issuer	% of Total Net Assets
Franklin U.S. Core Bond ETF	20.4%
Franklin U.S. Core Equity (IU) Fund	14.6%
Western Asset Core Plus Bond Fund, Class IS	11.7%
Franklin Growth Fund, Class R6	6.4%
Franklin U.S. Treasury Bond ETF	5.7%
Franklin International Core Equity (IU) Fund	4.5%
Western Asset Short-Term Bond Fund, Class IS	4.2%
Schwab U.S. TIPS ETF	4.2%
Franklin U.S. Large Cap Multifactor Index ETF	3.4%
BrandywineGLOBAL - Global Opportunities Bond Fund, Class IS	3.0%

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

Thomas A. Nelson, CFA
Wylie Tollette, CFA
Berkeley Belknap

Portfolio Management Team

1. The risk/reward potential is based on the Fund's goal and level of risk. It is not indicative of the Fund's actual or implied performance or portfolio composition, which may change on a continual basis.

2. Source: FactSet. The Blended Benchmark-NR was calculated internally.

3. 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. Net Returns (NR) include income net of tax withholding when dividends are paid.

See 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 19.

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Performance Summary as of June 30, 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 6/30/23¹

*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.*

Share Class	Cumulative Total Return ²	Average Annual Total Return ³
A⁴		
6-Month	+6.18%	+0.33%
1-Year	+5.89%	+0.06%
5-Year	+16.24%	+1.90%
10-Year	+47.16%	+3.35%
Advisor		
6-Month	+6.39%	+6.39%
1-Year	+6.17%	+6.17%
5-Year	+17.71%	+3.31%
10-Year	+50.98%	+4.21%

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.

See page 4 for Performance Summary footnotes.

Distributions (1/1/23–6/30/23)

Share Class	Net Investment Income
A	\$0.1803
C	\$0.1342
R	\$0.1658
R6	\$0.1993
Advisor	\$0.1953

Total Annual Operating Expenses⁵

Share Class	
A	0.86%
Advisor	0.61%

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

Events such as the spread of deadly diseases, disasters, and financial, political or social disruptions, may heighten risks and adversely affect performance.

All investments involve risks, including possible loss of principal. The **allocation** of assets among different strategies, asset classes and investments may not prove beneficial or produce the desired results. Investments in **underlying funds** are subject to the same risks as, and indirectly bear the fees and expenses of, the underlying funds. **Equity securities** are subject to price fluctuation and possible loss of principal. **Fixed income securities** involve interest rate, credit, inflation and reinvestment risks, and possible loss of principal. As interest rates rise, the value of fixed income securities falls. **Low-rated, high-yield bonds** are subject to greater price volatility, illiquidity and possibility of default. 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 4/30/24 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. 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, including the effect of acquired fund fees and expenses, 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 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 1/1/23	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio ²
		Ending Account Value 6/30/23	Expenses Paid During Period 1/1/23–6/30/23 ^{1,2}	Ending Account Value 6/30/23	Expenses Paid During Period 1/1/23–6/30/23 ^{1,2}	
A	\$1,000	\$1,061.80	\$3.19	\$1,021.70	\$3.13	0.62%
C	\$1,000	\$1,058.60	\$7.01	\$1,017.99	\$6.87	1.37%
R	\$1,000	\$1,060.90	\$4.46	\$1,020.46	\$4.38	0.87%
R6	\$1,000	\$1,064.40	\$1.57	\$1,023.27	\$1.54	0.31%
Advisor	\$1,000	\$1,063.90	\$1.91	\$1,022.94	\$1.87	0.37%

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 181/365 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 Moderate Allocation Fund

This semiannual report for Franklin Moderate Allocation Fund covers the period ended June 30, 2023.

Fund Overview

Your Fund's Goal and Main Investments

The Fund seeks the highest level of long-term total return consistent with an acceptable level of risk.¹ The Fund is a fund of funds, meaning that it seeks to achieve its investment goal by investing its assets primarily in other funds (underlying funds), predominantly other Franklin Templeton and Legg Mason mutual funds and exchange traded funds (ETFs). The Fund is designed for investors seeking the highest level of long-term total return that is consistent with a moderate level of risk.

Performance Overview

The Fund's Class A shares posted a +8.27% cumulative total return for the six months under review. In comparison, the Linked Franklin Moderate Allocation Fund Benchmark-NR (Blended Benchmark-NR), which consists of 60% MSCI All Country World Index-NR and 40% Bloomberg Multiverse Index, posted a +8.89% cumulative total return.² The Fund's equity benchmark, the MSCI All Country World Index (ACWI)-NR, which measures the equity market performance of global developed and emerging markets, posted a +13.93% cumulative total return.³ The Fund's fixed income benchmark, the Bloomberg Multiverse Index, a broad-based measure of the global fixed income bond market, posted a +1.59% cumulative total return.³ You can find the Fund's long-term performance data in the Performance Summary beginning on page 7.

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.

Portfolio Composition*

6/30/23

	% of Total Net Assets
Domestic Equity	44.0%
Domestic Fixed Income	35.8%
Foreign Equity	14.0%
Foreign Fixed Income	2.6%
Alternative Strategies	1.0%
Short-Term Investments & Other Net Assets	2.6%

*The portfolio composition is based on the Schedule of Investments (SOI), which classifies each underlying fund and other fund investments into a broad asset class based on its predominant investments under normal market conditions.

Top 10 Holdings

6/30/23

Issuer	% of Total Net Assets
Franklin U.S. Core Equity (IU) Fund	22.3%
Franklin U.S. Core Bond ETF	13.4%
Franklin Growth Fund, Class R6	9.8%
Western Asset Core Plus Bond Fund, Class IS	7.7%
Franklin International Core Equity (IU) Fund	6.9%
Franklin U.S. Large Cap Multifactor Index ETF	5.2%
ClearBridge Large Cap Value Fund, Class IS	3.9%
Franklin U.S. Treasury Bond ETF	3.8%
Western Asset Short-Term Bond Fund, Class IS	3.1%
Schwab U.S. TIPS ETF	2.7%

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

Thomas A. Nelson, CFA
Wylie Tollette, CFA
Berkeley Belknap

Portfolio Management Team

1. The risk/reward potential is based on the Fund's goal and level of risk. It is not indicative of the Fund's actual or implied performance or portfolio composition, which may change on a continual basis.

2. Source: FactSet. The Blended Benchmark-NR was calculated internally.

3. 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. Net Returns (NR) include income net of tax withholding when dividends are paid.

See 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 26.

Performance Summary as of June 30, 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 6/30/23¹

*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.*

Share Class	Cumulative Total Return ²	Average Annual Total Return ³
A⁴		
6-Month	+8.27%	+2.33%
1-Year	+9.13%	+3.15%
5-Year	+27.49%	+3.80%
10-Year	+74.82%	+5.15%
Advisor		
6-Month	+8.47%	+8.47%
1-Year	+9.39%	+9.39%
5-Year	+29.08%	+5.24%
10-Year	+79.29%	+6.01%

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.

See page 8 for Performance Summary footnotes.

Distributions (1/1/23–6/30/23)

Share Class	Net Investment Income	Long-Term Capital Gain	Total
A	\$0.1539	\$0.0930	\$0.2469
C	\$0.1070	\$0.0930	\$0.2000
R	\$0.1375	\$0.0930	\$0.2305
R6	\$0.1744	\$0.0930	\$0.2674
Advisor	\$0.1697	\$0.0930	\$0.2627

Total Annual Operating Expenses⁵

Share Class	
A	0.85%
Advisor	0.60%

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

Events such as the spread of deadly diseases, disasters, and financial, political or social disruptions, may heighten risks and adversely affect performance.

All investments involve risks, including possible loss of principal. The allocation of assets among different strategies, asset classes and investments may not prove beneficial or produce the desired results. Investments in **underlying funds** are subject to the same risks as, and indirectly bear the fees and expenses of, the underlying funds. **Equity securities** are subject to price fluctuation and possible loss of principal. **Small- and mid-cap stocks** involve greater risks and volatility than large-cap stocks. **Fixed income securities** involve interest rate, credit, inflation and reinvestment risks, and possible loss of principal. As interest rates rise, the value of fixed income securities falls. 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 4/30/24 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. 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, including the effect of acquired fund fees and expenses, 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 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 1/1/23	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio ²
		Ending Account Value 6/30/23	Expenses Paid During Period 1/1/23–6/30/23 ^{1,2}	Ending Account Value 6/30/23	Expenses Paid During Period 1/1/23–6/30/23 ^{1,2}	
A	\$1,000	\$1,082.70	\$3.21	\$1,021.71	\$3.12	0.62%
C	\$1,000	\$1,079.90	\$7.07	\$1,017.99	\$6.86	1.37%
R	\$1,000	\$1,081.60	\$4.50	\$1,020.47	\$4.37	0.87%
R6	\$1,000	\$1,085.20	\$1.55	\$1,023.31	\$1.50	0.30%
Advisor	\$1,000	\$1,084.70	\$1.92	\$1,022.95	\$1.87	0.37%

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 181/365 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 Allocation Fund

This semiannual report for Franklin Growth Allocation Fund covers the period ended June 30, 2023.

Fund Overview

Your Fund's Goal and Main Investments

The Fund seeks the highest level of long-term total return consistent with an acceptable level of risk.¹ The Fund is a fund of funds, meaning that it seeks to achieve its investment goal by investing its assets primarily in other funds (underlying funds), predominantly other Franklin Templeton and Legg Mason mutual funds and exchange traded funds (ETFs). The Fund is designed for investors seeking the highest level of long-term total return that is consistent with a higher level of risk.

Performance Overview

The Fund's Class A shares posted a +10.51% cumulative total return for the six months under review. In comparison, the Linked Franklin Growth Allocation Fund Benchmark-NR (Blended Benchmark-NR), which consists of 80% MSCI All Country World Index-NR and 20% Bloomberg Multiverse Index, posted a +11.39% cumulative total return.² The Fund's equity benchmark, the MSCI All Country World Index (ACWI)-NR, which measures the equity market performance of global developed and emerging markets, posted a +13.93% cumulative total return.³ The Fund's fixed income benchmark, the Bloomberg Multiverse Index, a broad-based measure of the global fixed income bond market, posted a +1.59% cumulative total return.³ You can find the Fund's long-term performance data in the Performance Summary beginning on page 11.

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.

Portfolio Composition*

6/30/23

	% of Total Net Assets
Domestic Equity	58.7%
Foreign Equity	18.5%
Domestic Fixed Income	17.5%
Foreign Fixed Income	1.5%
Alternative Strategies	1.0%
Short-Term Investments & Other Net Assets	2.8%

*The portfolio composition is based on the Schedule of Investments (SOI), which classifies each underlying fund and other fund investments into a broad asset class based on its predominant investments under normal market conditions.

Top 10 Holdings

6/30/23

Issuer	% of Total Net Assets
Franklin U.S. Core Equity (IU) Fund	24.1%
Franklin Growth Fund, Class R6	13.2%
Franklin International Core Equity (IU) Fund	9.2%
Franklin U.S. Equity Index ETF	7.9%
Franklin U.S. Large Cap Multifactor Index ETF	7.5%
Franklin U.S. Core Bond ETF	6.2%
ClearBridge Large Cap Value Fund, Class IS	5.2%
Western Asset Core Plus Bond Fund, Class IS	3.6%
Franklin Emerging Market Core Equity (IU) Fund	2.7%
Templeton Foreign Fund, Class R6	2.1%

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

Thomas A. Nelson, CFA

Wylie Tollette, CFA

Berkeley Belknap

Portfolio Management Team

1. The risk/reward potential is based on the Fund's goal and level of risk. It is not indicative of the Fund's actual or implied performance or portfolio composition, which may change on a continual basis.

2. Source: FactSet. The Blended Benchmark-NR was calculated internally.

3. 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. Net Returns (NR) include income net of tax withholding when dividends are paid.

See 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 33.

Performance Summary as of June 30, 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 6/30/23¹

*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.*

Share Class	Cumulative Total Return ²	Average Annual Total Return ³
A⁴		
6-Month	+10.51%	+4.41%
1-Year	+12.56%	+6.36%
5-Year	+38.07%	+5.46%
10-Year	+107.26%	+6.95%
Advisor		
6-Month	+10.68%	+10.68%
1-Year	+12.88%	+12.88%
5-Year	+39.88%	+6.94%
10-Year	+112.59%	+7.83%

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.

See page 12 for Performance Summary footnotes.

Distributions (1/1/23–6/30/23)

Share Class	Net Investment Income	Long-Term Capital Gain	Total
A	\$0.0920	\$0.3637	\$0.4557
C	\$0.0493	\$0.3637	\$0.4130
R	\$0.0736	\$0.3637	\$0.4373
R6	\$0.1186	\$0.3637	\$0.4823
Advisor	\$0.1111	\$0.3637	\$0.4748

Total Annual Operating Expenses⁵

Share Class	With Fee Waiver	Without Fee Waiver
A	0.89%	0.90%
Advisor	0.64%	0.65%

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

Events such as the spread of deadly diseases, disasters, and financial, political or social disruptions, may heighten risks and adversely affect performance.

All investments involve risks, including possible loss of principal. Investments in **underlying funds** are subject to the same risks as, and indirectly bear the fees and expenses of, the underlying funds. **Equity securities** are subject to price fluctuation and possible loss of principal. **Fixed income securities** involve interest rate, credit, inflation and reinvestment risks, and possible loss of principal. As interest rates rise, the value of fixed income securities falls. **Low-rated, high-yield bonds** are subject to greater price volatility, illiquidity and possibility of default. **The investment style** may become out of favor, which may have a negative impact on performance. **International investments** are subject to special risks, including currency fluctuations and social, economic and political uncertainties, which could increase volatility. These risks are magnified in **emerging markets**. 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 4/30/24 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. 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, including the effect of acquired fund fees and expenses, 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 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 1/1/23	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio ²
		Ending Account Value 6/30/23	Expenses Paid During Period 1/1/23–6/30/23 ^{1,2}	Ending Account Value 6/30/23	Expenses Paid During Period 1/1/23–6/30/23 ^{1,2}	
A	\$1,000	\$1,105.10	\$3.38	\$1,021.58	\$3.25	0.65%
C	\$1,000	\$1,101.40	\$7.28	\$1,017.86	\$6.99	1.40%
R	\$1,000	\$1,104.40	\$4.69	\$1,020.34	\$4.50	0.90%
R6	\$1,000	\$1,107.40	\$1.59	\$1,023.28	\$1.53	0.30%
Advisor	\$1,000	\$1,106.80	\$2.08	\$1,022.82	\$2.00	0.40%

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 181/365 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 Conservative Allocation Fund

	Six Months Ended June 30, 2023 (unaudited)	Year Ended December 31,				
		2022	2021	2020	2019	2018
Class A						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$12.17	\$14.89	\$14.95	\$14.08	\$13.33	\$14.86
Income from investment operations ^a :						
Net investment income ^{b,c}	0.11	0.27	0.23	0.22	0.32	0.39
Net realized and unrealized gains (losses)	0.64	(2.53)	0.99	1.05	1.43	(0.90)
Total from investment operations	0.75	(2.26)	1.22	1.27	1.75	(0.51)
Less distributions from:						
Net investment income and short term gains received from Underlying funds and exchange traded funds	(0.18)	(0.22)	(0.35)	(0.23)	(0.33)	(0.38)
Net realized gains	—	(0.24)	(0.93)	(0.17)	(0.67)	(0.64)
Total distributions	(0.18)	(0.46)	(1.28)	(0.40)	(1.00)	(1.02)
Net asset value, end of period	\$12.74	\$12.17	\$14.89	\$14.95	\$14.08	\$13.33
Total return ^d	6.18%	(15.22)%	8.18%	9.30%	13.25%	(3.44)%
Ratios to average net assets^e						
Expenses before waiver and payments by affiliates ^f	0.63%	0.63%	0.62%	0.63%	0.63%	0.63%
Expenses net of waiver and payments by affiliates ^f	0.62%	0.63% ^{g,h}	0.62% ^h	0.63% ^h	0.63% ^{g,h}	0.63% ^{g,h}
Net investment income ^c	1.74%	2.08%	1.47%	1.54%	2.25%	2.57%
Supplemental data						
Net assets, end of period (000's)	\$790,033	\$796,888	\$1,081,071	\$941,777	\$839,134	\$778,221
Portfolio turnover rate	6.09%	37.16%	61.92%	48.36%	86.76%	30.70%

^aThe 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.

^bBased on average daily shares outstanding.

^cRecognition of net investment income by the Fund is affected by the timing of declaration of dividends by the Underlying Funds and exchange traded funds in which the Fund invests.

^dTotal return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.

^eRatios are annualized for periods less than one year.

^fDoes not include expenses of the Underlying Funds and exchange traded funds in which the Fund invests. The weighted average indirect expenses of the Underlying Funds and exchange traded funds was 0.23% for the period ended June 30, 2023.

^gBenefit of expense reduction rounds to less than 0.01%.

^hBenefit of waiver and payments by affiliates rounds to less than 0.01%.

Franklin Conservative Allocation Fund (continued)

	Six Months Ended June 30, 2023 (unaudited)	Year Ended December 31,				
		2022	2021	2020	2019	2018
Class C						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$11.87	\$14.54	\$14.62	\$13.77	\$13.06	\$14.57
Income from investment operations ^a :						
Net investment income ^{b,c}	0.06	0.16	0.09	0.10	0.20	0.24
Net realized and unrealized gains (losses)	0.63	(2.47)	0.99	1.05	1.40	(0.84)
Total from investment operations	0.69	(2.31)	1.08	1.15	1.60	(0.60)
Less distributions from:						
Net investment income and short term gains received from Underlying funds and exchange traded funds	(0.13)	(0.12)	(0.23)	(0.13)	(0.22)	(0.27)
Net realized gains	—	(0.24)	(0.93)	(0.17)	(0.67)	(0.64)
Total distributions	(0.13)	(0.36)	(1.16)	(0.30)	(0.89)	(0.91)
Net asset value, end of period	\$12.43	\$11.87	\$14.54	\$14.62	\$13.77	\$13.06
Total return ^d	5.86%	(15.90)%	7.40%	8.51%	12.35%	(4.14)%
Ratios to average net assets^e						
Expenses before waiver and payments by affiliates ^f	1.38%	1.38%	1.37%	1.38%	1.38%	1.38%
Expenses net of waiver and payments by affiliates ^f	1.37%	1.38% ^{g,h}	1.37% ^h	1.38% ^h	1.38% ^{g,h}	1.38% ^{g,h}
Net investment income ^e	0.97%	1.24%	0.61%	0.76%	1.50%	1.82%
Supplemental data						
Net assets, end of period (000's)	\$76,227	\$89,012	\$152,244	\$212,656	\$252,407	\$285,547
Portfolio turnover rate	6.09%	37.16%	61.92%	48.36%	86.76%	30.70%

^aThe 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.

^bBased on average daily shares outstanding.

^cRecognition of net investment income by the Fund is affected by the timing of declaration of dividends by the Underlying Funds and exchange traded funds in which the Fund invests.

^dTotal return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.

^eRatios are annualized for periods less than one year.

^fDoes not include expenses of the Underlying Funds and exchange traded funds in which the Fund invests. The weighted average indirect expenses of the Underlying Funds and exchange traded funds was 0.23% for the period ended June 30, 2023.

^gBenefit of expense reduction rounds to less than 0.01%.

^hBenefit of waiver and payments by affiliates rounds to less than 0.01%.

Franklin Conservative Allocation Fund (continued)

	Six Months Ended June 30, 2023 (unaudited)	Year Ended December 31,				
		2022	2021	2020	2019	2018
Class R						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$12.11	\$14.83	\$14.88	\$14.02	\$13.28	\$14.80
Income from investment operations ^a :						
Net investment income ^{b,c}	0.09	0.24	0.18	0.18	0.28	0.33
Net realized and unrealized gains (losses)	0.65	(2.53)	1.01	1.05	1.42	(0.87)
Total from investment operations	0.74	(2.29)	1.19	1.23	1.70	(0.54)
Less distributions from:						
Net investment income and short term gains received from Underlying funds and exchange traded funds	(0.17)	(0.19)	(0.31)	(0.20)	(0.29)	(0.34)
Net realized gains	—	(0.24)	(0.93)	(0.17)	(0.67)	(0.64)
Total distributions	(0.17)	(0.43)	(1.24)	(0.37)	(0.96)	(0.98)
Net asset value, end of period	\$12.68	\$12.11	\$14.83	\$14.88	\$14.02	\$13.28
Total return ^d	6.09%	(15.48)%	7.99%	8.98%	12.93%	(3.64)%
Ratios to average net assets^e						
Expenses before waiver and payments by affiliates ^f	0.88%	0.88%	0.87%	0.88%	0.88%	0.88%
Expenses net of waiver and payments by affiliates ^f	0.87%	0.88% ^{g,h}	0.87% ^h	0.88% ^h	0.88% ^{g,h}	0.88% ^{g,h}
Net investment income ^e	1.49%	1.87%	1.14%	1.28%	2.00%	2.32%
Supplemental data						
Net assets, end of period (000's)	\$45,698	\$45,036	\$55,629	\$66,208	\$71,153	\$80,338
Portfolio turnover rate	6.09%	37.16%	61.92%	48.36%	86.76%	30.70%

^aThe 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.

^bBased on average daily shares outstanding.

^cRecognition of net investment income by the Fund is affected by the timing of declaration of dividends by the Underlying Funds and exchange traded funds in which the Fund invests.

^dTotal return is not annualized for periods less than one year.

^eRatios are annualized for periods less than one year.

^fDoes not include expenses of the Underlying Funds and exchange traded funds in which the Fund invests. The weighted average indirect expenses of the Underlying Funds and exchange traded funds was 0.23% for the period ended June 30, 2023.

^gBenefit of expense reduction rounds to less than 0.01%.

^hBenefit of waiver and payments by affiliates rounds to less than 0.01%.

Franklin Conservative Allocation Fund (continued)

	Six Months Ended June 30, 2023 (unaudited)	Year Ended December 31,				
		2022	2021	2020	2019	2018
Class R6						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$12.14	\$14.87	\$14.92	\$14.06	\$13.31	\$14.84
Income from investment operations ^a :						
Net investment income ^{b,c}	0.13	0.32	0.28	0.26	0.36	0.44
Net realized and unrealized gains (losses)	0.65	(2.55)	1.00	1.05	1.44	(0.90)
Total from investment operations	0.78	(2.23)	1.28	1.31	1.80	(0.46)
Less distributions from:						
Net investment income and short term gains received from Underlying funds and exchange traded funds	(0.20)	(0.26)	(0.40)	(0.28)	(0.38)	(0.43)
Net realized gains	—	(0.24)	(0.93)	(0.17)	(0.67)	(0.64)
Total distributions	(0.20)	(0.50)	(1.33)	(0.45)	(1.05)	(1.07)
Net asset value, end of period	\$12.72	\$12.14	\$14.87	\$14.92	\$14.06	\$13.31
Total return ^d	6.44%	(15.01)%	8.60%	9.61%	13.64%	(3.11)%
Ratios to average net assets^e						
Expenses before waiver and payments by affiliates ^f	0.40%	0.40%	0.39%	0.40%	0.42%	0.40%
Expenses net of waiver and payments by affiliates ^f	0.31%	0.29% ^g	0.30%	0.30%	0.31% ^g	0.29% ^g
Net investment income ^e	2.05%	2.45%	1.78%	1.86%	2.57%	2.91%
Supplemental data						
Net assets, end of period (000's)	\$2,246	\$2,274	\$2,852	\$2,537	\$2,364	\$2,253
Portfolio turnover rate	6.09%	37.16%	61.92%	48.36%	86.76%	30.70%

^aThe 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.

^bBased on average daily shares outstanding.

^cRecognition of net investment income by the Fund is affected by the timing of declaration of dividends by the Underlying Funds and exchange traded funds in which the Fund invests.

^dTotal return is not annualized for periods less than one year.

^eRatios are annualized for periods less than one year.

^fDoes not include expenses of the Underlying Funds and exchange traded funds in which the Fund invests. The weighted average indirect expenses of the Underlying Funds and exchange traded funds was 0.23% for the period ended June 30, 2023.

^gBenefit of expense reduction rounds to less than 0.01%.

Franklin Conservative Allocation Fund (continued)

	Six Months Ended June 30, 2023 (unaudited)	Year Ended December 31,				
		2022	2021	2020	2019	2018
Advisor Class						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$12.16	\$14.89	\$14.95	\$14.08	\$13.33	\$14.86
Income from investment operations ^a :						
Net investment income ^{b,c}	0.12	0.29	0.27	0.25	0.36	0.43
Net realized and unrealized gains (losses)	0.66	(2.53)	0.99	1.06	1.43	(0.90)
Total from investment operations	0.78	(2.24)	1.26	1.31	1.79	(0.47)
Less distributions from:						
Net investment income and short term gains received from Underlying funds and exchange traded funds	(0.20)	(0.25)	(0.39)	(0.27)	(0.37)	(0.42)
Net realized gains	—	(0.24)	(0.93)	(0.17)	(0.67)	(0.64)
Total distributions	(0.20)	(0.49)	(1.32)	(0.44)	(1.04)	(1.06)
Net asset value, end of period	\$12.74	\$12.16	\$14.89	\$14.95	\$14.08	\$13.33
Total return ^d	6.39%	(15.07)%	8.45%	9.58%	13.53%	(3.19)%
Ratios to average net assets^e						
Expenses before waiver and payments by affiliates ^f	0.38%	0.38%	0.37%	0.38%	0.38%	0.38%
Expenses net of waiver and payments by affiliates ^f	0.37%	0.38% ^{g,h}	0.37% ^h	0.38% ^h	0.38% ^{g,h}	0.38% ^{g,h}
Net investment income ^e	1.99%	2.20%	1.72%	1.79%	2.50%	2.82%
Supplemental data						
Net assets, end of period (000's)	\$30,449	\$30,231	\$54,537	\$48,041	\$44,022	\$38,031
Portfolio turnover rate	6.09%	37.16%	61.92%	48.36%	86.76%	30.70%

^aThe 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.

^bBased on average daily shares outstanding.

^cRecognition of net investment income by the Fund is affected by the timing of declaration of dividends by the Underlying Funds and exchange traded funds in which the Fund invests.

^dTotal return is not annualized for periods less than one year.

^eRatios are annualized for periods less than one year.

^fDoes not include expenses of the Underlying Funds and exchange traded funds in which the Fund invests. The weighted average indirect expenses of the Underlying Funds and exchange traded funds was 0.23% for the period ended June 30, 2023.

^gBenefit of expense reduction rounds to less than 0.01%.

^hBenefit of waiver and payments by affiliates rounds to less than 0.01%.

Schedule of Investments (unaudited), June 30, 2023

Franklin Conservative Allocation Fund

	Shares	Value
Investments In Underlying Funds and Exchange Traded Funds		
97.4%		
Alternative Strategies 1.0%		
^a Franklin Systematic Style Premia ETF	431,451	\$9,427,161
Domestic Equity 28.8%		
^a ClearBridge Large Cap Value Fund, Class IS	631,562	24,188,815
^a Franklin Growth Fund, Class R6	495,951	60,456,394
^a Franklin U.S. Core Equity (IU) Fund	10,321,832	138,312,552
^a Franklin U.S. Equity Index ETF	345,550	13,410,104
^a Franklin U.S. Large Cap Multifactor Index ETF	717,803	32,136,040
iShares MSCI USA Quality Factor ETF	27,450	3,702,182
		<u>272,206,087</u>
Domestic Fixed Income 54.4%		
^a BrandywineGLOBAL - Global Opportunities Bond Fund, Class IS	3,088,916	27,923,798
^a Franklin Investment Grade Corporate ETF	1,168,114	24,787,379
^a Franklin U.S. Core Bond ETF	8,990,191	192,390,088
^a Franklin U.S. Treasury Bond ETF	2,602,087	54,049,250
iShares Floating Rate Bond ETF	494,250	25,117,785
Schwab U.S. TIPS ETF	748,450	39,241,234
^a Western Asset Core Plus Bond Fund, Class IS	11,714,440	110,818,601
^a Western Asset Short-Term Bond Fund, Class IS	10,967,130	39,481,669
		<u>513,809,804</u>
Foreign Equity 9.1%		
^a Franklin Emerging Market Core Equity (IU) Fund	1,376,915	12,887,929
^a Franklin International Core Equity (IU) Fund	3,801,054	42,495,781
^{a,b} Franklin International Growth Fund, Class R6	384,538	6,279,513
iShares Core MSCI EAFE ETF	91,540	6,178,950
^a Templeton Developing Markets Trust, Class R6	479,074	8,522,719
^a Templeton Foreign Fund, Class R6	1,275,718	9,669,943
		<u>86,034,835</u>
Foreign Fixed Income 4.1%		
^a Franklin High Yield Corporate ETF	882,533	20,086,451
^a Franklin International Aggregate Bond ETF	946,791	18,642,315
		<u>38,728,766</u>
Total Investments In Underlying Funds and Exchange Traded Funds (Cost		
\$900,431,086)		920,206,653
Short Term Investments 2.8%		
Money Market Funds 2.8%		
^{a,c} Institutional Fiduciary Trust - Money Market Portfolio, 4.699%	25,954,258	25,954,258
Total Money Market Funds (Cost \$25,954,258)		25,954,258

Franklin Conservative Allocation Fund (continued)

Short Term Investments (continued)

	Principal Amount	Value
Repurchase Agreements 0.0%[†]		
^d Joint Repurchase Agreement, 4.985%, 7/03/23 (Maturity Value \$73,019)		
BNP Paribas Securities Corp. (Maturity Value \$28,238)		
Deutsche Bank Securities, Inc. (Maturity Value \$16,545)		
HSBC Securities (USA), Inc. (Maturity Value \$28,236)		
Collateralized by U.S. Government Agency Securities, 0.63% - 7.5%, 6/15/24 - 11/15/57; and U.S. Treasury Notes, 0.38% - 2.5%, 5/31/24 - 4/30/25 (valued at \$74,445)		
	\$72,989	\$72,989
Total Repurchase Agreements (Cost \$72,989)		72,989
Total Short Term Investments (Cost \$26,027,247)		26,027,247
Total Investments (Cost \$926,458,333) 100.2%		\$946,233,900
Other Assets, less Liabilities (0.2)%		(1,581,145)
Net Assets 100.0%		\$944,652,755

See Abbreviations on page 52.

[†]Rounds to less than 0.1% of net assets.

^a See Note 3(f) regarding investments in FT Underlying Funds.

^b Non-income producing.

^c The rate shown is the annualized seven-day effective yield at period end.

^d See Note 1(b) regarding joint repurchase agreement.

Financial Highlights

Franklin Moderate Allocation Fund

	Six Months Ended June 30, 2023 (unaudited)	Year Ended December 31,				
		2022	2021	2020	2019	2018
Class A						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$12.93	\$16.08	\$16.17	\$15.08	\$14.06	\$16.11
Income from investment operations ^a :						
Net investment income ^{b,c}	0.10	0.22	0.22	0.19	0.28	0.34
Net realized and unrealized gains (losses)	0.96	(2.82)	1.77	1.60	2.15	(1.11)
Total from investment operations	1.06	(2.60)	1.99	1.79	2.43	(0.77)
Less distributions from:						
Net investment income and short term gains received from Underlying funds and exchange traded funds	(0.15)	(0.17)	(0.41)	(0.22)	(0.28)	(0.33)
Net realized gains	(0.09)	(0.38)	(1.67)	(0.48)	(1.13)	(0.95)
Total distributions	(0.24)	(0.55)	(2.08)	(0.70)	(1.41)	(1.28)
Net asset value, end of period	\$13.75	\$12.93	\$16.08	\$16.17	\$15.08	\$14.06
Total return ^d	8.27%	(16.14)%	12.38%	12.37%	17.40%	(4.82)%
Ratios to average net assets^e						
Expenses before waiver and payments by affiliates ^f	0.63%	0.63%	0.63%	0.64%	0.63%	0.63%
Expenses net of waiver and payments by affiliates ^f	0.62%	0.63% ^{g,h}	0.62%	0.64% ^{g,h}	0.63% ^{g,h}	0.63% ^h
Net investment income ^e	1.47%	1.59%	1.29%	1.29%	1.78%	2.02%
Supplemental data						
Net assets, end of period (000's)	\$1,395,605	\$1,349,466	\$1,794,149	\$1,573,566	\$1,456,531	\$1,318,198
Portfolio turnover rate	6.75%	33.29%	56.07%	44.49%	71.70%	33.65%

^aThe 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.

^bBased on average daily shares outstanding.

^cRecognition of net investment income by the Fund is affected by the timing of declaration of dividends by the Underlying Funds and exchange traded funds in which the Fund invests.

^dTotal return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.

^eRatios are annualized for periods less than one year.

^fDoes not include expenses of the Underlying Funds and exchange traded funds in which the Fund invests. The weighted average indirect expenses of the Underlying Funds and exchange traded funds was 0.22% for the period ended June 30, 2023.

^gBenefit of expense reduction rounds to less than 0.01%.

^hBenefit of waiver and payments by affiliates rounds to less than 0.01%.

Franklin Moderate Allocation Fund (continued)

	Six Months Ended June 30, 2023 (unaudited)	Year Ended December 31,				
		2022	2021	2020	2019	2018
Class C						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$12.41	\$15.49	\$15.64	\$14.60	\$13.65	\$15.66
Income from investment operations ^a :						
Net investment income ^{b,c}	0.04	0.11	0.07	0.07	0.15	0.17
Net realized and unrealized gains (losses)	0.95	(2.72)	1.73	1.56	2.09	(1.02)
Total from investment operations	0.99	(2.61)	1.80	1.63	2.24	(0.85)
Less distributions from:						
Net investment income and short term gains received from Underlying funds and exchange traded funds	(0.11)	(0.09)	(0.28)	(0.11)	(0.16)	(0.21)
Net realized gains	(0.09)	(0.38)	(1.67)	(0.48)	(1.13)	(0.95)
Total distributions	(0.20)	(0.47)	(1.95)	(0.59)	(1.29)	(1.16)
Net asset value, end of period	\$13.20	\$12.41	\$15.49	\$15.64	\$14.60	\$13.65
Total return ^d	7.99%	(16.85)%	11.55%	11.57%	16.52%	(5.54)%
Ratios to average net assets^e						
Expenses before waiver and payments by affiliates ^f	1.38%	1.38%	1.37%	1.39%	1.38%	1.38%
Expenses net of waiver and payments by affiliates ^f	1.37%	1.38% ^{g,h}	1.37% ^h	1.39% ^{g,h}	1.38% ^{g,h}	1.38% ^h
Net investment income ^e	0.70%	0.79%	0.43%	0.50%	1.03%	1.27%
Supplemental data						
Net assets, end of period (000's)	\$122,056	\$130,268	\$205,894	\$289,283	\$339,845	\$375,494
Portfolio turnover rate	6.75%	33.29%	56.07%	44.49%	71.70%	33.65%

^aThe 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.

^bBased on average daily shares outstanding.

^cRecognition of net investment income by the Fund is affected by the timing of declaration of dividends by the Underlying Funds and exchange traded funds in which the Fund invests.

^dTotal return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.

^eRatios are annualized for periods less than one year.

^fDoes not include expenses of the Underlying Funds and exchange traded funds in which the Fund invests. The weighted average indirect expenses of the Underlying Funds and exchange traded funds was 0.22% for the period ended June 30, 2023.

^gBenefit of expense reduction rounds to less than 0.01%.

^hBenefit of waiver and payments by affiliates rounds to less than 0.01%.

Franklin Moderate Allocation Fund (continued)

	Six Months Ended June 30, 2023 (unaudited)	Year Ended December 31,				
		2022	2021	2020	2019	2018
Class R						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$12.90	\$16.05	\$16.15	\$15.05	\$14.04	\$16.08
Income from investment operations ^a :						
Net investment income ^{b,c}	0.08	0.19	0.17	0.15	0.23	0.27
Net realized and unrealized gains (losses)	0.97	(2.82)	1.77	1.61	2.15	(1.07)
Total from investment operations	1.05	(2.63)	1.94	1.76	2.38	(0.80)
Less distributions from:						
Net investment income and short term gains received from Underlying funds and exchange traded funds	(0.14)	(0.14)	(0.37)	(0.18)	(0.24)	(0.29)
Net realized gains	(0.09)	(0.38)	(1.67)	(0.48)	(1.13)	(0.95)
Total distributions	(0.23)	(0.52)	(2.04)	(0.66)	(1.37)	(1.24)
Net asset value, end of period	\$13.72	\$12.90	\$16.05	\$16.15	\$15.05	\$14.04
Total return ^d	8.16%	(16.37)%	12.05%	12.17%	17.05%	(5.04)%
Ratios to average net assets^e						
Expenses before waiver and payments by affiliates ^f	0.88%	0.88%	0.87%	0.89%	0.88%	0.88%
Expenses net of waiver and payments by affiliates ^f	0.87%	0.88% ^{g,h}	0.87% ^h	0.89% ^{g,h}	0.88% ^{g,h}	0.88% ^h
Net investment income ^e	1.21%	1.34%	1.01%	1.01%	1.53%	1.77%
Supplemental data						
Net assets, end of period (000's)	\$52,111	\$52,069	\$69,211	\$68,789	\$78,999	\$87,277
Portfolio turnover rate	6.75%	33.29%	56.07%	44.49%	71.70%	33.65%

^aThe 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.

^bBased on average daily shares outstanding.

^cRecognition of net investment income by the Fund is affected by the timing of declaration of dividends by the Underlying Funds and exchange traded funds in which the Fund invests.

^dTotal return is not annualized for periods less than one year.

^eRatios are annualized for periods less than one year.

^fDoes not include expenses of the Underlying Funds and exchange traded funds in which the Fund invests. The weighted average indirect expenses of the Underlying Funds and exchange traded funds was 0.22% for the period ended June 30, 2023.

^gBenefit of expense reduction rounds to less than 0.01%.

^hBenefit of waiver and payments by affiliates rounds to less than 0.01%.

Franklin Moderate Allocation Fund (continued)

	Six Months Ended June 30, 2023 (unaudited)	Year Ended December 31,				
		2022	2021	2020	2019	2018
Class R6						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$12.92	\$16.08	\$16.17	\$15.08	\$14.06	\$16.11
Income from investment operations ^a :						
Net investment income ^{b,c}	0.12	0.27	0.27	0.24	0.34	0.41
Net realized and unrealized gains (losses)	0.97	(2.83)	1.78	1.60	2.15	(1.12)
Total from investment operations	1.09	(2.56)	2.05	1.84	2.49	(0.71)
Less distributions from:						
Net investment income and short term gains received from Underlying funds and exchange traded funds	(0.17)	(0.22)	(0.47)	(0.27)	(0.34)	(0.39)
Net realized gains	(0.09)	(0.38)	(1.67)	(0.48)	(1.13)	(0.95)
Total distributions	(0.26)	(0.60)	(2.14)	(0.75)	(1.47)	(1.34)
Net asset value, end of period	\$13.75	\$12.92	\$16.08	\$16.17	\$15.08	\$14.06
Total return ^d	8.52%	(15.91)%	12.74%	12.76%	17.81%	(4.49)%
Ratios to average net assets^e						
Expenses before waiver and payments by affiliates ^f	0.33%	0.33%	0.33%	0.33%	0.34%	0.35%
Expenses net of waiver and payments by affiliates ^f	0.30%	0.28% ^g	0.30%	0.30% ^g	0.29% ^g	0.29%
Net investment income ^e	1.80%	1.97%	1.60%	1.61%	2.12%	2.36%
Supplemental data						
Net assets, end of period (000's)	\$6,535	\$6,065	\$7,261	\$6,767	\$6,666	\$5,141
Portfolio turnover rate	6.75%	33.29%	56.07%	44.49%	71.70%	33.65%

^aThe 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.

^bBased on average daily shares outstanding.

^cRecognition of net investment income by the Fund is affected by the timing of declaration of dividends by the Underlying Funds and exchange traded funds in which the Fund invests.

^dTotal return is not annualized for periods less than one year.

^eRatios are annualized for periods less than one year.

^fDoes not include expenses of the Underlying Funds and exchange traded funds in which the Fund invests. The weighted average indirect expenses of the Underlying Funds and exchange traded funds was 0.22% for the period ended June 30, 2023.

^gBenefit of expense reduction rounds to less than 0.01%.

Franklin Moderate Allocation Fund (continued)

	Six Months Ended June 30, 2023 (unaudited)	Year Ended December 31,				
		2022	2021	2020	2019	2018
Advisor Class						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$12.94	\$16.10	\$16.19	\$15.09	\$14.07	\$16.12
Income from investment operations ^a :						
Net investment income ^{b,c}	0.11	0.25	0.27	0.23	0.32	0.39
Net realized and unrealized gains (losses)	0.98	(2.83)	1.76	1.61	2.15	(1.11)
Total from investment operations	1.09	(2.58)	2.03	1.84	2.47	(0.72)
Less distributions from:						
Net investment income and short term gains received from Underlying funds and exchange traded funds	(0.17)	(0.20)	(0.45)	(0.26)	(0.32)	(0.38)
Net realized gains	(0.09)	(0.38)	(1.67)	(0.48)	(1.13)	(0.95)
Total distributions	(0.26)	(0.58)	(2.12)	(0.74)	(1.45)	(1.33)
Net asset value, end of period	\$13.77	\$12.94	\$16.10	\$16.19	\$15.09	\$14.07
Total return ^d	8.47%	(15.97)%	12.64%	12.72%	17.68%	(4.57)%
Ratios to average net assets^e						
Expenses before waiver and payments by affiliates ^f	0.38%	0.38%	0.38%	0.39%	0.38%	0.38%
Expenses net of waiver and payments by affiliates ^f	0.37%	0.38% ^{g,h}	0.37%	0.39% ^{g,h}	0.38% ^{g,h}	0.38% ^g
Net investment income ^e	1.71%	1.78%	1.55%	1.53%	2.03%	2.27%
Supplemental data						
Net assets, end of period (000's)	\$49,462	\$48,288	\$78,346	\$66,421	\$61,026	\$55,052
Portfolio turnover rate	6.75%	33.29%	56.07%	44.49%	71.70%	33.65%

^aThe 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.

^bBased on average daily shares outstanding.

^cRecognition of net investment income by the Fund is affected by the timing of declaration of dividends by the Underlying Funds and exchange traded funds in which the Fund invests.

^dTotal return is not annualized for periods less than one year.

^eRatios are annualized for periods less than one year.

^fDoes not include expenses of the Underlying Funds and exchange traded funds in which the Fund invests. The weighted average indirect expenses of the Underlying Funds and exchange traded funds was 0.22% for the period ended June 30, 2023.

^gBenefit of expense reduction rounds to less than 0.01%.

^hBenefit of waiver and payments by affiliates rounds to less than 0.01%.

Schedule of Investments (unaudited), June 30, 2023

Franklin Moderate Allocation Fund

	Shares	Value
Investments In Underlying Funds and Exchange Traded Funds		
97.4%		
Alternative Strategies 1.0%		
^a Franklin Systematic Style Premia ETF	732,898	\$16,013,748
Domestic Equity 44.0%		
^a ClearBridge Large Cap Value Fund, Class IS	1,665,825	63,801,100
^a Franklin Growth Fund, Class R6	1,309,983	159,686,944
^a Franklin U.S. Core Equity (IU) Fund	27,070,259	362,741,468
^a Franklin U.S. Equity Index ETF	913,125	35,436,555
^a Franklin U.S. Large Cap Multifactor Index ETF	1,896,617	84,911,543
iShares MSCI USA Quality Factor ETF	72,525	9,781,447
		716,359,057
Domestic Fixed Income 35.8%		
^a BrandywineGLOBAL - Global Opportunities Bond Fund, Class IS	3,142,536	28,408,529
^a Franklin Investment Grade Corporate ETF	1,322,723	28,068,182
^a Franklin U.S. Core Bond ETF	10,179,841	217,848,597
^a Franklin U.S. Treasury Bond ETF	2,946,497	61,203,162
iShares Floating Rate Bond ETF	559,700	28,443,954
Schwab U.S. TIPS ETF	847,492	44,434,006
^a Western Asset Core Plus Bond Fund, Class IS	13,241,881	125,268,198
^a Western Asset Short-Term Bond Fund, Class IS	13,859,180	49,893,047
		583,567,675
Foreign Equity 14.0%		
^a Franklin Emerging Market Core Equity (IU) Fund	3,583,331	33,539,977
^a Franklin International Core Equity (IU) Fund	9,996,828	111,764,533
^{a,b} Franklin International Growth Fund, Class R6	1,018,159	16,626,544
iShares Core MSCI EAFE ETF	242,472	16,366,860
^a Templeton Developing Markets Trust, Class R6	1,257,514	22,371,172
^a Templeton Foreign Fund, Class R6	3,377,440	25,600,992
		226,270,078
Foreign Fixed Income 2.6%		
^a Franklin High Yield Corporate ETF	999,370	22,745,661
^a Franklin International Aggregate Bond ETF	964,863	18,998,152
		41,743,813
Total Investments In Underlying Funds and Exchange Traded Funds (Cost \$1,432,263,640)		1,583,954,371
Short Term Investments 2.7%		
Money Market Funds 2.7%		
^{a,c} Institutional Fiduciary Trust - Money Market Portfolio, 4.699%	44,341,275	44,341,275
Total Money Market Funds (Cost \$44,341,275)		44,341,275
Total Short Term Investments (Cost \$44,341,275)		44,341,275
Total Investments (Cost \$1,476,604,915) 100.1%		\$1,628,295,646
Other Assets, less Liabilities (0.1%)		(2,527,413)
Net Assets 100.0%		\$1,625,768,233

Franklin Moderate Allocation Fund (continued)

See Abbreviations on page 52.

^a See Note 3(f) regarding investments in FT Underlying Funds.

^b Non-income producing.

^c The rate shown is the annualized seven-day effective yield at period end.

Financial Highlights

Franklin Growth Allocation Fund

	Six Months Ended June 30, 2023 (unaudited)	Year Ended December 31,				
		2022	2021	2020	2019	2018
Class A						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$15.77	\$19.99	\$19.64	\$18.13	\$16.54	\$19.34
Income from investment operations ^a :						
Net investment income ^{b,c}	0.09	0.20	0.23	0.19	0.25	0.30
Net realized and unrealized gains (losses)	1.56	(3.65)	2.97	2.32	3.36	(1.54)
Total from investment operations	1.65	(3.45)	3.20	2.51	3.61	(1.24)
Less distributions from:						
Net investment income and short term gains received from Underlying funds and exchange traded funds	(0.09)	(0.18)	(0.48)	(0.22)	(0.25)	(0.30)
Net realized gains	(0.36)	(0.59)	(2.37)	(0.78)	(1.77)	(1.26)
Total distributions	(0.45)	(0.77)	(2.85)	(1.00)	(2.02)	(1.56)
Net asset value, end of period	\$16.97	\$15.77	\$19.99	\$19.64	\$18.13	\$16.54
Total return ^d	10.51%	(17.16)%	16.41%	14.58%	21.90%	(6.45)%
Ratios to average net assets^e						
Expenses before waiver and payments by affiliates ^f	0.66%	0.67%	0.66%	0.68%	0.68%	0.67%
Expenses net of waiver and payments by affiliates ^f	0.65%	0.66% ^g	0.66% ^h	0.67% ^g	0.65% ^g	0.65% ^g
Net investment income ^e	1.08%	1.15%	1.07%	1.07%	1.32%	1.48%
Supplemental data						
Net assets, end of period (000's)	\$1,050,334	\$977,212	\$1,258,769	\$1,074,822	\$974,391	\$837,327
Portfolio turnover rate	12.44%	29.59%	59.90%	39.22%	63.65%	30.79%

^aThe 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.

^bBased on average daily shares outstanding.

^cRecognition of net investment income by the Fund is affected by the timing of declaration of dividends by the Underlying Funds and exchange traded funds in which the Fund invests.

^dTotal return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.

^eRatios are annualized for periods less than one year.

^fDoes not include expenses of the Underlying Funds and exchange traded funds in which the Fund invests. The weighted average indirect expenses of the Underlying Funds and exchange traded funds was 0.22% for the period ended June 30, 2023.

^gBenefit of expense reduction rounds to less than 0.01%.

^hBenefit of waiver and payments by affiliates rounds to less than 0.01%.

Franklin Growth Allocation Fund (continued)

	Six Months Ended June 30, 2023 (unaudited)	Year Ended December 31,				
		2022	2021	2020	2019	2018
Class C						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$15.12	\$19.24	\$19.03	\$17.62	\$16.12	\$18.81
Income from investment operations ^a :						
Net investment income ^{b,c}	0.02	0.06	0.04	0.05	0.10	0.10
Net realized and unrealized gains (losses)	1.51	(3.50)	2.91	2.25	3.27	(1.43)
Total from investment operations	1.53	(3.44)	2.95	2.30	3.37	(1.33)
Less distributions from:						
Net investment income and short term gains received from Underlying funds and exchange traded funds	(0.05)	(0.09)	(0.37)	(0.11)	(0.10)	(0.10)
Net realized gains	(0.36)	(0.59)	(2.37)	(0.78)	(1.77)	(1.26)
Total distributions	(0.41)	(0.68)	(2.74)	(0.89)	(1.87)	(1.36)
Net asset value, end of period	\$16.24	\$15.12	\$19.24	\$19.03	\$17.62	\$16.12
Total return ^d	10.14%	(17.82)%	15.59%	13.74%	20.95%	(7.13)%
Ratios to average net assets^e						
Expenses before waiver and payments by affiliates ^f	1.41%	1.42%	1.41%	1.42%	1.43%	1.42%
Expenses net of waiver and payments by affiliates ^f	1.40%	1.41% ^g	1.41% ^h	1.42% ^{g,h}	1.40% ^g	1.40% ^g
Net investment income ^e	0.32%	0.36%	0.20%	0.28%	0.57%	0.73%
Supplemental data						
Net assets, end of period (000's)	\$94,030	\$95,210	\$141,604	\$186,526	\$202,689	\$206,933
Portfolio turnover rate	12.44%	29.59%	59.90%	39.22%	63.65%	30.79%

^aThe 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.

^bBased on average daily shares outstanding.

^cRecognition of net investment income by the Fund is affected by the timing of declaration of dividends by the Underlying Funds and exchange traded funds in which the Fund invests.

^dTotal return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.

^eRatios are annualized for periods less than one year.

^fDoes not include expenses of the Underlying Funds and exchange traded funds in which the Fund invests. The weighted average indirect expenses of the Underlying Funds and exchange traded funds was 0.22% for the period ended June 30, 2023.

^gBenefit of expense reduction rounds to less than 0.01%.

^hBenefit of waiver and payments by affiliates rounds to less than 0.01%.

Franklin Growth Allocation Fund (continued)

	Six Months Ended June 30, 2023 (unaudited)	Year Ended December 31,				
		2022	2021	2020	2019	2018
Class R						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$15.50	\$19.68	\$19.38	\$17.89	\$16.34	\$19.10
Income from investment operations ^a :						
Net investment income ^{b,c}	0.07	0.15	0.16	0.14	0.18	0.22
Net realized and unrealized gains (losses)	1.54	(3.59)	2.93	2.30	3.33	(1.49)
Total from investment operations	1.61	(3.44)	3.09	2.44	3.51	(1.27)
Less distributions from:						
Net investment income and short term gains received from Underlying funds and exchange traded funds	(0.07)	(0.15)	(0.42)	(0.17)	(0.19)	(0.23)
Net realized gains	(0.36)	(0.59)	(2.37)	(0.78)	(1.77)	(1.26)
Total distributions	(0.43)	(0.74)	(2.79)	(0.95)	(1.96)	(1.49)
Net asset value, end of period	\$16.68	\$15.50	\$19.68	\$19.38	\$17.89	\$16.34
Total return ^d	10.44%	(17.40)%	16.14%	14.30%	21.56%	(6.68)%
Ratios to average net assets^e						
Expenses before waiver and payments by affiliates ^f	0.91%	0.92%	0.91%	0.92%	0.93%	0.92%
Expenses net of waiver and payments by affiliates ^f	0.90%	0.91% ^g	0.91% ^h	0.92% ^{g,h}	0.90% ^g	0.90% ^g
Net investment income ^e	0.83%	0.88%	0.77%	0.77%	1.07%	1.23%
Supplemental data						
Net assets, end of period (000's)	\$39,604	\$37,341	\$54,097	\$54,297	\$62,973	\$72,100
Portfolio turnover rate	12.44%	29.59%	59.90%	39.22%	63.65%	30.79%

^aThe 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.

^bBased on average daily shares outstanding.

^cRecognition of net investment income by the Fund is affected by the timing of declaration of dividends by the Underlying Funds and exchange traded funds in which the Fund invests.

^dTotal return is not annualized for periods less than one year.

^eRatios are annualized for periods less than one year.

^fDoes not include expenses of the Underlying Funds and exchange traded funds in which the Fund invests. The weighted average indirect expenses of the Underlying Funds and exchange traded funds was 0.22% for the period ended June 30, 2023.

^gBenefit of expense reduction rounds to less than 0.01%.

^hBenefit of waiver and payments by affiliates rounds to less than 0.01%.

Franklin Growth Allocation Fund (continued)

	Six Months Ended June 30, 2023 (unaudited)	Year Ended December 31,				
		2022	2021	2020	2019	2018
Class R6						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$15.86	\$20.10	\$19.73	\$18.20	\$16.60	\$19.40
Income from investment operations ^a :						
Net investment income ^{b,c}	0.12	0.26	0.29	0.26	0.32	0.40
Net realized and unrealized gains (losses)	1.58	(3.68)	3.01	2.34	3.37	(1.57)
Total from investment operations	1.70	(3.42)	3.30	2.60	3.69	(1.17)
Less distributions from:						
Net investment income and short term gains received from Underlying funds and exchange traded funds	(0.12)	(0.23)	(0.56)	(0.29)	(0.32)	(0.37)
Net realized gains	(0.36)	(0.59)	(2.37)	(0.78)	(1.77)	(1.26)
Total distributions	(0.48)	(0.82)	(2.93)	(1.07)	(2.09)	(1.63)
Net asset value, end of period	\$17.08	\$15.86	\$20.10	\$19.73	\$18.20	\$16.60
Total return ^d	10.74%	(16.92)%	16.85%	15.06%	22.30%	(6.07)%
Ratios to average net assets^e						
Expenses before waiver and payments by affiliates ^f	0.34%	0.34%	0.34%	0.35%	0.37%	0.36%
Expenses net of waiver and payments by affiliates ^f	0.30%	0.29% ^g	0.30%	0.30% ^g	0.27% ^g	0.28% ^g
Net investment income ^e	1.50%	1.51%	1.37%	1.44%	1.70%	1.85%
Supplemental data						
Net assets, end of period (000's)	\$5,286	\$4,071	\$5,434	\$5,592	\$4,806	\$4,224
Portfolio turnover rate	12.44%	29.59%	59.90%	39.22%	63.65%	30.79%

^aThe 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.

^bBased on average daily shares outstanding.

^cRecognition of net investment income by the Fund is affected by the timing of declaration of dividends by the Underlying Funds and exchange traded funds in which the Fund invests.

^dTotal return is not annualized for periods less than one year.

^eRatios are annualized for periods less than one year.

^fDoes not include expenses of the Underlying Funds and exchange traded funds in which the Fund invests. The weighted average indirect expenses of the Underlying Funds and exchange traded funds was 0.22% for the period ended June 30, 2023.

^gBenefit of expense reduction rounds to less than 0.01%.

Franklin Growth Allocation Fund (continued)

	Six Months Ended June 30, 2023 (unaudited)	Year Ended December 31,				
		2022	2021	2020	2019	2018
Advisor Class						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$15.88	\$20.12	\$19.76	\$18.22	\$16.61	\$19.42
Income from investment operations ^a :						
Net investment income ^{b,c}	0.11	0.24	0.28	0.24	0.30	0.36
Net realized and unrealized gains (losses)	1.58	(3.68)	2.98	2.34	3.38	(1.56)
Total from investment operations	1.69	(3.44)	3.26	2.58	3.68	(1.20)
Less distributions from:						
Net investment income and short term gains received from Underlying funds and exchange traded funds	(0.11)	(0.21)	(0.53)	(0.26)	(0.30)	(0.35)
Net realized gains	(0.36)	(0.59)	(2.37)	(0.78)	(1.77)	(1.26)
Total distributions	(0.47)	(0.80)	(2.90)	(1.04)	(2.07)	(1.61)
Net asset value, end of period	\$17.10	\$15.88	\$20.12	\$19.76	\$18.22	\$16.61
Total return ^d	10.68%	(16.99)%	16.71%	14.90%	22.22%	(6.23)%
Ratios to average net assets^e						
Expenses before waiver and payments by affiliates ^f	0.41%	0.42%	0.41%	0.43%	0.43%	0.42%
Expenses net of waiver and payments by affiliates ^f	0.40%	0.41% ^g	0.41% ^h	0.42% ^g	0.40% ^g	0.40% ^g
Net investment income ^e	1.33%	1.39%	1.32%	1.32%	1.57%	1.73%
Supplemental data						
Net assets, end of period (000's)	\$47,795	\$43,957	\$60,851	\$51,693	\$44,684	\$38,685
Portfolio turnover rate	12.44%	29.59%	59.90%	39.22%	63.65%	30.79%

^aThe 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.

^bBased on average daily shares outstanding.

^cRecognition of net investment income by the Fund is affected by the timing of declaration of dividends by the Underlying Funds and exchange traded funds in which the Fund invests.

^dTotal return is not annualized for periods less than one year.

^eRatios are annualized for periods less than one year.

^fDoes not include expenses of the Underlying Funds and exchange traded funds in which the Fund invests. The weighted average indirect expenses of the Underlying Funds and exchange traded funds was 0.22% for the period ended June 30, 2023.

^gBenefit of expense reduction rounds to less than 0.01%.

^hBenefit of waiver and payments by affiliates rounds to less than 0.01%.

Schedule of Investments (unaudited), June 30, 2023

Franklin Growth Allocation Fund

	Shares	Value
Investments In Underlying Funds and Exchange Traded Funds		
97.2%		
Alternative Strategies 1.0%		
^a Franklin Systematic Style Premia ETF	549,832	\$12,013,774
Domestic Equity 58.7%		
^a ClearBridge Large Cap Value Fund, Class IS	1,694,710	64,907,411
^a Franklin Growth Fund, Class R6	1,335,224	162,763,760
^a Franklin U.S. Core Equity (IU) Fund	22,261,592	298,305,339
^a Franklin U.S. Equity Index ETF	2,513,375	97,539,057
^a Franklin U.S. Large Cap Multifactor Index ETF	2,070,451	92,694,091
iShares MSCI USA Quality Factor ETF	73,975	9,977,008
		<u>726,186,666</u>
Domestic Fixed Income 17.5%		
^a BrandywineGLOBAL - Global Opportunities Bond Fund, Class IS	1,568,493	14,179,179
^a Franklin Investment Grade Corporate ETF	468,522	9,942,037
^a Franklin U.S. Core Bond ETF	3,606,063	77,169,748
^a Franklin U.S. Treasury Bond ETF	1,043,693	21,679,069
iShares Floating Rate Bond ETF	198,225	10,073,794
Schwab U.S. TIPS ETF	300,165	15,737,651
^a Western Asset Core Plus Bond Fund, Class IS	4,681,159	44,283,766
^a Western Asset Short-Term Bond Fund, Class IS	6,632,381	23,876,572
		<u>216,941,816</u>
Foreign Equity 18.5%		
^a Franklin Emerging Market Core Equity (IU) Fund	3,622,102	33,902,877
^a Franklin International Core Equity (IU) Fund	10,140,439	113,370,110
^{a,b} Franklin International Growth Fund, Class R6	1,037,485	16,942,137
iShares Core MSCI EAFE ETF	247,172	16,684,110
^a Templeton Developing Markets Trust, Class R6	1,276,258	22,704,627
^a Templeton Foreign Fund, Class R6	3,441,805	26,088,882
		<u>229,692,743</u>
Foreign Fixed Income 1.5%		
^a Franklin High Yield Corporate ETF	353,956	8,056,039
^a Franklin International Aggregate Bond ETF	482,549	9,501,390
		<u>17,557,429</u>
Total Investments In Underlying Funds and Exchange Traded Funds (Cost		
\$999,079,625)		1,202,392,428
Short Term Investments 2.8%		
Money Market Funds 2.8%		
^{a,c} Institutional Fiduciary Trust - Money Market Portfolio, 4.699%	35,056,161	35,056,161
Total Money Market Funds (Cost \$35,056,161)		35,056,161

Franklin Growth Allocation Fund (continued)

Short Term Investments (continued)

	Principal Amount	Value
Repurchase Agreements 0.0%[†]		
^d Joint Repurchase Agreement, 4.985%, 7/03/23 (Maturity Value \$121,983)		
BNP Paribas Securities Corp. (Maturity Value \$47,172)		
Deutsche Bank Securities, Inc. (Maturity Value \$27,640)		
HSBC Securities (USA), Inc. (Maturity Value \$47,171)		
Collateralized by U.S. Government Agency Securities, 0.63% - 7.5%, 6/15/24 - 11/15/57; and U.S. Treasury Notes, 0.38% - 2.5%, 5/31/24 - 4/30/25 (valued at \$124,366)		
	\$121,933	\$121,933
Total Repurchase Agreements (Cost \$121,933)		121,933
Total Short Term Investments (Cost \$35,178,094)		35,178,094
Total Investments (Cost \$1,034,257,719) 100.0%		\$1,237,570,522
Other Assets, less Liabilities (0.0)%		(520,772)
Net Assets 100.0%		\$1,237,049,750

See Abbreviations on page 52.

[†]Rounds to less than 0.1% of net assets.

^a See Note 3(f) regarding investments in FT Underlying Funds.

^b Non-income producing.

^c The rate shown is the annualized seven-day effective yield at period end.

^d See Note 1(b) regarding joint repurchase agreement.

Statements of Assets and Liabilities (unaudited)

June 30, 2023 (unaudited)

	Franklin Conservative Allocation Fund	Franklin Moderate Allocation Fund	Franklin Growth Allocation Fund
Assets:			
Investments in securities:			
Cost - Unaffiliated issuers	\$79,132,373	\$104,279,349	\$54,077,876
Cost - Controlled affiliates (Note 3f)	—	36,373,338	36,537,565
Cost - Non-controlled affiliates (Note 3f)	847,252,971	1,335,952,228	943,520,345
Cost - Unaffiliated repurchase agreements	72,989	—	121,933
Value - Unaffiliated issuers	\$74,240,151	\$99,026,267	\$52,472,563
Value - Controlled affiliates (Note 3f)	—	33,539,977	33,902,877
Value - Non-controlled affiliates (Note 3f)	871,920,760	1,495,729,402	1,151,073,149
Value - Unaffiliated repurchase agreements	72,989	—	121,933
Receivables:			
Investment securities sold	—	—	7,261,434
Capital shares sold	583,621	754,563	275,469
Dividends and interest	107,104	331,173	361,337
Total assets	946,924,625	1,629,381,382	1,245,468,762
Liabilities:			
Payables:			
Investment securities purchased	—	—	6,125,522
Capital shares redeemed	1,329,942	2,219,116	1,122,462
Asset allocation fees	205,337	323,637	303,540
Distribution fees	244,101	405,531	304,208
Transfer agent fees	290,221	440,718	411,176
Trustees' fees and expenses	998	570	496
Distributions to shareholders	132,479	140,399	83,253
Accrued expenses and other liabilities	68,792	83,178	68,355
Total liabilities	2,271,870	3,613,149	8,419,012
Net assets, at value	\$944,652,755	\$1,625,768,233	\$1,237,049,750
Net assets consist of:			
Paid-in capital	\$953,243,402	\$1,507,642,950	\$1,056,681,680
Total distributable earnings (losses)	(8,590,647)	118,125,283	180,368,070
Net assets, at value	\$944,652,755	\$1,625,768,233	\$1,237,049,750

Statements of Assets and Liabilities (unaudited) (continued)

June 30, 2023 (unaudited)

	Franklin Conservative Allocation Fund	Franklin Moderate Allocation Fund	Franklin Growth Allocation Fund
Class A:			
Net assets, at value	\$790,032,964	\$1,395,604,548	\$1,050,334,292
Shares outstanding	62,016,029	101,467,023	61,876,072
Net asset value per share ^a	\$12.74	\$13.75	\$16.97
Maximum offering price per share (net asset value per share + 94.50%)	\$13.48	\$14.55	\$17.96
Class C:			
Net assets, at value	\$76,227,304	\$122,056,224	\$94,029,625
Shares outstanding	6,133,908	9,249,950	5,791,287
Net asset value and maximum offering price per share ^a	\$12.43	\$13.20	\$16.24
Class R:			
Net assets, at value	\$45,697,647	\$52,110,905	\$39,604,428
Shares outstanding	3,604,794	3,797,654	2,374,848
Net asset value and maximum offering price per share	\$12.68	\$13.72	\$16.68
Class R6:			
Net assets, at value	\$2,245,559	\$6,534,586	\$5,286,185
Shares outstanding	176,581	475,233	309,447
Net asset value and maximum offering price per share	\$12.72	\$13.75	\$17.08
Advisor Class:			
Net assets, at value	\$30,449,281	\$49,461,970	\$47,795,220
Shares outstanding	2,390,284	3,592,229	2,795,192
Net asset value and maximum offering price per share	\$12.74	\$13.77	\$17.10

^aRedemption price is equal to net asset value less contingent deferred sales charges, if applicable.

Statements of Operations

for the six months ended June 30, 2023 (unaudited)

	Franklin Conservative Allocation Fund	Franklin Moderate Allocation Fund	Franklin Growth Allocation Fund
Investment income:			
Dividends:			
Unaffiliated issuers	\$993,420	\$1,304,797	\$681,146
Controlled affiliates (Note 3f)	—	146,517	146,784
Non-controlled affiliates (Note 3f)	10,235,532	15,217,988	9,398,991
Interest:			
Unaffiliated issuers	14,438	30,399	43,560
Total investment income	11,243,390	16,699,701	10,270,481
Expenses:			
Asset allocation fees (Note 3a)	1,190,137	1,996,591	1,484,232
Distribution fees: (Note 3c)			
Class A	990,304	1,705,553	1,255,733
Class C	412,097	631,641	470,539
Class R	112,052	129,157	94,589
Transfer agent fees: (Note 3e)			
Class A	382,272	701,680	624,879
Class C	39,787	64,960	58,533
Class R	21,625	26,567	23,535
Class R6	1,298	1,650	1,274
Advisor Class	14,660	24,974	28,738
Custodian fees (Note 4)	1,454	1,890	771
Reports to shareholders fees	52,423	68,135	62,441
Registration and filing fees	73,629	108,158	88,580
Professional fees	27,758	28,658	27,915
Trustees' fees and expenses	6,265	9,783	7,091
Other	11,240	15,150	11,587
Total expenses	3,337,001	5,514,547	4,240,437
Expenses waived/paid by affiliates (Note 3f and 3g)	(45,753)	(76,976)	(57,894)
Net expenses	3,291,248	5,437,571	4,182,543
Net investment income	7,952,142	11,262,130	6,087,938
Realized and unrealized gains (losses):			
Net realized gain (loss) from:			
Investments:			
Unaffiliated issuers	(760,604)	(785,481)	(360,374)
Controlled affiliates (Note 3f)	—	(59,049)	(21,784)
Non-controlled affiliates (Note 3f)	(8,902,807)	(10,096,831)	(13,734,867)
Net realized gain (loss)	(9,663,411)	(10,941,361)	(14,117,025)
Net change in unrealized appreciation (depreciation) on:			
Investments:			
Unaffiliated issuers	2,329,408	3,664,696	2,580,750
Controlled affiliates (Note 3f)	—	1,754,942	1,662,173
Non-controlled affiliates (Note 3f)	57,009,850	122,487,670	123,575,052
Net change in unrealized appreciation (depreciation)	59,339,258	127,907,308	127,817,975
Net realized and unrealized gain (loss)	49,675,847	116,965,947	113,700,950
Net increase (decrease) in net assets resulting from operations	\$57,627,989	\$128,228,077	\$119,788,888

Statements of Changes in Net Assets

	Franklin Conservative Allocation Fund		Franklin Moderate Allocation Fund	
	Six Months Ended June 30, 2023 (unaudited)	Year Ended December 31, 2022	Six Months Ended June 30, 2023 (unaudited)	Year Ended December 31, 2022
Increase (decrease) in net assets:				
Operations:				
Net investment income	\$7,952,142	\$22,134,340	\$11,262,130	\$27,255,711
Net realized gain (loss)	(9,663,411)	(17,054,629)	(10,941,361)	(8,428,828)
Net change in unrealized appreciation (depreciation)	59,339,258	(206,801,104)	127,907,308	(362,316,855)
Net increase (decrease) in net assets resulting from operations.	57,627,989	(201,721,393)	128,228,077	(343,489,972)
Distributions to shareholders:				
Class A	(11,280,464)	(31,213,370)	(24,980,173)	(58,905,309)
Class C	(870,618)	(3,086,852)	(1,883,236)	(5,421,869)
Class R	(593,895)	(1,580,604)	(870,474)	(2,135,695)
Class R6	(35,070)	(94,744)	(125,118)	(273,579)
Advisor Class	(468,803)	(1,374,009)	(939,129)	(2,593,327)
Total distributions to shareholders	(13,248,850)	(37,349,579)	(28,798,130)	(69,329,779)
Capital share transactions: (Note 2)				
Class A	(43,745,192)	(90,653,150)	(38,807,114)	(99,590,743)
Class C	(16,677,136)	(37,709,251)	(16,043,916)	(37,562,809)
Class R	(1,421,619)	(218,090)	(3,206,058)	(3,900,918)
Class R6	(131,791)	(58,553)	80,970	240,973
Advisor Class	(1,191,328)	(15,182,389)	(1,841,971)	(15,072,697)
Total capital share transactions	(63,167,066)	(143,821,433)	(59,818,089)	(155,886,194)
Net increase (decrease) in net assets	(18,787,927)	(382,892,405)	39,611,858	(568,705,945)
Net assets:				
Beginning of period	963,440,682	1,346,333,087	1,586,156,375	2,154,862,320
End of period	\$944,652,755	\$963,440,682	\$1,625,768,233	\$1,586,156,375

Statements of Changes in Net Assets (continued)

	Franklin Growth Allocation Fund	
	Six Months Ended June 30, 2023 (unaudited)	Year Ended December 31, 2022
Increase (decrease) in net assets:		
Operations:		
Net investment income	\$6,087,938	\$13,730,891
Net realized gain (loss)	(14,117,025)	18,666,913
Net change in unrealized appreciation (depreciation)	127,817,975	(290,586,885)
Net increase (decrease) in net assets resulting from operations	119,788,888	(258,189,081)
Distributions to shareholders:		
Class A	(27,661,825)	(47,605,496)
Class C	(2,349,262)	(4,561,016)
Class R	(1,015,408)	(1,846,046)
Class R6	(145,392)	(215,043)
Advisor Class	(1,316,051)	(2,350,580)
Total distributions to shareholders	(32,487,938)	(56,578,181)
Capital share transactions: (Note 2)		
Class A	(846,034)	(20,082,840)
Class C	(7,985,632)	(17,621,289)
Class R	(519,993)	(5,879,068)
Class R6	872,612	(237,165)
Advisor Class	437,296	(4,377,827)
Total capital share transactions	(8,041,751)	(48,198,189)
Net increase (decrease) in net assets	79,259,199	(362,965,451)
Net assets:		
Beginning of period	1,157,790,551	1,520,756,002
End of period	\$1,237,049,750	\$1,157,790,551

Notes to Financial Statements (unaudited)

1. Organization and Significant Accounting Policies

Franklin Fund Allocator Series (Trust) is registered under the Investment Company Act of 1940 (1940 Act) as an open-end management investment company, consisting of eighteen separate funds, three of which are included in this report (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 Funds invest primarily in mutual funds (Underlying Funds) and exchange traded funds (ETFs), including affiliated funds managed by Franklin Templeton (FT Underlying Funds). The Funds offer five classes of shares: Class A, Class C, Class R, Class R6 and Advisor Class. 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 sale charges, voting rights on matters affecting a single class, its exchange privilege and fees due to differing arrangements for distribution and transfer agent fees.

The accounting policies of the Underlying Funds are outlined in their respective shareholder reports. A copy of the Underlying Funds' shareholder reports, in which each Fund invests, is available on the U.S. Securities and Exchange Commission (SEC) website at sec.gov. The Underlying Funds' shareholder reports are not covered by this report.

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.

Investments in the Underlying Funds are valued at their closing NAV each trading day. ETFs 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.

Investments in repurchase agreements are valued at cost, which approximates fair value.

b. Joint Repurchase Agreement

Certain or all Funds enter into a joint repurchase agreement whereby their uninvested cash balance is deposited into a joint cash account with other funds managed by the investment manager or an affiliate of the investment manager and is used to invest in one or more repurchase agreements. The value and face amount of the joint repurchase agreement are allocated to the funds based on their pro-rata interest. A repurchase agreement is accounted for as a loan by the Fund to the seller, collateralized by securities which are delivered to the Funds' custodian. The fair value, including accrued interest, of the initial collateralization is required to be at least 102% of the dollar amount invested by the funds, with the value of the underlying securities marked to market daily to maintain coverage of at least 100%. Repurchase agreements are subject to the terms of Master Repurchase Agreements (MRAs) with approved counterparties (sellers). The MRAs contain various provisions, including but not limited to events of default and maintenance of collateral for repurchase agreements. In the event of default by either the seller or the Funds, certain MRAs may permit the non-defaulting party to net and close-out all transactions, if any, traded under such agreements. The Funds may sell securities it holds as collateral and apply the proceeds towards the repurchase price and any other amounts owed by the seller to the Funds in the event of default by the seller. This could involve costs or delays in addition to a loss on the securities if their value falls below the repurchase price owed by the seller. The joint repurchase agreement held by the Funds at period end, as indicated in the Schedules of Investments, had been entered into on June 30, 2023.

1. Organization and Significant Accounting Policies (continued)

c. Income 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.

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 June 30, 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.

d. 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. Dividend income and realized capital gain distributions by Underlying Funds and ETFs are recorded on the ex-dividend date. Distributions to shareholders are recorded on the ex-dividend date. Distributable earnings are determined 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.

The Funds indirectly bear their proportionate share of expenses from the Underlying Funds and ETFs. Since the Underlying Funds and ETFs have varied expense levels and the Funds may own different proportions of the Underlying Funds and ETFs at different times, the amount of expenses incurred indirectly by the Funds will vary.

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.

e. 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.

f. 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 June 30, 2023, there were an unlimited number of shares authorized (without par value). Transactions in the Funds' shares were as follows:

	Franklin Conservative Allocation Fund		Franklin Moderate Allocation Fund	
	Shares	Amount	Shares	Amount
Class A Shares:				
Six Months ended June 30, 2023				
Shares sold ^a	3,651,035	\$45,686,774	7,981,963	\$107,093,570
Shares issued in reinvestment of distributions	871,883	11,034,046	1,798,533	24,636,177
Shares redeemed	(8,007,644)	(100,466,012)	(12,710,671)	(170,536,861)
Net increase (decrease)	(3,484,726)	\$(43,745,192)	(2,930,175)	\$(38,807,114)
Year ended December 31, 2022				
Shares sold ^a	7,910,216	\$104,157,892	10,662,506	\$148,875,879
Shares issued in reinvestment of distributions	2,479,973	30,540,378	4,491,793	58,119,022
Shares redeemed	(17,477,429)	(225,351,420)	(22,309,824)	(306,585,644)
Net increase (decrease)	(7,087,240)	\$(90,653,150)	(7,155,525)	\$(99,590,743)
Class C Shares:				
Six Months ended June 30, 2023				
Shares sold	574,434	\$7,004,690	1,757,127	\$22,598,227
Shares issued in reinvestment of distributions	69,903	862,457	142,254	1,870,554
Shares redeemed ^a	(2,007,747)	(24,544,283)	(3,144,418)	(40,512,697)
Net increase (decrease)	(1,363,410)	\$(16,677,136)	(1,245,037)	\$(16,043,916)
Year ended December 31, 2022				
Shares sold	898,458	\$11,629,680	1,498,953	\$20,181,807
Shares issued in reinvestment of distributions	255,929	3,064,586	434,361	5,397,337
Shares redeemed ^a	(4,125,906)	(52,403,517)	(4,734,054)	(63,141,953)
Net increase (decrease)	(2,971,519)	\$(37,709,251)	(2,800,740)	\$(37,562,809)
Class R Shares:				
Six Months ended June 30, 2023				
Shares sold	378,424	\$4,733,166	440,438	\$5,931,230
Shares issued in reinvestment of distributions	47,067	592,828	63,566	868,795
Shares redeemed	(540,011)	(6,747,613)	(743,688)	(10,006,083)
Net increase (decrease)	(114,520)	\$(1,421,619)	(239,684)	\$(3,206,058)
Year ended December 31, 2022				
Shares sold	1,465,369	\$19,794,235	536,756	\$7,455,847
Shares issued in reinvestment of distributions	128,907	1,579,898	165,320	2,132,506
Shares redeemed	(1,626,058)	(21,592,223)	(976,726)	(13,489,271)
Net increase (decrease)	(31,782)	\$(218,090)	(274,650)	\$(3,900,918)

2. Shares of Beneficial Interest (continued)

	Franklin Conservative Allocation Fund		Franklin Moderate Allocation Fund	
	Shares	Amount	Shares	Amount
Class R6 Shares:				
Six Months ended June 30, 2023				
Shares sold	19,233	\$240,185	45,656	\$609,074
Shares issued in reinvestment of distributions	2,777	35,070	9,135	125,118
Shares redeemed	(32,638)	(407,046)	(48,933)	(653,222)
Net increase (decrease)	(10,628)	\$(131,791)	5,858	\$80,970
Year ended December 31, 2022				
Shares sold	26,230	\$346,902	47,746	\$664,252
Shares issued in reinvestment of distributions	7,694	94,744	21,105	273,579
Shares redeemed	(38,478)	(500,199)	(51,082)	(696,858)
Net increase (decrease)	(4,554)	\$(58,553)	17,769	\$240,973
Advisor Class Shares:				
Six Months ended June 30, 2023				
Shares sold	347,138	\$4,361,243	500,226	\$6,739,023
Shares issued in reinvestment of distributions	33,322	421,757	63,077	865,121
Shares redeemed	(475,232)	(5,974,328)	(703,167)	(9,446,115)
Net increase (decrease)	(94,772)	\$(1,191,328)	(139,864)	\$(1,841,971)
Year ended December 31, 2022				
Shares sold	868,164	\$11,375,506	1,049,264	\$14,705,181
Shares issued in reinvestment of distributions	99,291	1,225,306	180,660	2,345,137
Shares redeemed	(2,144,368)	(27,783,201)	(2,364,283)	(32,123,015)
Net increase (decrease)	(1,176,913)	\$(15,182,389)	(1,134,359)	\$(15,072,697)
Franklin Growth Allocation Fund				
	Shares	Amount		
Class A Shares:				
Six Months ended June 30, 2023				
Shares sold ^a	5,675,320	\$93,886,911		
Shares issued in reinvestment of distributions	1,608,455	27,357,970		
Shares redeemed	(7,378,570)	(122,090,915)		
Net increase (decrease)	(94,795)	\$(846,034)		
Year ended December 31, 2022				
Shares sold ^a	6,242,529	\$106,513,403		
Shares issued in reinvestment of distributions	3,003,201	47,091,130		
Shares redeemed	(10,229,231)	(173,687,373)		
Net increase (decrease)	(983,501)	\$(20,082,840)		

2. Shares of Beneficial Interest (continued)

	Franklin Growth Allocation Fund	
	Shares	Amount
Class C Shares:		
Six Months ended June 30, 2023		
Shares sold	1,159,384	\$18,367,331
Shares issued in reinvestment of distributions	143,847	2,338,610
Shares redeemed ^a	(1,809,784)	(28,691,573)
Net increase (decrease)	(506,553)	\$(7,985,632)
Year ended December 31, 2022		
Shares sold	1,043,908	\$17,169,928
Shares issued in reinvestment of distributions	301,764	4,542,612
Shares redeemed ^a	(2,409,585)	(39,333,829)
Net increase (decrease)	(1,063,913)	\$(17,621,289)
Class R Shares:		
Six Months ended June 30, 2023		
Shares sold	168,153	\$2,734,891
Shares issued in reinvestment of distributions	60,644	1,013,386
Shares redeemed	(262,805)	(4,268,270)
Net increase (decrease)	(34,008)	\$(519,993)
Year ended December 31, 2022		
Shares sold	257,803	\$4,277,975
Shares issued in reinvestment of distributions	119,491	1,843,215
Shares redeemed	(717,374)	(12,000,258)
Net increase (decrease)	(340,080)	\$(5,879,068)
Class R6 Shares:		
Six Months ended June 30, 2023		
Shares sold	53,589	\$880,664
Shares issued in reinvestment of distributions	8,494	145,392
Shares redeemed	(9,236)	(153,444)
Net increase (decrease)	52,847	\$872,612
Year ended December 31, 2022		
Shares sold	20,382	\$347,602
Shares issued in reinvestment of distributions	13,634	215,043
Shares redeemed	(47,819)	(799,810)
Net increase (decrease)	(13,803)	\$(237,165)

2. Shares of Beneficial Interest (continued)

	Franklin Growth Allocation Fund	
	Shares	Amount
Advisor Class Shares:		
Six Months ended June 30, 2023		
Shares sold	383,202	\$6,332,233
Shares issued in reinvestment of distributions	68,620	1,175,518
Shares redeemed	(424,812)	(7,070,455)
Net increase (decrease)	27,010	\$437,296
Year ended December 31, 2022		
Shares sold	526,427	\$9,021,799
Shares issued in reinvestment of distributions	133,174	2,102,385
Shares redeemed	(916,123)	(15,502,011)
Net increase (decrease)	(256,522)	\$(4,377,827)

*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 Funds are also officers and/or directors/trustees of certain of the FT Underlying Funds and 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. Asset Allocation Fees

The Funds pay an asset allocation fee to Advisers of 0.25% per year of the average daily net assets of each of the Funds for investment advisory services, consisting principally of determining the allocation of assets of the Funds among the Underlying Funds and ETFs.

b. Administrative Fees

Under an agreement with Advisers, FT Services provides administrative services to the Funds and is not paid by the Funds for the services.

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 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. Under the Class A 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,

3. Transactions with Affiliates (continued)

c. Distribution Fees (continued)

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:

Class A	0.25%
Class C	1.00%
Class R	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 Conservative Allocation Fund	Franklin Moderate Allocation Fund	Franklin Growth Allocation Fund
Sales charges retained net of commissions paid to unaffiliated brokers/dealers	\$22,372	\$78,334	\$83,324
CDSC retained	\$9,576	\$5,624	\$5,892

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.

For the period ended June 30, 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 Conservative Allocation Fund	Franklin Moderate Allocation Fund	Franklin Growth Allocation Fund
Transfer agent fees	\$216,492	\$430,501	\$414,733

f. Investments in FT Underlying Funds

The Funds invest in FT Underlying Funds which are managed by Advisers (or an affiliate of Advisers). 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 Underlying Fund's outstanding shares or has the power to exercise control over management or policies of such Underlying Fund. The Funds do not invest in Underlying Funds for the purpose of exercising a controlling influence over the

3. Transactions with Affiliates (continued)

f. Investments in FT Underlying Funds (continued)

management or policies. Asset allocation fees paid by the Funds are waived on assets invested in Institutional Fiduciary Trust Money Market Portfolio (Sweep Money Fund), as noted in the Statements of Operations, in an amount not to exceed the asset allocation fees paid directly or indirectly by the Sweep Money Fund.

Investments in FT Underlying Funds for the period ended June 30, 2023, 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	Dividend Income
Franklin Conservative Allocation Fund								
Non-Controlled Affiliates								
BrandywineGLOBAL - Global Opportunities Bond Fund, Class IS	\$30,701,244	\$438,365	\$(4,284,856)	\$(1,097,278)	\$2,166,323	\$27,923,798	3,088,916	\$—
ClearBridge Large Cap Value Fund, Class IS	26,259,497	173,247	(3,426,901)	164,834	1,018,138	24,188,815	631,562	173,247
Franklin Emerging Market Core Equity (IU) Fund	12,220,962	236,369	(241,570)	(30,283)	702,451	12,887,929	1,376,915	57,002
Franklin Growth Fund, Class R6	62,248,347	—	(12,128,782)	4,425,914	5,910,915	60,456,394	495,951	—
Franklin High Yield Corporate ETF	19,487,415	1,742,943	(1,752,334)	(266,895)	875,322	20,086,451	882,533	545,075
Franklin International Aggregate Bond ETF	18,456,792	1,571,889	(1,856,388)	(548,130)	1,018,152	18,642,315	946,791	—
Franklin International Core Equity (IU) Fund	37,040,769	7,205,263	(6,017,442)	38,508	4,228,683	42,495,781	3,801,054	443,458
Franklin International Growth Fund, Class R6	5,491,269	1,059,474	(992,296)	(1,052)	722,118	6,279,513	384,538	—
Franklin Investment Grade Corporate ETF	25,563,434	1,465,923	(2,675,769)	(535,910)	969,701	24,787,379	1,168,114	373,022
Franklin Systematic Style Premia ETF	9,183,135	908,393	(928,279)	(186,717)	450,629	9,427,161	431,451	—
Franklin U.S. Core Bond ETF	197,196,243	10,216,672	(17,148,612)	(2,879,218)	5,005,003	192,390,088	8,990,191	2,556,716
Franklin U.S. Core Equity (IU) Fund	145,722,174	2,304,765	(26,554,809)	(3,477,254)	20,317,676	138,312,552	10,321,832	1,351,461
Franklin U.S. Equity Index ETF	11,904,898	3,017,296	(3,459,610)	148,826	1,798,694	13,410,104	345,550	80,781
Franklin U.S. Large Cap Multifactor Index ETF	33,567,342	—	(5,643,295)	17,885	4,194,108	32,136,040	717,803	251,994
Franklin U.S. Low Volatility High Dividend Index ETF	5,018,427	352,624	(5,075,610)	(180,990)	(114,451)	—	—	34,582
Franklin U.S. Treasury Bond ETF	54,806,603	3,906,058	(4,827,397)	(983,117)	1,147,103	54,049,250	2,602,087	782,345
Institutional Fiduciary Trust - Money Market Portfolio, 4.699%	21,171,800	58,988,053	(54,205,595)	—	—	25,954,258	25,954,258	560,142
Templeton Developing Markets Trust, Class R6	8,417,149	264,928	(890,169)	(111,692)	842,503	8,522,719	479,074	—
Templeton Foreign Fund, Class R6	9,012,492	835,376	(1,307,530)	135,355	994,250	9,669,943	1,275,718	—
Western Asset Core Plus Bond Fund, Class IS	113,500,451	8,665,394	(12,692,162)	(3,261,564)	4,606,482	110,818,601	11,714,440	2,304,997

3. Transactions with Affiliates (continued)

f. Investments in FT Underlying Funds (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	Dividend Income
Franklin Conservative Allocation Fund (continued)								
Non-Controlled Affiliates (continued)								
Western Asset Short-Term Bond Fund, Class IS	\$39,756,727	\$3,061,716	\$(3,218,795)	\$(274,029)	\$156,050	\$39,481,669	10,967,130	\$720,710
Total Non-Controlled Affiliates	\$886,727,170	\$106,414,748	\$(169,328,201)	\$(8,902,807)	\$57,009,850	\$871,920,760		\$10,235,532
Total Affiliated Securities	\$886,727,170	\$106,414,748	\$(169,328,201)	\$(8,902,807)	\$57,009,850	\$871,920,760		\$10,235,532
Franklin Moderate Allocation Fund								
Controlled Affiliates								
Franklin Emerging Market Core Equity (IU) Fund	30,484,612	1,652,637	(293,165)	(59,049)	1,754,942	33,539,977	3,583,331	146,517
Non-Controlled Affiliates								
BrandywineGLOBAL - Global Opportunities Bond Fund, Class IS	30,242,539	635,122	(3,519,377)	(1,004,220)	2,054,465	28,408,529	3,142,536	—
ClearBridge Large Cap Value Fund, Class IS	66,028,359	448,991	(5,766,904)	78,351	3,012,303	63,801,100	1,665,825	448,991
Franklin Growth Fund, Class R6 .	156,477,591	—	(23,418,219)	6,545,198	20,082,374	159,686,944	1,309,983	—
Franklin High Yield Corporate ETF	21,023,462	2,527,626	(1,464,911)	(223,626)	883,110	22,745,661	999,370	606,554
Franklin International Aggregate Bond ETF	18,200,828	1,711,377	(1,380,366)	(408,114)	874,427	18,998,152	964,863	—
Franklin International Core Equity (IU) Fund	95,199,975	16,970,821	(11,412,064)	(374,122)	11,379,923	111,764,533	9,996,828	1,165,020
Franklin International Growth Fund, Class R6	13,932,824	2,600,314	(1,743,338)	(1,513)	1,838,257	16,626,544	1,018,159	—
Franklin Investment Grade Corporate ETF	27,577,576	2,354,377	(2,319,707)	(458,262)	914,198	28,068,182	1,322,723	414,982
Franklin Systematic Style Premia ETF	15,078,234	1,593,124	(1,107,053)	(223,442)	672,885	16,013,748	732,898	—
Franklin U.S. Core Bond ETF . . .	212,737,140	17,298,938	(14,353,193)	(2,479,459)	4,645,171	217,848,597	10,179,841	2,838,617
Franklin U.S. Core Equity (IU) Fund	366,931,589	5,067,123	(52,526,457)	(7,052,389)	50,321,602	362,741,468	27,070,259	3,526,452
Franklin U.S. Equity Index ETF .	30,983,474	6,815,120	(7,460,000)	357,873	4,740,088	35,436,555	913,125	209,584
Franklin U.S. Large Cap Multifactor Index ETF	83,628,823	441,270	(10,062,163)	(212,841)	11,116,454	84,911,543	1,896,617	658,078
Franklin U.S. Low Volatility High Dividend Index ETF	12,629,280	891,543	(12,758,610)	(474,228)	(287,985)	—	—	90,103
Franklin U.S. Treasury Bond ETF	59,125,865	5,991,037	(4,041,098)	(821,445)	948,803	61,203,162	2,946,497	868,333
Institutional Fiduciary Trust - Money Market Portfolio, 4.699%	34,816,251	91,950,351	(82,425,327)	—	—	44,341,275	44,341,275	950,889
Templeton Developing Markets Trust, Class R6	21,301,187	741,565	(1,520,730)	(202,932)	2,052,082	22,371,172	1,257,514	—
Templeton Foreign Fund, Class R6	22,864,626	2,058,041	(2,210,897)	50,988	2,838,234	25,600,992	3,377,440	—

3. Transactions with Affiliates (continued)

f. Investments in FT Underlying Funds (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	Dividend Income
Franklin Moderate Allocation Fund (continued)								
Non-Controlled Affiliates (continued)								
Western Asset Core Plus Bond Fund, Class IS	\$122,445,969	\$12,817,320	\$(11,365,432)	\$(2,937,172)	\$4,307,513	\$125,268,198	13,241,881	\$2,546,289
Western Asset Short-Term Bond Fund, Class IS	48,281,843	4,796,542	(3,023,628)	(255,476)	93,766	49,893,047	13,859,180	894,096
Total Non-Controlled Affiliates	\$1,459,507,435	\$177,710,602	\$(253,879,474)	\$(10,096,831)	\$122,487,670	\$1,495,729,402		\$15,217,988
Total Affiliated Securities	\$1,489,992,047	\$179,363,239	\$(254,172,639)	\$(10,155,880)	\$124,242,612	\$1,529,269,379		\$15,364,505
Franklin Growth Allocation Fund								
Controlled Affiliates								
Franklin Emerging Market Core Equity (IU) Fund	29,248,769	3,102,144	(88,425)	(21,784)	1,662,173	33,902,877	3,622,102	146,784
Non-Controlled Affiliates								
BrandywineGLOBAL - Global Opportunities Bond Fund, Class IS	14,819,283	405,618	(1,562,806)	(395,463)	912,547	14,179,179	1,568,493	—
ClearBridge Large Cap Value Fund, Class IS	65,445,907	1,290,913	(4,971,669)	69,672	3,072,588	64,907,411	1,694,710	451,519
Franklin Growth Fund, Class R6.	155,208,167	—	(19,205,712)	3,382,164	23,379,141	162,763,760	1,335,224	—
Franklin High Yield Corporate ETF	6,940,921	1,259,509	(364,771)	(51,785)	272,165	8,056,039	353,956	208,871
Franklin International Aggregate Bond ETF	8,895,257	839,958	(462,732)	(136,812)	365,719	9,501,390	482,549	—
Franklin International Core Equity (IU) Fund	93,936,658	17,045,103	(8,543,812)	(742,486)	11,674,647	113,370,110	10,140,439	1,176,087
Franklin International Growth Fund, Class R6	13,737,178	2,564,616	(1,179,521)	(3,032)	1,822,896	16,942,137	1,037,485	—
Franklin Investment Grade Corporate ETF	9,106,040	1,505,305	(817,173)	(157,971)	305,836	9,942,037	468,522	142,826
Franklin Systematic Style Premia ETF	11,082,650	1,172,070	(579,151)	(116,291)	454,496	12,013,774	549,832	—
Franklin U.S. Core Bond ETF	70,247,628	11,160,187	(4,895,726)	(804,836)	1,462,495	77,169,748	3,606,063	972,961
Franklin U.S. Core Equity (IU) Fund	337,617,838	2,985,838	(78,934,511)	(12,590,129)	49,226,303	298,305,339	22,261,592	2,985,838
Franklin U.S. Equity Index ETF . . .	34,657,128	61,768,732	(11,394,299)	454,754	12,052,742	97,539,057	2,513,375	408,874
Franklin U.S. Large Cap Multifactor Index ETF	98,772,934	6,125,522	(23,819,132)	(659,371)	12,274,138	92,694,091	2,070,451	671,547
Franklin U.S. Low Volatility High Dividend Index ETF	12,481,875	876,337	(12,596,485)	(479,253)	(282,474)	—	—	90,826
Franklin U.S. Treasury Bond ETF	19,522,543	3,147,249	(1,004,505)	(145,320)	159,102	21,679,069	1,043,693	297,445
Institutional Fiduciary Trust - Money Market Portfolio, 4.699%	23,941,645	70,638,030	(59,523,514)	—	—	35,056,161	35,056,161	706,401
Templeton Developing Markets Trust, Class R6	21,426,214	1,343,574	(1,907,595)	(254,580)	2,097,014	22,704,627	1,276,258	—

3. Transactions with Affiliates (continued)

f. Investments in FT Underlying Funds (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	Dividend Income
Franklin Growth Allocation Fund (continued)								
Non-Controlled Affiliates (continued)								
Templeton Foreign Fund, Class R6	\$22,540,275	\$2,051,546	\$(1,370,163)	\$(4,338)	\$2,871,562	\$26,088,882	3,441,805	\$—
Western Asset Core Plus Bond Fund, Class IS	40,431,845	7,460,453	(4,045,490)	(1,011,118)	1,448,076	44,283,766	4,681,159	865,865
Western Asset Short-Term Bond Fund, Class IS	22,308,813	2,700,438	(1,050,066)	(88,672)	6,059	23,876,572	6,632,381	419,931
Total Non-Controlled Affiliates	\$1,083,120,799	\$196,340,998	\$(238,228,833)	\$(13,734,867)	\$123,575,052	\$1,151,073,149		\$9,398,991
Total Affiliated Securities	\$1,112,369,568	\$199,443,142	\$(238,317,258)	\$(13,756,651)	\$125,237,225	\$1,184,976,026		\$9,545,775

g. Waiver and Expense Reimbursements

Advisers has contractually agreed in advance to waive or limit its fees and to assume as its own expense certain expenses otherwise payable by the Funds 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 Funds do not exceed 0.45%, based on the average net assets of each class until April 30, 2024. Total expenses waived or paid are not subject to recapture subsequent to the Funds' 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 April 30, 2024.

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 June 30, 2023, there were no credits earned. Effective July 10, 2023, earned credits, if any, will be recognized as income.

5. Income Taxes

At June 30, 2023, the cost of investments and net unrealized appreciation (depreciation) for income tax purposes were as follows:

	Franklin Conservative Allocation Fund	Franklin Moderate Allocation Fund	Franklin Growth Allocation Fund
Cost of investments	\$945,392,770	\$1,499,666,320	\$1,043,529,063
Unrealized appreciation	\$98,340,322	\$237,204,044	\$232,019,189
Unrealized depreciation	(97,499,192)	(108,574,718)	(37,977,730)
Net unrealized appreciation (depreciation)	\$841,130	\$128,629,326	\$194,041,459

Differences between income and/or capital gains as determined on a book basis and a tax basis are primarily due to differing treatment of wash sales.

6. Investment Transactions

Purchases and sales of Underlying Funds and ETFs (excluding short term securities) for the period ended June 30, 2023, were as follows:

	Franklin Conservative Allocation Fund	Franklin Moderate Allocation Fund	Franklin Growth Allocation Fund
Purchases	\$56,805,505	\$105,706,012	\$144,955,477
Sales	\$122,776,522	\$179,781,040	\$182,483,396

7. 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 June 30, 2023, the Funds did not use the Global Credit Facility.

8. 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 June 30, 2023, in valuing the Funds' assets carried at fair value, is as follows:

	Level 1	Level 2	Level 3	Total
Franklin Conservative Allocation Fund				
Assets:				
Investments in Securities: ^a				
Investments in Underlying Funds and Exchange				
Traded Funds	\$920,206,653	\$—	\$—	\$920,206,653
Short Term Investments	25,954,258	72,989	—	26,027,247
Total Investments in Securities	\$946,160,911	\$72,989	\$—	\$946,233,900

8. Fair Value Measurements (continued)

	Level 1	Level 2	Level 3	Total
Franklin Moderate Allocation Fund				
Assets:				
Investments in Securities: ^a				
Investments in Underlying Funds and Exchange				
Traded Funds	\$1,583,954,371	\$—	\$—	\$1,583,954,371
Short Term Investments	44,341,275	—	—	44,341,275
Total Investments in Securities	<u>\$1,628,295,646</u>	<u>\$—</u>	<u>\$—</u>	<u>\$1,628,295,646</u>
Franklin Growth Allocation Fund				
Assets:				
Investments in Securities: ^a				
Investments in Underlying Funds and Exchange				
Traded Funds	1,202,392,428	—	—	1,202,392,428
Short Term Investments	35,056,161	121,933	—	35,178,094
Total Investments in Securities	<u>\$1,237,448,589</u>	<u>\$121,933</u>	<u>\$—</u>	<u>\$1,237,570,522</u>

^aFor detailed categories, see the accompanying schedule of investments.

9. 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 other than those already disclosed in the financial statements.

Abbreviations

Selected Portfolio

ETF Exchange-Traded Fund

Shareholder Information

BOARD APPROVAL OF INVESTMENT MANAGEMENT AGREEMENTS

FRANKLIN FUND ALLOCATOR SERIES

Franklin Conservative Allocation Fund

Franklin Growth Allocation Fund

Franklin Moderate Allocation Fund

(each a Fund)

March 27, 2023 15(c) Meeting

At a meeting held on March 27, 2023 (March Meeting), the Board of Trustees (Board) of Franklin Fund Allocator Series (Trust), including a majority of the trustees who are not “interested persons” as defined in the Investment Company Act of 1940 (Independent Trustees), reviewed and approved the continuance of the investment management agreements between Franklin Advisers, Inc. (Manager) and the Trust, on behalf of each Fund (each a Management Agreement) for the period May 1, 2023 through June 30, 2023 (Stub Period). The Independent Trustees noted that each Fund’s annual contract review was historically held at the February Board meeting and that management proposed to move the contract review to the May Board meeting. The Independent Trustees further noted management’s explanation that, to effect this change, the Board needed to consider the renewal of each Fund’s Management Agreement prior to its current April 30, 2023 expiration date. The Independent Trustees also noted that management would ask them to consider the continuation of the Management Agreements again at the May Board meeting for the 12-month period beginning July 1, 2023. The Independent Trustees received advice from and met separately with Independent Trustee counsel in considering whether to approve the continuation of each Management Agreement for the Stub Period. Although the Management Agreements for the Funds were considered at the same Board meeting, the Board considered the information provided to it about the Funds together and with respect to each Fund separately as the Board deemed appropriate.

In considering the continuation of each Management Agreement, the Board reviewed and considered information provided by the Manager at the March Meeting and throughout the year at meetings of the Board and its committees. The Board also reviewed and considered information provided in response to a detailed set of requests for information submitted to the Manager by Independent Trustee counsel on behalf of the Independent Trustees in connection with the annual

contract renewal process. In addition, prior to the March Meeting, the Independent Trustees held a virtual contract renewal meeting at which the Independent Trustees first conferred amongst themselves and Independent Trustee counsel about contract renewal matters; and then met with management to request additional information that the Independent Trustees reviewed and considered prior to and at the March Meeting. The Board reviewed and considered all of the factors it deemed relevant in approving the continuance of each Management Agreement, including, but not limited to: (i) the nature, extent and quality of the services provided by the Manager; (ii) the investment performance of each Fund; (iii) the costs of the services provided and profits realized by the Manager and its affiliates from the relationship with each Fund; (iv) the extent to which economies of scale are realized as each Fund grows; and (v) whether fee levels reflect these economies of scale for the benefit of Fund investors (Factors).

In approving the continuance of each Management Agreement, the Board, including a majority of the Independent Trustees, determined that the terms of the Management Agreement are fair and reasonable and that the continuance of the Management Agreement is in the best interests of the applicable Fund and its shareholders. While attention was given to all information furnished, the following discusses some primary factors relevant to the Board’s determination.

Nature, Extent and Quality of Services

The Board reviewed and considered information regarding the nature, extent and quality of investment management services provided by the Manager and its affiliates to the Funds and their shareholders. This information included, among other things, the qualifications, background and experience of the senior management and investment personnel of the Manager, as well as information on succession planning where appropriate; the structure of investment personnel compensation; oversight of third-party service providers; investment performance reports and related financial information for each Fund; reports on expenses and shareholder services; legal and compliance matters; risk controls; pricing and other services provided by the Manager and its affiliates; and management fees charged by the Manager and its affiliates to US funds and other accounts, including management’s explanation of differences among accounts where relevant. The Board also reviewed and considered an annual report on payments made by Franklin Templeton (FT) or the Funds to financial intermediaries, as well as a memorandum relating to third-

party servicing arrangements. The Board acknowledged management's continued development of strategies to address areas of heightened concern in the mutual fund industry, including various regulatory initiatives and continuing geopolitical concerns.

The Board also reviewed and considered the benefits provided to Fund shareholders of investing in a fund that is part of the FT family of funds. The Board noted the financial position of Franklin Resources, Inc. (FRI), the Manager's parent, and its commitment to the mutual fund business as evidenced by its reassessment of the fund offerings in response to the market environment and project initiatives and capital investments relating to the services provided to the Funds by the FT organization. The Board specifically noted FT's commitment to technological innovation and advancement and investments to promote alternative investing.

Following consideration of such information, the Board was satisfied with the nature, extent and quality of services provided by the Manager and its affiliates to the Funds and their shareholders.

Fund Performance

The Board reviewed and considered the performance results of each Fund over various time periods ended December 31, 2022. The Board considered the performance returns for each Fund in comparison to the performance returns of mutual funds deemed comparable to the Fund included in a universe (Performance Universe) selected by Broadridge Financial Solutions, Inc. (Broadridge), an independent provider of investment company data. The Board received a description of the methodology used by Broadridge to select the mutual funds included in a Performance Universe. The Board also reviewed and considered Fund performance reports provided and discussions that occurred with portfolio managers at Board meetings throughout the year. A summary of each Fund's performance results is below.

Franklin Conservative Allocation Fund - The Performance Universe for the Fund included the Fund and all retail and institutional mixed-asset target allocation conservative funds. The Board noted that the Fund's annualized total return for the three-, five- and 10-year periods was above the median of its Performance Universe, but for the one-year period was below the median of its Performance Universe. The Board concluded that the Fund's performance was acceptable.

Franklin Moderate Allocation Fund - The Performance Universe for the Fund included the Fund and all retail and institutional mixed-asset target allocation moderate funds. The Board noted that the Fund's annualized total return for

the one-, three- and 10-year periods was below the median of its Performance Universe, but for the five-year period was above the median of its Performance Universe. The Board discussed the performance of the Fund with management and management explained that the Fund was more globally focused than its asset allocation fund peers, which has been a headwind for the Fund given the strength of US equities and the US dollar for the last five years. Management further explained that investment selection had been a main detractor of Fund performance over longer periods, primarily in the non-US equity portion of the Fund's portfolio. Management then discussed with the Board the actions that are being taken in an effort to improve the performance of the Fund, including enhancements the portfolio management team has made and continues to make to the Fund's portfolio construction. The Board concluded that the Fund's Management Agreement should be continued for the Stub Period, while management's efforts continue to be closely monitored.

Franklin Growth Allocation Fund - The Performance Universe for the Fund included the Fund and all retail and institutional mixed-asset target allocation growth funds. The Board noted that the Fund's annualized total return for the one- and 10-year periods was below the median of its Performance Universe, but for the three- and five-year periods was above the median of its Performance Universe. The Board discussed the performance of the Fund with management and management explained that the Fund was more globally focused than its asset allocation fund peers, which has been a headwind for the Fund given the strength of US equities and the US dollar for the last five years. Management further explained that investment selection had been a main detractor of Fund performance over the longer period, primarily in the non-US equity portion of the Fund's portfolio. Management then discussed with the Board the actions that are being taken in an effort to improve the performance of the Fund, including enhancements the portfolio management team has made and continues to make to the Fund's portfolio construction. The Board concluded that the Fund's Management Agreement should be continued for the Stub Period, while management's efforts continue to be closely monitored.

Comparative Fees and Expenses

The Board reviewed and considered information regarding each Fund's actual total expense ratio and its various components, including, as applicable, management fees; transfer agent expenses; underlying fund expenses; Rule 12b-1 and non-Rule 12b-1 service fees; and other non-management fees. The Board also noted the quarterly and annual reports it receives on all marketing support

payments made by FT to financial intermediaries. The Board considered the actual total expense ratio and, separately, the contractual management fee rate, without the effect of fee waivers, if any (Management Rate) of each Fund in comparison to the median expense ratio and median Management Rate, respectively, of other mutual funds deemed comparable to and with a similar expense structure to the Fund selected by Broadridge (Expense Group). Broadridge fee and expense data is based upon information taken from each fund's most recent annual or semi-annual report, which reflects historical asset levels that may be quite different from those currently existing, particularly in a period of market volatility. While recognizing such inherent limitation and the fact that expense ratios and Management Rates generally increase as assets decline and decrease as assets grow, the Board believed the independent analysis conducted by Broadridge to be an appropriate measure of comparative fees and expenses. The Broadridge Management Rate includes administrative charges, and the actual total expense ratio, for comparative consistency, was shown for Class A shares for each Fund and for Class A shares and Investor Class shares for the other funds in each Fund's respective Expense Group. The Board received a description of the methodology used by Broadridge to select the mutual funds included in an Expense Group.

The Expense Group for the Franklin Conservative Allocation Fund included the Fund and 13 other mixed-asset target allocation conservative funds. The Expense Group for the Franklin Moderate Allocation Fund included the Fund and 11 other mixed-asset target allocation moderate funds. The Expense Group for the Franklin Growth Allocation Fund included the Fund and eight other mixed-asset target allocation growth funds. The Board noted that the Management Rates and the actual total expense ratios for the Funds were above the medians of their respective Expense Groups. The Board discussed these expenses with management and management explained that the Management Rate paid by each Fund is solely for asset allocation services as the Fund invests primarily in underlying funds. Management further explained that each Fund's total expenses (including underlying fund expenses) were in the first quintile (least expensive) of the Fund's respective Expense Group. The Board noted that each Fund's actual total expense ratio reflected a fee waiver from management. After consideration of the above, the Board concluded that the Management Rate charged to each Fund is reasonable.

Profitability

The Board reviewed and considered information regarding the profits realized by the Manager and its affiliates in connection with the operation of each Fund. In this respect, the Board considered the Fund profitability analysis provided by the Manager that addresses the overall profitability of FT's US fund business, as well as its profits in providing investment management and other services to each of the individual funds during the 12-month period ended September 30, 2022, being the most recent fiscal year-end for FRI. The Board noted that although management continually makes refinements to its methodologies used in calculating profitability in response to organizational and product-related changes, the overall methodology has remained consistent with that used in the Funds' profitability report presentations from prior years. The Board also noted that PricewaterhouseCoopers LLP, auditor to FRI and certain FT funds, has been engaged by the Manager to periodically review and assess the allocation methodologies to be used solely by the Funds' Board with respect to the profitability analysis.

The Board noted management's belief that costs incurred in establishing the infrastructure necessary for the type of mutual fund operations conducted by the Manager and its affiliates may not be fully reflected in the expenses allocated to each Fund in determining its profitability, as well as the fact that the level of profits, to a certain extent, reflected operational cost savings and efficiencies initiated by management. As part of this evaluation, the Board considered management's outsourcing of certain operations, which effort has required considerable up-front expenditures by the Manager but, over the long run is expected to result in greater efficiencies. The Board also noted management's expenditures in improving shareholder services provided to the Funds, as well as the need to implement systems and meet additional regulatory and compliance requirements resulting from recent US Securities and Exchange Commission and other regulatory requirements.

The Board also considered the extent to which the Manager and its affiliates might derive ancillary benefits from fund operations, including revenues generated from transfer agent services, potential benefits resulting from personnel and systems enhancements necessitated by fund growth, as well as increased leverage with service providers and counterparties. Based upon its consideration of all these factors, the Board concluded that the level of profits realized by the Manager and its affiliates from providing services to each Fund was not excessive in view of the nature, extent and quality of services provided to each Fund.

Economies of Scale

The Board reviewed and considered the extent to which the Manager may realize economies of scale, if any, as each Fund grows larger and whether each Fund's management fee structure reflects any economies of scale for the benefit of shareholders. The Board considered the Manager's view that any analyses of potential economies of scale in managing a particular fund are inherently limited in light of the joint and common costs and investments the Manager incurs across the FT family of funds as a whole. The Board noted that, due to the use of the Management Rate for allocation services, the Funds would not likely experience economies of scale.

Conclusion

Based on its review, consideration and evaluation of all factors it believed relevant, including the above-described factors and conclusions, the Board unanimously approved the continuation of each Management Agreement for the Stub Period.

May 24, 2023 15(c) Meeting

At a meeting held on May 24, 2023 (May Meeting), the Board reviewed and approved the Management Agreements for an additional twelve-month period beginning July 1, 2023. The Board noted its review and consideration of the information it received in connection with both the March Meeting and the May Meeting. In particular, the Board reviewed and considered information provided in response to a follow-up set of requests for information submitted to the Manager by Independent Trustee counsel on behalf of the Independent Trustees, which included information on Fund performance for the one-, three- and five-year periods ended March 31, 2023 and the other Factors. The Board determined that the conclusions it made at the March Meeting had not changed. Based on its review, consideration and evaluation of all factors it believed relevant, including the above-described Factors and conclusions, the Board unanimously approved the continuation of the Management Agreements for an additional twelve-month period beginning July 1, 2023.

Liquidity Risk Management Program

Each of the Franklin Templeton and Legg Mason Funds has adopted and implemented a written Liquidity Risk Management Program (the "LRMP") as required by Rule 22e-4 under the Investment Company Act of 1940 (the "Liquidity Rule"). The LRMP is designed to assess and manage each Fund's liquidity risk, which is defined as the risk that the Fund could not meet requests to redeem shares

issued by the Fund without significant dilution of remaining investors' interests in the Fund. In accordance with the Liquidity Rule, the LRMP includes policies and procedures that provide for: (1) assessment, management, and review (no less frequently than annually) of each Fund's liquidity risk; (2) classification of each Fund's portfolio holdings into one of four liquidity categories (Highly Liquid, Moderately Liquid, Less Liquid, and Illiquid); (3) for Funds that do not primarily hold assets that are Highly Liquid, establishing and maintaining a minimum percentage of the Fund's net assets in Highly Liquid investments (called a "Highly Liquid Investment Minimum" or "HLIM"); and (4) prohibiting the Fund's acquisition of Illiquid investments that would result in the Fund holding more than 15% of its net assets in Illiquid assets. The LRMP also requires reporting to the Securities and Exchange Commission ("SEC") (on a non-public basis) and to the Board if the Fund's holdings of Illiquid assets exceed 15% of the Fund's net assets. Funds with HLIMs must have procedures for addressing HLIM shortfalls, including reporting to the Board and, with respect to HLIM shortfalls lasting more than seven consecutive calendar days, reporting to the SEC (on a non-public basis).

The Director of Liquidity Risk within the Investment Risk Management Group (the "IRMG") is the appointed Administrator of the LRMP. The IRMG maintains the Investment Liquidity Committee (the "ILC") to provide oversight and administration of policies and procedures governing liquidity risk management for Franklin Templeton and Legg Mason products and portfolios. The ILC includes representatives from Franklin Templeton's Risk, Trading, Global Compliance, Legal, Investment Compliance, Investment Operations, Valuation Committee, Product Management and Global Product Strategy.

In assessing and managing each Fund's liquidity risk, the ILC considers, as relevant, a variety of factors, including the Fund's investment strategy and the liquidity of its portfolio investments during both normal and reasonably foreseeable stressed conditions; its short and long-term cash flow projections; and its cash holdings and access to other funding sources including the Funds' interfund lending facility and line of credit. Classification of the Fund's portfolio holdings in the four liquidity categories is based on the number of days it is reasonably expected to take to convert the investment to cash (for Highly Liquid and Moderately Liquid holdings) or sell or dispose of the investment (for Less Liquid and Illiquid investments), in current market conditions without significantly changing the investment's market value.

Each Fund primarily holds liquid assets that are defined under the Liquidity Rule as "Highly Liquid Investments," and therefore is not required to establish an HLIM. Highly Liquid Investments are defined as cash and any investment reasonably expected to be convertible to cash in current market conditions in three business days or less without the conversion to cash significantly changing the market value of the investment.

At meetings of the Funds' Board of Trustees held in May 2023, the Program Administrator provided a written report to the Board addressing the adequacy and effectiveness of the program for the year ended December 31, 2022. The Program Administrator report concluded that (i.) the LRMP, as adopted and implemented, remains reasonably designed to assess and manage each Fund's liquidity risk; (ii.) the LRMP, including the Highly Liquid Investment Minimum ("HLIM") where applicable, was implemented and operated effectively to achieve the goal of assessing and managing each Fund's liquidity risk; and (iii.) each Fund was able to meet requests for redemption without significant dilution of remaining investors' interests in the Fund.

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. 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 and posted on the U.S. Securities and Exchange Commission's website at 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. 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 the availability of, each 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.

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.



Semiannual Report
Franklin Fund Allocator Series

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