

# FRANKLIN CUSTODIAN FUNDS

September 30, 2023



FRANKLIN  
TEMPLETON

Franklin DynaTech Fund

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Franklin Focused Growth Fund

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Franklin Growth Fund

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Franklin Income Fund

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Franklin U.S. Government Securities Fund

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Franklin Utilities Fund

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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](https://franklintempleton.com).

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# SHAREHOLDER LETTER

Dear Shareholder,

We are pleased to provide the annual report of Franklin Custodian Funds for the 12-month reporting period ended September 30, 2023. Please read on for a detailed look at prevailing economic and market conditions during the Funds' reporting period and to learn how those conditions have affected Fund performance.

As always, we remain committed to providing you with excellent service and a full spectrum of investment choices. We also remain committed to supplementing the support you receive from your financial advisor. One way we accomplish this is through our website, [www.franklintempleton.com](http://www.franklintempleton.com). Here you can gain immediate access to market and investment information, including:

- Fund prices and performance.
- Market insights and commentaries from our portfolio Managers, and
- A host of educational resources.

We look forward to helping you meet your financial goals.

Sincerely,



Gregory E. Johnson  
Chairman  
Franklin Custodian Funds

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

# Franklin DynaTech Fund

## Fund Overview

### Q. What is the Fund's investment strategy?

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

### Q. What were the overall market conditions during the Fund's reporting period?

**A.** Global developed and emerging market equities, as measured by the MSCI All Country World Index-NR (net of tax withholding when dividends are paid), posted a +20.80% total return for the 12 months ended September 30, 2023.<sup>1</sup> While inflation remained elevated in most parts of the world, it showed signs of slowing in the second half of the period, bolstering equities. This inflationary pressure led many of the world's central banks to tighten monetary policy, driving interest rates significantly higher and pressuring economic growth. However, tightening eased as the period continued, and investors foresaw an end to the current monetary policy cycle even as growth continued. Equity performance varied notably by region, as changing economic conditions had a differential impact depending on local circumstances.

In the U.S., gross domestic product (GDP) expanded in the fourth quarter of 2022 and the first half of 2023 amid rising investment and resilient spending on services. The labor market was tight, as unemployment remained very low by historic standards and wages continued to grow. In an effort to control inflation, the U.S. Federal Reserve (Fed) raised the federal funds target rate six times, ending at a

range of 5.25%–5.50%. However, at two of its meetings, the Fed declined to adjust interest rates, indicating that the pace of tightening was slowing. Nonetheless, the Fed indicated it would continue to reduce its U.S. Treasury (UST) and agency debt and mortgage-backed security holdings. Several prominent bank failures increased uncertainty among business confidence and stalled consumer spending weighed on the region. Nonetheless, inflation decelerated significantly, driving expectations that interest rate increases were nearing an end. In the wake of Russian energy supply disruptions, European governments spent significant sums to subsidize consumers and find alternative supplies. Consequently, the price of natural gas in Europe declined notably, providing a tailwind for European stocks. The European Central Bank increased interest rates at each of its eight meetings and began to reduce its bond holdings. In this environment, European developed market equities, as measured by the MSCI Europe Index-NR, posted a +28.85% total return for the 12 months under review.<sup>1</sup>

Asian developed and emerging market equities, as measured by the MSCI All Country Asia Index-NR, posted a +16.19% total return for the 12-month period.<sup>1</sup> Economic activity in Japan rebounded strongly from a contraction in the third quarter of 2022, benefiting from improved net trade amid a recovery in exports. The end of pandemic-related border controls in Japan helped bolster tourism and consumer spending. On an annual basis, China's economic growth picked up but remained weak by historic standards, hindered by cooling consumer demand and slowing exports. Continued regulatory uncertainty and weakness in the property sector also negatively impacted Chinese markets.

Global emerging market stocks, as measured by the MSCI Emerging Markets Index-NR, posted a +11.70% total return for the 12 months under review.<sup>1</sup> Emerging market stocks are sensitive to interest rate changes in developed markets, and indications that central banks were nearing the end of their rate hiking cycles benefited emerging markets. The declining value of the U.S. dollar relative to some other currencies also boosted emerging market stocks.

<sup>1</sup>. Source: Morningstar.

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

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

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

## Q. How did we respond to these changing market conditions?

**A.** With more than 50 years of history investing in innovation, Franklin DynaTech Fund's investment philosophy, style, and process have remained consistent since its inception, regardless of market conditions. We believe that innovation is the primary driver of value creation in the economy, and look to new companies, products, and technologies to create long-term value for investors.

Throughout the 12-month period under review, our process was guided by expectations for a stock picker's market in innovation as uncompetitive companies finally fail. In the past few years, we have seen tight correlations among higher-revenue growth stocks. In the throes of the COVID-19 pandemic, many high-growth companies appeared to benefit, but as we emerged from the pandemic, these same companies needed to rationalize their businesses. We believe that the long-term structural winners were starting to sort themselves out, especially in the latter half of the period. Multidecade-high interest rates had an impact as they accelerated the failure of unprofitable tech-oriented companies and reduced competition. We also sought out structurally profitable companies that, in our view, can grow through the current economic cycle and eventually be rewarded with a more benign competitive environment going forward.

Thematically, we saw investment opportunities across many industries and sought to anticipate the convergence of technology in the physical, digital and biological spheres. The adoption of innovation and the invention of new technologies are rarely linear. Platforms can move forward faster than we expect, then regress. The goal of owning a portfolio of innovative companies, in our view, is to smooth out that spastic movement. Based on these convictions, we continued to invest in what we believe are secularly growing, innovative companies with compounding revenue, earnings, free cash flow, and sustainable competitive advantages over the next three-, five- and 10-year periods, according to our analysis.

## Performance Overview

The Fund's Class A shares posted a +25.47% cumulative total return for the 12 months under review. In comparison, the Russell 1000® Growth Index, which is market capitalization weighted and measures performance of those Russell 1000® Index companies with relatively higher price-to-book ratios and higher forecasted growth rates, posted a cumulative total return of +27.72%.<sup>1</sup> Also for comparison, the broad U.S. stock market, as measured by the Standard & Poor's® 500 Index (S&P 500®) designed to measure

total U.S. equity market performance, posted a +21.62% cumulative total return.<sup>1</sup> You can find the Fund's long-term performance data in the Performance Summary beginning on page 8.

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

## Portfolio Composition

9/30/23

	% of Total Net Assets
Software	29.8%
Semiconductors & Semiconductor Equipment	19.3%
Broadline Retail	7.7%
Interactive Media & Services	5.1%
Financial Services	5.0%
Life Sciences Tools & Services	4.7%
Health Care Equipment & Supplies	4.4%
Automobiles	3.2%
IT Services	3.2%
Technology Hardware, Storage & Peripherals	2.2%
Pharmaceuticals	1.9%
Capital Markets	1.8%
Energy Equipment & Services	1.6%
Health Care Providers & Services	1.4%
Other*	8.0%
Short-Term Investments & Other Net Assets	0.7%

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

## Q. What were the leading contributors to performance?

**A.** In absolute terms, eight of the Fund's 10 equity sector allocations were net contributors for the 12 months under review. Information technology (IT) sector stocks covered roughly half of the portfolio and provided the bulk of the overall returns, led by a robust advance in the semiconductors and semiconductor equipment industry. While most of these investments posted exceptional, double-digit percentage returns, NVIDIA—our largest position in the industry—was an upside outlier among them as its share value more than tripled, and it provided nearly a quarter of the Fund's overall return. Corporate earnings were a factor, but not-as-bad-as-feared forward guidance, inventory digestion, and nascent optimism about a rebound in semiconductor sales helped drive gains. In general, a wave of investor interest and heightened trading around machine learning (ML) technology—a branch of artificial intelligence

(AI) that enables computers to emulate how humans learn and adapt by using data and experience—ignited rallies in several notable Fund contributors pursuing both themes, including semiconductor industry players situated at the core of ML/AI computing power. NVIDIA was widely seen as being a key recipient of future investment in this arena. NVIDIA's hardware originally made a name for itself powering high-end video game graphics, but in recent years the company's bet on AI and ML has begun to pay off. Machines require massive amounts of information and computer power to learn, and NVIDIA's GPUs (graphics processing units) are well-suited for the task. The company has emerged as a technological leader in the space as it continued to advance its next-generation chip circuitry amid an expanding client base and skyrocketing demand for its GPUs used in AI applications. NVIDIA consistently generates operating profit margins well into double-digit percentages, all the while spending heavily on new research and development. Among our other, lesser contributors in this industry were ASML Holding and Lam Research. ASML, a Dutch developer of advanced semiconductor equipment systems (including lithography, metrology and inspection systems for complex integrated circuits), upgraded its long-term outlook despite a soft market in 2022, while its financial earnings report generally showed surprising strength throughout the period under review. ASML raised its outlook for 2025 by about 30% above the figures it had projected one year ago—reassuring given the industry's recent downcycle. ASML also guided for continued growth to 2030, citing a brighter outlook for AI and edge computing data centers, as well as the metaverse, which emerged as a big concept a year ago.

Most of our software industry holdings also enjoyed a boom year including key contributors Microsoft, ServiceNow, Synopsys, Cadence Design Systems and HubSpot. In particular, ServiceNow compared well against its infrastructure and application software peers. The demand environment remained positive for ServiceNow as its products help customers reduce costs through the automation of critical processes. Tech bellwether Microsoft, meanwhile, often exceeded analysts' consensus estimates on revenue and earnings amidst solid gains in areas like intelligent cloud services, cybersecurity and server products, while spending on AI and LLMs (large language models)—underscored by its integration of OpenAI's ChatGPT into new search and "copilot" productivity tools—continues to ramp up. Despite its size and age, our analysis indicates Microsoft displays adaptability as a prominent consolidator in this phase of digital, cloud, AI, and vendor consolidation. In our view, we believe that the company's strategy is working as it looks set to carve out potential upside from cloud and generative AI in the years ahead.

In the financial services sector, tech-focused capital markets stocks were a distinct area of strength as all four related holdings increased solidly, as did Mastercard and Visa in the financial services industry. Mastercard and Visa, which offer similar dividends, essentially shared a duopoly in the payment card arena and continued to offer what we believe to be an excellent combination of safety, income and growth potential, which is rare in the fintech industry. They are also less cyclical than traditional banks as they operate more like communications platforms that connect various parties of a transaction, collecting a fee every time one of their cards is used. This lucrative operating model has led to high net income margins. This business has also served as a hedge against the high inflation we have been seeing for nearly two years now. If customers have to pay more for basic items like food or gas, or even for discretionary purchases, and if they use their Mastercard or Visa, the companies will benefit by generating greater fees. More recently, as travel demand has seen a resurgence, both companies' cross-border volume fees jumped in late 2022 and that momentum carried over into the first nine months of 2023.

To a lesser extent, the Fund's other key areas of sector-level strength were in health care, led by advanced medical technology equipment makers such as Intuitive Surgical (robotic systems for minimally invasive surgeries); communication services, led by tech conglomerate Alphabet (Google) in the interactive media and services industry; and industrials, where Axon Enterprise and other aerospace and defense-related companies traded solidly higher. Our much smaller stake in energy sector investments also appreciated solidly as Schlumberger and other oilfield services tracked a big rally in crude oil prices. Mixed results in the consumer discretionary sector, meanwhile, were led higher by e-commerce holdings MercadoLibre and Amazon.com.

**Q. What were the leading detractors from performance?**

**A.** During the 12 months under review, detractors were comparatively mild and concentrated in the beleaguered utilities and real estate sectors, both of which suffered from the effects of higher interest rates. Their impact was mitigated by their relatively small allocation sizes in the portfolio (when combined, they averaged just over 2% of total net assets), with losses in utilities focused on a solitary position in NextEra Energy, while the losses in real estate were focused on tech-oriented REITs (real estate investment trusts) like SBA Communications. We eventually liquidated all of the Fund's real estate holdings, but not before they had already collectively shed about a fifth of their equity value.

**Top 10 Holdings**

9/30/23

<b>Company Industry, Country</b>	<b>% of Total Net Assets</b>
NVIDIA Corp. <i>Semiconductors &amp; Semiconductor Equipment, United States</i>	8.5%
Microsoft Corp. <i>Software, United States</i>	6.7%
Amazon.com, Inc. <i>Broadline Retail, United States</i>	6.5%
Alphabet, Inc. <i>Interactive Media &amp; Services, United States</i>	4.2%
Mastercard, Inc. <i>Financial Services, United States</i>	3.4%
ServiceNow, Inc. <i>Software, United States</i>	3.3%
Tesla, Inc. <i>Automobiles, United States</i>	3.2%
Synopsys, Inc. <i>Software, United States</i>	2.9%
Cadence Design Systems, Inc. <i>Software, United States</i>	2.7%
Intuit, Inc. <i>Software, United States</i>	2.6%

The rest of the major detractors served to reduce overall gains in other sectors, none more so than electric vehicle (EV) and battery manufacturer Tesla, which saw volatile trading throughout the year and hurt our results in the consumer discretionary sector. Although Tesla reported financial pressures tied to earnings, profitability and price cuts amid its attempts to stimulate demand as car loans got more expensive to finance, the company did report encouraging growth in its vehicle production and deliveries and was finally expected to start making Cybertruck (EV pickup truck) deliveries in late 2023—four years after it was unveiled.

Amid mixed results in the health care sector, the Fund's investments in life sciences tools and services companies failed to advance, as did a smaller allocation in the health care providers and services industry. The group of companies focused on life sciences tools and diagnostics, including Repligen (bioprocessing solutions for the development and manufacture of plasmid DNA, viral vectors, mRNA and other new modalities) and Danaher (medical/ industrial products including mass spectrometers and microarray scanners), underperformed this year for multiple reasons including tough COVID-19 comparisons (inventory destocking, CDMO capacity normalization, etc.), higher interest rates impacting biotechnology company budgets, softer pharmaceutical spending, weakening business prospects in China, and general macroeconomic concerns. However, there are many more reasons to be optimistic in the longer term especially in areas such as bioprocessing, which we think should benefit from innovation happening

in GLP-1 (glucagon-like peptide 1 agonists, a class of type 2 diabetes drugs that not only improves blood sugar control but may also lead to weight loss), Alzheimer's and biosimilars to name just a few.

The rest of the notable detractors were concentrated in the IT sector, most notably in the software industry where 12 out of 35 holdings posted negative returns. These included Atlassian, CrowdStrike Holdings, Aspen Technology and Gitlab (sold by period-end). In particular, project management software specialist Atlassian's equity value fell back to levels not seen in three years as the quarterly results were mediocre at best, while guidance fell below consensus analyst projections as the company was seeing free-to-paid subscription conversions slowing in a more uncertain macro environment. Atlassian also began to see a slowdown in existing customers expanding deployments as layoffs (and hiring freezes) accelerated and IT budgets faced greater scrutiny, which we view as the bigger challenge. Despite the muted results and guidance, the company's trailing sales have more than doubled since the end of 2019, it keeps generating healthy cash flow, and we still believe there is strength in Atlassian's business model and competitive position.

In the semiconductor space, companies that specialize in chips, inverters and other equipment designed for solar/ renewable energy systems fared poorly. We selectively reduced or eliminated the portfolio's stakes in energy transition names given our concerns about demand trends in the sector, including Enphase Energy (not held at period-end) and SolarEdge Technologies (not held at period-end)—both of which operate in the U.S. residential solar market. After a period of excitement arising from the passing of infrastructure-focused stimulus initiatives in the U.S., many of the companies in the alternative energy sector reversed course. Rising rates have caused concern about higher financing costs and access to capital, resulting in slower adoption and growth. Enphase develops and manufactures solar micro-inverters, battery energy storage, and EV charging stations. The company has seen softening U.S. demand, thereby reducing visibility on orders and leading some investors to question the prospects of potentially extended inventories amid reduced battery sales. We believe the slowdown in Enphase's residential demand is mostly a function of higher interest rates, which has rendered the company's financed systems as no longer an immediate money saver in key states like Texas and Florida (and which may cause some consumers to go elsewhere if they opt for a leased home solar system). The company also faced some regulatory headwinds in California. Although we take these considerations seriously, and the shares have declined



meaningfully over the past year, we still think Enphase could regain momentum as it remains a best-in-class business in solar energy given the longer-term demand scenario for devices and systems that meter, distribute and store solar/ photovoltaic energy.

**Q. Were there any significant changes to the Fund during the reporting period?**

**A.** Based on market appreciation, some reallocation, and a reduction in the Fund's cash position, the portfolio's exposure to IT companies increased substantially. We also trimmed the Fund's health care holdings mainly in the life sciences tools and services industry, where depreciation further reduced our overall stake in it. We also divested the Fund's positions in REITs and chemical manufacturers as we sought to deploy proceeds into other investment themes; as a result, the Fund had no longer had any holdings in the real estate or materials sectors by period-end. Most of our other allocations were fairly static throughout the year though we did see an uptick in energy-related holdings with a series of new purchases in the oilfield services industry.

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

Matthew J. Moberg, CPA  
Rupert H. Johnson, Jr.

Portfolio Management Team

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*The foregoing information reflects our analysis, opinions and portfolio holdings as of September 30, 2023, the end of the reporting period. The way we implement our main investment strategies and the resulting portfolio holdings may change depending on factors such as market and economic conditions. These opinions may not be relied upon as investment advice or an offer for a particular security. The information is not a complete analysis of every aspect of any market, country, industry, security or the Fund. Statements of fact are from sources considered reliable, but the investment manager makes no representation or warranty as to their completeness or accuracy. Although historical performance is no guarantee of future results, these insights may help you understand our investment management philosophy.*

## Performance Summary as of September 30, 2023

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

### Performance as of 9/30/23<sup>1</sup>

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

Share Class	Cumulative Total Return <sup>2</sup>	Average Annual Total Return <sup>3</sup>
<b>A<sup>4</sup></b>		
1-Year	+25.47%	+18.57%
5-Year	+50.47%	+7.30%
10-Year	+237.52%	+12.30%
<b>Advisor</b>		
1-Year	+25.79%	+25.79%
5-Year	+52.38%	+8.79%
10-Year	+246.10%	+13.22%

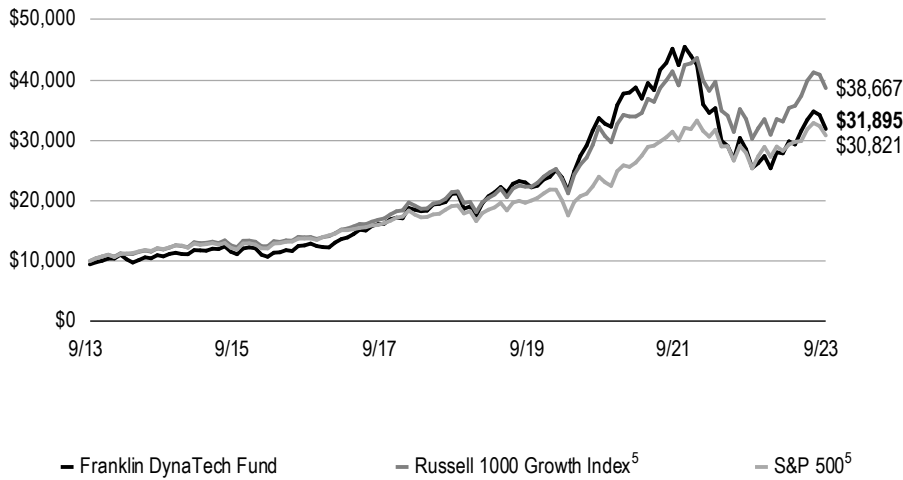
*Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to [franklintempleton.com](http://franklintempleton.com)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

See page 10 for Performance Summary footnotes.

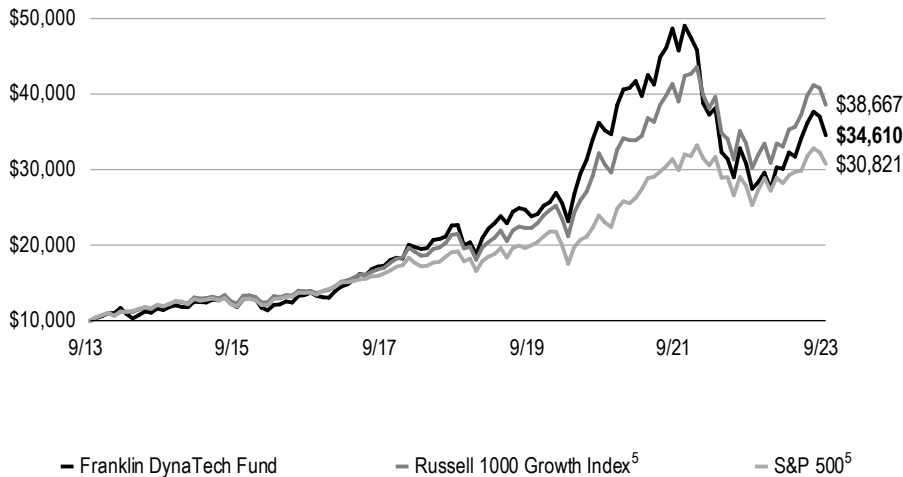
## Total Return Index Comparison for a Hypothetical \$10,000 Investment<sup>1</sup>

Total return represents the change in value of an investment over the periods shown. It includes any applicable maximum sales charge, Fund expenses, account fees and reinvested distributions. The unmanaged indexes include reinvestment of any income or distributions. They differ from the Fund in composition and do not pay management fees or expenses. One cannot invest directly in an index.

### Class A (9/30/13–9/30/23)



### Advisor Class (9/30/13–9/30/23)



See page 10 for Performance Summary footnotes.

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

### Share Class

A	0.82%
Advisor	0.57%

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

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.** Equity securities are subject to price fluctuation and possible loss of principal. To the extent the portfolio invests in a **concentration of certain securities, regions or industries**, it is subject to increased volatility. **Small- and mid-cap stocks** involve greater risks and volatility than large-cap stocks. The manager may consider **environmental, social and governance (ESG) criteria** in the research or investment process; however, ESG considerations may not be a determinative factor in security selection. In addition, the manager may not assess every investment for ESG criteria, and not every ESG factor may be identified or evaluated. These and other risks are discussed in the Fund's prospectus.

1. The total annual operating expenses are as of the Fund's prospectus available at the time of publication. Actual expenses may be higher and may impact portfolio returns.
2. Cumulative total return represents the change in value of an investment over the periods indicated.
3. Average annual total return represents the average annual change in value of an investment over the periods indicated. Return for less than one year, if any, has not been annualized.
4. Prior to 9/10/18, these shares were offered at a higher initial sales charge of 5.75%, thus actual returns (with sales charges) would have differed. Average annual total returns (with sales charges) have been restated to reflect the current maximum initial sales charge of 5.50%.
5. Source: FactSet. The Russell 1000<sup>®</sup> Growth Index is market capitalization weighted and measures performance of those Russell 1000<sup>®</sup> Index companies with relatively higher price-to-book ratios and higher forecasted growth rate. The S&P 500<sup>®</sup> is a market capitalization-weighted index of 500 stocks designed to measure total U.S. equity market performance.
6. Figures are as stated in the Fund's current prospectus and may differ from the expense ratios disclosed in the Your Fund's Expenses and Financial Highlights sections in this report. In periods of market volatility, assets may decline significantly, causing total annual Fund operating expenses to become higher than the figures shown. See [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com) for additional data provider information.

## Your Fund's Expenses

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

### Actual Fund Expenses

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

### Hypothetical Example for Comparison with Other Funds

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

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

Share Class	Beginning Account Value 4/1/23	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio <sup>2</sup>
		Ending Account Value 9/30/23	Expenses Paid During Period 4/1/23–9/30/23 <sup>1,2</sup>	Ending Account Value 9/30/23	Expenses Paid During Period 4/1/23–9/30/23 <sup>1,2</sup>	
A	\$1,000	\$1,069.00	\$4.15	\$1,021.06	\$4.05	0.80%
C	\$1,000	\$1,065.10	\$8.03	\$1,017.30	\$7.84	1.55%
R	\$1,000	\$1,067.70	\$5.44	\$1,019.80	\$5.32	1.05%
R6	\$1,000	\$1,070.80	\$2.44	\$1,022.72	\$2.38	0.47%
Advisor	\$1,000	\$1,070.30	\$2.86	\$1,022.31	\$2.79	0.55%

1. Expenses are equal to the annualized expense ratio for the six-month period as indicated above—in the far right column—multiplied by the simple average account value over the period indicated, and then multiplied by 183/365 to reflect the one-half year period.

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

# Franklin Focused Growth Fund

This annual report for Franklin Focused Growth Fund covers the fiscal year ended September 30, 2023. At a meeting held on June 30, 2023, shareholders of Franklin Focused Growth Fund (the “Fund”) approved the reorganization of the Fund into a newly-created exchange traded fund, Franklin Focused Growth ETF (“Franklin Focused Growth ETF”), a series of Franklin Templeton ETF Trust (the “Reorganization”). The Reorganization occurred as of the close of business on November 3, 2023 (the “Closing Date”). Effective as of the close of business on November 3, 2023, the Fund ceased operations in connection with the consummation of the Reorganization.

Because the Fund is the accounting survivor of the Reorganization, Franklin Focused Growth ETF will continue to show the historical investment performance and financial history of the Fund. In connection with the Reorganization, each Fund shareholder (except as noted below) received shares of Franklin Focused Growth ETF equal in value to the number of shares of the Fund they owned on the Closing Date, including a cash payment in lieu of any fractional shares. Fund Shareholders who did not have a brokerage account that could accept shares of Franklin Focused Growth ETF prior to November 3, 2023, generally have the ETF shares received in the Reorganization held on their behalf by Equiniti Trust Company, LLC (formerly known as American Stock Transfer & Trust Company, LLC) in a default trustee account. Fund Shareholders who held their shares with Fiduciary Trust International of the South (FTIOS) as the custodian and did not open a brokerage account and transfer their Fund shares into it before the close of market on October 6, 2023, had their Fund shares exchanged by FTIOS for Class A Shares of Franklin U.S. Government Money Fund. Holders of Franklin Templeton 403(b) accounts who did not exchange their Fund shares for shares of another mutual fund available to their Franklin Templeton 403(b) account or redeem their Fund shares before October 2, 2023, had their Fund shares exchanged into Class A shares of Franklin U.S. Government Money Fund. Holders of Franklin Templeton Solo(k) accounts who did not exchange their Fund shares for shares of another mutual fund available to their Franklin Templeton Solo(k) account or redeem their Fund shares before October 2, 2023, had their Fund shares exchanged into Class R shares of Franklin U.S. Government Money Fund.

## Fund Overview

### Q. What is the Fund's investment strategy?

A. We use fundamental, bottom-up research to seek companies meeting our criteria of growth potential, quality and valuation. In seeking sustainable growth characteristics, we look for companies we believe can produce sustainable

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

### Q. What were the overall market conditions during the Fund's reporting period?

A. Global developed and emerging market equities, as measured by the MSCI All Country World Index-NR (net of tax withholding when dividends are paid), posted a +20.80% total return for the 12 months ended September 30, 2023.<sup>1</sup> While inflation remained elevated in most parts of the world, it showed signs of slowing in the second half of the period, bolstering equities. This inflationary pressure led many of the world's central banks to tighten monetary policy, driving interest rates significantly higher and pressuring economic growth. However, tightening eased as the period continued, and investors foresaw an end to the current monetary policy cycle even as growth continued. Equity performance varied notably by region, as changing economic conditions had a differential impact depending on local circumstances.

In the U.S., gross domestic product (GDP) expanded in the fourth quarter of 2022 and the first half of 2023 amid rising investment and resilient spending on services. The labor market was tight, as unemployment remained very low by historic standards and wages continued to grow. In an effort to control inflation, the U.S. Federal Reserve (Fed) raised the federal funds target rate six times, ending at a range of 5.25%–5.50%. However, at two of its meetings, the Fed declined to adjust interest rates, indicating that the pace of tightening was slowing. Nonetheless, the Fed indicated it would continue to reduce its U.S. Treasury (UST) and agency debt and mortgage-backed security holdings. Several prominent bank failures increased uncertainty among investors, but government intervention led to swift reorganizations and equities recovered from a brief decline.

Economic growth in the eurozone was tepid during the period, as higher interest rates, declining business confidence and stalled consumer spending weighed on the region. Nonetheless, inflation decelerated significantly, driving expectations that interest rate increases were nearing

an end. In the wake of Russian energy supply disruptions, European governments spent significant sums to subsidize consumers and find alternative supplies. Consequently, the price of natural gas in Europe declined notably, providing a tailwind for European stocks. The European Central Bank increased interest rates at each of its eight meetings and began to reduce its bond holdings. In this environment, European developed market equities, as measured by the MSCI Europe Index-NR, posted a +29.69% total return for the 12 months under review.<sup>1</sup>

Asian developed and emerging market equities, as measured by the MSCI All Country Asia Index-NR, posted a +16.19% total return for the 12-month period.<sup>1</sup> Economic activity in Japan rebounded strongly from a contraction in the third quarter of 2022, benefiting from improved net trade amid a recovery in exports. The end of pandemic-related border controls in Japan helped bolster tourism and consumer spending. On an annual basis, China's economic growth picked up but remained weak by historic standards, hindered by cooling consumer demand and slowing exports. Continued regulatory uncertainty and weakness in the property sector also negatively impacted Chinese markets.

Global emerging market stocks, as measured by the MSCI Emerging Markets Index-NR, posted a +11.70% total return for the 12 months under review.<sup>1</sup> Emerging market stocks are sensitive to interest rate changes in developed markets, and indications that central banks were nearing the end of their rate hiking cycles benefited emerging markets. The declining value of the U.S. dollar relative to some other currencies also boosted emerging market stocks.

#### **Q. How did we respond to these changing market conditions?**

**A.** The Fund's investment philosophy, style, and process have remained consistent since its inception, regardless of market conditions. We believe that innovation is the primary driver of value creation in the economy, and look to new companies, products, and technologies to create long-term value for investors.

Throughout the 12-month period under review, our process was guided by expectations for a stock picker's market in innovation as uncompetitive companies finally fail. In the past few years, we have seen tight correlations among

higher-revenue growth stocks. In the throes of the COVID-19 pandemic, many high-growth companies appeared to benefit, but as we emerged from the pandemic, these same companies needed to rationalize their businesses. We believe that the long-term structural winners were starting to sort themselves out, especially in the latter half of the period. Multidecade-high interest rates had an impact as they accelerated the failure of unprofitable tech-oriented companies and reduced competition. We also sought out structurally profitable companies that, in our view, can grow through the current economic cycle and eventually be rewarded with a more benign competitive environment going forward.

Thematically, we saw investment opportunities across many industries and sought to anticipate the convergence of technology in the physical, digital and biological spheres. The adoption of innovation and the invention of new technologies are rarely linear. Platforms can move forward faster than we expect, then regress. The goal of owning a portfolio of innovative companies, in our view, is to smooth out that spastic movement. Based on these convictions, we continued to invest in what we believe are secularly growing, innovative companies with compounding revenue, earnings, free cash flow, and sustainable competitive advantages over the next three-, five- and 10-year periods, according to our analysis.

## **Performance Overview**

The Fund's Class A shares posted a +28.24% cumulative total return for the 12 months under review. In comparison, the Russell 1000<sup>®</sup> Growth Index, which is market capitalization weighted and measures performance of those Russell 1000<sup>®</sup> Index companies with relatively higher price-to-book ratios and higher forecasted growth rates, posted a cumulative total return of +27.72%.<sup>1</sup> You can find the Fund's long-term performance data in the Performance Summary beginning on page 17.

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

1. Source: Morningstar.

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

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

**The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Schedule of Investments (SOI). The SOI begins on page 61.**

**Portfolio Composition**

9/30/23

	<b>% of Total Net Assets</b>
Software	24.2%
Semiconductors & Semiconductor Equipment	17.9%
Broadline Retail	10.5%
Interactive Media & Services	8.4%
Automobiles	5.4%
Consumer Staples Distribution & Retail	5.3%
Health Care Equipment & Supplies	4.9%
Financial Services	4.9%
Life Sciences Tools & Services	4.4%
Pharmaceuticals	3.1%
IT Services	2.7%
Electric Utilities	1.6%
Capital Markets	1.3%
Energy Equipment & Services	1.2%
Other*	4.5%
Short-Term Investments & Other Net Assets	(0.3)%

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

**Top 10 Holdings**

9/30/23

<b>Company Industry, Country</b>	<b>% of Total Net Assets</b>
Microsoft Corp. <i>Software, United States</i>	10.9%
NVIDIA Corp. <i>Semiconductors &amp; Semiconductor Equipment, United States</i>	9.1%
Amazon.com, Inc. <i>Broadline Retail, United States</i>	9.1%
Tesla, Inc. <i>Automobiles, United States</i>	5.4%
Costco Wholesale Corp. <i>Consumer Staples Distribution &amp; Retail, United States</i>	5.3%
Alphabet, Inc. <i>Interactive Media &amp; Services, United States</i>	4.9%
Mastercard, Inc. <i>Financial Services, United States</i>	4.9%
Cadence Design Systems, Inc. <i>Software, United States</i>	4.4%
ServiceNow, Inc. <i>Software, United States</i>	4.2%
ASML Holding NV <i>Semiconductors &amp; Semiconductor Equipment, Netherlands</i>	3.7%

**Q. What were the leading contributors to performance?**

**A.** In absolute terms, eight of the Fund's 11 equity sector allocations were net contributors for the 12 months under review. Information technology (IT) sector stocks covered more than two-fifths of the portfolio and provided the

bulk of the overall returns, led by a robust advance in the semiconductors and semiconductor equipment industry. While some of these investments posted exceptional, double-digit percentage returns, NVIDIA—our largest position in the industry—was an upside outlier among them as its share value more than tripled, and it provided more than a third of the Fund's overall return. Corporate earnings were a factor, but not-as-bad-as-feared forward guidance, inventory digestion, and nascent optimism about a rebound in semiconductor sales helped drive gains. In general, a wave of investor interest and heightened trading around machine learning (ML) technology—a branch of artificial intelligence (AI) that enables computers to emulate how humans learn and adapt by using data and experience—ignited rallies in several notable Fund contributors pursuing both themes, including semiconductor industry players situated at the core of ML/AI computing power. NVIDIA was widely seen as being a key recipient of future investment in this arena. NVIDIA's hardware originally made a name for itself powering high-end video game graphics, but in recent years the company's bet on AI and ML has begun to pay off. Machines require massive amounts of information and computer power to learn, and NVIDIA's GPUs (graphics processing units) are well-suited for the task. The company has emerged as a technological leader in the space as it continued to advance its next-generation chip circuitry amid an expanding client base and skyrocketing demand for its GPUs used in AI applications. NVIDIA consistently generates operating profit margins well into double-digit percentages, all the while spending heavily on new research and development. Among our other, lesser contributors in this industry were ASML Holding and Analog Devices. ASML, a Dutch developer of advanced semiconductor equipment systems (including lithography, metrology and inspection systems for complex integrated circuits), upgraded its long-term outlook despite a soft market in 2022, while its financial earnings report generally showed surprising strength throughout the period under review. ASML raised its outlook for 2025 by about 30% above the figures it had projected one year ago—reassuring given the industry's recent downcycle. ASML also guided for continued growth to 2030, citing a brighter outlook for AI and edge computing data centers, as well as the metaverse, which emerged as a big concept a year ago.

Most of our software industry holdings also enjoyed a boom year including key contributors Microsoft, ServiceNow, Cadence Design Systems (purchased during the period) and Salesforce. In particular, ServiceNow compared well against its infrastructure and application software peers. The demand environment remained positive for ServiceNow as its products help customers reduce costs through the



automation of critical processes. Tech bellwether Microsoft, meanwhile, often exceeded analysts' consensus estimates on revenue and earnings amidst solid gains in areas like intelligent cloud services, cybersecurity and server products, while spending on AI and LLMs (large language models)—underscored by its integration of OpenAI's ChatGPT into new search and "copilot" productivity tools—continues to ramp up. Despite its size and age, our analysis indicates Microsoft displays adaptability as a prominent consolidator in this phase of digital, cloud, AI, and vendor consolidation. We believe the company's strategy is working as it looks set to carve out potential upside from cloud and generative AI in the years ahead.

To a much lesser extent, our health care allocation also contained several stocks that rallied sharply, none more so than pharmaceutical giant Eli Lilly. Returns in the sector were further boosted by advanced medical technology equipment makers such as Intuitive Surgical (robotic systems for minimally invasive surgeries), as well as IDEXX Laboratories, which sells next-generation products and services in the companion animal veterinary, livestock and poultry, water testing, and dairy markets.

The Fund's other key areas of sector-level strength included financials, as Mastercard and tech-focused capital markets firm MSCI (a leading provider of critical decision support tools and services for the global investment community) traded substantially higher. Mastercard, known for its dominating presence in the payment card arena, continued to offer an excellent combination of safety, dividend income and growth potential, which is rare in the fintech industry. It is also less cyclical than traditional banks as it operates more like a communications platform that connects various parties of a transaction, collecting a fee every time one of its cards is used. This lucrative operating model has led to high net income margins. Mastercard's business has also served as a hedge against the high inflation we have been seeing for nearly two years now. If customers have to pay more for basic items like food or gas, or even for discretionary purchases, and if they use their Mastercard, the company will benefit by generating greater fees. More recently, as travel demand has seen a resurgence, Mastercard's cross-border volume fees jumped in late 2022 and that momentum carried over into the first nine months of 2023.

Smaller allocations in communication services, consumer staples, industrials, materials and energy also advanced during the period under review. Communication services gains were led by tech conglomerate Alphabet (Google) in the interactive media and services industry, while Costco Wholesale provided all of the net gain in consumer staples.

There were only two holdings in the industrials sector; both traded higher including a huge 12-month gain for key contributor Axon Enterprise, which develops technology (e.g., body cameras and law enforcement networking software) and weapons (e.g., TASER electroshock devices and other sublethal weapons) for military, law enforcement and civilians. Our much smaller stake in commodity-linked materials and energy sector investments also appreciated solidly—diversified metals and mining company Freeport-McMoRan benefited from rising prices for a wide range of precious and industrial metals including iron ore and copper, while two newly-initiated holdings in oilfield services and energy conglomerates tracked rallying crude oil prices during the time in which they were held by the Fund. Mixed results in the consumer discretionary sector, meanwhile, were aided by e-commerce holdings MercadoLibre and Amazon.com.

#### **Q. What were the leading detractors from performance?**

**A.** During the 12 months under review, detractors were comparatively mild, with some concentration in the utilities and real estate sectors, both of which suffered from the effects of higher interest rates. Their impact was mitigated by their relatively small allocation sizes in the portfolio (when combined, they averaged just under 6% of total net assets), with losses in utilities focused on a solitary position in NextEra Energy, while the losses in real estate were focused on tech-oriented REIT (real estate investment trust) SBA Communications. We eventually liquidated the Fund's investment in SBA Communications holdings, but not before it had already shed about a fifth of its equity value.

In the consumer discretionary sector, the gains associated with MercadoLibre and Amazon were more than offset by the selloff in electric vehicle (EV) and battery manufacturer Tesla, which saw volatile trading throughout the year. Although Tesla reported financial pressures tied to earnings, profitability and price cuts amid its attempts to stimulate demand as car loans got more expensive to finance, the company did report encouraging growth in its vehicle production and deliveries and was finally expected to start making Cybertruck (EV pickup truck) deliveries in late 2023—four years after it was unveiled.

The rest of the major detractors served to reduce our overall gains in other sectors. Within health care, all three investments in the life sciences tools and services companies failed to advance, as did a smaller allocation in the health care providers and services industry. The group of companies focused on life sciences tools and diagnostics, including Repligen (bioprocessing solutions for the development and manufacture of plasmid DNA, viral vectors, mRNA and other new modalities; sold by

period-end) and Danaher (medical/industrial products including mass spectrometers and microarray scanners), underperformed this year for multiple reasons including tough COVID-19 comparisons (inventory destocking, CDMO capacity normalization, etc.), higher interest rates impacting biotechnology company budgets, softer pharmaceutical spending, weakening business prospects in China, and general macroeconomic concerns. However, there are many more reasons to be optimistic in the longer term especially in areas such as bioprocessing, which we think should benefit from innovation happening in GLP-1 (glucagon-like peptide 1 agonists, a class of type 2 diabetes drugs that not only improves blood sugar control but may also lead to weight loss), Alzheimer's and biosimilars to name just a few.

The rest of the notable detractors were concentrated in the IT sector, where five out of 17 stocks traded lower including Atlassian in software, Enphase Energy in semiconductors and semi equipment, and Snowflake in IT services; all three holdings were sold by period-end. In particular, project management software specialist Atlassian's equity value fell back to levels not seen in three years as the quarterly results were mediocre at best, while guidance fell below consensus analyst projections as the company was seeing free-to-paid subscription conversions slowing in a more uncertain macro environment. Atlassian also began to see a slowdown in existing customers expanding deployments as layoffs (and hiring freezes) accelerated and IT budgets faced greater scrutiny, which we view as the bigger challenge.

In the semiconductor space, companies that specialize in chips, inverters and other equipment designed for solar/renewable energy systems fared poorly beginning in early 2023, including Enphase Energy, which operates in the U.S. residential solar market. After a period of excitement arising from the passing of infrastructure-focused stimulus initiatives in the United States, many companies in the alternative energy sector reversed course. Rising rates have caused concern about higher financing costs and access to capital, resulting in slower adoption and growth. Enphase develops and manufactures solar micro-inverters, battery energy storage, and EV charging stations. The company has seen softening U.S. demand, thereby reducing visibility on orders and leading some investors to question the prospects of potentially extended inventories amid reduced battery sales. We believe the slowdown in Enphase's residential demand was mostly a function of higher interest rates, which has rendered the company's financed systems as no longer an immediate money saver in key states like Texas and Florida (and which may cause some consumers to go elsewhere if they opt for a leased home solar system). The company also faced some regulatory headwinds in California.

**Q. Were there any significant changes to the Fund during the reporting period?**

**A.** Based on market appreciation, some reallocation, and a reduction in the Fund's cash position, the portfolio's exposure to IT companies increased substantially. We also trimmed the Fund's health care holdings mainly in the life sciences tools and services industry, where depreciation further reduced our overall stake in it. We also divested the Fund's positions in REITs and chemical manufacturers as we sought to deploy proceeds into other investment themes; as a result, the Fund had no longer had any holdings in the real estate or materials sectors by period-end. Most of our other allocations were fairly static throughout the year, though we did see an uptick in energy-related holdings with a series of new purchases in the oilfield services industry.

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

Matthew J. Moberg, CPA  
Portfolio Manager

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*The foregoing information reflects our analysis, opinions and portfolio holdings as of September 30, 2023, the end of the reporting period. The way we implement our main investment strategies and the resulting portfolio holdings may change depending on factors such as market and economic conditions. These opinions may not be relied upon as investment advice or an offer for a particular security. The information is not a complete analysis of every aspect of any market, country, industry, security or the Fund. Statements of fact are from sources considered reliable, but the investment manager makes no representation or warranty as to their completeness or accuracy. Although historical performance is no guarantee of future results, these insights may help you understand our investment management philosophy.*

## Performance Summary as of September 30, 2023

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

### Performance as of 9/30/23<sup>1</sup>

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

Share Class	Cumulative Total Return <sup>2</sup>	Average Annual Total Return <sup>3</sup>
<b>A<sup>4</sup></b>		
1-Year	+28.24%	+28.24%
5-Year	+54.79%	+9.13%
Since Inception (4/13/16) <sup>5</sup>	+166.18%	+14.01%
<b>Advisor</b>		
1-Year	+28.55%	+28.55%
5-Year	+56.80%	+9.41%
Since Inception (4/13/16) <sup>5</sup>	+171.29%	+14.30%

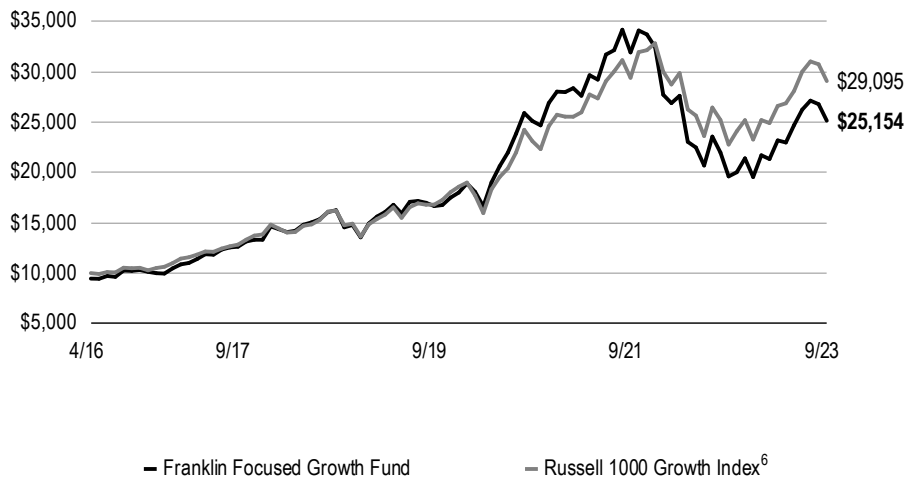
*Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to [franklintempleton.com](http://franklintempleton.com)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

See page 19 for Performance Summary footnotes.

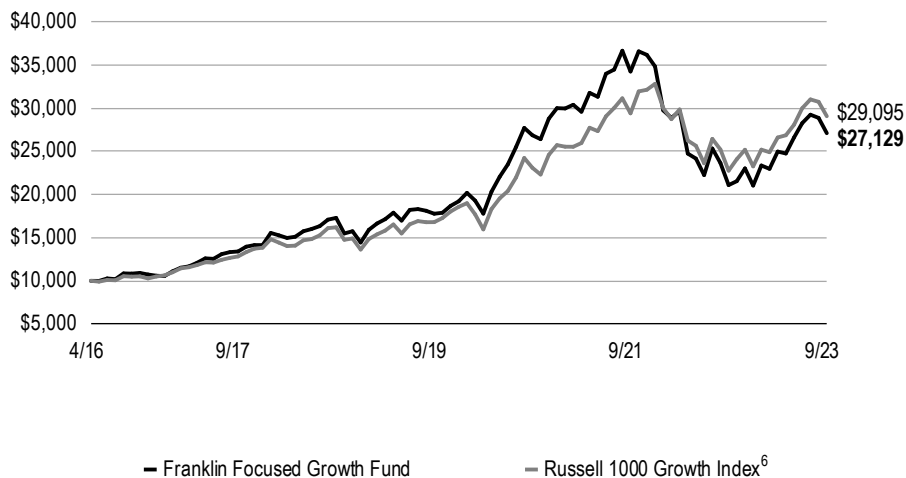
### Total Return Index Comparison for a Hypothetical \$10,000 Investment<sup>1</sup>

Total return represents the change in value of an investment over the periods shown. It includes any applicable maximum sales charge, Fund expenses, account fees and reinvested distributions. The unmanaged index includes reinvestment of any income or distributions. It differs from the Fund in composition and does not pay management fees or expenses. One cannot invest directly in an index.

#### Class A (4/13/16–9/30/23)



#### Advisor Class (4/13/16–9/30/23)



See page 19 for Performance Summary footnotes.

Total Annual Operating Expenses<sup>7</sup>

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

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

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.** To the extent the portfolio invests in a **concentration of certain securities, regions or industries**, it is subject to increased volatility. The **investment style** may become out of favor, which may have a negative impact on performance. **Active management** does not ensure gains or protect against market declines. **Small- and mid-cap stocks** involve greater risks and volatility than large-cap stocks. **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 manager may consider **environmental, social and governance (ESG) criteria** in the research or investment process; however, ESG considerations may not be a determinative factor in security selection. In addition, the manager may not assess every investment for ESG criteria, and not every ESG factor may be identified or evaluated. These and other risks are discussed in the Fund's prospectus.

1. Gross expenses are the Fund's total annual operating expenses as of the Fund's prospectus available at the time of publication. Actual expenses may be higher and may impact portfolio returns. Net expenses reflect contractual fee waivers, expense caps and/or reimbursements, which cannot be terminated prior to 01/31/24 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. Effective 2/14/20, the Fund began offering Class A shares. Class A performance shown has been calculated as follows: (a) for periods prior to 2/14/20, a restated figure is used based on the Fund's Advisor Class performance that includes any Rule 12b-1 rate differential that exists between Class A and Advisor Class; and (b) for periods after 2/14/20, actual Class A performance is used, reflecting all charges and fees applicable to that class.
5. Since Inception returns are based on the performance inception date of 4/13/16.
6. Source: FactSet. The Russell 1000 Growth Index is market capitalization-weighted and measures performance of those Russell 1000 Index companies with relatively higher price-to-book ratios and higher forecasted growth rates.
7. Figures are as stated in the Fund's current prospectus and may differ from the expense ratios disclosed in the Your Fund's Expenses and Financial Highlights sections in this report. In periods of market volatility, assets may decline significantly, causing total annual Fund operating expenses to become higher than the figures shown. See [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com) for additional data provider information.

## Your Fund's Expenses

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

### Actual Fund Expenses

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

### Hypothetical Example for Comparison with Other Funds

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

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

Share Class	Beginning Account Value 4/1/23	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio <sup>2</sup>
		Ending Account Value 9/30/23	Expenses Paid During Period 4/1/23–9/30/23 <sup>1,2</sup>	Ending Account Value 9/30/23	Expenses Paid During Period 4/1/23–9/30/23 <sup>1,2</sup>	
A	\$1,000	\$1,084.60	\$5.73	\$1,019.57	\$5.55	1.10%
C	\$1,000	\$1,080.80	\$9.66	\$1,015.78	\$9.36	1.85%
R	\$1,000	\$1,082.90	\$7.06	\$1,018.29	\$6.84	1.35%
Advisor	\$1,000	\$1,085.60	\$4.46	\$1,020.80	\$4.32	0.85%

1. Expenses are equal to the annualized expense ratio for the six-month period as indicated above—in the far right column—multiplied by the simple average account value over the period indicated, and then multiplied by 183/365 to reflect the one-half year period.

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

# Franklin Growth Fund

## Fund Overview

### Q. What is the Fund's investment strategy?

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

### Q. What were the overall market conditions during the Fund's reporting period?

**A.** In the U.S., gross domestic product (GDP) expanded in the fourth quarter of 2022 and the first half of 2023 amid rising investment and resilient spending on services. The labor market was tight, as unemployment remained very low by historic standards and wages continued to grow. In an effort to control inflation, the U.S. Federal Reserve (Fed) raised the federal funds target rate six times, ending at a range of 5.25%–5.50%. However, at two of its meetings, the Fed declined to adjust interest rates, indicating that the pace of tightening was slowing. Nonetheless, the Fed indicated it would continue to reduce its U.S. Treasury (UST) and agency debt and mortgage-backed security holdings. Several prominent bank failures increased uncertainty among investors, but government intervention led to swift reorganizations and equities recovered from a brief decline.

### Q. How did we respond to these changing market conditions?

**A.** The Franklin Growth Fund has always been a fully diversified portfolio of high-quality growth companies that can be owned for a very long time. Given the Fund's more conservative approach, over the period it performed as was expected in 2022, protecting more on the downside than its peers. On the flip side, in 2023 the recent narrow bull market in a handful of tech companies has worked to our disadvantage. Historically narrow markets are not healthy, and we believe the Fund is well positioned given its breadth of industry exposures for whatever economic environment is forthcoming.

## Performance Overview

The Fund's Class A shares posted a +20.43% cumulative total return for the 12 months under review. In comparison, the Standard & Poor's® 500 Index (S&P 500®), which is a broad measure of U.S. stock performance, posted a +21.62% cumulative total return.<sup>1</sup> The Fund's new secondary benchmark, the Russell 1000® Growth Index, which is market capitalization weighted and measures performance of those Russell 1000® Index companies with relatively higher price-to-book ratios and higher forecasted growth rates, posted a cumulative total return of +27.72%.<sup>1</sup> You can find the Fund's long-term performance data in the Performance Summary beginning on page 24.

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

### Q. What were the leading contributors to performance?

**A.** During the 12 months under review, it was the Fund's allocation effect that helped overall relative returns. Underweightings in the financials, consumer staples and consumer discretionary sectors benefited relative performance. In the consumer discretionary sector, an underweight in the poorly performing shares of Tesla delivered strong relative results. The electric vehicle manufacturer faced many headwinds over the period including raw materials inflation and affordability challenges in a rising rate environment. On an individual stock basis,

1. Source: Morningstar.

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

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

**The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Schedule of Investments (SOI). The SOI begins on page 68.**

the biggest contributors to relative returns were NVIDIA and ServiceNow in the information technology (IT) sector and Eli Lilly and Intuitive Surgical in the health care sector. Chipmaker NVIDIA and digital workflow provider ServiceNow benefited from broader equity market gains over the period as well as the rapid adoption of artificial intelligence (AI). In the case of NVIDIA, the firm's market cap reached \$1 trillion in May 2023 on the back of strong demand for AI products. Pharmaceutical giant Eli Lilly & Company had several drugs driving its growth along with a promising pipeline focused on diabetes/obesity, immunology, oncology, and neuroscience. Robotic surgical systems manufacturer Intuitive Surgical saw improved sales of its DaVinci machines as patient procedure growth reached pre-COVID-19 levels.

### Portfolio Composition

9/30/23

	% of Total Net Assets
Software	18.4%
Semiconductors & Semiconductor Equipment	8.9%
Life Sciences Tools & Services	6.1%
Technology Hardware, Storage & Peripherals	4.7%
Financial Services	4.6%
Pharmaceuticals	4.5%
Aerospace & Defense	4.4%
Capital Markets	4.1%
Health Care Equipment & Supplies	4.1%
Interactive Media & Services	3.7%
Machinery	3.7%
Broadline Retail	3.7%
Beverages	3.4%
Ground Transportation	3.4%
Other*	21.7%
Short-Term Investments & Other Net Assets	0.6%

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

### Q. What were the leading detractors from performance?

**A.** Leading detractors over the period included the industrials, communication services and energy sectors. Stock selection and an overweight in the aerospace and defense industry had a negative impact on relative performance in the industrials sector. Within the sector, elevated inflation, supply-chain delays and labor shortages were challenges for defense contractor Northrop Grumman. While financials were an overall contributor at the sector level, the Fund's investments in Charles Schwab and Adyen hindered relative performance. Stock market volatility and rising interest rates weighed on the shares of brokerage giant Charles Schwab, while competition and increasing operating expenses were drags on the shares of payment

processor Adyen. Manufacturing issues, slowing biotech spending and tough COVID-19 comparisons weighed on the shares of Catalent in the health care sector, which was the biggest relative detractor over the period. Elsewhere, in the IT sector, BILL Holdings was among the Fund's five biggest relative detractors. The shares of the financial software provider were pressured by a pullback in spending by small- and mid-sized businesses due to macroeconomic uncertainty, which hindered payment volume growth.

### Top 10 Holdings

9/30/23

Company Industry, Country	% of Total Net Assets
Microsoft Corp. Software, United States	5.7%
Apple, Inc. Technology Hardware, Storage & Peripherals, United States	4.7%
Alphabet, Inc. Interactive Media & Services, United States	3.7%
Amazon.com, Inc. Broadline Retail, United States	3.7%
NVIDIA Corp. Semiconductors & Semiconductor Equipment, United States	3.6%
Eli Lilly & Co. Pharmaceuticals, United States	3.0%
Mastercard, Inc. Financial Services, United States	2.4%
Intuit, Inc. Software, United States	2.4%
ServiceNow, Inc. Software, United States	2.3%
Union Pacific Corp. Ground Transportation, United States	1.9%

### Q. Were there any significant changes to the Fund during the reporting period?

**A.** We reduced some of our larger technology names and trimmed various industrial positions that had grown into larger positions as valuations were at the high end and we became increasingly concerned about the impact of an economic slowdown. We also reduced or exited several small tail positions where we were concerned that higher interest rates may impact on their ability to grow or where their profit profile has been pushed out. Some of those positions included Proterra, Gitlab, Olaplex Holdings, Lucid Group, Guardant Health and 10x Genomics.



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

Serena Perin Vinton, CFA  
Robert Rendler, CFA  
Joyce Lin, CFA

Portfolio Management Team

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*The foregoing information reflects our analysis, opinions and portfolio holdings as of September 30, 2023, the end of the reporting period. The way we implement our main investment strategies and the resulting portfolio holdings may change depending on factors such as market and economic conditions. These opinions may not be relied upon as investment advice or an offer for a particular security. The information is not a complete analysis of every aspect of any market, country, industry, security or the Fund. Statements of fact are from sources considered reliable, but the investment manager makes no representation or warranty as to their completeness or accuracy. Although historical performance is no guarantee of future results, these insights may help you understand our investment management philosophy.*

## Performance Summary as of September 30, 2023

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

### Performance as of 9/30/23<sup>1</sup>

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

Share Class	Cumulative Total Return <sup>2</sup>	Average Annual Total Return <sup>3</sup>
<b>A<sup>4</sup></b>		
1-Year	+20.43%	+13.81%
5-Year	+50.58%	+7.31%
10-Year	+203.81%	+11.12%
<b>Advisor</b>		
1-Year	+20.73%	+20.73%
5-Year	+52.49%	+8.81%
10-Year	+211.52%	+12.03%

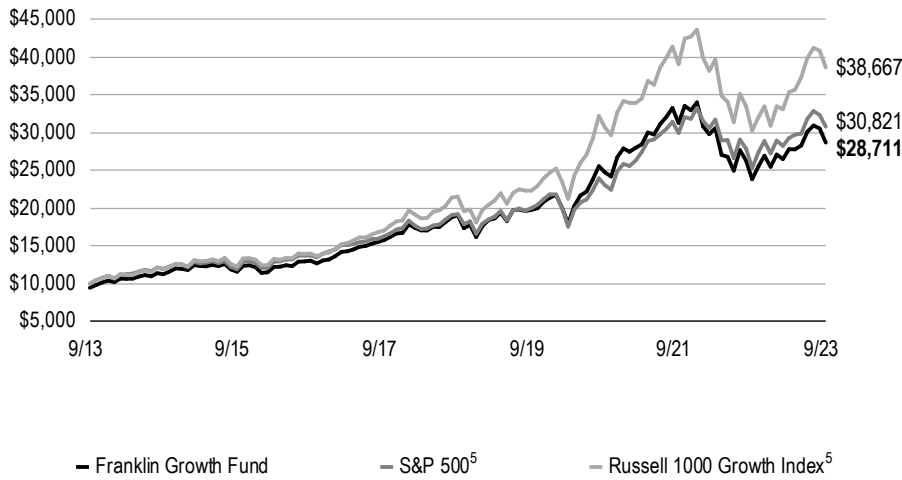
*Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to [franklintempleton.com](http://franklintempleton.com)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

See page 26 for Performance Summary footnotes.

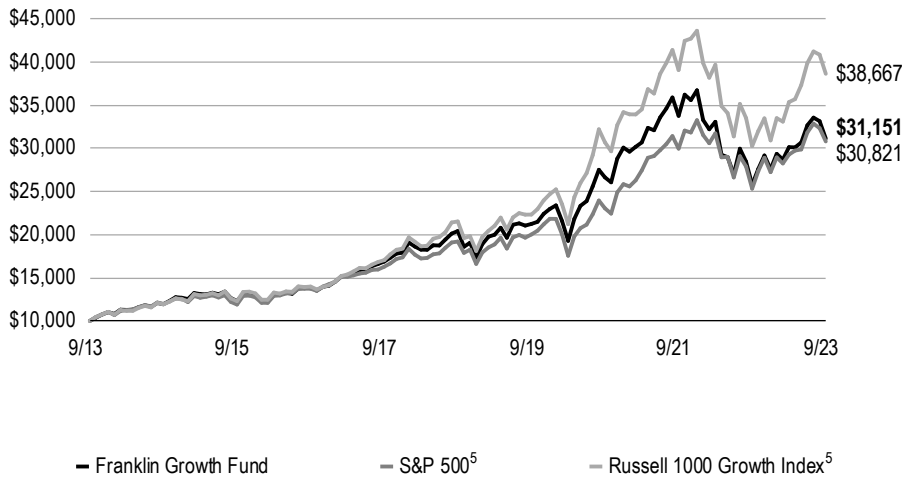
## Total Return Index Comparison for a Hypothetical \$10,000 Investment<sup>1</sup>

Total return represents the change in value of an investment over the periods shown. It includes any applicable maximum sales charge, Fund expenses, account fees and reinvested distributions. The unmanaged indexes include reinvestment of any income or distributions. They differ from the Fund in composition and do not pay management fees or expenses. One cannot invest directly in an index.

### Class A (9/30/13–9/30/23)



### Advisor Class (9/30/13–9/30/23)



See page 26 for Performance Summary footnotes.

## Distributions (10/1/22–9/30/23)

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

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

Share Class	
A	0.80%
Advisor	0.55%

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

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. To the extent the portfolio invests in a concentration of certain securities, regions or industries, it is subject to increased volatility. Large-capitalization companies may fall out of favor with investors based on market and economic conditions. Small- and mid-cap stocks involve greater risks and volatility than large-cap stocks. 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 manager may consider environmental, social and governance (ESG) criteria in the research or investment process; however, ESG considerations may not be a determinative factor in security selection. In addition, the manager may not assess every investment for ESG criteria, and not every ESG factor may be identified or evaluated. These and other risks are discussed in the Fund's prospectus.

1. The total annual operating expenses are as of the Fund's prospectus available at the time of publication. Actual expenses may be higher and may impact portfolio returns.
2. Cumulative total return represents the change in value of an investment over the periods indicated.
3. Average annual total return represents the average annual change in value of an investment over the periods indicated. Return for less than one year, if any, has not been annualized.
4. Prior to 9/10/18, these shares were offered at a higher initial sales charge of 5.75%, thus actual returns (with sales charges) would have differed. Average annual total returns (with sales charges) have been restated to reflect the current maximum initial sales charge of 5.50%.
5. Source: FactSet. The S&P 500<sup>®</sup> is a market capitalization-weighted index of 500 stocks designed to measure total U.S. equity market performance. The Russell 1000<sup>®</sup> Growth Index is market capitalization weighted and measures performance of those Russell 1000<sup>®</sup> Index companies with relatively higher price-to-book ratios and higher forecasted growth rate.
6. Figures are as stated in the Fund's current prospectus and may differ from the expense ratios disclosed in the Your Fund's Expenses and Financial Highlights sections in this report. In periods of market volatility, assets may decline significantly, causing total annual Fund operating expenses to become higher than the figures shown. See [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com) for additional data provider information.

## Your Fund's Expenses

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

### Actual Fund Expenses

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

### Hypothetical Example for Comparison with Other Funds

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

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

Share Class	Beginning Account Value 4/1/23	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio <sup>2</sup>
		Ending Account Value 9/30/23	Expenses Paid During Period 4/1/23–9/30/23 <sup>1,2</sup>	Ending Account Value 9/30/23	Expenses Paid During Period 4/1/23–9/30/23 <sup>1,2</sup>	
A	\$1,000	\$1,031.60	\$3.98	\$1,021.15	\$3.96	0.78%
C	\$1,000	\$1,027.90	\$7.79	\$1,017.39	\$7.75	1.53%
R	\$1,000	\$1,030.40	\$5.25	\$1,019.89	\$5.23	1.03%
R6	\$1,000	\$1,033.40	\$2.39	\$1,022.72	\$2.38	0.47%
Advisor	\$1,000	\$1,032.90	\$2.71	\$1,022.40	\$2.70	0.53%

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 183/365 to reflect the one-half year period.

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

# Franklin Income Fund

## Fund Overview

### Q. What is the Fund's investment strategy?

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

### Q. What were the overall market conditions during the Fund's reporting period?

**A.** The Fund generated positive returns during the period with strong performance from both equity and fixed income holdings. Equity holdings outperformed fixed income returns during the period. Relative to the Fund's blended benchmark, the overweight allocation to credit supported absolute performance. Throughout the period, the Federal Reserve (Fed) continued to increase interest rates from 2022 levels to counteract stubborn inflation. Despite the Fed's hawkish stance, the labor market remains tight, and the economy continues to grow with gross domestic product in excess of 2%. The Fund used interest rate futures to hedge duration in the period. However, this did not cause the change to Net Assets from Operations for the fiscal year to exceed 5%.

### Q. How did we respond to these changing market conditions?

**A.** The Fund entered the period with an equity weighting of 42.6% and a fixed income weighting of 56.2% (while holding 0.7% in cash equivalents). As interest rates rose during the period, the Fund took advantage of higher yield investment opportunities within fixed income and ended the period with

a considerable shift in asset allocation. By period-end, equity allocation was 35.9% and fixed income allocation reached 63.3%, while cash equivalents comprised 0.65% of the Fund.

## Performance Overview

The Fund's Class A shares posted a cumulative total return of +8.33% for the 12 months under review. In comparison, the Standard & Poor's® 500 Index (S&P 500®), which is a broad measure of U.S. stock performance, posted a +21.62% cumulative total return.<sup>1</sup> The Blended Benchmark which consists of 50% MSCI USA High Dividend Yield Index + 25% Bloomberg High Yield Very Liquid Index + 25% Bloomberg U.S. Aggregate Bond Index, which is a combination of leading stock and bond indexes, posted a +9.18% cumulative total return.<sup>2</sup> Individually, the MSCI USA High Dividend Yield Index, which is based on the MSCI USA Index, its parent index, and includes large- and mid-capitalization stocks, posted a +12.62% cumulative total return, the Bloomberg High Yield Very Liquid Index, designed to track a more liquid component of the USD-denominated, high yield, fixed-rate corporate bond market, posted a +10.32% cumulative total return and the Bloomberg U.S. Aggregate Bond Index, which measures the performance of the investment-grade, U.S. dollar-denominated, fixed-rate taxable bond market, posted a +0.64% cumulative total return.<sup>1</sup> You can find the Fund's long-term performance data in the Performance Summary beginning on page 30.

The Fund was able to successfully meet its monthly distributions under its managed distribution policy without the return of capital and without reducing the Fund's net asset value per share due to making distributions in excess of total return performance.

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

1. Source: Morningstar.

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

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

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

**The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Schedule of Investments (SOI). The SOI begins on page 79.**

**Portfolio Composition**

9/30/23

	<b>% of Total Net Assets</b>
Corporate Bonds	48.1%
Common Stocks	18.7%
Equity-Linked Securities	17.3%
U.S. Government and Agency Securities	13.7%
Other*	0.9%
Short-Term Investments & Other Net Assets	1.3%

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

**Top Five Fixed Income Holdings**

9/30/23

<b>Company Industry, Country</b>	<b>% of Total Net Assets</b>
U.S. Treasury Notes <i>Financial Services, United States</i>	11.1%
CHS/Community Health Systems, Inc. <i>Health Care Providers &amp; Services, United States</i>	3.3%
U.S. Treasury Bonds <i>Financial Services, United States</i>	2.6%
Tenet Healthcare Corp. <i>Health Care Providers &amp; Services, United States</i>	1.7%
Bausch Health Cos., Inc. <i>Pharmaceuticals, United States</i>	1.1%

**Top Five Equity Holdings\***

9/30/23

<b>Company Industry, Country</b>	<b>% of Total Net Assets</b>
Chevron Corp. <i>Oil, Gas &amp; Consumable Fuels, United States</i>	1.7%
Bank of America Corp. <i>Banks, United States</i>	1.6%
Morgan Stanley <i>Capital Markets, United States</i>	1.5%
Texas Instruments, Inc. <i>Semiconductors &amp; Semiconductor Equipment, United States</i>	1.5%
NextEra Energy, Inc. <i>Electric Utilities, United States</i>	1.2%

\*Includes convertible bonds.

**Q. What were the leading contributors to performance?**

**A.** Equity holdings contributed the highest returns to the Fund during the 12 months under review, led by the information technology (IT), energy, and industrials sectors. Cisco Systems performed best within IT, while Chevron and Exxon Mobil contributed the highest absolute performance within the energy sector. Siemens was a top performer within the industrials sector. As of period end, the Fund no longer holds Siemens. Fixed income allocation also performed well during the period under review, with the health care, consumer discretionary, and industrials sectors contributing the highest absolute returns. Within health care, Community

Health Systems and Tenet Healthcare performed best, while Ford and Boeing contributed within the consumer discretionary and industrials sectors, respectively.

**Q. What were the leading detractors from performance?**

**A.** Due to the sector's interest rate sensitivity, the utilities sector was the only detractor from stock performance during the 12-month period under review. Dominion Energy and NextEra Energy were the worst performers within utilities, while Truist detracted within the financials sector. In terms of the Fund's fixed income allocation, U.S. Treasuries (UST) detracted the most from performance. Carvana and Endo International also detracted from Fund performance within the consumer discretionary and health care sectors. The Fund no longer holds a position in Carvana, as of the period-end.

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

Edward D. Perks, CFA  
Lead Portfolio Manager

Brendan Circle, CFA  
Todd Brighton, CFA

Portfolio Management Team

*The foregoing information reflects our analysis, opinions and portfolio holdings as of September 30, 2023, the end of the reporting period. The way we implement our main investment strategies and the resulting portfolio holdings may change depending on factors such as market and economic conditions. These opinions may not be relied upon as investment advice or an offer for a particular security. The information is not a complete analysis of every aspect of any market, country, industry, security or the Fund. Statements of fact are from sources considered reliable, but the investment manager makes no representation or warranty as to their completeness or accuracy. Although historical performance is no guarantee of future results, these insights may help you understand our investment management philosophy.*

## Performance Summary as of September 30, 2023

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

### Performance as of 9/30/23<sup>1</sup>

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

Share Class	Cumulative Total Return <sup>2</sup>	Average Annual Total Return <sup>3</sup>
<b>A<sup>4,5</sup></b>		
1-Year	+8.33%	+4.26%
5-Year	+24.75%	+3.73%
10-Year	+60.94%	+4.47%
<b>Advisor</b>		
1-Year	+9.16%	+9.16%
5-Year	+27.04%	+4.90%
10-Year	+65.42%	+5.16%

Share Class	Distribution Rate <sup>6</sup>	30-Day Standardized Yield <sup>7</sup>	
		(with fee waiver)	(without fee waiver)
A	5.53%	4.62%	4.62%
Advisor	6.00%	5.06%	5.05%

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

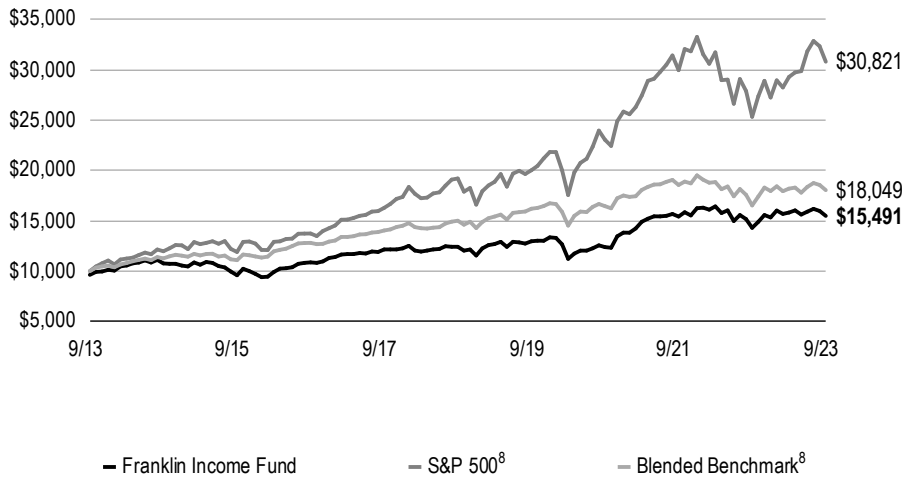
See page 33 for Performance Summary footnotes.



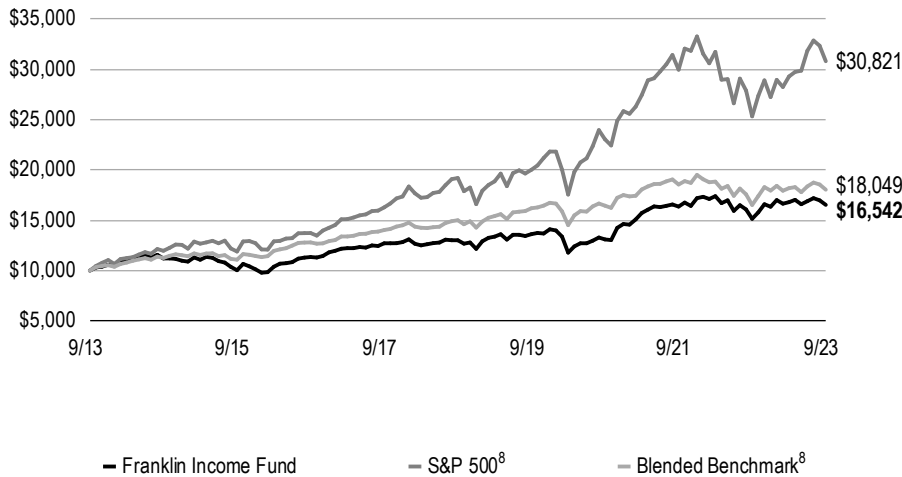
## Total Return Index Comparison for a Hypothetical \$10,000 Investment<sup>1</sup>

Total return represents the change in value of an investment over the periods shown. It includes any applicable maximum sales charge, Fund expenses, account fees and reinvested distributions. The unmanaged indexes include reinvestment of any income or distributions. They differ from the Fund in composition and do not pay management fees or expenses. One cannot invest directly in an index.

### Class A (9/30/13–9/30/23)



### Advisor Class (9/30/13–9/30/23)



See page 33 for Performance Summary footnotes.

## Net Asset Value

Share Class (Symbol)	9/30/23	9/30/22	Change
A (FKIQX)	\$2.19	\$2.14	+\$0.05
A1 (FKINX)	\$2.20	\$2.15	+\$0.05
C (FCISX)	\$2.24	\$2.18	+\$0.06
R (FISRX)	\$2.15	\$2.10	+\$0.05
R6 (FNCFX)	\$2.19	\$2.13	+\$0.06
Advisor (FRIAX)	\$2.18	\$2.12	+\$0.06

## Distributions (10/1/22–9/30/23)

Share Class	Net Investment Income
A	\$0.1296
A1	\$0.1323
C	\$0.1200
R	\$0.1236
R6	\$0.1362
Advisor	\$0.1350

## Total Annual Operating Expenses<sup>9</sup>

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

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

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. Low-rated, high-yield bonds are subject to greater price volatility, illiquidity and possibility of default. 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. Changes in the credit rating of a bond, or in the credit rating or financial strength of a bond's issuer, insurer or guarantor, may affect the bond's value. Equity securities are subject to price fluctuation and possible loss of principal. 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 manager may consider environmental, social and governance (ESG) criteria in the research or investment process; however, ESG considerations may not be a determinative factor in security selection. In addition, the manager may not assess every investment for ESG criteria, and not every ESG factor may be identified or evaluated. These and other risks are discussed in the Fund's prospectus.

1. Gross expenses are the Fund's total annual operating expenses as of the Fund's prospectus available at the time of publication. Actual expenses may be higher and may impact portfolio returns. Net expenses reflect contractual fee waivers, expense caps and/or reimbursements, which cannot be terminated prior to 01/31/2024 without Board consent. Additional amounts may be voluntarily waived and/or reimbursed and may be modified or discontinued at any time without notice.
  2. Cumulative total return represents the change in value of an investment over the periods indicated.
  3. Average annual total return represents the average annual change in value of an investment over the periods indicated. Return for less than one year, if any, has not been annualized.
  4. Effective 9/10/18, Class A shares closed to new investors, were renamed Class A1 shares, and a new Class A share with a different expense structure became available. Class A performance shown has been calculated as follows: (a) for periods prior to 9/10/18, a restated figure is used based on the Fund's Class A1 performance that includes any Rule 12b-1 rate differential that exists between Class A1 and Class A; and (b) for periods after 9/10/18, actual Class A performance is used, reflecting all charges and fees applicable to that class.
  5. Prior to 3/1/19, these shares were offered at a higher initial sales charge of 4.25%, thus actual returns (with sales charges) would have differed. Average annual total returns (with sales charges) have been restated to reflect the current maximum initial sales charge of 3.75%.
  6. Distribution rate is based on an annualization of the respective class's September dividend and the maximum offering price (NAV for Advisor Class) per share on 9/30/23.
  7. The Fund's 30-day standardized yield is calculated over a trailing 30-day period using the yield to maturity on bonds and/or the dividends accrued on stocks. It may not equal the Fund's actual income distribution rate, which reflects the Fund's past dividends paid to shareholders.
  8. Source: FactSet. The S&P 500<sup>®</sup> is a market capitalization-weighted index of 500 stocks designed to measure total U.S. equity market performance. The Blended 50% MSCI USA High Dividend Yield Index + 25% Bloomberg High Yield Very Liquid Index + 25% Bloomberg U.S. Aggregate Index measures performance of high dividend-paying global and developed and emerging stocks, noninvestment-grade corporate bonds and tracks performance of the U.S. investment-grade bond market.
  9. Figures are as stated in the Fund's current prospectus and may differ from the expense ratios disclosed in the Your Fund's Expenses and Financial Highlights sections in this report. In periods of market volatility, assets may decline significantly, causing total annual Fund operating expenses to become higher than the figures shown.
- See [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com) for additional data provider information.

## Your Fund's Expenses

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

### Actual Fund Expenses

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

### Hypothetical Example for Comparison with Other Funds

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

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

Share Class	Beginning Account Value 4/1/23	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio <sup>2</sup>
		Ending Account Value 9/30/23	Expenses Paid During Period 4/1/23–9/30/23 <sup>1,2</sup>	Ending Account Value 9/30/23	Expenses Paid During Period 4/1/23–9/30/23 <sup>1,2</sup>	
A	\$1,000	\$978.80	\$3.48	\$1,021.55	\$3.56	0.70%
A1	\$1,000	\$983.80	\$2.99	\$1,022.05	\$3.05	0.60%
C	\$1,000	\$977.30	\$5.46	\$1,019.55	\$5.57	1.10%
R	\$1,000	\$981.60	\$4.73	\$1,020.30	\$4.82	0.95%
R6	\$1,000	\$984.50	\$1.99	\$1,023.07	\$2.03	0.40%
Advisor	\$1,000	\$984.10	\$2.25	\$1,022.80	\$2.29	0.45%

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 183/365 to reflect the one-half year period.

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

# Franklin U.S. Government Securities Fund

## Fund Overview

### Q. What is the Fund's investment strategy?

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

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

### Q. What were the overall market conditions during the Fund's reporting period?

A. Inflation levels and central bank action remained the focus of financial markets during the 12-month period under review, during which the U.S. Federal Reserve (Fed) continued its aggressive action to address the decades-high levels of inflation in the U.S. The Fed took a breather at its June 2023 meeting after a 15-month long rate hiking campaign, followed by a 25-basis point increase in the fed funds target rate in July's meeting. Although the Fed kept its policy rate unchanged in September, Fed Chair Jerome Powell stressed that the pause was no indication that policy is sufficiently restrictive. The UST yield curve shifted higher during the 12-month period under review, especially the shorter end of the curve, such as the 2-year. The yield curve remains inverted, often a sign of a slowing economy. Over the period, headline inflation measures moved significantly lower such that a soft-landing scenario for the U.S. economy has increasingly become a general market consensus. On the housing front, fundamentals are continuing to slow but remain supportive; prepayment risk remains negligible, and the MBS index is near full extension as macroeconomic conditions, particularly low unemployment, remain relatively healthy. Mortgage rates increased 60 bps (6.70% to 7.31%) during the period under review. With the Fed's balance sheet normalization plan underway, their share of the agency MBS market will continue to decline, leaving approximately \$400 billion of MBS that will need to be absorbed, primarily by money managers, and a combination of other demand sources such as overseas investors and banks.

### Q. How did we respond to these changing market conditions?

A. We moved from underweight to overweight 2.5% coupons. We added to our overweight in 3.0% and 3.5% coupons. We remained overweight 4.0% coupons but decreased our exposure. Lastly, we moved from overweight to underweight in 4.5% coupons.

## Performance Overview

The Fund's Class A shares posted a -0.49% cumulative total return for the 12 months under review. In comparison, the Bloomberg U.S. Government - Intermediate Index, the intermediate component of the Bloomberg U.S. Government Index, posted a +1.33% cumulative total return.<sup>2</sup> You can find the Fund's long-term performance data in the Performance Summary beginning on page 37.

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

## Portfolio Composition

9/30/23

	% of Total Net Assets
Mortgage-Backed Securities	96.5%
Other*	0.6%
Short-Term Investments & Other Net Assets	2.9%

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

### Q. What were the leading contributors to performance?

A. Our exposure to GNMA I 4.5% and 5.0% coupons were leading contributors to relative performance, as were our allocation to GNMA II 4.0%, 5.0% and 5.5% coupons.

### Q. What were the leading detractors from performance?

A. Our exposures to GNMA II 2.5% through 3.5% coupons were lead detractors from performance. Security selection in GNMA II 4.0% through 5.5% coupons also hindered results.

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

2. Source: Morningstar.

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

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

The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Schedule of Investments (SOI). The SOI begins on page 109.

**Q. Were there any significant changes to the Fund during the reporting period?**

**A.** Our largest allocation remained in 2.5-3.5% coupons, and we decreased exposure to the middle of the coupon stack for 3% and 4% coupons, while adding to higher 5-6% coupons. On a relative basis, we ended the period overweight middle of the coupon stack (2.5-4%) with an underweight in 1.5%, 2.0% and 4.5% coupons.

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

Paul Varunok  
Neil Dhruv

Portfolio Management Team

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*The foregoing information reflects our analysis, opinions and portfolio holdings as of September 30, 2023, the end of the reporting period. The way we implement our main investment strategies and the resulting portfolio holdings may change depending on factors such as market and economic conditions. These opinions may not be relied upon as investment advice or an offer for a particular security. The information is not a complete analysis of every aspect of any market, country, industry, security or the Fund. Statements of fact are from sources considered reliable, but the investment manager makes no representation or warranty as to their completeness or accuracy. Although historical performance is no guarantee of future results, these insights may help you understand our investment management philosophy.*

## Performance Summary as of September 30, 2023

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

### Performance as of 9/30/23<sup>1</sup>

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

Share Class	Cumulative Total Return <sup>2</sup>	Average Annual Total Return <sup>3</sup>
<b>A<sup>4,5</sup></b>		
1-Year	-0.49%	-4.22%
5-Year	-5.40%	-1.86%
10-Year	-0.33%	-0.41%
<b>Advisor</b>		
1-Year	-0.24%	-0.24%
5-Year	-4.10%	-0.83%
10-Year	+1.62%	+0.16%

Share Class	Distribution Rate <sup>6</sup>	30-Day Standardized Yield <sup>7</sup>	
		(with fee waiver)	(without fee waiver)
A	3.18%	2.61%	2.60%
Advisor	3.54%	2.97%	2.96%

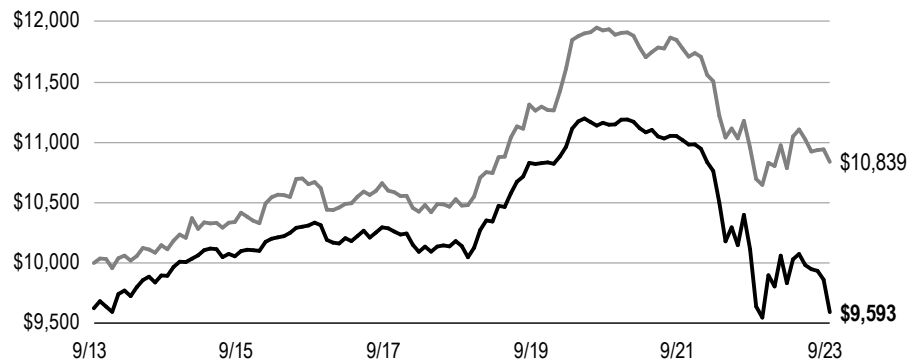
Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to [franklintempleton.com](http://franklintempleton.com)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

See page 39 for Performance Summary footnotes.

### Total Return Index Comparison for a Hypothetical \$10,000 Investment<sup>1</sup>

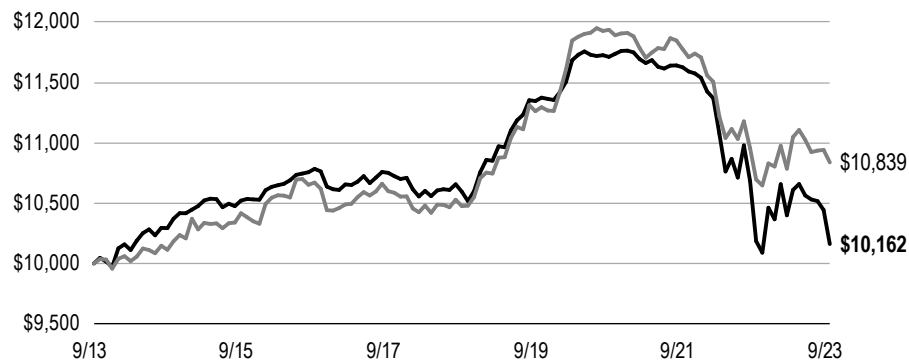
Total return represents the change in value of an investment over the periods shown. It includes any applicable maximum sales charge, Fund expenses, account fees and reinvested distributions. The unmanaged index includes reinvestment of any income or distributions. It differs from the Fund in composition and does not pay management fees or expenses. One cannot invest directly in an index.

**Class A** (9/30/13–9/30/23)



— Franklin U.S. Government Securities Fund      — Bloomberg U.S. Government - Intermediate Index<sup>8</sup>

**Advisor Class** (9/30/13–9/30/23)



— Franklin U.S. Government Securities Fund      — Bloomberg U.S. Government - Intermediate Index<sup>8</sup>

See page 39 for Performance Summary footnotes.



## Distributions (10/1/22–9/30/23)

Share Class	Net Investment Income
A	\$0.1496
A1	\$0.1551
C	\$0.1281
R	\$0.1370
R6	\$0.1672
Advisor	\$0.1625

Total Annual Operating Expenses<sup>9</sup>

Share Class	
A	0.87%
Advisor	0.62%

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

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.** 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. **Asset-backed, mortgage-backed or mortgage-related securities** are subject to prepayment and extension risks. **Changes in the credit rating** of a bond, or in the credit rating or financial strength of a bond's issuer, insurer or guarantor, may affect the bond's value. These and other risks are discussed in the Fund's prospectus.

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

## Your Fund's Expenses

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

### Actual Fund Expenses

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

### Hypothetical Example for Comparison with Other Funds

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

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

Share Class	Beginning Account Value 4/1/23	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio <sup>2</sup>
		Ending Account Value 9/30/23	Expenses Paid During Period 4/1/23–9/30/23 <sup>1,2</sup>	Ending Account Value 9/30/23	Expenses Paid During Period 4/1/23–9/30/23 <sup>1,2</sup>	
A	\$1,000	\$956.40	\$3.42	\$1,021.57	\$3.53	0.70%
A1	\$1,000	\$956.90	\$2.90	\$1,022.10	\$3.00	0.59%
C	\$1,000	\$953.90	\$5.37	\$1,019.57	\$5.55	1.10%
R	\$1,000	\$955.20	\$4.64	\$1,020.32	\$4.80	0.95%
R6	\$1,000	\$956.30	\$1.84	\$1,023.19	\$1.90	0.37%
Advisor	\$1,000	\$957.80	\$2.20	\$1,022.83	\$2.27	0.45%

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 183/365 to reflect the one-half year period.

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

# Franklin Utilities Fund

## Fund Overview

### Q. What is the Fund's investment strategy?

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

### Q. What were the overall market conditions during the Fund's reporting period?

A. During the 12-month period, technology stocks led equity prices higher, rallying amid cost-cutting efforts and investor optimism that artificial intelligence ("AI") would lead to strong growth opportunities. Utilities, one of only two sectors to decline for the period, was the worst sector performer. U.S. gross domestic product (GDP) expanded in the fourth quarter of 2022 and the first half of 2023 amid rising business investment and resilient consumer spending on services. The labor market remained strong amid a high level of nominal growth, keeping U.S. unemployment very low by historic standards. Inflation declined substantially but remained elevated throughout (and rebounded slightly at period end). Rising wages and lower inflation bolstered consumer confidence, contributing to increased spending and economic growth. Nonetheless, continued tightness in the labor market led to concern that high interest rates would persist for some time. High interest rates translated to elevated borrowing costs for individuals and businesses, which dampened some economic activity, especially in the housing and financial markets. In its efforts to reduce inflation, the U.S. Federal Reserve (Fed) restricted monetary policy during the period, raising the federal funds target rate six times to a range of 5.25%–5.50%, pushing borrowing costs to their highest levels since 2001. However, at two of its meetings, the Fed declined to adjust interest rates, indicating that the pace of tightening was slowing. Toward the end of the period, investor risk appetite soured as it became clearer that the Fed intends to hold interest rates

higher for longer than investors had previously expected, and markets gave back some of their gains. The S&P 500® Utilities Index declined for the period.

### Q. How did we respond to these changing market conditions?

A. We maintain a philosophy of focusing on high-quality, regulated utilities that offer above-average risk-adjusted returns within the portfolio. While we are always aware of market conditions and act accordingly, the emphasis on our bottom-up approach enables us to select companies that are structurally sound and able to weather a range of macroeconomic conditions.

## Performance Overview

The Fund's Class A shares posted a -4.55% cumulative total return for the 12 months under review. In comparison, the S&P 500® Utilities Index, which measures the performance of all utilities stocks in the Standard & Poor's® 500 Index (S&P 500®), posted a -7.02% cumulative total return, and the S&P 500® Index, which is a broad measure of U.S. stock performance, posted a +21.62% cumulative total return.<sup>1</sup> You can find the Fund's long-term performance data in the Performance Summary beginning on page 44.

The Fund was able to successfully meet its monthly distributions under its managed distribution policy without the return of capital and without reducing the Fund's net asset value per share due to making distributions in excess of total return performance.

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

1. Source: Morningstar.

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

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

**The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Schedule of Investments (SOI). The SOI begins on page 117.**

**Portfolio Composition**

9/30/23

	<b>% of Total Net Assets</b>
Electric Utilities	57.5%
Multi-Utilities	30.4%
Oil, Gas & Consumable Fuels	4.4%
Independent Power and Renewable Electricity Producers	3.5%
Construction & Engineering	1.5%
Water Utilities	1.4%
Other*	0.8%
Short-Term Investments & Other Net Assets	0.5%

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

**Q. What were the leading contributors to performance?**

**A.** The Fund performed better than the benchmark during the 12-month period under review. At the industry level, within the utilities sector, multi-utilities and independent power and renewable electricity producers were the largest contributors to relative performance, driven by stock selection. Selection in electric utilities also added value. The Fund managers maintain a small weighting in the energy sector, and that exposure also made a meaningful contribution to relative returns. The top overall individual contributors included off-benchmark holdings Vistra and E.ON, as well as an underweight to NextEra. Vistra, a Texas-based power producer and retail energy provider, benefited from earnings that exceeded consensus expectations, supported by the company's hedging strategy, as well as warm summer weather and heat waves in Texas and other Southern states. The company's US \$6.8 billion acquisition of Energy Harbor (not a fund holding), which will allow a deeper push into nuclear energy, appeared to be on track for completion in 2023, though it may be delayed as the companies work to alleviate the U.S. Department of Justice's anti-competitive concerns. Our underweight to Florida-based electric utility NextEra Energy contributed to performance relative to the benchmark S&P 500® Utilities Index as its shares posted a double-digit decline for the period. Shares declined amid concerns about demand for solar energy and rising interest rates, as investors were disappointed by slowing net income growth at its renewable energy subsidiary, given weaker pricing for solar panels and batteries. Shares of Germany-based energy giant E.ON advanced sharply despite disruptions in European energy markets driven by the Russia-Ukraine war. E.ON's focus on crisis management execution helped the company surpass earnings expectations, and strong guidance for 2023 supported investor sentiment, as did its plans to accelerate

decarbonization and energy transition initiatives and infrastructure expansion plans through 2027.

**Q. What were the leading detractors from performance?**

**A.** At the industry level, stock selection in gas utilities detracted the most from relative performance, while positioning in water utilities and, in the energy-related group, the diversified telecommunications industry weighed modestly on relative results during the 12-month period under review. The largest individual detractors were all underweight positions: Constellation Energy, Consolidated Edison and Duke Energy. Shares of Maryland-based electric utility Constellation Energy, which was spun out of Exelon in 2022 and is a major U.S. nuclear operator, advanced sharply as earnings surpassed expectations and full-year guidance was strong. A \$1 billion stock repurchase program, announced in February 2023, also supported the stock. New York-based multi-utility Consolidated Edison followed a similar script, as shares advanced for the period on the strength of strong earnings and an accelerated share buyback, though the shares' 12-month advance was much more modest. Duke Energy, which operates electric utilities throughout the Midwest and South, also detracted on a relative basis. The company's shares posted a modest decline for the period but fared better than the benchmark.

**Top 10 Holdings**

9/30/23

<b>Company Industry, Country</b>	<b>% of Total Net Assets</b>
NextEra Energy, Inc. <i>Electric Utilities, United States</i>	9.9%
Southern Co. (The) <i>Electric Utilities, United States</i>	5.2%
Edison International <i>Electric Utilities, United States</i>	4.9%
Sempra <i>Multi-Utilities, United States</i>	4.5%
Exelon Corp. <i>Electric Utilities, United States</i>	4.4%
Duke Energy Corp. <i>Electric Utilities, United States</i>	4.3%
Energy Corp. <i>Electric Utilities, United States</i>	4.0%
Energy, Inc. <i>Electric Utilities, United States</i>	3.8%
PG&E Corp. <i>Electric Utilities, United States</i>	3.3%
Alliant Energy Corp. <i>Electric Utilities, United States</i>	3.3%

**Q. Were there any significant changes to the Fund during the reporting period?**

**A.** During the 12-month period, the Fund managers exited a number of positions in the portfolio to create more concentration amongst our holdings in which the managers hold greater conviction. Among our liquidations are two

Canadian-based holdings, Emera and Telus Corporation, which the managers felt had achieved relatively high valuation premiums to U.S. utility counterparts. The Fund managers also sold their position in Origin Energy, a multi-energy company based in Australia that entered into an agreement to be sold to a multi-national energy consortium. The Fund managers also liquidated three smaller-capitalization utilities that the managers felt were trading rich compared to other utilities in the portfolio: Black Hills, PNM Resources and Southwest Gas Holdings. Finally, the managers liquidated positions in two energy infrastructure companies, Equitrans Midstream and Knife River. The managers used the proceeds from the various sales within our portfolio primarily to add to existing positions, including Ameren, CenterPoint Energy, Evergy and NiSource. The managers believe each of these companies are well-positioned utilities operating in solid service territories with sound regulatory oversight. Ameren is based in St. Louis and provides electricity and natural gas across Missouri and Illinois. CenterPoint is headquartered in Houston and is experiencing above-average customer growth in its region. Evergy is based in Kansas City and serves both Missouri and Kansas. NiSource, which is headquartered in Indiana, provides both electric and natural gas service across several midwestern states. The Fund managers feel each of these companies offers an above-average return profile relative to the average utility company.

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

John Kohli, CFA  
Blair Schmicker, CFA

Portfolio Management Team

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*The foregoing information reflects our analysis, opinions and portfolio holdings as of September 30, 2023, the end of the reporting period. The way we implement our main investment strategies and the resulting portfolio holdings may change depending on factors such as market and economic conditions. These opinions may not be relied upon as investment advice or an offer for a particular security. The information is not a complete analysis of every aspect of any market, country, industry, security or the Fund. Statements of fact are from sources considered reliable, but the investment manager makes no representation or warranty as to their completeness or accuracy. Although historical performance is no guarantee of future results, these insights may help you understand our investment management philosophy.*

## Performance Summary as of September 30, 2023

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

### Performance as of 9/30/23<sup>1</sup>

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

Share Class	Cumulative Total Return <sup>2</sup>	Average Annual Total Return <sup>3</sup>
<b>A<sup>4,5</sup></b>		
1-Year	-4.55%	-8.13%
5-Year	+31.65%	+4.85%
10-Year	+109.26%	+7.25%
<b>Advisor</b>		
1-Year	-4.31%	-4.31%
5-Year	+33.32%	+5.92%
10-Year	+113.61%	+7.89%

Share Class	Distribution Rate <sup>6</sup>	30-Day Standardized Yield <sup>7</sup>
A	2.37%	2.91%
Advisor	2.71%	3.29%

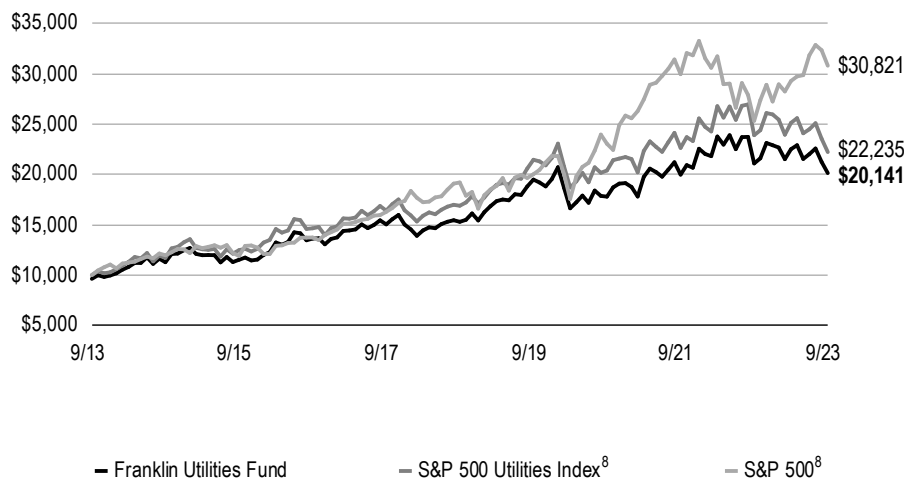
Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to [franklintempleton.com](http://franklintempleton.com)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

See page 46 for Performance Summary footnotes.

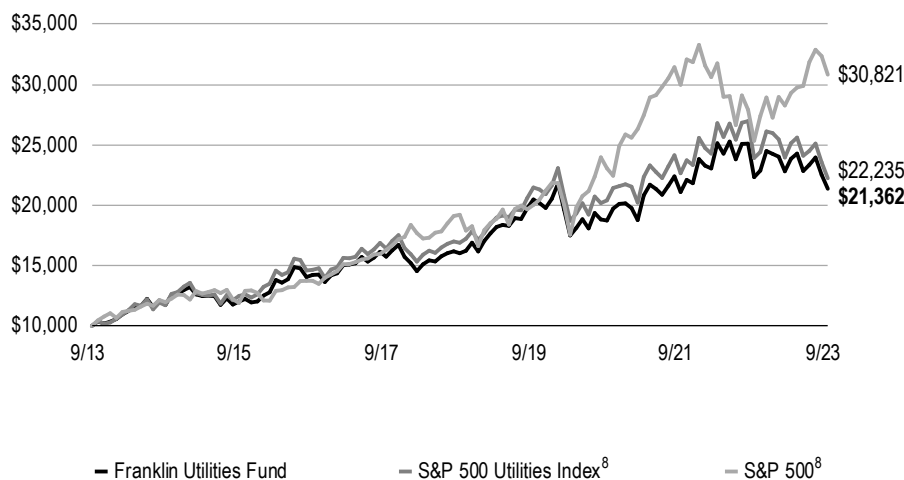
## Total Return Index Comparison for a Hypothetical \$10,000 Investment<sup>1</sup>

Total return represents the change in value of an investment over the periods shown. It includes any applicable maximum sales charge, Fund expenses, account fees and reinvested distributions. The unmanaged indexes include reinvestment of any income or distributions. They differ from the Fund in composition and do not pay management fees or expenses. One cannot invest directly in an index.

### Class A (9/30/13–9/30/23)



### Advisor Class (9/30/13–9/30/23)



See page 46 for Performance Summary footnotes.

## Net Asset Value

Share Class (Symbol)	9/30/23	9/30/22	Change
A (FKUQX)	\$18.64	\$20.26	-\$1.62
A1 (FKUTX)	\$18.65	\$20.27	-\$1.62
C (FRUSX)	\$18.53	\$20.14	-\$1.61
R (FRURX)	\$18.56	\$20.17	-\$1.61
R6 (FUFRX)	\$18.84	\$20.47	-\$1.63
Advisor (FRUAX)	\$18.84	\$20.47	-\$1.63

## Distributions (10/1/22–9/30/23)

Share Class	Net Investment Income	Long-Term Capital Gain	Total
A	\$0.4740	\$0.3087	\$0.7827
A1	\$0.4953	\$0.3087	\$0.8040
C	\$0.3903	\$0.3087	\$0.6990
R	\$0.4216	\$0.3087	\$0.7303
R6	\$0.5431	\$0.3087	\$0.8518
Advisor	\$0.5268	\$0.3087	\$0.8355

## Total Annual Operating Expenses<sup>9</sup>

Share Class	
A	0.82%
Advisor	0.57%

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

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.** To the extent the portfolio invests in a **concentration of certain securities, regions or industries**, it is subject to increased volatility. **Equity securities** are subject to price fluctuation and possible loss of principal. Securities issued by **utility companies** have been historically sensitive to interest rate changes. When interest rates fall, utility securities prices, and thus a utilities fund's share price, tend to rise; when interest rates rise, their prices generally fall. The manager may consider **environmental, social and governance (ESG) criteria** in the research or investment process; however, ESG considerations may not be a determinative factor in security selection. In addition, the manager may not assess every investment for ESG criteria, and not every ESG factor may be identified or evaluated. These and other risks are discussed in the Fund's prospectus.

- The total annual operating expenses are as of the Fund's prospectus available at the time of publication. Actual expenses may be higher and may impact portfolio returns.
- Cumulative total return represents the change in value of an investment over the periods indicated.
- 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.
- Effective 9/10/18, Class A shares closed to new investors, were renamed Class A1 shares, and a new Class A share with a different expense structure became available. Class A performance shown has been calculated as follows: (a) for periods prior to 9/10/18, a restated figure is used based on the Fund's Class A1 performance that includes any Rule 12b-1 rate differential that exists between Class A1 and Class A; and (b) for periods after 9/10/18, actual Class A performance is used, reflecting all charges and fees applicable to that class.
- Prior to 3/1/19, these shares were offered at a higher initial sales charge of 4.25%, thus actual returns (with sales charges) would have differed. Average annual total returns (with sales charges) have been restated to reflect the current maximum initial sales charge of 3.75%.
- Distribution rate is based on an annualization of the respective class's current quarterly dividend and the maximum offering price (NAV for Advisor Class) per share on 9/30/23.
- The Fund's 30-day standardized yield is calculated over a trailing 30-day period using the yield to maturity on bonds and/or the dividends accrued on stocks. It may not equal the Fund's actual income distribution rate, which reflects the Fund's past dividends paid to shareholders.
- Source: FactSet. The S&P 500<sup>®</sup> Utilities Index is market capitalization weighted and consists of all utility stocks in the S&P 500<sup>®</sup>. The S&P 500<sup>®</sup> is a market capitalization-weighted index of 500 stocks designed to measure total U.S. equity market performance.
- Figures are as stated in the Fund's current prospectus and may differ from the expense ratios disclosed in the Your Fund's Expenses and Financial Highlights sections in this report. In periods of market volatility, assets may decline significantly, causing total annual Fund operating expenses to become higher than the figures shown. See [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com) for additional data provider information.



## Your Fund's Expenses

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

### Actual Fund Expenses

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

### Hypothetical Example for Comparison with Other Funds

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

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

Share Class	Beginning Account Value 4/1/23	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio <sup>2</sup>
		Ending Account Value 9/30/23	Expenses Paid During Period 4/1/23–9/30/23 <sup>1,2</sup>	Ending Account Value 9/30/23	Expenses Paid During Period 4/1/23–9/30/23 <sup>1,2</sup>	
A	\$1,000	\$894.20	\$3.92	\$1,020.93	\$4.18	0.83%
A1	\$1,000	\$895.20	\$3.45	\$1,021.43	\$3.68	0.73%
C	\$1,000	\$892.70	\$5.81	\$1,018.93	\$6.20	1.23%
R	\$1,000	\$893.50	\$5.10	\$1,019.68	\$5.44	1.08%
R6	\$1,000	\$896.00	\$2.32	\$1,022.62	\$2.48	0.49%
Advisor	\$1,000	\$895.50	\$2.73	\$1,022.18	\$2.92	0.58%

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 183/365 to reflect the one-half year period.

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

## Financial Highlights

## Franklin DynaTech Fund

	Year Ended September 30,				
	2023	2022	2021	2020	2019
<b>Class A</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$92.78	\$157.23	\$121.24	\$82.84	\$81.16
Income from investment operations <sup>a</sup> :					
Net investment (loss) <sup>b</sup> . . . . .	(0.38)	(0.64)	(0.82)	(0.38)	(0.20)
Net realized and unrealized gains (losses) . . . . .	24.02	(61.59)	36.81	39.44	3.79
Total from investment operations . . . . .	23.64	(62.23)	35.99	39.06	3.59
Less distributions from:					
Net realized gains . . . . .	—	(2.22)	—	(0.66)	(1.91)
Net asset value, end of year . . . . .	\$116.42	\$92.78	\$157.23	\$121.24	\$82.84
Total return <sup>c</sup> . . . . .	25.47%	(40.15)%	29.68%	47.47%	4.77%
<b>Ratios to average net assets</b>					
Expenses before waiver and payments by affiliates . . . . .	0.83%	0.82%	0.79%	0.85%	0.86%
Expenses net of waiver and payments by affiliates <sup>d</sup> . . . . .	0.83% <sup>e</sup>	0.82% <sup>e</sup>	0.79% <sup>e</sup>	0.84%	0.85%
Net investment (loss) . . . . .	(0.35)%	(0.50)%	(0.56)%	(0.39)%	(0.26)%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$8,669,145	\$7,214,315	\$12,129,483	\$8,378,574	\$4,504,434
Portfolio turnover rate . . . . .	15.29%	40.72%	18.77%	13.82%	20.01%

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

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

<sup>c</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

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

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

## Franklin DynaTech Fund (continued)

	Year Ended September 30,				
	2023	2022	2021	2020	2019
<b>Class C</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$74.75	\$128.06	\$99.49	\$68.60	\$68.07
Income from investment operations <sup>a</sup> :					
Net investment (loss) <sup>b</sup> . . . . .	(0.95)	(1.29)	(1.55)	(0.91)	(0.66)
Net realized and unrealized gains (losses) . . . . .	19.29	(49.80)	30.12	32.46	3.10
Total from investment operations . . . . .	18.34	(51.09)	28.57	31.55	2.44
Less distributions from:					
Net realized gains . . . . .	—	(2.22)	—	(0.66)	(1.91)
Net asset value, end of year . . . . .	\$93.09	\$74.75	\$128.06	\$99.49	\$68.60
Total return <sup>c</sup> . . . . .	24.55%	(40.60)%	28.72%	46.37%	3.97%
<b>Ratios to average net assets</b>					
Expenses before waiver and payments by affiliates . . . . .	1.58%	1.57%	1.54%	1.60%	1.61%
Expenses net of waiver and payments by affiliates <sup>d</sup> . . . . .	1.58% <sup>e</sup>	1.57% <sup>e</sup>	1.54% <sup>e</sup>	1.59%	1.60%
Net investment (loss) . . . . .	(1.10)%	(1.26)%	(1.31)%	(1.14)%	(1.01)%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$774,154	\$715,976	\$1,339,016	\$1,095,702	\$597,927
Portfolio turnover rate . . . . .	15.29%	40.72%	18.77%	13.82%	20.01%

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

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

<sup>c</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

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

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

**Franklin DynaTech Fund** (continued)

	Year Ended September 30,				
	2023	2022	2021	2020	2019
<b>Class R</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$89.14	\$151.52	\$117.13	\$80.26	\$78.88
Income from investment operations <sup>a</sup> :					
Net investment (loss) <sup>b</sup> . . . . .	(0.62)	(0.91)	(1.14)	(0.60)	(0.39)
Net realized and unrealized gains (losses) . . . . .	23.05	(59.25)	35.53	38.13	3.68
Total from investment operations . . . . .	22.43	(60.16)	34.39	37.53	3.29
Less distributions from:					
Net realized gains . . . . .	—	(2.22)	—	(0.66)	(1.91)
Net asset value, end of year . . . . .	\$111.57	\$89.14	\$151.52	\$117.13	\$80.26
Total return . . . . .	25.16%	(40.29)%	29.36%	47.09%	4.52%
<b>Ratios to average net assets</b>					
Expenses before waiver and payments by affiliates . . . . .	1.08%	1.07%	1.04%	1.10%	1.11%
Expenses net of waiver and payments by affiliates <sup>c</sup> . . . . .	1.08% <sup>d</sup>	1.07% <sup>d</sup>	1.04% <sup>d</sup>	1.09%	1.10%
Net investment (loss) . . . . .	(0.60)%	(0.75)%	(0.81)%	(0.63)%	(0.51)%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$212,068	\$188,831	\$311,646	\$221,041	\$123,721
Portfolio turnover rate . . . . .	15.29%	40.72%	18.77%	13.82%	20.01%

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

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

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

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

## Franklin DynaTech Fund (continued)

	Year Ended September 30,				
	2023	2022	2021	2020	2019
<b>Class R6</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$97.95	\$165.26	\$127.01	\$86.46	\$84.31
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b</sup> . . . . .	— <sup>c</sup>	(0.18)	(0.36)	(0.05)	0.07
Net realized and unrealized gains (losses) . . . . .	25.40	(64.91)	38.61	41.26	3.99
Total from investment operations . . . . .	25.40	(65.09)	38.25	41.21	4.06
Less distributions from:					
Net realized gains . . . . .	—	(2.22)	—	(0.66)	(1.91)
Net asset value, end of year . . . . .	\$123.35	\$97.95	\$165.26	\$127.01	\$86.46
Total return . . . . .	25.92%	(39.92)%	30.12%	47.97%	5.15%
<b>Ratios to average net assets</b>					
Expenses before waiver and payments by affiliates . . . . .	0.48%	0.46%	0.46%	0.50%	0.51%
Expenses net of waiver and payments by affiliates <sup>d</sup> . . . . .	0.47%	0.45%	0.46% <sup>e</sup>	0.50% <sup>e</sup>	0.50%
Net investment income (loss) . . . . .	—% <sup>f</sup>	(0.13)%	(0.23)%	(0.05)%	0.09%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$7,515,703	\$6,322,021	\$9,820,184	\$5,817,028	\$2,473,942
Portfolio turnover rate . . . . .	15.29%	40.72%	18.77%	13.82%	20.01%

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

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

<sup>c</sup>Amount rounds to less than \$0.01 per share.

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

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

<sup>f</sup>Rounds to less than 0.01%.

**Franklin DynaTech Fund** (continued)

	Year Ended September 30,				
	2023	2022	2021	2020	2019
<b>Advisor Class</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$96.64	\$163.27	\$125.58	\$85.58	\$83.56
Income from investment operations <sup>a</sup> :					
Net investment (loss) <sup>b</sup> . . . . .	(0.11)	(0.34)	(0.48)	(0.15)	(0.01)
Net realized and unrealized gains (losses) . . . . .	25.03	(64.07)	38.17	40.81	3.94
Total from investment operations . . . . .	24.92	(64.41)	37.69	40.66	3.93
Less distributions from:					
Net realized gains . . . . .	—	(2.22)	—	(0.66)	(1.91)
Net asset value, end of year . . . . .	\$121.56	\$96.64	\$163.27	\$125.58	\$85.58
Total return . . . . .	25.79%	(39.99)%	30.01%	47.83%	5.04%
<b>Ratios to average net assets</b>					
Expenses before waiver and payments by affiliates . . . . .	0.58%	0.57%	0.54%	0.60%	0.61%
Expenses net of waiver and payments by affiliates <sup>c</sup> . . . . .	0.58% <sup>d</sup>	0.57% <sup>d</sup>	0.54% <sup>d</sup>	0.59%	0.60%
Net investment (loss) . . . . .	(0.10)%	(0.26)%	(0.32)%	(0.15)%	(0.01)%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$2,499,474	\$2,280,138	\$4,352,531	\$2,884,489	\$1,154,604
Portfolio turnover rate . . . . .	15.29%	40.72%	18.77%	13.82%	20.01%

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

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

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

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

## Schedule of Investments, September 30, 2023

## Franklin DynaTech Fund

	Country	Shares	Value
<b>Common Stocks 99.3%</b>			
<b>Aerospace &amp; Defense 1.1%</b>			
<sup>a</sup> Axon Enterprise, Inc. . . . .	United States	800,000	\$159,192,000
HEICO Corp. . . . .	United States	410,000	66,391,300
			225,583,300
<b>Automobile Components 0.1%</b>			
<sup>a</sup> Mobileye Global, Inc., A. . . . .	Israel	600,000	24,930,000
<b>Automobiles 3.2%</b>			
<sup>a</sup> Tesla, Inc. . . . .	United States	2,500,000	625,550,000
<b>Biotechnology 0.9%</b>			
<sup>a</sup> Argenx SE . . . . .	Netherlands	300,000	146,641,318
<sup>a</sup> Genmab A/S, ADR . . . . .	Denmark	500,000	17,635,000
<sup>a</sup> Krystal Biotech, Inc. . . . .	United States	10,000	1,160,000
<sup>a</sup> Natera, Inc. . . . .	United States	200,000	8,850,000
			174,286,318
<b>Broadline Retail 7.7%</b>			
<sup>a</sup> Amazon.com, Inc. . . . .	United States	10,000,000	1,271,200,000
<sup>a</sup> MercadoLibre, Inc. . . . .	Brazil	200,000	253,576,000
			1,524,776,000
<b>Capital Markets 1.8%</b>			
Moody's Corp. . . . .	United States	100,000	31,617,000
MSCI, Inc., A. . . . .	United States	250,000	128,270,000
Tradeweb Markets, Inc., A. . . . .	United States	2,500,000	200,500,000
			360,387,000
<b>Communications Equipment 0.1%</b>			
<sup>a</sup> Arista Networks, Inc. . . . .	United States	75,000	13,794,750
<b>Construction &amp; Engineering 1.0%</b>			
Quanta Services, Inc. . . . .	United States	1,100,000	205,777,000
<b>Diversified Consumer Services 0.1%</b>			
<sup>a</sup> Duolingo, Inc., A . . . . .	United States	125,000	20,733,750
<b>Electric Utilities 0.7%</b>			
NextEra Energy, Inc. . . . .	United States	2,300,000	131,767,000
<b>Electrical Equipment 0.2%</b>			
<sup>a</sup> Array Technologies, Inc. . . . .	United States	800,000	17,752,000
EnerSys . . . . .	United States	100,000	9,467,000
<sup>a</sup> NEXTracker, Inc., A. . . . .	United States	500,000	20,080,000
			47,299,000
<b>Electronic Equipment, Instruments &amp; Components 0.8%</b>			
Amphenol Corp., A . . . . .	United States	500,000	41,995,000
Keyence Corp. . . . .	Japan	200,000	73,967,656
Samsung SDI Co. Ltd. . . . .	South Korea	100,000	37,704,785
			153,667,441
<b>Energy Equipment &amp; Services 1.6%</b>			
Baker Hughes Co., A. . . . .	United States	2,000,000	70,640,000
<sup>a</sup> Oceaneering International, Inc. . . . .	United States	1,400,000	36,008,000
Schlumberger NV . . . . .	United States	3,000,000	174,900,000
TechnipFMC plc . . . . .	United Kingdom	1,300,000	26,442,000
			307,990,000
<b>Financial Services 5.0%</b>			
<sup>a,b</sup> Adyen NV, 144A, Reg S . . . . .	Netherlands	90,000	66,725,910

**Franklin DynaTech Fund** (continued)

	Country	Shares	Value
<b>Common Stocks</b> (continued)			
<b>Financial Services</b> (continued)			
Mastercard, Inc., A . . . . .	United States	1,700,000	\$673,047,000
<sup>a</sup> Toast, Inc., A . . . . .	United States	550,000	10,301,500
Visa, Inc., A . . . . .	United States	1,000,000	230,010,000
			980,084,410
<b>Ground Transportation 0.8%</b>			
<sup>a</sup> Uber Technologies, Inc. . . . .	United States	3,250,000	149,467,500
<b>Health Care Equipment &amp; Supplies 4.4%</b>			
<sup>a</sup> Dexcom, Inc. . . . .	United States	400,000	37,320,000
<sup>a</sup> Edwards Lifesciences Corp. . . . .	United States	125,000	8,660,000
<sup>a</sup> Haemonetics Corp. . . . .	United States	350,000	31,353,000
<sup>a</sup> IDEXX Laboratories, Inc. . . . .	United States	725,000	317,020,750
<sup>a</sup> Inspire Medical Systems, Inc. . . . .	United States	560,000	111,126,400
<sup>a</sup> Intuitive Surgical, Inc. . . . .	United States	1,000,000	292,290,000
<sup>a</sup> Penumbra, Inc. . . . .	United States	100,000	24,191,000
<sup>a</sup> Shockwave Medical, Inc. . . . .	United States	100,000	19,910,000
Stryker Corp. . . . .	United States	100,000	27,327,000
			869,198,150
<b>Health Care Providers &amp; Services 1.4%</b>			
<sup>a</sup> HealthEquity, Inc. . . . .	United States	250,000	18,262,500
UnitedHealth Group, Inc. . . . .	United States	500,000	252,095,000
			270,357,500
<b>Health Care Technology 0.5%</b>			
<sup>a</sup> Veeva Systems, Inc., A . . . . .	United States	450,000	91,552,500
<b>Hotels, Restaurants &amp; Leisure 0.6%</b>			
<sup>a</sup> Airbnb, Inc., A . . . . .	United States	100,000	13,721,000
<sup>a</sup> Booking Holdings, Inc. . . . .	United States	30,000	92,518,500
<sup>a</sup> DoorDash, Inc., A . . . . .	United States	100,000	7,947,000
			114,186,500
<b>Interactive Media &amp; Services 5.1%</b>			
<sup>a</sup> Alphabet, Inc., A . . . . .	United States	6,300,000	824,418,000
<sup>a</sup> Meta Platforms, Inc., A . . . . .	United States	625,000	187,631,250
			1,012,049,250
<b>IT Services 3.2%</b>			
<sup>a</sup> Gartner, Inc. . . . .	United States	80,000	27,488,800
<sup>a</sup> MongoDB, Inc., A . . . . .	United States	800,000	276,688,000
<sup>a</sup> Shopify, Inc., A . . . . .	Canada	5,000,000	272,914,673
<sup>a</sup> Snowflake, Inc., A . . . . .	United States	300,000	45,831,000
			622,922,473
<b>Life Sciences Tools &amp; Services 4.7%</b>			
Danaher Corp. . . . .	United States	1,500,000	372,150,000
<sup>a</sup> Repligen Corp. . . . .	United States	300,000	47,703,000
Thermo Fisher Scientific, Inc. . . . .	United States	1,000,000	506,170,000
			926,023,000
<b>Media 0.1%</b>			
<sup>a</sup> Trade Desk, Inc. (The), A . . . . .	United States	300,000	23,445,000
<b>Pharmaceuticals 1.9%</b>			
AstraZeneca plc, ADR. . . . .	United Kingdom	2,500,000	169,300,000
Eli Lilly & Co. . . . .	United States	400,000	214,852,000
			384,152,000



## Franklin DynaTech Fund (continued)

	Country	Shares	Value
<b>Common Stocks (continued)</b>			
<b>Professional Services 0.9%</b>			
<sup>a</sup> Ceridian HCM Holding, Inc. . . . .	United States	200,000	\$13,570,000
Paycom Software, Inc. . . . .	United States	325,000	84,262,750
<sup>a</sup> Paylocity Holding Corp. . . . .	United States	325,000	59,052,500
TransUnion. . . . .	United States	50,000	3,589,500
Verisk Analytics, Inc., A . . . . .	United States	60,000	14,174,400
			174,649,150
<b>Semiconductors &amp; Semiconductor Equipment 19.3%</b>			
<sup>a</sup> Advanced Micro Devices, Inc. . . . .	United States	1,000,000	102,820,000
Analog Devices, Inc. . . . .	United States	2,000,000	350,180,000
<sup>a</sup> ARM Holdings plc, ADR . . . . .	United States	299,200	16,013,184
ASM International NV . . . . .	Netherlands	250,000	104,393,244
ASML Holding NV, ADR . . . . .	Netherlands	775,000	456,211,500
Broadcom, Inc. . . . .	United States	50,000	41,529,000
Entegris, Inc. . . . .	United States	1,000,000	93,910,000
<sup>a</sup> First Solar, Inc. . . . .	United States	150,000	24,238,500
Intel Corp. . . . .	United States	500,000	17,775,000
KLA Corp. . . . .	United States	550,000	252,263,000
Lam Research Corp. . . . .	United States	535,000	335,321,950
<sup>a</sup> Lattice Semiconductor Corp. . . . .	United States	1,000,000	85,930,000
Monolithic Power Systems, Inc. . . . .	United States	525,000	242,550,000
NVIDIA Corp. . . . .	United States	3,850,000	1,674,711,500
			3,797,846,878
<b>Software 29.8%</b>			
<sup>a</sup> Adobe, Inc. . . . .	United States	125,000	63,737,500
<sup>a</sup> Altair Engineering, Inc., A . . . . .	United States	75,000	4,692,000
<sup>a</sup> ANSYS, Inc. . . . .	United States	500,000	148,775,000
<sup>a</sup> Aspen Technology, Inc. . . . .	United States	200,000	40,852,000
<sup>a</sup> Atlassian Corp., A . . . . .	United States	500,000	100,755,000
<sup>a</sup> Cadence Design Systems, Inc. . . . .	United States	2,300,000	538,890,000
Constellation Software, Inc. . . . .	Canada	50,000	103,219,833
<sup>a</sup> Crowdstrike Holdings, Inc., A . . . . .	United States	50,000	8,369,000
<sup>a</sup> Datadog, Inc., A . . . . .	United States	1,000,000	91,090,000
<sup>a</sup> Descartes Systems Group, Inc. (The) . . . . .	Canada	750,000	55,035,000
<sup>a</sup> Fair Isaac Corp. . . . .	United States	50,000	43,426,500
<sup>a</sup> HubSpot, Inc. . . . .	United States	600,000	295,500,000
Intuit, Inc. . . . .	United States	1,000,000	510,940,000
<sup>a</sup> Klaviyo, Inc., A . . . . .	United States	337,400	11,640,300
<sup>a</sup> Lumine Group, Inc., Reg S . . . . .	Canada	500,000	7,406,317
<sup>a</sup> Manhattan Associates, Inc. . . . .	United States	150,000	29,649,000
Microsoft Corp. . . . .	United States	4,200,000	1,326,150,000
<sup>a</sup> Monday.com Ltd. . . . .	United States	800,000	127,376,000
Oracle Corp. . . . .	United States	100,000	10,592,000
<sup>a</sup> Palo Alto Networks, Inc. . . . .	United States	1,100,000	257,884,000
<sup>a</sup> Procore Technologies, Inc. . . . .	United States	1,000,000	65,320,000
Roper Technologies, Inc. . . . .	United States	500,000	242,140,000
<sup>a</sup> Salesforce, Inc. . . . .	United States	1,000,000	202,780,000
<sup>a</sup> ServiceNow, Inc. . . . .	United States	1,150,000	642,804,000
<sup>a</sup> SPS Commerce, Inc. . . . .	United States	150,000	25,591,500
<sup>a</sup> Synopsys, Inc. . . . .	United States	1,250,000	573,712,500
<sup>a</sup> Tyler Technologies, Inc. . . . .	United States	250,000	96,535,000
<sup>a</sup> Workday, Inc., A . . . . .	United States	1,000,000	214,850,000
<sup>a</sup> Xero Ltd. . . . .	New Zealand	200,000	14,382,451
			5,854,094,901
<b>Technology Hardware, Storage &amp; Peripherals 2.2%</b>			
Apple, Inc. . . . .	United States	2,500,000	428,025,000

Franklin DynaTech Fund (continued)

	Country	Shares	Value
<b>Common Stocks (continued)</b>			
<b>Trading Companies &amp; Distributors 0.1%</b>			
Fastenal Co. ....	United States	350,000	\$19,124,000
<b>Total Common Stocks (Cost \$10,875,811,585)</b> .....			<b>19,533,719,771</b>
		<b>Warrants</b>	
<b>Warrants 0.0%</b>			
<b>Software 0.0%</b>			
<sup>a,d</sup> Constellation Software, Inc., 3/31/40 .....	Canada	50,000	—
<b>Total Warrants (Cost \$—)</b> .....			<b>—</b>
<b>Total Long Term Investments (Cost \$10,875,811,585)</b> .....			<b>19,533,719,771</b>
<b>Short Term Investments 0.5%</b>			
	Country	Shares	Value
<b>Money Market Funds 0.5%</b>			
<sup>e,f</sup> Institutional Fiduciary Trust - Money Market Portfolio, 5.019% . . . .	United States	93,924,605	93,924,605
<b>Total Money Market Funds (Cost \$93,924,605)</b> .....			<b>93,924,605</b>
<b>Total Short Term Investments (Cost \$93,924,605)</b> .....			<b>93,924,605</b>
<b>Total Investments (Cost \$10,969,736,190) 99.8%</b> .....			<b>\$19,627,644,376</b>
<b>Other Assets, less Liabilities 0.2%</b> .....			<b>42,900,386</b>
<b>Net Assets 100.0%</b> .....			<b>\$19,670,544,762</b>

See Abbreviations on page 154.

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

<sup>b</sup> Security was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At September 30, 2023, the aggregate value of these securities was \$74,132,227, representing 0.4% of net assets.

<sup>c</sup> A portion or all of the security is on loan at September 30, 2023. See Note 1(g).

<sup>d</sup> Fair valued using significant unobservable inputs. See Note 13 regarding fair value measurements.

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

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

## Financial Highlights

### Franklin Focused Growth Fund

	Year Ended September 30,			Year Ended
	2023	2022	2021	September 30, 2020 <sup>a</sup>
<b>Class A</b>				
<b>Per share operating performance</b>				
(for a share outstanding throughout the year)				
Net asset value, beginning of year . . . . .	\$19.30	\$31.61	\$25.05	\$20.16
Income from investment operations <sup>b</sup> :				
Net investment (loss) <sup>c</sup> . . . . .	(0.10)	(0.18)	(0.23)	(0.10)
Net realized and unrealized gains (losses) . . . . .	5.55	(11.95)	7.00	4.99
Total from investment operations . . . . .	5.45	(12.13)	6.77	4.89
Less distributions from:				
Net realized gains . . . . .	—	(0.18)	(0.21)	—
Net asset value, end of year . . . . .	\$24.75	\$19.30	\$31.61	\$25.05
Total return <sup>d</sup> . . . . .	28.24%	(38.61)%	27.17%	24.26%
<b>Ratios to average net assets<sup>e</sup></b>				
Expenses before waiver and payments by affiliates . . . . .	1.36%	1.37%	1.36%	1.81%
Expenses net of waiver and payments by affiliates . . . . .	1.10% <sup>f</sup>	1.10% <sup>f</sup>	1.10% <sup>f</sup>	1.10%
Net investment (loss) . . . . .	(0.43)%	(0.69)%	(0.78)%	(0.72)%
<b>Supplemental data</b>				
Net assets, end of year (000's) . . . . .	\$57,251	\$53,027	\$80,509	\$26,793
Portfolio turnover rate . . . . .	27.22%	39.93%	22.77%	33.93%

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

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

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

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

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

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

**Franklin Focused Growth Fund** (continued)

	Year Ended September 30,			Year Ended
	2023	2022	2021	September 30, 2020 <sup>a</sup>
<b>Class C</b>				
<b>Per share operating performance</b>				
(for a share outstanding throughout the year)				
Net asset value, beginning of year . . . . .	\$18.92	\$31.23	\$24.94	\$20.16
Income from investment operations <sup>b</sup> :				
Net investment (loss) <sup>c</sup> . . . . .	(0.26)	(0.37)	(0.44)	(0.21)
Net realized and unrealized gains (losses) . . . . .	5.43	(11.76)	6.94	4.99
Total from investment operations . . . . .	5.17	(12.13)	6.50	4.78
Less distributions from:				
Net realized gains . . . . .	—	(0.18)	(0.21)	—
Net asset value, end of year . . . . .	\$24.09	\$18.92	\$31.23	\$24.94
Total return <sup>d</sup> . . . . .	27.33%	(39.08)%	26.20%	23.71%
<b>Ratios to average net assets<sup>e</sup></b>				
Expenses before waiver and payments by affiliates . . . . .	2.11%	2.12%	2.12%	2.56%
Expenses net of waiver and payments by affiliates. . . . .	1.85% <sup>f</sup>	1.85% <sup>f</sup>	1.85% <sup>f</sup>	1.85%
Net investment (loss) . . . . .	(1.19)%	(1.44)%	(1.53)%	(1.47)%
<b>Supplemental data</b>				
Net assets, end of year (000's) . . . . .	\$5,017	\$3,954	\$6,028	\$3,931
Portfolio turnover rate . . . . .	27.22%	39.93%	22.77%	33.93%

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

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

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

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

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

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

**Franklin Focused Growth Fund** (continued)

	Year Ended September 30,			Year Ended
	2023	2022	2021	September 30, 2020 <sup>a</sup>
<b>Class R</b>				
<b>Per share operating performance</b>				
(for a share outstanding throughout the year)				
Net asset value, beginning of year . . . . .	\$19.20	\$31.53	\$25.06	\$20.16
Income from investment operations <sup>b</sup> :				
Net investment (loss) <sup>c</sup> . . . . .	(0.16)	(0.24)	(0.31)	(0.11)
Net realized and unrealized gains (losses) . . . . .	5.52	(11.91)	6.99	5.01
Total from investment operations . . . . .	5.36	(12.15)	6.68	4.90
Less distributions from:				
Net realized gains . . . . .	—	(0.18)	(0.21)	—
Net asset value, end of year . . . . .	\$24.56	\$19.20	\$31.53	\$25.06
Total return <sup>d</sup> . . . . .	27.92%	(38.77)%	26.79%	24.31%
<b>Ratios to average net assets<sup>e</sup></b>				
Expenses before waiver and payments by affiliates . . . . .	1.61%	1.61%	1.66%	1.65%
Expenses net of waiver and payments by affiliates . . . . .	1.35% <sup>f</sup>	1.35% <sup>f</sup>	1.38% <sup>f</sup>	1.04%
Net investment (loss) . . . . .	(0.69)%	(0.94)%	(1.05)%	(0.77)%
<b>Supplemental data</b>				
Net assets, end of year (000's) . . . . .	\$1,093	\$723	\$984	\$643
Portfolio turnover rate . . . . .	27.22%	39.93%	22.77%	33.93%

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

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

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

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

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

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

**Franklin Focused Growth Fund** (continued)

	Year Ended September 30,				
	2023	2022	2021	2020	2019
<b>Advisor Class</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$19.43	\$31.75	\$25.10	\$17.62	\$17.24
Income from investment operations <sup>a</sup> :					
Net investment (loss) <sup>b</sup> . . . . .	(0.04)	(0.13)	(0.16)	(0.09)	(0.06)
Net realized and unrealized gains (losses) . . . . .	5.60	(12.01)	7.02	8.66	0.52
Total from investment operations . . . . .	5.56	(12.14)	6.86	8.57	0.46
Less distributions from:					
Net investment income . . . . .	—	—	—	—	(0.01)
Net realized gains . . . . .	—	(0.18)	(0.21)	(1.09)	(0.07)
Total distributions . . . . .	—	(0.18)	(0.21)	(1.09)	(0.08)
Net asset value, end of year . . . . .	\$24.99	\$19.43	\$31.75	\$25.10	\$17.62
Total return . . . . .	28.55%	(38.44)%	27.47%	51.20%	2.80%
<b>Ratios to average net assets</b>					
Expenses before waiver and payments by affiliates . . . . .	1.11%	1.12%	1.12%	2.04%	2.41%
Expenses net of waiver and payments by affiliates . . . . .	0.85% <sup>c</sup>	0.85% <sup>c</sup>	0.85% <sup>c</sup>	0.88%	1.00%
Net investment (loss) . . . . .	(0.18)%	(0.47)%	(0.53)%	(0.41)%	(0.36)%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$14,135	\$9,519	\$25,041	\$16,747	\$4,404
Portfolio turnover rate . . . . .	27.22%	39.93%	22.77%	33.93%	28.65%

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

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

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

## Schedule of Investments, September 30, 2023

## Franklin Focused Growth Fund

	Country	Shares	Value
<b>Common Stocks 100.3%</b>			
<b>Aerospace &amp; Defense 1.0%</b>			
<sup>a</sup> Axon Enterprise, Inc. . . . .	United States	3,941	\$784,220
<b>Automobiles 5.4%</b>			
<sup>a</sup> Tesla, Inc. . . . .	United States	16,702	4,179,174
<b>Broadline Retail 10.5%</b>			
<sup>a</sup> Amazon.com, Inc. . . . .	United States	55,291	7,028,592
<sup>a</sup> MercadoLibre, Inc. . . . .	Brazil	900	1,141,092
			8,169,684
<b>Capital Markets 1.3%</b>			
MSCI, Inc., A. . . . .	United States	1,960	1,005,637
<b>Consumer Staples Distribution &amp; Retail 5.3%</b>			
Costco Wholesale Corp. . . . .	United States	7,271	4,107,824
<b>Electric Utilities 1.6%</b>			
NextEra Energy, Inc. . . . .	United States	21,969	1,258,604
<b>Energy Equipment &amp; Services 1.2%</b>			
Schlumberger NV . . . . .	United States	16,229	946,151
<b>Financial Services 4.9%</b>			
Mastercard, Inc., A . . . . .	United States	9,543	3,778,169
<b>Ground Transportation 0.9%</b>			
Canadian Pacific Kansas City Ltd. . . . .	Canada	8,845	658,156
<b>Health Care Equipment &amp; Supplies 4.9%</b>			
<sup>a</sup> IDEXX Laboratories, Inc. . . . .	United States	4,426	1,935,357
<sup>a</sup> Intuitive Surgical, Inc. . . . .	United States	6,388	1,867,149
			3,802,506
<b>Health Care Technology 0.7%</b>			
<sup>a</sup> Veeva Systems, Inc., A . . . . .	United States	2,848	579,426
<b>Interactive Media &amp; Services 8.4%</b>			
<sup>a</sup> Alphabet, Inc., A . . . . .	United States	29,294	3,833,413
<sup>a</sup> Meta Platforms, Inc., A . . . . .	United States	8,821	2,648,152
			6,481,565
<b>IT Services 2.7%</b>			
<sup>a</sup> MongoDB, Inc., A . . . . .	United States	3,200	1,106,752
<sup>a</sup> Shopify, Inc., A . . . . .	Canada	18,242	995,702
			2,102,454
<b>Life Sciences Tools &amp; Services 4.4%</b>			
Danaher Corp. . . . .	United States	9,835	2,440,063
Thermo Fisher Scientific, Inc. . . . .	United States	1,964	994,118
			3,434,181
<b>Metals &amp; Mining 0.9%</b>			
Freeport-McMoRan, Inc. . . . .	United States	17,628	657,348
<b>Oil, Gas &amp; Consumable Fuels 1.0%</b>			
Hess Corp. . . . .	United States	4,900	749,700
<b>Pharmaceuticals 3.1%</b>			
Eli Lilly & Co. . . . .	United States	4,413	2,370,355
<b>Semiconductors &amp; Semiconductor Equipment 17.9%</b>			
<sup>a</sup> Advanced Micro Devices, Inc. . . . .	United States	7,844	806,520
Analog Devices, Inc. . . . .	United States	14,225	2,490,655
ASML Holding NV, ADR . . . . .	Netherlands	4,817	2,835,575

**Franklin Focused Growth Fund**

	Country	Shares	Value
<b>Common Stocks</b> (continued)			
<b>Semiconductors &amp; Semiconductor Equipment</b> (continued)			
NVIDIA Corp. . . . .	United States	16,216	\$7,053,798
Taiwan Semiconductor Manufacturing Co. Ltd., ADR . . . . .	Taiwan	7,850	682,165
			13,868,713
<b>Software 24.2%</b>			
<sup>a</sup> Cadence Design Systems, Inc. . . . .	United States	14,718	3,448,427
<sup>a</sup> HubSpot, Inc. . . . .	United States	2,252	1,109,110
Intuit, Inc. . . . .	United States	2,942	1,503,186
Microsoft Corp. . . . .	United States	26,787	8,457,995
<sup>a</sup> Salesforce, Inc. . . . .	United States	4,757	964,625
<sup>a</sup> ServiceNow, Inc. . . . .	United States	5,889	3,291,715
			18,775,058
<b>Total Common Stocks (Cost \$61,529,690)</b> . . . . .			<b>77,708,925</b>
<b>Short Term Investments 0.6%</b>			
	Country	Shares	Value
<b>Money Market Funds 0.6%</b>			
<sup>b,c</sup> Institutional Fiduciary Trust - Money Market Portfolio, 5.019% . . . . .	United States	448,270	448,270
<b>Total Money Market Funds (Cost \$448,270)</b> . . . . .			<b>448,270</b>
<b>Total Short Term Investments (Cost \$448,270)</b> . . . . .			<b>448,270</b>
<b>Total Investments (Cost \$61,977,960) 100.9%</b> . . . . .			<b>\$78,157,195</b>
<b>Other Assets, less Liabilities (0.9)%</b> . . . . .			<b>(661,635)</b>
<b>Net Assets 100.0%</b> . . . . .			<b>\$77,495,560</b>

See Abbreviations on page 154.

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

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

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



## Financial Highlights

### Franklin Growth Fund

	Year Ended September 30,				
	2023	2022	2021	2020	2019
<b>Class A</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$105.41	\$151.73	\$129.91	\$110.04	\$107.59
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b</sup> . . . . .	0.19	0.01	(0.06)	0.33	0.46
Net realized and unrealized gains (losses) . . . . .	20.19	(32.51)	32.67	25.99	3.47
Total from investment operations . . . . .	20.38	(32.50)	32.61	26.32	3.93
Less distributions from:					
Net investment income . . . . .	—	—	(0.18)	(0.46)	(0.44)
Net realized gains . . . . .	(10.71)	(13.82)	(10.61)	(5.99)	(1.04)
Total distributions . . . . .	(10.71)	(13.82)	(10.79)	(6.45)	(1.48)
Net asset value, end of year . . . . .	\$115.08	\$105.41	\$151.73	\$129.91	\$110.04
Total return <sup>c</sup> . . . . .	20.43%	(23.83)%	26.44%	25.09%	3.79%
<b>Ratios to average net assets</b>					
Expenses before waiver and payments by affiliates . . . . .	0.80%	0.80%	0.79%	0.82%	0.83%
Expenses net of waiver and payments by affiliates <sup>d</sup> . . . . .	0.80% <sup>e</sup>	0.80% <sup>e</sup>	0.79% <sup>e</sup>	0.81%	0.83% <sup>e</sup>
Net investment income (loss) . . . . .	0.17%	0.01%	(0.04)%	0.29%	0.45%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$10,072,509	\$9,118,403	\$12,927,577	\$10,990,297	\$9,157,154
Portfolio turnover rate . . . . .	2.86%	4.95% <sup>f</sup>	6.04% <sup>f</sup>	9.01%	4.91% <sup>f</sup>

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

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

<sup>c</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

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

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

<sup>f</sup>Excludes the value of portfolio activity as a result of in-kind transactions. See Note 3(h) and 12.

**Franklin Growth Fund** (continued)

	Year Ended September 30,				
	2023	2022	2021	2020	2019
<b>Class C</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$91.92	\$134.93	\$117.27	\$100.21	\$98.38
Income from investment operations <sup>a</sup> :					
Net investment (loss) <sup>b</sup> . . . . .	(0.57)	(0.87)	(1.01)	(0.47)	(0.29)
Net realized and unrealized gains (losses) . . . . .	17.44	(28.32)	29.28	23.52	3.16
Total from investment operations . . . . .	16.87	(29.19)	28.27	23.05	2.87
Less distributions from:					
Net realized gains . . . . .	(10.71)	(13.82)	(10.61)	(5.99)	(1.04)
Net asset value, end of year . . . . .	\$98.08	\$91.92	\$134.93	\$117.27	\$100.21
Total return <sup>c</sup> . . . . .	19.53%	(24.40)%	25.51%	24.16%	3.02%
<b>Ratios to average net assets</b>					
Expenses before waiver and payments by affiliates . . . . .	1.55%	1.55%	1.54%	1.57%	1.58%
Expenses net of waiver and payments by affiliates <sup>d</sup> . . . . .	1.55% <sup>e</sup>	1.55% <sup>e</sup>	1.54% <sup>e</sup>	1.56%	1.58% <sup>e</sup>
Net investment (loss) . . . . .	(0.59)%	(0.75)%	(0.79)%	(0.46)%	(0.30)%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$333,956	\$407,722	\$666,348	\$727,093	\$704,217
Portfolio turnover rate . . . . .	2.86%	4.95% <sup>f</sup>	6.04% <sup>f</sup>	9.01%	4.91% <sup>f</sup>

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

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

<sup>c</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

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

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

<sup>f</sup>Excludes the value of portfolio activity as a result of in-kind transactions. See Note 3(h) and 12.

**Franklin Growth Fund** (continued)

	Year Ended September 30,				
	2023	2022	2021	2020	2019
<b>Class R</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$104.43	\$150.77	\$129.28	\$109.49	\$107.00
Income from investment operations <sup>a</sup> :					
Net investment income (loss) <sup>b</sup> . . . . .	(0.10)	(0.32)	(0.41)	0.05	0.21
Net realized and unrealized gains (losses) . . . . .	19.98	(32.20)	32.51	25.86	3.46
Total from investment operations . . . . .	19.88	(32.52)	32.10	25.91	3.67
Less distributions from:					
Net investment income . . . . .	—	—	—	(0.13)	(0.14)
Net realized gains . . . . .	(10.71)	(13.82)	(10.61)	(5.99)	(1.04)
Total distributions . . . . .	(10.71)	(13.82)	(10.61)	(6.12)	(1.18)
Net asset value, end of year . . . . .	\$113.60	\$104.43	\$150.77	\$129.28	\$109.49
Total return . . . . .	20.13%	(24.01)%	26.13%	24.78%	3.54%
<b>Ratios to average net assets</b>					
Expenses before waiver and payments by affiliates . . . . .	1.05%	1.05%	1.04%	1.07%	1.08%
Expenses net of waiver and payments by affiliates <sup>c</sup> . . . . .	1.05% <sup>d</sup>	1.05% <sup>d</sup>	1.04% <sup>d</sup>	1.06%	1.08% <sup>d</sup>
Net investment income (loss) . . . . .	(0.09)%	(0.25)%	(0.29)%	0.04%	0.20%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$256,889	\$249,874	\$395,301	\$420,082	\$435,331
Portfolio turnover rate . . . . .	2.86%	4.95% <sup>e</sup>	6.04% <sup>e</sup>	9.01%	4.91% <sup>e</sup>

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

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

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

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

<sup>e</sup>Excludes the value of portfolio activity as a result of in-kind transactions. See Note 3(h) and 12.

**Franklin Growth Fund** (continued)

	Year Ended September 30,				
	2023	2022	2021	2020	2019
<b>Class R6</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$106.22	\$152.40	\$130.31	\$110.37	\$107.90
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b</sup> . . . . .	0.56	0.46	0.41	0.71	0.83
Net realized and unrealized gains (losses) . . . . .	20.34	(32.72)	32.76	26.06	3.47
Total from investment operations . . . . .	20.90	(32.26)	33.17	26.77	4.30
Less distributions from:					
Net investment income . . . . .	(0.25)	(0.10)	(0.47)	(0.84)	(0.79)
Net realized gains . . . . .	(10.71)	(13.82)	(10.61)	(5.99)	(1.04)
Total distributions . . . . .	(10.96)	(13.92)	(11.08)	(6.83)	(1.83)
Net asset value, end of year . . . . .	\$116.16	\$106.22	\$152.40	\$130.31	\$110.37
Total return . . . . .	20.83%	(23.57)%	26.86%	25.51%	4.16%
<b>Ratios to average net assets</b>					
Expenses <sup>c,d</sup> . . . . .	0.47%	0.46%	0.47%	0.48%	0.48%
Net investment income . . . . .	0.49%	0.34%	0.29%	0.63%	0.80%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$2,114,155	\$2,000,923	\$3,113,946	\$2,999,370	\$2,545,800
Portfolio turnover rate . . . . .	2.86%	4.95% <sup>e</sup>	6.04% <sup>e</sup>	9.01%	4.91% <sup>e</sup>

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

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

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

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

<sup>e</sup>Excludes the value of portfolio activity as a result of in-kind transactions. See Note 3(h) and 12.

**Franklin Growth Fund** (continued)

	Year Ended September 30,				
	2023	2022	2021	2020	2019
<b>Advisor Class</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$106.25	\$152.47	\$130.38	\$110.41	\$107.95
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b</sup> . . . . .	0.47	0.34	0.30	0.62	0.72
Net realized and unrealized gains (losses) . . . . .	20.36	(32.74)	32.79	26.07	3.47
Total from investment operations . . . . .	20.83	(32.40)	33.09	26.69	4.19
Less distributions from:					
Net investment income . . . . .	(0.16)	—	(0.39)	(0.73)	(0.69)
Net realized gains . . . . .	(10.71)	(13.82)	(10.61)	(5.99)	(1.04)
Total distributions . . . . .	(10.87)	(13.82)	(11.00)	(6.72)	(1.73)
Net asset value, end of year . . . . .	\$116.21	\$106.25	\$152.47	\$130.38	\$110.41
Total return . . . . .	20.73%	(23.64)%	26.76%	25.41%	4.05%
<b>Ratios to average net assets</b>					
Expenses before waiver and payments by affiliates . . . . .	0.55%	0.55%	0.54%	0.57%	0.58%
Expenses net of waiver and payments by affiliates <sup>c</sup> . . . . .	0.55% <sup>d</sup>	0.55% <sup>d</sup>	0.54% <sup>d</sup>	0.56%	0.58% <sup>d</sup>
Net investment income . . . . .	0.42%	0.25%	0.21%	0.54%	0.70%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$2,860,970	\$2,652,765	\$4,229,679	\$3,549,412	\$3,154,342
Portfolio turnover rate . . . . .	2.86%	4.95% <sup>e</sup>	6.04% <sup>e</sup>	9.01%	4.91% <sup>e</sup>

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

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

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

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

<sup>e</sup>Excludes the value of portfolio activity as a result of in-kind transactions. See Note 3(h) and 12.

## Schedule of Investments, September 30, 2023

## Franklin Growth Fund

	Country	Shares	Value
<b>Common Stocks 98.3%</b>			
<b>Aerospace &amp; Defense 4.4%</b>			
BWX Technologies, Inc. ....	United States	1,344,011	\$100,773,945
Lockheed Martin Corp. ....	United States	346,455	141,686,237
Northrop Grumman Corp. ....	United States	627,397	276,173,885
RTX Corp. ....	United States	2,288,910	164,732,853
			683,366,920
<b>Automobiles 0.8%</b>			
<sup>a</sup> Tesla, Inc. ....	United States	479,183	119,901,170
<b>Beverages 3.4%</b>			
Brown-Forman Corp., B ....	United States	1,359,682	78,440,054
Constellation Brands, Inc., A ....	United States	528,378	132,797,243
<sup>a</sup> Monster Beverage Corp. ....	United States	4,227,826	223,863,387
PepsiCo, Inc. ....	United States	615,845	104,348,777
			539,449,461
<b>Biotechnology 1.8%</b>			
AbbVie, Inc. ....	United States	435,787	64,958,410
Amgen, Inc. ....	United States	509,836	137,023,524
<sup>a</sup> Argenx SE, ADR. ....	Netherlands	30,411	14,950,960
<sup>a</sup> Regeneron Pharmaceuticals, Inc. ....	United States	72,246	59,455,568
			276,388,462
<b>Broadline Retail 3.7%</b>			
<sup>a</sup> Amazon.com, Inc. ....	United States	4,539,124	577,013,443
<b>Building Products 1.6%</b>			
Allegion plc. ....	United States	470,785	49,055,797
Trane Technologies plc. ....	United States	989,869	200,854,319
			249,910,116
<b>Capital Markets 4.1%</b>			
BlackRock, Inc. ....	United States	123,820	80,048,392
Blackstone, Inc. ....	United States	798,607	85,562,754
Charles Schwab Corp. (The) ....	United States	2,102,782	115,442,732
Intercontinental Exchange, Inc. ....	United States	1,350,590	148,591,912
S&P Global, Inc. ....	United States	350,525	128,085,340
Tradeweb Markets, Inc., A. ....	United States	1,129,220	90,563,444
			648,294,574
<b>Chemicals 3.1%</b>			
Air Products and Chemicals, Inc. ....	United States	473,767	134,265,568
Ecolab, Inc. ....	United States	590,978	100,111,673
Linde plc. ....	United States	688,527	256,373,028
			490,750,269
<b>Commercial Services &amp; Supplies 0.6%</b>			
Republic Services, Inc., A ....	United States	616,799	87,900,025
<b>Construction Materials 0.8%</b>			
Martin Marietta Materials, Inc. ....	United States	300,997	123,553,249
<b>Consumer Staples Distribution &amp; Retail 0.2%</b>			
Costco Wholesale Corp. ....	United States	53,249	30,083,555
<b>Electric Utilities 0.7%</b>			
NextEra Energy, Inc. ....	United States	1,945,346	111,448,872

## Franklin Growth Fund (continued)

	Country	Shares	Value
<b>Common Stocks (continued)</b>			
<b>Electrical Equipment 1.1%</b>			
AMETEK, Inc. ....	United States	543,467	\$80,302,684
Eaton Corp. plc. ....	United States	437,964	93,408,962
			173,711,646
<b>Electronic Equipment, Instruments &amp; Components 2.9%</b>			
Amphenol Corp., A. ....	United States	2,744,615	230,520,214
TE Connectivity Ltd. ....	United States	1,770,857	218,753,965
			449,274,179
<b>Entertainment 0.2%</b>			
<sup>a</sup> ROBLOX Corp., A. ....	United States	1,176,786	34,079,723
<b>Financial Services 4.6%</b>			
<sup>a,b</sup> Adyen NV, 144A, Reg S. ....	Netherlands	72,441	53,707,685
Mastercard, Inc., A. ....	United States	964,326	381,786,307
<sup>a</sup> Paymentus Holdings, Inc., A. ....	United States	894,485	14,848,451
Visa, Inc., A. ....	United States	1,167,618	268,563,816
			718,906,259
<b>Food Products 0.3%</b>			
Lamb Weston Holdings, Inc. ....	United States	519,559	48,038,425
<b>Ground Transportation 3.4%</b>			
Canadian Pacific Kansas City Ltd. ....	Canada	1,346,949	100,226,475
JB Hunt Transport Services, Inc. ....	United States	473,767	89,314,555
<sup>a</sup> Uber Technologies, Inc. ....	United States	965,539	44,405,139
Union Pacific Corp. ....	United States	1,433,210	291,844,552
			525,790,721
<b>Health Care Equipment &amp; Supplies 4.1%</b>			
Abbott Laboratories. ....	United States	741,502	71,814,469
<sup>a</sup> Edwards Lifesciences Corp. ....	United States	966,324	66,946,927
<sup>a</sup> Haemonetics Corp. ....	United States	737,264	66,044,109
<sup>a</sup> Intuitive Surgical, Inc. ....	United States	932,640	272,601,345
Stryker Corp. ....	United States	388,847	106,260,220
Teleflex, Inc. ....	United States	317,502	62,360,568
			646,027,638
<b>Health Care Providers &amp; Services 1.0%</b>			
Laboratory Corp. of America Holdings. ....	United States	319,016	64,138,167
UnitedHealth Group, Inc. ....	United States	176,115	88,795,422
			152,933,589
<b>Health Care Technology 0.3%</b>			
<sup>a</sup> Veeva Systems, Inc., A. ....	United States	261,713	53,245,510
<b>Hotels, Restaurants &amp; Leisure 1.4%</b>			
<sup>a</sup> Airbnb, Inc., A. ....	United States	345,490	47,404,683
<sup>a</sup> Booking Holdings, Inc. ....	United States	28,173	86,884,123
Las Vegas Sands Corp. ....	United States	1,723,083	78,986,125
			213,274,931
<b>Industrial REITs 0.2%</b>			
Prologis, Inc. ....	United States	337,800	37,904,538
<b>Interactive Media &amp; Services 3.7%</b>			
<sup>a</sup> Alphabet, Inc., A. ....	United States	2,056,520	269,116,207

Franklin Growth Fund (continued)

	Country	Shares	Value
<b>Common Stocks</b> (continued)			
<b>Interactive Media &amp; Services</b> (continued)			
<sup>a</sup> Alphabet, Inc., C . . . . .	United States	2,401,900	\$316,690,515
			585,806,722
<b>IT Services 0.7%</b>			
<sup>a,c,d</sup> Canva, Inc. . . . .	Australia	25,413	28,524,759
<sup>a</sup> Shopify, Inc., A . . . . .	Canada	411,700	22,466,469
<sup>a</sup> Snowflake, Inc., A . . . . .	United States	373,979	57,132,772
			108,124,000
<b>Life Sciences Tools &amp; Services 5.5%</b>			
Agilent Technologies, Inc. . . . .	United States	1,169,568	130,781,094
Danaher Corp. . . . .	United States	1,091,672	270,843,823
<sup>a</sup> Illumina, Inc. . . . .	United States	569,914	78,237,794
<sup>a</sup> Mettler-Toledo International, Inc. . . . .	United States	219,009	242,677,302
Thermo Fisher Scientific, Inc. . . . .	United States	269,334	136,328,791
			858,868,804
<b>Machinery 3.7%</b>			
Deere & Co. . . . .	United States	377,751	142,555,672
Dover Corp. . . . .	United States	375,644	52,406,094
Illinois Tool Works, Inc. . . . .	United States	832,519	191,737,451
Ingersoll Rand, Inc. . . . .	United States	1,859,776	118,504,927
Xylem, Inc. . . . .	United States	791,701	72,068,542
			577,272,686
<b>Media 0.2%</b>			
Comcast Corp., A . . . . .	United States	760,978	33,741,764
<b>Personal Care Products 0.2%</b>			
Estee Lauder Cos., Inc. (The), A . . . . .	United States	178,208	25,759,966
<b>Pharmaceuticals 4.5%</b>			
AstraZeneca plc, ADR. . . . .	United Kingdom	2,110,216	142,903,827
<sup>a</sup> Catalent, Inc. . . . .	United States	2,091,687	95,234,509
Eli Lilly & Co. . . . .	United States	860,884	462,406,623
			700,544,959
<b>Professional Services 0.7%</b>			
Automatic Data Processing, Inc. . . . .	United States	105,229	25,315,993
Paycom Software, Inc. . . . .	United States	179,166	46,452,369
Verisk Analytics, Inc., A . . . . .	United States	178,221	42,102,929
			113,871,291
<b>Semiconductors &amp; Semiconductor Equipment 8.9%</b>			
<sup>a</sup> ARM Holdings plc, ADR . . . . .	United States	494,000	26,438,880
ASML Holding NV, ADR . . . . .	Netherlands	388,894	228,926,342
Lam Research Corp. . . . .	United States	28,550	17,894,284
<sup>a</sup> Lattice Semiconductor Corp. . . . .	United States	337,100	28,967,003
Monolithic Power Systems, Inc. . . . .	United States	426,545	197,063,790
NVIDIA Corp. . . . .	United States	1,276,667	555,337,378
NXP Semiconductors NV . . . . .	China	665,330	133,012,774
Texas Instruments, Inc. . . . .	United States	1,326,618	210,945,528
			1,398,585,979
<b>Software 17.9%</b>			
<sup>a</sup> Adobe, Inc. . . . .	United States	143,493	73,167,081
<sup>a</sup> ANSYS, Inc. . . . .	United States	125,232	37,262,782
<sup>a</sup> Atlassian Corp., A . . . . .	United States	265,862	53,573,852



## Franklin Growth Fund (continued)

	Country	Shares	Value
<b>Common Stocks (continued)</b>			
<b>Software (continued)</b>			
<sup>a</sup> Autodesk, Inc. ....	United States	741,413	\$153,405,764
<sup>a</sup> BILL Holdings, Inc. ....	United States	1,026,782	111,477,722
<sup>a,c,d</sup> Checkout Payments Group Ltd., B. ....	United Kingdom	96,603	8,383,837
<sup>a</sup> CrowdStrike Holdings, Inc., A. ....	United States	132,753	22,220,197
Intuit, Inc. ....	United States	729,131	372,542,193
Microsoft Corp. ....	United States	2,835,568	895,330,596
<sup>a</sup> Procore Technologies, Inc. ....	United States	66,651	4,353,643
<sup>a</sup> PTC, Inc. ....	United States	1,141,015	161,659,005
<sup>a</sup> Salesforce, Inc. ....	United States	534,162	108,317,370
<sup>a</sup> ServiceNow, Inc. ....	United States	648,395	362,426,869
<sup>a,c,d</sup> Stripe, Inc., B. ....	United States	540,043	11,756,907
<sup>a</sup> Synopsys, Inc. ....	United States	503,220	230,962,884
<sup>a</sup> Tyler Technologies, Inc. ....	United States	114,252	44,117,267
<sup>a</sup> Workday, Inc., A. ....	United States	661,601	142,144,975
			2,793,102,944
<b>Specialized REITs 0.4%</b>			
Crown Castle, Inc. ....	United States	748,219	68,858,595
<b>Technology Hardware, Storage &amp; Peripherals 4.7%</b>			
Apple, Inc. ....	United States	4,247,993	727,298,881
<b>Textiles, Apparel &amp; Luxury Goods 1.1%</b>			
NIKE, Inc., B. ....	United States	1,757,536	168,055,592
<b>Trading Companies &amp; Distributors 0.9%</b>			
Fastenal Co. ....	United States	2,605,313	142,354,302
<b>Water Utilities 0.5%</b>			
American Water Works Co., Inc. ....	United States	579,967	71,817,314
<b>Total Common Stocks (Cost \$4,723,582,529)</b> .....			<b>15,365,311,074</b>
<b>Convertible Preferred Stocks 0.5%</b>			
<b>IT Services 0.0%<sup>†</sup></b>			
<sup>a,c,d</sup> Canva, Inc., A. ....	Australia	2,353	2,641,119
<sup>a,c,d</sup> Canva, Inc., A-3. ....	Australia	94	105,510
<sup>a,c,d</sup> Canva, Inc., A-4. ....	Australia	8	8,980
<sup>a,c,d</sup> Canva, Inc., A-5. ....	Australia	5	5,612
			2,761,221
<b>Software 0.5%</b>			
<sup>a,c,d</sup> Gusto, Inc., E. ....	United States	822,494	22,949,784
<sup>a,c,d,e</sup> OneTrust LLC, C. ....	United States	849,894	12,730,065
<sup>a,c,d</sup> Stripe, Inc., I. ....	United States	1,759,545	38,305,853
			73,985,702
<b>Total Convertible Preferred Stocks (Cost \$81,287,285)</b> .....			<b>76,746,923</b>
<b>Preferred Stocks 0.6%</b>			
<b>Life Sciences Tools &amp; Services 0.6%</b>			
<sup>f</sup> Sartorius AG, 0.45% .....	Germany	283,800	96,116,794
<b>Total Preferred Stocks (Cost \$107,929,935)</b> .....			<b>96,116,794</b>
<b>Total Long Term Investments (Cost \$4,912,799,749)</b> .....			<b>15,538,174,791</b>

**Franklin Growth Fund** (continued)

**Short Term Investments 0.4%**

	Country	Shares	Value
<b>Money Market Funds 0.4%</b>			
<sup>g,h</sup> Institutional Fiduciary Trust - Money Market Portfolio, 5.019% . . . .	United States	69,954,846	\$69,954,846
<b>Total Money Market Funds (Cost \$69,954,846)</b> . . . . .			<b>69,954,846</b>
<b>Total Short Term Investments (Cost \$69,954,846)</b> . . . . .			<b>69,954,846</b>
<b>Total Investments (Cost \$4,982,754,595) 99.8%</b> . . . . .			<b>\$15,608,129,637</b>
<b>Other Assets, less Liabilities 0.2%</b> . . . . .			<b>30,350,291</b>
<b>Net Assets 100.0%</b> . . . . .			<b>\$15,638,479,928</b>

See Abbreviations on page 154.

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

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

<sup>b</sup> Security was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At September 30, 2023, the value of this security was \$53,707,685, representing 0.3% of net assets.

<sup>c</sup> Fair valued using significant unobservable inputs. See Note 13 regarding fair value measurements.

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

<sup>e</sup> See Note 10 regarding holdings of 5% voting securities.

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

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

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

## Financial Highlights

### Franklin Income Fund

	Year Ended September 30,				
	2023	2022	2021	2020	2019
<b>Class A</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$2.14	\$2.47	\$2.08	\$2.30	\$2.32
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b</sup> . . . . .	0.09	0.07	0.08	0.08	0.08
Net realized and unrealized gains (losses) . . . . .	0.09	(0.24)	0.42	(0.18)	0.02
Total from investment operations . . . . .	0.18	(0.17)	0.50	(0.10)	0.10
Less distributions from:					
Net investment income . . . . .	(0.13)	(0.11)	(0.11)	(0.12)	(0.12)
Net realized gains . . . . .	—	(0.05)	—	—	—
Total distributions . . . . .	(0.13)	(0.16)	(0.11)	(0.12)	(0.12)
Net asset value, end of year . . . . .	\$2.19	\$2.14	\$2.47	\$2.08	\$2.30
Total return <sup>c</sup> . . . . .	8.33%	(7.28)%	24.55%	(4.48)%	4.40%
<b>Ratios to average net assets</b>					
Expenses before waiver and payments by affiliates . . . . .	0.71%	0.72%	0.72%	0.71%	0.72%
Expenses net of waiver and payments by affiliates . . . . .	0.71% <sup>d</sup>	0.71% <sup>e</sup>	0.72% <sup>d,e</sup>	0.70% <sup>e</sup>	0.72% <sup>d,e</sup>
Net investment income . . . . .	4.02%	3.08%	3.19%	3.64%	3.92%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$19,705,319	\$16,829,899	\$16,044,379	\$10,072,437	\$7,427,468
Portfolio turnover rate . . . . .	56.23%	77.65%	68.93%	69.13%	43.63%

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

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

<sup>c</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

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

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

**Franklin Income Fund** (continued)

	Year Ended September 30,				
	2023	2022	2021	2020	2019
<b>Class A1</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$2.15	\$2.48	\$2.08	\$2.30	\$2.32
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b</sup> . . . . .	0.09	0.08	0.08	0.08	0.09
Net realized and unrealized gains (losses) . . . . .	0.09	(0.24)	0.43	(0.18)	0.01
Total from investment operations . . . . .	0.18	(0.16)	0.51	(0.10)	0.10
Less distributions from:					
Net investment income . . . . .	(0.13)	(0.12)	(0.11)	(0.12)	(0.12)
Net realized gains . . . . .	—	(0.05)	—	—	—
Total distributions . . . . .	(0.13)	(0.17)	(0.11)	(0.12)	(0.12)
Net asset value, end of year . . . . .	\$2.20	\$2.15	\$2.48	\$2.08	\$2.30
Total return <sup>c</sup> . . . . .	8.43%	(7.10)%	25.19%	(4.39)%	4.50%
<b>Ratios to average net assets</b>					
Expenses before waiver and payments by affiliates . . . . .	0.61%	0.62%	0.62%	0.61%	0.62%
Expenses net of waiver and payments by affiliates . . . . .	0.61% <sup>d</sup>	0.61% <sup>e</sup>	0.62% <sup>d,e</sup>	0.60% <sup>e</sup>	0.62% <sup>d,e</sup>
Net investment income . . . . .	4.11%	3.15%	3.32%	3.74%	4.02%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$29,633,019	\$30,236,582	\$35,704,730	\$32,693,224	\$39,625,649
Portfolio turnover rate . . . . .	56.23%	77.65%	68.93%	69.13%	43.63%

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

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

<sup>c</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

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

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

**Franklin Income Fund** (continued)

	Year Ended September 30,				
	2023	2022	2021	2020	2019
<b>Class C</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$2.19	\$2.52	\$2.12	\$2.34	\$2.35
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b</sup> . . . . .	0.08	0.07	0.07	0.07	0.08
Net realized and unrealized gains (losses) . . . . .	0.09	(0.25)	0.43	(0.18)	0.02
Total from investment operations . . . . .	0.17	(0.18)	0.50	(0.11)	0.10
Less distributions from:					
Net investment income . . . . .	(0.12)	(0.10)	(0.10)	(0.11)	(0.11)
Net realized gains . . . . .	—	(0.05)	—	—	—
Total distributions . . . . .	(0.12)	(0.15)	(0.10)	(0.11)	(0.11)
Net asset value, end of year . . . . .	\$2.24	\$2.19	\$2.52	\$2.12	\$2.34
Total return <sup>c</sup> . . . . .	8.19%	(7.89)%	24.09%	(4.80)%	4.35%
<b>Ratios to average net assets</b>					
Expenses before waiver and payments by affiliates . . . . .	1.11%	1.12%	1.13%	1.11%	1.12%
Expenses net of waiver and payments by affiliates . . . . .	1.11% <sup>d</sup>	1.11% <sup>e</sup>	1.12% <sup>e</sup>	1.10% <sup>e</sup>	1.12% <sup>d,e</sup>
Net investment income . . . . .	3.61%	2.63%	2.84%	3.24%	3.52%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$4,905,480	\$5,654,802	\$7,507,658	\$9,339,238	\$13,488,627
Portfolio turnover rate . . . . .	56.23%	77.65%	68.93%	69.13%	43.63%

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

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

<sup>c</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

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

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

**Franklin Income Fund** (continued)

	Year Ended September 30,				
	2023	2022	2021	2020	2019
<b>Class R</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$2.10	\$2.43	\$2.04	\$2.26	\$2.28
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b</sup> . . . . .	0.08	0.07	0.07	0.07	0.08
Net realized and unrealized gains (losses) . . . . .	0.09	(0.24)	0.43	(0.18)	0.01
Total from investment operations . . . . .	0.17	(0.17)	0.50	(0.11)	0.09
Less distributions from:					
Net investment income . . . . .	(0.12)	(0.11)	(0.11)	(0.11)	(0.11)
Net realized gains . . . . .	—	(0.05)	—	—	—
Total distributions . . . . .	(0.12)	(0.16)	(0.11)	(0.11)	(0.11)
Net asset value, end of year . . . . .	\$2.15	\$2.10	\$2.43	\$2.04	\$2.26
Total return . . . . .	8.21%	(7.61)%	24.75%	(4.82)%	4.20%
<b>Ratios to average net assets</b>					
Expenses before waiver and payments by affiliates . . . . .	0.96%	0.97%	0.97%	0.96%	0.97%
Expenses net of waiver and payments by affiliates . . . . .	0.96% <sup>c</sup>	0.96% <sup>d</sup>	0.97% <sup>c,d</sup>	0.95% <sup>d</sup>	0.97% <sup>c,d</sup>
Net investment income . . . . .	3.77%	2.84%	2.97%	3.40%	3.67%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$300,283	\$270,060	\$257,109	\$221,584	\$265,531
Portfolio turnover rate . . . . .	56.23%	77.65%	68.93%	69.13%	43.63%

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

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

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

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

**Franklin Income Fund** (continued)

	Year Ended September 30,				
	2023	2022	2021	2020	2019
<b>Class R6</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$2.14	\$2.47	\$2.07	\$2.29	\$2.30
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b</sup> . . . . .	0.10	0.08	0.08	0.09	0.10
Net realized and unrealized gains (losses) . . . . .	0.09	(0.24)	0.44	(0.19)	0.01
Total from investment operations . . . . .	0.19	(0.16)	0.52	(0.10)	0.11
Less distributions from:					
Net investment income . . . . .	(0.14)	(0.12)	(0.12)	(0.12)	(0.12)
Net realized gains . . . . .	—	(0.05)	—	—	—
Total distributions . . . . .	(0.14)	(0.17)	(0.12)	(0.12)	(0.12)
Net asset value, end of year . . . . .	\$2.19	\$2.14	\$2.47	\$2.07	\$2.29
Total return . . . . .	9.17%	(7.38)%	25.53%	(4.23)%	5.17%
<b>Ratios to average net assets</b>					
Expenses before waiver and payments by affiliates . . . . .	0.41%	0.42%	0.43%	0.40%	0.41%
Expenses net of waiver and payments by affiliates . . . . .	0.40%	0.40% <sup>c</sup>	0.41% <sup>c</sup>	0.39% <sup>c</sup>	0.40% <sup>c</sup>
Net investment income . . . . .	4.35%	3.43%	3.50%	3.96%	4.24%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$1,662,931	\$1,158,685	\$748,355	\$1,626,735	\$1,902,027
Portfolio turnover rate . . . . .	56.23%	77.65%	68.93%	69.13%	43.63%

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

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

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

**Franklin Income Fund** (continued)

	Year Ended September 30,				
	2023	2022	2021	2020	2019
<b>Advisor Class</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$2.13	\$2.46	\$2.07	\$2.28	\$2.30
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b</sup> . . . . .	0.10	0.08	0.08	0.08	0.09
Net realized and unrealized gains (losses) . . . . .	0.09	(0.24)	0.43	(0.17)	0.01
Total from investment operations . . . . .	0.19	(0.16)	0.51	(0.09)	0.10
Less distributions from:					
Net investment income . . . . .	(0.14)	(0.12)	(0.12)	(0.12)	(0.12)
Net realized gains . . . . .	—	(0.05)	—	—	—
Total distributions . . . . .	(0.14)	(0.17)	(0.12)	(0.12)	(0.12)
Net asset value, end of year . . . . .	\$2.18	\$2.13	\$2.46	\$2.07	\$2.28
Total return . . . . .	9.16%	(7.44)%	24.98%	(3.86)%	4.65%
<b>Ratios to average net assets</b>					
Expenses before waiver and payments by affiliates . . . . .	0.46%	0.47%	0.47%	0.46%	0.47%
Expenses net of waiver and payments by affiliates . . . . .	0.46% <sup>c</sup>	0.46% <sup>d</sup>	0.47% <sup>c,d</sup>	0.45% <sup>d</sup>	0.47% <sup>c,d</sup>
Net investment income . . . . .	4.27%	3.32%	3.46%	3.89%	4.17%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$12,941,766	\$11,638,757	\$11,969,691	\$9,712,076	\$11,816,599
Portfolio turnover rate . . . . .	56.23%	77.65%	68.93%	69.13%	43.63%

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

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

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

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



## Schedule of Investments, September 30, 2023

## Franklin Income Fund

	Country	Shares	Value
<b>Common Stocks 18.7%</b>			
<b>Aerospace &amp; Defense 1.3%</b>			
Lockheed Martin Corp. . . . .	United States	1,500,000	\$613,440,000
Northrop Grumman Corp. . . . .	United States	400,000	176,076,000
RTX Corp. . . . .	United States	1,250,000	89,962,500
			879,478,500
<b>Air Freight &amp; Logistics 0.2%</b>			
United Parcel Service, Inc., B . . . . .	United States	1,000,000	155,870,000
<b>Banks 2.8%</b>			
<sup>a</sup> Bank of America Corp. . . . .	United States	26,000,000	711,880,000
<sup>a</sup> Citigroup, Inc. . . . .	United States	6,000,000	246,780,000
<sup>a</sup> Fifth Third Bancorp . . . . .	United States	10,000,000	253,300,000
<sup>a</sup> JPMorgan Chase & Co. . . . .	United States	2,000,000	290,040,000
<sup>a</sup> PNC Financial Services Group, Inc. (The) . . . . .	United States	1,000,000	122,770,000
<sup>a</sup> Truist Financial Corp. . . . .	United States	8,500,000	243,185,000
<sup>a</sup> US Bancorp . . . . .	United States	2,000,000	66,120,000
			1,934,075,000
<b>Beverages 0.4%</b>			
Coca-Cola Co. (The) . . . . .	United States	2,000,000	111,960,000
<sup>a</sup> PepsiCo, Inc. . . . .	United States	1,000,000	169,440,000
			281,400,000
<b>Biotechnology 0.4%</b>			
AbbVie, Inc. . . . .	United States	2,000,000	298,120,000
<b>Capital Markets 1.3%</b>			
<sup>a</sup> Charles Schwab Corp. (The) . . . . .	United States	3,000,000	164,700,000
<sup>a</sup> Goldman Sachs Group, Inc. (The) . . . . .	United States	550,000	177,963,500
<sup>a</sup> Morgan Stanley . . . . .	United States	6,380,000	521,054,600
			863,718,100
<b>Chemicals 0.3%</b>			
BASF SE . . . . .	Germany	5,000,000	226,314,018
<b>Communications Equipment 0.5%</b>			
<sup>a</sup> Cisco Systems, Inc. . . . .	United States	6,500,000	349,440,000
<b>Consumer Staples Distribution &amp; Retail 0.3%</b>			
<sup>a</sup> Target Corp. . . . .	United States	1,700,000	187,969,000
<b>Diversified Telecommunication Services 0.2%</b>			
Verizon Communications, Inc. . . . .	United States	5,000,000	162,050,000
<b>Electric Utilities 2.2%</b>			
American Electric Power Co., Inc. . . . .	United States	2,386,650	179,523,813
Duke Energy Corp. . . . .	United States	3,000,000	264,780,000
Edison International . . . . .	United States	3,000,000	189,870,000
<sup>a</sup> NextEra Energy, Inc. . . . .	United States	5,127,000	293,725,830
Southern Co. (The) . . . . .	United States	9,000,000	582,480,000
			1,510,379,643
<b>Health Care Providers &amp; Services 0.1%</b>			
<sup>a</sup> CVS Health Corp. . . . .	United States	1,000,000	69,820,000
<b>Household Products 0.6%</b>			
Procter & Gamble Co. (The) . . . . .	United States	2,750,000	401,115,000
<b>Industrial Conglomerates 0.4%</b>			
<sup>a</sup> Honeywell International, Inc. . . . .	United States	1,334,737	246,579,313

**Franklin Income Fund** (continued)

	Country	Shares	Value
<b>Common Stocks</b> (continued)			
<b>Insurance 0.3%</b>			
<sup>a</sup> MetLife, Inc. ....	United States	3,500,000	\$220,185,000
<b>IT Services 0.4%</b>			
<sup>a</sup> International Business Machines Corp. ....	United States	2,000,000	280,600,000
<b>Media 0.3%</b>			
<sup>a</sup> Comcast Corp., A . . . . .	United States	5,000,000	221,700,000
<b>Metals &amp; Mining 0.7%</b>			
Newmont Corp. ....	United States	3,822,267	141,232,766
Rio Tinto plc, ADR. ....	Australia	5,000,000	318,200,000
			459,432,766
<b>Multi-Utilities 0.7%</b>			
Dominion Energy, Inc. ....	United States	8,500,000	379,695,000
Sempra. ....	United States	2,000,000	136,060,000
			515,755,000
<b>Oil, Gas &amp; Consumable Fuels 1.9%</b>			
<sup>a</sup> Chevron Corp. ....	United States	5,500,100	927,426,862
Shell plc, ADR. ....	Netherlands	4,000,000	257,520,000
TotalEnergies SE, ADR . . . . .	France	2,000,000	131,520,000
			1,316,466,862
<b>Pharmaceuticals 1.8%</b>			
<sup>b</sup> Bausch Health Cos., Inc. ....	United States	15,000,000	123,300,000
Bayer AG . . . . .	Germany	1,000,000	48,022,143
Bristol-Myers Squibb Co. ....	United States	3,000,000	174,120,000
<sup>a</sup> Johnson & Johnson . . . . .	United States	2,500,000	389,375,000
Merck & Co., Inc. . . . .	United States	1,500,000	154,425,000
Pfizer, Inc. ....	United States	10,871,000	360,591,070
			1,249,833,213
<b>Semiconductors &amp; Semiconductor Equipment 1.2%</b>			
Intel Corp. ....	United States	6,000,000	213,300,000
<sup>a</sup> QUALCOMM, Inc. ....	United States	1,000,000	111,060,000
<sup>a</sup> Texas Instruments, Inc. ....	United States	3,000,000	477,030,000
			801,390,000
<b>Tobacco 0.4%</b>			
<sup>a</sup> Philip Morris International, Inc. ....	United States	3,000,000	277,740,000
<b>Total Common Stocks (Cost \$12,650,042,571) . . . . .</b>			<b>12,909,431,415</b>
<b>Management Investment Companies 0.1%</b>			
<b>Capital Markets 0.1%</b>			
<sup>c</sup> Clarion Partners Real Estate Income Fund, Inc., Class I . . . . .	United States	7,867,833	94,020,602
<b>Total Management Investment Companies (Cost \$100,000,000) . . . . .</b>			<b>94,020,602</b>
<b><sup>d</sup>Equity-Linked Securities 17.3%</b>			
<b>Aerospace &amp; Defense 0.5%</b>			
<sup>e</sup> Merrill Lynch International & Co. CV into Raytheon Technologies Corp., 144A, 7.5%, 5/08/24 . . . . .	United States	2,350,000	179,599,824
<sup>e</sup> Mizuho Markets Cayman LP into Lockheed Martin Corp., 144A, 9%, 11/07/23 . . . . .	United States	459,000	189,062,412
			368,662,236

## Franklin Income Fund (continued)

	Country	Shares	Value
<b>Equity-Linked Securities (continued)</b>			
<b>Air Freight &amp; Logistics 0.3%</b>			
<sup>e,f</sup> J.P. Morgan Structured Products BV into United Parcel Service, Inc., 144A, 9%, 10/22/24 . . . . .	United States	1,530,000	\$236,889,058
<b>Automobiles 0.6%</b>			
<sup>e</sup> Barclays Bank plc into Ford Motor Co., 144A, 12%, 2/09/24 . . . . .	United States	7,600,000	96,307,913
<sup>e</sup> Royal Bank of Canada into General Motors Co., 144A, 12%, 6/18/24 . . . . .	United States	8,750,000	288,381,482
			384,689,395
<b>Banks 1.8%</b>			
<sup>e</sup> Barclays Bank plc into Citigroup, Inc., 144A, 9%, 7/03/24 . . . . .	United States	5,110,000	223,116,026
<sup>e</sup> Barclays Bank plc into US Bancorp., 144A, 10%, 8/23/24 . . . . .	United States	4,320,000	148,536,320
<sup>e</sup> Citigroup Global Markets Holdings, Inc. into Bank of America Corp., 144A, 8%, 8/16/24 . . . . .	United States	8,128,000	234,532,298
<sup>e</sup> JPMorgan Chase Bank NA into Bank of America Corp., 144A, 9%, 2/02/24 . . . . .	United States	8,450,000	241,368,473
<sup>e</sup> National Bank of Canada into Truist Financial Corp., 144A, 9%, 10/10/23 . . . . .	United States	5,000,000	148,215,965
<sup>e</sup> Royal Bank of Canada into Citigroup, Inc., 144A, 10%, 10/15/24 . . . . .	United States	6,300,000	260,567,518
			1,256,336,600
<b>Biotechnology 0.2%</b>			
<sup>e</sup> Goldman Sachs International Bank into AbbVie, Inc., 144A, 8.5%, 2/06/24 . . . . .	United States	1,150,000	173,591,464
<b>Broadline Retail 0.9%</b>			
<sup>e</sup> Goldman Sachs International Bank into Amazon.com, Inc., 144A, 9%, 11/20/24 . . . . .	United States	2,375,000	283,953,825
<sup>e</sup> Royal Bank of Canada into Amazon.com, Inc., 144A, 10%, 4/05/24 . . . . .	United States	2,800,000	315,587,762
			599,541,587
<b>Building Products 0.2%</b>			
<sup>e</sup> J.P. Morgan Structured Products BV into Johnson Controls International plc, 144A, 8%, 9/09/24 . . . . .	United States	2,360,000	131,283,159
<b>Capital Markets 1.4%</b>			
<sup>e</sup> BNP Paribas Issuance BV into Goldman Sachs Group, Inc. (The), 144A, 7.5%, 8/19/24 . . . . .	United States	690,000	231,659,787
<sup>e</sup> Goldman Sachs International Bank into Morgan Stanley, 144A, 9%, 12/24/24 . . . . .	United States	2,812,000	235,314,414
<sup>e</sup> Merrill Lynch International & Co. CV into Morgan Stanley, 144A, 10%, 6/04/24 . . . . .	United States	3,000,000	249,508,436
<sup>e</sup> UBS AG into Charles Schwab Corp. (The), 144A, 10%, 7/17/24 . . . . .	United States	4,300,000	240,425,439
			956,908,076
<b>Chemicals 0.4%</b>			
<sup>e</sup> JPMorgan Chase Bank NA into LyondellBasell Industries NV, 144A, 11%, 1/22/24 . . . . .	United States	2,700,000	261,133,672
<b>Communications Equipment 0.7%</b>			
<sup>e</sup> Royal Bank of Canada into Cisco Systems, Inc., 144A, 8%, 9/03/24 . . . . .	United States	4,300,000	234,762,478
<sup>e</sup> UBS AG into Cisco Systems, Inc., 144A, 8.5%, 6/20/24 . . . . .	United States	4,595,000	236,333,928
			471,096,406
<b>Consumer Staples Distribution &amp; Retail 0.3%</b>			
<sup>e</sup> UBS AG into Target Corp., 144A, 9%, 9/05/24 . . . . .	United States	1,935,000	226,276,650
<b>Containers &amp; Packaging 0.4%</b>			
<sup>e</sup> Mizuho Markets Cayman LP into International Paper Co., 144A, 10.5%, 12/15/23 . . . . .	United States	7,400,000	265,613,807

Franklin Income Fund (continued)

	Country	Shares	Value
<b>Equity-Linked Securities</b> (continued)			
<b>Electric Utilities 1.0%</b>			
<sup>e</sup> Mizuho Markets Cayman LP into NextEra Energy, Inc., 144A, 8%, 3/19/24	United States	3,500,000	\$206,936,372
<sup>e</sup> Morgan Stanley Finance II Ltd. into PG&E Corp., 144A, 10%, 11/14/23	United States	10,800,000	157,843,003
<sup>e</sup> National Bank of Canada into NextEra Energy, Inc., 144A, 8.5%, 12/05/23	United States	3,300,000	192,921,987
<sup>e</sup> Wells Fargo Bank NA into NextEra Energy, Inc., 144A, 8%, 5/08/24	United States	2,700,000	164,231,976
			<u>721,933,338</u>
<b>Financial Services 0.3%</b>			
<sup>e</sup> UBS AG into Fidelity National Information Services, Inc., 144A, 10%, 10/19/23	United States	3,200,000	183,288,451
<b>Ground Transportation 0.7%</b>			
<sup>e</sup> Merrill Lynch International & Co. CV into Union Pacific Corp., 144A, 9%, 11/01/23	United States	1,240,000	257,171,581
<sup>e</sup> UBS AG into Union Pacific Corp., 144A, 8%, 3/13/24	United States	1,190,000	242,368,337
			<u>499,539,918</u>
<b>Insurance 0.3%</b>			
<sup>e</sup> BNP Paribas Issuance BV into MetLife, Inc., 144A, 9%, 10/23/24	United States	3,800,000	238,138,062
<b>Machinery 0.3%</b>			
<sup>e</sup> National Bank of Canada into Cummins, Inc., 144A, 8.5%, 2/13/24	United States	1,000,000	235,695,765
<b>Media 0.4%</b>			
<sup>e</sup> J.P. Morgan Structured Products BV into Comcast Corp., 144A, 8%, 8/13/24	United States	5,825,000	254,992,091
<b>Metals &amp; Mining 0.8%</b>			
<sup>e</sup> Mizuho Markets Cayman LP into Freeport-McMoRan, Inc., 144A, 11%, 12/10/24	United States	7,539,000	282,750,729
<sup>e</sup> Royal Bank of Canada into Barrick Gold Corp., 144A, 11%, 3/07/24	Canada	5,600,000	84,484,263
<sup>e</sup> Royal Bank of Canada into Freeport-McMoRan, Inc., 144A, 10%, 5/03/24	United States	4,900,000	191,911,746
			<u>559,146,738</u>
<b>Oil, Gas &amp; Consumable Fuels 1.9%</b>			
<sup>e</sup> BNP Paribas Issuance BV into BP plc, 144A, 8.5%, 4/24/24	United Kingdom	6,100,000	235,623,052
<sup>e</sup> Citigroup Global Markets Holdings, Inc. into BP plc, 144A, 10%, 12/30/24	United Kingdom	6,600,000	250,861,166
<sup>e</sup> Citigroup Global Markets Holdings, Inc. into Exxon Mobil Corp., 144A, 9.5%, 2/22/24	United States	2,000,000	236,536,307
<sup>e</sup> J.P. Morgan Structured Products BV into Exxon Mobil Corp., 144A, 9%, 9/24/24	United States	2,435,000	277,070,734
<sup>e</sup> Merrill Lynch International & Co. CV into Chevron Corp., 144A, 10%, 12/04/23	United States	1,650,000	280,586,711
			<u>1,280,677,970</u>
<b>Pharmaceuticals 0.9%</b>			
<sup>e</sup> BNP Paribas Issuance BV into Pfizer, Inc., 144A, 8.5%, 6/10/24	United States	5,920,000	202,206,958
<sup>e</sup> Mizuho Markets Cayman LP into Bristol-Myers Squibb Co., 144A, 8.5%, 12/04/23	United States	2,600,000	153,111,582
<sup>e</sup> Wells Fargo Bank NA into Bristol-Myers Squibb Co., 144A, 7.5%, 5/13/24	United States	3,927,000	235,641,959
			<u>590,960,499</u>
<b>Semiconductors &amp; Semiconductor Equipment 2.6%</b>			
<sup>e</sup> Barclays Bank plc into Texas Instruments, Inc., 144A, 9%, 10/10/23	United States	1,600,000	259,820,300
<sup>e</sup> Citigroup Global Markets Holdings, Inc. into Intel Corp., 144A, 10%, 10/03/24	United States	6,700,000	244,117,167

Franklin Income Fund (continued)

	Country	Shares	Value
<b>Equity-Linked Securities (continued)</b>			
<b>Semiconductors &amp; Semiconductor Equipment (continued)</b>			
<sup>e</sup> Merrill Lynch International & Co. CV into Broadcom, Inc., 144A, 10%, 12/05/23	United States	500,000	\$284,711,066
<sup>e</sup> Mizuho Markets Cayman LP into Microchip Technology, Inc., 144A, 10%, 11/03/23	United States	4,200,000	319,428,061
<sup>e</sup> Morgan Stanley Finance II Ltd. into Microchip Technology, Inc., 144A, 10%, 3/03/25	United States	1,850,000	149,248,756
<sup>e</sup> National Bank of Canada into Analog Devices, Inc., 144A, 8.5%, 7/17/24	United States	1,500,000	275,102,432
<sup>e</sup> UBS AG into Texas Instruments, Inc., 144A, 8.5%, 8/07/24	United States	1,583,000	261,399,217
			1,793,826,999
<b>Specialty Retail 0.4%</b>			
<sup>e</sup> Citigroup Global Markets Holdings, Inc. into Home Depot, Inc. (The), 144A, 8.5%, 6/12/24	United States	811,000	252,551,848
<b>Total Equity-Linked Securities (Cost \$12,420,919,545)</b>			<b>11,942,773,789</b>
<b>Convertible Preferred Stocks 0.0%<sup>†</sup></b>			
<b>Financial Services 0.0%<sup>†</sup></b>			
<sup>b</sup> FNMA, 5.375%	United States	4,240	24,592,000
<b>Total Convertible Preferred Stocks (Cost \$339,906,139)</b>			<b>24,592,000</b>
<b>Preferred Stocks 0.0%<sup>†</sup></b>			
<b>Financial Services 0.0%<sup>†</sup></b>			
<sup>b</sup> FNMA, 8.25%, S.	United States	4,000,000	8,880,000
<b>Total Preferred Stocks (Cost \$93,801,500)</b>			<b>8,880,000</b>
		<b>Principal</b>	
		<b>Amount<sup>†</sup></b>	
<b>Convertible Bonds 0.0%<sup>†</sup></b>			
<b>Media 0.0%<sup>†</sup></b>			
DISH Network Corp., Senior Note, 2.375%, 3/15/24	United States	25,000,000	24,093,750
<b>Total Convertible Bonds (Cost \$24,704,849)</b>			<b>24,093,750</b>
<b>Corporate Bonds 48.1%</b>			
<b>Aerospace &amp; Defense 1.8%</b>			
Boeing Co. (The),			
Senior Bond, 3.2%, 3/01/29	United States	74,000,000	65,036,215
Senior Bond, 3.625%, 2/01/31	United States	59,000,000	50,999,297
Senior Note, 2.196%, 2/04/26	United States	45,000,000	41,328,542
Senior Note, 5.04%, 5/01/27	United States	180,000,000	175,820,002
Senior Note, 3.25%, 2/01/28	United States	60,000,000	54,150,084
Senior Note, 5.15%, 5/01/30	United States	390,000,000	372,765,869
<sup>e</sup> Bombardier, Inc., Senior Bond, 144A, 7.5%, 3/15/25	Canada	28,076,000	27,991,665
Textron, Inc.,			
Senior Bond, 3%, 6/01/30	United States	59,049,000	49,736,712
Senior Bond, 2.45%, 3/15/31	United States	40,000,000	31,813,192
<sup>e</sup> TransDigm, Inc.,			
Senior Secured Note, 144A, 6.25%, 3/15/26	United States	236,000,000	232,095,536
Senior Secured Note, 144A, 6.75%, 8/15/28	United States	80,000,000	78,859,086
Senior Secured Note, 144A, 6.875%, 12/15/30	United States	50,000,000	49,085,960
			1,229,682,160

Franklin Income Fund (continued)

	Country	Principal Amount <sup>†</sup>	Value
<b>Corporate Bonds</b> (continued)			
<b>Air Freight &amp; Logistics 0.0%<sup>†</sup></b>			
FedEx Corp., Senior Bond, 2.4%, 5/15/31	United States	29,000,000	\$23,278,557
<b>Automobile Components 0.5%</b>			
<sup>e</sup> Dornoch Debt Merger Sub, Inc., Senior Note, 144A, 6.625%, 10/15/29	United States	85,000,000	70,372,503
Goodyear Tire & Rubber Co. (The), Senior Bond, 5%, 5/31/26	United States	57,000,000	54,492,125
Senior Bond, 4.875%, 3/15/27	United States	34,757,000	32,051,672
Senior Bond, 5.25%, 4/30/31	United States	45,000,000	37,961,519
Senior Note, 5%, 7/15/29	United States	130,000,000	112,147,880
<sup>g</sup> Senior Note, 5.25%, 7/15/31	United States	40,500,000	33,551,617
			340,577,316
<b>Automobiles 0.8%</b>			
Ford Motor Co., Senior Bond, 4.346%, 12/08/26	United States	127,500,000	122,364,759
Senior Bond, 3.25%, 2/12/32	United States	107,500,000	82,951,666
Senior Bond, 6.1%, 8/19/32	United States	139,000,000	131,069,035
General Motors Co., Senior Bond, 5%, 10/01/28	United States	25,000,000	23,882,099
Senior Bond, 5.6%, 10/15/32	United States	35,000,000	32,707,086
Senior Bond, 5.15%, 4/01/38	United States	105,000,000	87,778,439
<sup>e</sup> Volkswagen Group of America Finance LLC, Senior Note, 144A, 1.25%, 11/24/25	Germany	97,000,000	88,094,355
			568,847,439
<b>Banks 3.4%</b>			
Bank of America Corp.,			
<sup>h</sup> AA, Junior Sub. Bond, 6.1% to 3/16/25, FRN thereafter, Perpetual	United States	70,000,000	68,721,485
<sup>h</sup> X, Junior Sub. Bond, 6.25% to 9/04/24, FRN thereafter, Perpetual	United States	50,000,000	49,316,648
Senior Bond, 3.419% to 12/19/27, FRN thereafter, 12/20/28	United States	45,000,000	40,383,478
Senior Bond, 1.922% to 10/23/30, FRN thereafter, 10/24/31	United States	70,000,000	52,837,235
Senior Bond, 4.571% to 4/26/32, FRN thereafter, 4/27/33	United States	115,000,000	102,157,965
Barclays plc,			
Senior Bond, 4.375%, 1/12/26	United Kingdom	70,000,000	67,104,320
Senior Bond, 4.337%, 1/10/28	United Kingdom	31,000,000	28,758,603
Senior Bond, 2.645% to 6/23/30, FRN thereafter, 6/24/31	United Kingdom	31,000,000	23,986,835
Senior Bond, 5.746% to 8/08/32, FRN thereafter, 8/09/33	United Kingdom	100,000,000	92,361,464
Senior Bond, 7.437% to 11/01/32, FRN thereafter, 11/02/33	United Kingdom	75,000,000	77,083,142
<sup>i</sup> Senior Bond, FRN, 6.692%, (SOFR + 2.62%), 9/13/34	United Kingdom	70,000,000	68,377,476
Senior Note, 7.325% to 11/01/25, FRN thereafter, 11/02/26	United Kingdom	30,000,000	30,463,446
Senior Note, 5.501% to 8/08/27, FRN thereafter, 8/09/28	United Kingdom	80,000,000	76,914,699
Sub. Bond, 7.119% to 6/26/33, FRN thereafter, 6/27/34	United Kingdom	30,000,000	28,920,211
Citigroup, Inc.,			
<sup>h,i</sup> Junior Sub. Bond, FRN, 9.699%, (3-month SOFR + 4.33%), Perpetual	United States	118,000,000	118,015,190
<sup>h,i</sup> D, Junior Sub. Bond, FRN, 9.092%, (3-month SOFR + 3.728%), Perpetual	United States	55,000,000	54,980,321
<sup>h</sup> M, Junior Sub. Bond, 6.3% to 5/14/24, FRN thereafter, Perpetual	United States	95,000,000	92,701,057
Senior Bond, 3.52% to 10/26/27, FRN thereafter, 10/27/28	United States	35,000,000	31,681,551
Senior Bond, 6.27% to 11/16/32, FRN thereafter, 11/17/33	United States	60,000,000	59,863,895
Senior Note, 1.462% to 6/08/26, FRN thereafter, 6/09/27	United States	20,000,000	17,683,675
Sub. Bond, 4.125%, 7/25/28	United States	25,000,000	22,762,261
Sub. Bond, 6.174% to 5/24/33, FRN thereafter, 5/25/34	United States	100,000,000	95,630,961
Fifth Third Bancorp,			
Senior Note, 3.65%, 1/25/24	United States	72,656,000	71,965,050
Senior Note, 6.339% to 7/26/28, FRN thereafter, 7/27/29	United States	10,000,000	9,883,995

## Franklin Income Fund (continued)

	Country	Principal Amount <sup>†</sup>	Value
<b>Corporate Bonds</b> (continued)			
<b>Banks</b> (continued)			
Fifth Third Bank NA, Senior Note, 5.852% to 10/26/24, FRN thereafter, 10/27/25	United States	65,185,000	\$64,150,698
<sup>h</sup> JPMorgan Chase & Co.,			
<sup>i</sup> Q, Junior Sub. Bond, FRN, 8.884%, (3-month SOFR + 3.512%), Perpetual	United States	60,700,000	60,891,812
<sup>i</sup> R, Junior Sub. Bond, FRN, 8.934%, (3-month SOFR + 3.562%), Perpetual	United States	55,000,000	55,324,060
S, Junior Sub. Bond, 6.75% to 1/31/24, FRN thereafter, Perpetual	United States	65,000,000	65,027,619
KeyBank NA,			
Senior Note, 5.85%, 11/15/27	United States	50,000,000	47,579,025
Sub. Bond, 4.9%, 8/08/32	United States	35,000,000	28,196,072
PNC Financial Services Group, Inc. (The),			
Senior Bond, 6.037% to 10/27/32, FRN thereafter, 10/28/33	United States	70,000,000	67,978,705
Senior Bond, 5.068% to 1/23/33, FRN thereafter, 1/24/34	United States	40,000,000	36,300,223
Royal Bank of Canada, Senior Bond, 5%, 2/01/33	Canada	50,000,000	46,630,438
Truist Bank, Sub. Bond, 2.25%, 3/11/30	United States	42,645,000	32,673,494
Truist Financial Corp.,			
Senior Bond, 5.122% to 1/25/33, FRN thereafter, 1/26/34	United States	55,000,000	49,203,072
Senior Note, 6.047% to 6/07/26, FRN thereafter, 6/08/27	United States	45,000,000	44,526,126
Sub. Bond, 4.916% to 7/27/32, FRN thereafter, 7/28/33	United States	95,000,000	80,657,823
US Bancorp,			
Senior Bond, 5.85% to 10/20/32, FRN thereafter, 10/21/33	United States	45,000,000	42,632,200
Senior Bond, 5.836% to 6/09/33, FRN thereafter, 6/12/34	United States	25,000,000	23,598,168
Senior Note, 5.775% to 6/11/28, FRN thereafter, 6/12/29	United States	25,000,000	24,348,371
Wells Fargo & Co.,			
<sup>h,i</sup> S, Junior Sub. Bond, FRN, 5.9%, (3-month USD LIBOR + 3.11%), Perpetual	United States	60,000,000	58,947,306
Senior Bond, 4.478% to 4/03/30, FRN thereafter, 4/04/31	United States	20,000,000	18,150,779
Senior Bond, 4.897% to 7/24/32, FRN thereafter, 7/25/33	United States	50,000,000	45,271,713
Senior Bond, 5.389% to 4/23/33, FRN thereafter, 4/24/34	United States	30,000,000	28,058,662
Senior Bond, 5.557% to 7/24/33, FRN thereafter, 7/25/34	United States	40,000,000	37,897,185
			2,340,598,514
<b>Beverages 0.2%</b>			
Coca-Cola Co. (The), Senior Bond, 1.65%, 6/01/30	United States	110,000,000	88,206,219
Constellation Brands, Inc., Senior Bond, 3.15%, 8/01/29	United States	35,000,000	30,691,009
			118,897,228
<b>Biotechnology 0.3%</b>			
AbbVie, Inc.,			
Senior Bond, 4.5%, 5/14/35	United States	45,000,000	40,686,009
Senior Note, 3.2%, 11/21/29	United States	70,000,000	61,807,444
Amgen, Inc.,			
Senior Bond, 2.45%, 2/21/30	United States	25,000,000	20,714,606
Senior Bond, 5.25%, 3/02/33	United States	50,000,000	47,820,059
Senior Note, 5.25%, 3/02/30	United States	20,000,000	19,547,651
			190,575,769
<b>Broadline Retail 0.1%</b>			
Amazon.com, Inc., Senior Bond, 3.6%, 4/13/32	United States	67,500,000	59,876,773
<b>Building Products 0.4%</b>			
<sup>e</sup> AmeriTex HoldCo Intermediate LLC, Senior Secured Note, 144A, 10.25%, 10/15/28	United States	40,000,000	39,600,000
<sup>e</sup> Camelot Return Merger Sub, Inc., Senior Secured Note, 144A, 8.75%, 8/01/28	United States	50,000,000	48,296,060

Franklin Income Fund (continued)

	Country	Principal Amount <sup>1</sup>	Value
<b>Corporate Bonds</b> (continued)			
<b>Building Products</b> (continued)			
Carrier Global Corp.,			
Senior Bond, 2.7%, 2/15/31 .....	United States	22,500,000	\$18,255,392
Senior Note, 2.722%, 2/15/30 .....	United States	98,200,000	81,898,549
<sup>e</sup> Emerald Debt Merger Sub LLC, Senior Secured Note, 144A, 6.625%, 12/15/30 .....	United States	50,000,000	48,196,234
Johnson Controls International plc / Tyco Fire & Security Finance SCA, Senior Bond, 4.9%, 12/01/32 .....	United States	39,500,000	37,775,571
			274,021,806
<b>Capital Markets 0.9%</b>			
Brookfield Finance, Inc., Senior Bond, 4.85%, 3/29/29 .....	Canada	38,708,000	36,661,811
Charles Schwab Corp. (The),			
Senior Bond, 5.853% to 5/18/33, FRN thereafter, 5/19/34 .....	United States	30,000,000	28,557,416
Senior Bond, 6.136% to 8/23/33, FRN thereafter, 8/24/34 .....	United States	30,000,000	29,199,183
Senior Note, 5.643% to 5/18/28, FRN thereafter, 5/19/29 .....	United States	25,000,000	24,497,844
Goldman Sachs Group, Inc. (The),			
Senior Bond, 3.814% to 4/22/28, FRN thereafter, 4/23/29 .....	United States	21,000,000	19,078,836
Senior Bond, 4.223% to 4/30/28, FRN thereafter, 5/01/29 .....	United States	20,000,000	18,507,997
Senior Bond, 2.6%, 2/07/30 .....	United States	16,250,000	13,318,318
Senior Bond, 2.65% to 10/20/31, FRN thereafter, 10/21/32 .....	United States	58,600,000	45,257,548
Senior Note, 3.5%, 4/01/25 .....	United States	73,000,000	70,309,294
Senior Note, 3.8%, 3/15/30 .....	United States	25,000,000	22,071,619
Morgan Stanley,			
Senior Bond, 2.699% to 1/21/30, FRN thereafter, 1/22/31 .....	United States	30,000,000	24,543,583
Senior Bond, 3.622% to 3/31/30, FRN thereafter, 4/01/31 .....	United States	23,600,000	20,341,328
Senior Bond, 2.239% to 7/20/31, FRN thereafter, 7/21/32 .....	United States	30,482,000	22,989,094
Senior Bond, 2.511% to 10/19/31, FRN thereafter, 10/20/32 .....	United States	81,000,000	62,006,810
Senior Bond, 6.342% to 10/17/32, FRN thereafter, 10/18/33 .....	United States	35,000,000	35,218,059
Senior Bond, 5.25% to 4/20/33, FRN thereafter, 4/21/34 .....	United States	30,000,000	27,873,257
Senior Bond, 5.424% to 7/20/33, FRN thereafter, 7/21/34 .....	United States	30,000,000	28,311,687
Senior Note, 1.512% to 7/19/26, FRN thereafter, 7/20/27 .....	United States	25,000,000	22,097,610
Senior Note, 5.123% to 1/31/28, FRN thereafter, 2/01/29 .....	United States	30,000,000	28,901,433
Sub. Bond, 5.948% to 1/18/33, FRN thereafter, 1/19/38 .....	United States	37,095,000	34,698,937
			614,441,664
<b>Chemicals 1.0%</b>			
Celanese US Holdings LLC,			
Senior Bond, 6.379%, 7/15/32 .....	United States	50,000,000	48,231,554
Senior Note, 6.165%, 7/15/27 .....	United States	20,000,000	19,731,585
Senior Note, 6.35%, 11/15/28 .....	United States	20,000,000	19,758,914
Senior Note, 6.55%, 11/15/30 .....	United States	20,000,000	19,582,671
<sup>e</sup> Consolidated Energy Finance SA, Senior Note, 144A, 6.5%, 5/15/26	Switzerland	115,000,000	107,413,549
<sup>e</sup> CVR Partners LP / CVR Nitrogen Finance Corp., Senior Secured Note, 144A, 6.125%, 6/15/28 .....	United States	25,000,000	22,493,474
<sup>g</sup> Dow Chemical Co. (The), Senior Bond, 6.3%, 3/15/33 .....	United States	35,000,000	36,145,391
Huntsman International LLC, Senior Bond, 4.5%, 5/01/29 .....	United States	25,000,000	22,625,993
<sup>e</sup> International Flavors & Fragrances, Inc.,			
Senior Bond, 144A, 2.3%, 11/01/30 .....	United States	130,000,000	97,902,775
Senior Note, 144A, 1.832%, 10/15/27 .....	United States	20,000,000	16,625,097
<sup>e</sup> Olin Corp., Senior Note, 144A, 9.5%, 6/01/25 .....	United States	30,000,000	31,190,910
<sup>e</sup> Rain Carbon, Inc., Senior Secured Note, 144A, 12.25%, 9/01/29 ..	United States	35,000,000	36,750,000
<sup>e</sup> Rain CII Carbon LLC / CII Carbon Corp., Secured Note, 144A, 7.25%, 4/01/25 .....	United States	717,000	696,241
<sup>e</sup> SCIH Salt Holdings, Inc., Senior Note, 144A, 6.625%, 5/01/29 .....	United States	119,500,000	102,547,384



## Franklin Income Fund (continued)

	Country	Principal Amount <sup>†</sup>	Value
<b>Corporate Bonds</b> (continued)			
<b>Chemicals</b> (continued)			
°SCIH Salt Holdings, Inc., (continued)			
Senior Secured Note, 144A, 4.875%, 5/01/28	United States	143,500,000	\$126,795,423
			708,490,961
<b>Commercial Services &amp; Supplies 0.4%</b>			
°ADT Security Corp. (The), Senior Secured Note, 144A, 4.125%, 8/01/29	United States	20,000,000	16,933,100
°APX Group, Inc.,			
Senior Note, 144A, 5.75%, 7/15/29	United States	100,000,000	84,378,710
Senior Secured Note, 144A, 6.75%, 2/15/27	United States	140,000,000	134,592,143
°Madison IAQ LLC, Senior Secured Note, 144A, 4.125%, 6/30/28	United States	36,500,000	31,541,884
			267,445,837
<b>Communications Equipment 1.1%</b>			
°CommScope Technologies LLC,			
Senior Bond, 144A, 6%, 6/15/25	United States	350,000,000	333,640,349
Senior Bond, 144A, 5%, 3/15/27	United States	50,000,000	28,457,264
°CommScope, Inc.,			
Senior Note, 144A, 8.25%, 3/01/27	United States	150,000,000	98,236,500
Senior Note, 144A, 7.125%, 7/01/28	United States	140,000,000	84,000,000
Senior Secured Note, 144A, 6%, 3/01/26	United States	236,085,000	220,644,829
			764,978,942
<b>Construction &amp; Engineering 0.1%</b>			
Quanta Services, Inc., Senior Bond, 2.9%, 10/01/30	United States	110,000,000	89,798,281
<b>Consumer Finance 2.5%</b>			
AerCap Ireland Capital DAC / AerCap Global Aviation Trust, Senior Note, 5.75%, 6/06/28			
	Ireland	40,000,000	39,108,748
Capital One Financial Corp.,			
Senior Bond, 3.8%, 1/31/28	United States	47,300,000	42,692,201
Senior Bond, 5.268% to 5/09/32, FRN thereafter, 5/10/33	United States	50,000,000	44,255,595
Senior Bond, 5.817% to 1/31/33, FRN thereafter, 2/01/34	United States	85,000,000	76,668,801
Senior Note, 4.985% to 7/23/25, FRN thereafter, 7/24/26	United States	40,000,000	38,826,669
Senior Note, 4.927% to 5/09/27, FRN thereafter, 5/10/28	United States	159,532,733	151,465,557
Senior Note, 6.312% to 6/07/28, FRN thereafter, 6/08/29	United States	75,000,000	73,335,964
Senior Note, 5.247% to 7/25/29, FRN thereafter, 7/26/30	United States	40,000,000	37,105,747
Sub. Bond, 4.2%, 10/29/25	United States	83,500,000	79,638,721
Sub. Bond, 3.75%, 7/28/26	United States	102,800,000	95,353,092
Ford Motor Credit Co. LLC,			
Senior Bond, 4.134%, 8/04/25	United States	50,000,000	47,457,430
Senior Bond, 4.389%, 1/08/26	United States	25,000,000	23,622,488
Senior Bond, 5.113%, 5/03/29	United States	75,000,000	68,730,322
Senior Note, 2.3%, 2/10/25	United States	35,000,000	32,862,627
Senior Note, 5.125%, 6/16/25	United States	108,015,000	104,658,212
Senior Note, 3.375%, 11/13/25	United States	32,000,000	29,717,312
Senior Note, 6.95%, 6/10/26	United States	35,000,000	34,995,100
Senior Note, 2.7%, 8/10/26	United States	60,000,000	53,602,242
Senior Note, 4.95%, 5/28/27	United States	115,000,000	108,073,933
Senior Note, 6.8%, 5/12/28	United States	68,000,000	67,977,443
Senior Note, 7.35%, 3/06/30	United States	45,000,000	45,620,235
General Motors Financial Co., Inc.,			
Senior Bond, 4.35%, 1/17/27	United States	40,000,000	37,666,871
Senior Bond, 3.6%, 6/21/30	United States	37,720,000	31,595,958
Senior Bond, 3.1%, 1/12/32	United States	80,000,000	61,944,643
° Senior Bond, 6.4%, 1/09/33	United States	50,000,000	48,873,045
Senior Note, 5%, 4/09/27	United States	50,000,000	48,014,988
Senior Note, 2.4%, 4/10/28	United States	35,000,000	29,799,419

**Franklin Income Fund** (continued)

	Country	Principal Amount <sup>1</sup>	Value
<b>Corporate Bonds</b> (continued)			
<b>Consumer Finance</b> (continued)			
General Motors Financial Co., Inc., (continued)			
Senior Note, 5.8%, 6/23/28 .....	United States	50,000,000	\$48,874,203
Senior Note, 4.3%, 4/06/29 .....	United States	69,000,000	61,936,695
Senior Note, 5.85%, 4/06/30 .....	United States	20,000,000	19,170,205
John Deere Capital Corp., Senior Bond, 4.35%, 9/15/32 .....	United States	40,000,000	37,226,957
			1,720,871,423
<b>Consumer Staples Distribution &amp; Retail 0.2%</b>			
<sup>e</sup> 7-Eleven, Inc., Senior Bond, 144A, 1.8%, 2/10/31 .....	United States	85,000,000	64,501,614
Target Corp., Senior Bond, 4.5%, 9/15/32 .....	United States	90,000,000	83,779,303
			148,280,917
<b>Containers &amp; Packaging 1.4%</b>			
<sup>e</sup> iARD Finance SA, Senior Secured Note, 144A, PIK, 6.5%, 6/30/27 .....	Luxembourg	25,144,215	19,010,055
<sup>e</sup> Ardagh Metal Packaging Finance USA LLC / Ardagh Metal Packaging Finance plc, Senior Note, 144A, 4%, 9/01/29 .....	United States	30,000,000	23,517,783
<sup>e</sup> Ardagh Packaging Finance plc / Ardagh Holdings USA, Inc., Senior Note, 144A, 5.25%, 8/15/27 .....	United States	214,440,000	179,233,241
Senior Secured Note, 144A, 5.25%, 4/30/25 .....	United States	25,669,000	25,048,614
Senior Secured Note, 144A, 4.125%, 8/15/26 .....	United States	50,000,000	45,751,829
<sup>e</sup> Mauser Packaging Solutions Holding Co., Secured Note, 144A, 9.25%, 4/15/27 .....	United States	380,000,000	332,680,462
Senior Secured Note, 144A, 7.875%, 8/15/26 .....	United States	290,000,000	280,105,461
<sup>e</sup> Pactiv Evergreen Group Issuer, Inc. / Pactiv Evergreen Group Issuer LLC, Senior Secured Note, 144A, 4%, 10/15/27 .....	United States	60,000,000	53,316,000
<sup>e</sup> Sealed Air Corp., Senior Note, 144A, 6.125%, 2/01/28 .....	United States	20,000,000	19,391,713
			978,055,158
<b>Diversified REITs 0.2%</b>			
VICI Properties LP,			
Senior Bond, 5.125%, 5/15/32 .....	United States	60,000,000	53,768,298
Senior Note, 4.95%, 2/15/30 .....	United States	43,357,000	39,726,616
<sup>e</sup> VICI Properties LP / VICI Note Co., Inc., Senior Note, 144A, 4.25%, 12/01/26 .....	United States	82,000,000	76,475,750
			169,970,664
<b>Diversified Telecommunication Services 0.2%</b>			
<sup>e</sup> CCO Holdings LLC / CCO Holdings Capital Corp., Senior Bond, 144A, 5.125%, 5/01/27 .....	United States	70,000,000	65,293,284
Verizon Communications, Inc., Senior Bond, 4.016%, 12/03/29 .....	United States	50,000,000	45,362,108
			110,655,392
<b>Electric Utilities 1.9%</b>			
American Electric Power Co., Inc.,			
Senior Bond, 5.95%, 11/01/32 .....	United States	30,000,000	29,946,451
Senior Bond, 5.625%, 3/01/33 .....	United States	30,000,000	29,063,776
Duke Energy Corp., Senior Bond, 4.5%, 8/15/32 .....	United States	56,891,000	51,215,821
NextEra Energy Capital Holdings, Inc., Senior Note, 1.875%, 1/15/27 .....	United States	65,000,000	57,597,136
NRG Energy, Inc.,			
<sup>e</sup> Senior Bond, 144A, 3.625%, 2/15/31 .....	United States	65,000,000	49,386,370
Senior Note, 5.75%, 1/15/28 .....	United States	18,075,000	16,966,941
<sup>e</sup> Senior Note, 144A, 3.375%, 2/15/29 .....	United States	38,300,000	31,035,742
<sup>e</sup> Senior Secured Bond, 144A, 7%, 3/15/33 .....	United States	30,000,000	29,022,438
<sup>e</sup> Senior Secured Note, 144A, 2.45%, 12/02/27 .....	United States	30,000,000	25,455,974
Pacific Gas and Electric Co.,			
Senior Bond, 4.55%, 7/01/30 .....	United States	136,500,000	120,733,035
Senior Bond, 6.15%, 1/15/33 .....	United States	50,000,000	47,476,289

Franklin Income Fund (continued)

	Country	Principal Amount <sup>1</sup>	Value
<b>Corporate Bonds</b> (continued)			
<b>Electric Utilities</b> (continued)			
Pacific Gas and Electric Co., (continued)			
Senior Bond, 6.4%, 6/15/33	United States	30,000,000	\$28,945,776
Senior Note, 4.95%, 6/08/25	United States	19,250,000	18,805,287
Senior Note, 3.15%, 1/01/26	United States	50,000,000	46,524,172
Senior Note, 6.1%, 1/15/29	United States	49,000,000	47,897,738
PG&E Corp., Senior Secured Note, 5%, 7/01/28	United States	107,284,000	97,292,585
Southern Co. (The),			
Senior Bond, 5.7%, 10/15/32	United States	45,000,000	44,250,415
Senior Bond, 5.2%, 6/15/33	United States	50,000,000	47,299,933
Senior Note, 4.85%, 6/15/28	United States	55,000,000	53,193,430
eVistra Operations Co. LLC,			
Senior Note, 144A, 5.5%, 9/01/26	United States	87,010,000	83,059,389
Senior Note, 144A, 5%, 7/31/27	United States	62,345,000	57,384,738
Senior Note, 144A, 4.375%, 5/01/29	United States	139,000,000	119,617,409
Senior Note, 144A, 7.75%, 10/15/31	United States	50,000,000	49,300,456
Senior Secured Bond, 144A, 4.3%, 7/15/29	United States	35,000,000	30,633,088
Senior Secured Bond, 144A, 6.95%, 10/15/33	United States	30,000,000	29,459,694
Senior Secured Note, 144A, 3.55%, 7/15/24	United States	25,000,000	24,387,412
Senior Secured Note, 144A, 3.7%, 1/30/27	United States	33,500,000	30,581,928
			<u>1,296,533,423</u>
<b>Electrical Equipment 0.1%</b>			
eRegal Rexnord Corp.,			
Senior Bond, 144A, 6.4%, 4/15/33	United States	25,000,000	24,106,301
Senior Note, 144A, 6.05%, 4/15/28	United States	35,000,000	34,067,922
Senior Note, 144A, 6.3%, 2/15/30	United States	25,000,000	24,168,568
			<u>82,342,791</u>
<b>Electronic Equipment, Instruments &amp; Components 0.1%</b>			
Flex Ltd., Senior Note, 4.75%, 6/15/25	United States	50,000,000	48,802,324
<b>Energy Equipment &amp; Services 0.5%</b>			
eSchlumberger Holdings Corp., Senior Note, 144A, 3.9%, 5/17/28	United States	42,500,000	39,508,026
eWeatherford International Ltd.,			
Senior Note, 144A, 8.625%, 4/30/30	United States	245,000,000	247,092,300
Senior Secured Note, 144A, 6.5%, 9/15/28	United States	70,000,000	70,075,950
			<u>356,676,276</u>
<b>Entertainment 0.5%</b>			
Netflix, Inc.,			
Senior Bond, 4.375%, 11/15/26	United States	100,000,000	96,513,510
Senior Bond, 4.875%, 4/15/28	United States	89,300,000	86,620,330
Senior Bond, 5.875%, 11/15/28	United States	50,000,000	50,408,050
Warnermedia Holdings, Inc., Senior Note, 4.279%, 3/15/32	United States	100,000,000	84,941,211
			<u>318,483,101</u>
<b>Financial Services 0.3%</b>			
Fiserv, Inc.,			
Senior Bond, 4.2%, 10/01/28	United States	52,000,000	48,783,574
Senior Bond, 3.5%, 7/01/29	United States	40,000,000	35,708,558
Senior Bond, 2.65%, 6/01/30	United States	38,000,000	31,243,183
Senior Bond, 5.6%, 3/02/33	United States	30,000,000	29,107,649
eWoodside Finance Ltd., Senior Bond, 144A, 4.5%, 3/04/29	Australia	100,000,000	92,487,427
			<u>237,330,391</u>
<b>Food Products 0.7%</b>			
eDarling Ingredients, Inc., Senior Note, 144A, 6%, 6/15/30	United States	30,000,000	28,435,730

Franklin Income Fund (continued)

	Country	Principal Amount <sup>a</sup>	Value
<b>Corporate Bonds</b> (continued)			
<b>Food Products</b> (continued)			
<sup>e</sup> JBS USA LUX SA / JBS USA Food Co. / JBS Luxembourg SARL, Senior Bond, 144A, 6.75%, 3/15/34	United States	50,000,000	\$48,694,750
JBS USA LUX SA / JBS USA Food Co. / JBS USA Finance, Inc., Senior Note, 5.125%, 2/01/28	United States	30,000,000	28,576,878
Senior Note, 5.75%, 4/01/33	United States	110,000,000	100,739,474
Pilgrim's Pride Corp., Senior Bond, 6.25%, 7/01/33	United States	68,000,000	63,990,669
<sup>f</sup> Senior Bond, 6.875%, 5/15/34	United States	40,000,000	39,303,092
<sup>e</sup> Senior Bond, 144A, 5.875%, 9/30/27	United States	50,000,000	50,758,750
<sup>e</sup> Post Holdings, Inc., Senior Bond, 144A, 5.625%, 1/15/28	United States	59,800,000	56,590,737
Senior Bond, 144A, 4.5%, 9/15/31	United States	50,000,000	41,677,675
			458,767,755
<b>Ground Transportation 0.3%</b>			
<sup>e</sup> Ashtead Capital, Inc., Senior Bond, 144A, 4.375%, 8/15/27	United Kingdom	34,500,000	32,092,918
Senior Bond, 144A, 5.55%, 5/30/33	United Kingdom	55,000,000	51,086,951
Senior Bond, 144A, 5.95%, 10/15/33	United Kingdom	35,000,000	33,264,192
Union Pacific Corp., Senior Bond, 4.5%, 1/20/33	United States	73,000,000	68,030,021
			184,474,082
<b>Health Care Equipment &amp; Supplies 0.8%</b>			
<sup>e</sup> Bausch & Lomb Escrow Corp., Senior Secured Note, 144A, 8.375%, 10/01/28	United States	45,000,000	45,189,900
Baxter International, Inc., Senior Bond, 2.539%, 2/01/32	United States	15,935,000	12,345,047
DENTSPLY SIRONA, Inc., Senior Bond, 3.25%, 6/01/30	United States	51,249,000	42,924,212
GE HealthCare Technologies, Inc., WI, Senior Note, 5.905%, 11/22/32	United States	90,000,000	89,350,917
<sup>e</sup> Medline Borrower LP, Senior Note, 144A, 5.25%, 10/01/29	United States	85,000,000	73,568,027
Senior Secured Note, 144A, 3.875%, 4/01/29	United States	319,000,000	269,973,719
			533,351,822
<b>Health Care Providers &amp; Services 7.7%</b>			
Centene Corp., Senior Bond, 2.5%, 3/01/31	United States	35,000,000	26,928,601
Senior Note, 4.25%, 12/15/27	United States	81,745,000	75,431,425
Senior Note, 4.625%, 12/15/29	United States	166,100,000	149,788,149
Senior Note, 3.375%, 2/15/30	United States	47,000,000	39,254,729
<sup>e</sup> CHS/Community Health Systems, Inc., Secured Note, 144A, 6.875%, 4/15/29	United States	600,000,000	319,500,000
Secured Note, 144A, 6.125%, 4/01/30	United States	585,000,000	298,505,025
Senior Note, 144A, 6.875%, 4/01/28	United States	565,000,000	301,371,000
Senior Secured Note, 144A, 8%, 3/15/26	United States	567,065,000	541,102,439
Senior Secured Note, 144A, 5.625%, 3/15/27	United States	309,000,000	265,430,877
Senior Secured Note, 144A, 8%, 12/15/27	United States	382,000,000	356,661,940
Senior Secured Note, 144A, 6%, 1/15/29	United States	280,700,104	226,992,608
CVS Health Corp., Senior Bond, 4.3%, 3/25/28	United States	50,000,000	47,335,587
Senior Bond, 1.875%, 2/28/31	United States	70,000,000	53,424,496
Senior Bond, 5.25%, 2/21/33	United States	120,000,000	113,738,154
Senior Bond, 4.78%, 3/25/38	United States	61,925,000	53,357,489
Senior Bond, 5.05%, 3/25/48	United States	40,000,000	33,264,006
<sup>e</sup> DaVita, Inc., Senior Bond, 144A, 3.75%, 2/15/31	United States	100,000,000	76,105,430
Senior Note, 144A, 4.625%, 6/01/30	United States	313,500,000	257,810,267

## Franklin Income Fund (continued)

	Country	Principal Amount <sup>†</sup>	Value
<b>Corporate Bonds</b> (continued)			
<b>Health Care Providers &amp; Services</b> (continued)			
°Fresenius Medical Care US Finance III, Inc.,			
Senior Bond, 144A, 2.375%, 2/16/31	Germany	30,000,000	\$21,758,392
Senior Bond, 144A, 3%, 12/01/31	Germany	30,941,000	23,050,812
HCA, Inc.,			
Senior Bond, 5%, 3/15/24	United States	114,800,000	114,229,238
Senior Bond, 5.625%, 9/01/28	United States	115,000,000	112,201,192
Senior Bond, 4.125%, 6/15/29	United States	38,500,000	34,871,283
Senior Bond, 2.375%, 7/15/31	United States	28,716,000	21,998,954
Senior Bond, 5.5%, 6/01/33	United States	60,000,000	56,786,461
WI, Senior Note, 3.625%, 3/15/32	United States	82,954,000	68,805,139
Humana, Inc., Senior Bond, 5.875%, 3/01/33	United States	35,000,000	34,821,178
°Kedrion SpA, Senior Secured Note, 144A, 6.5%, 9/01/29	Italy	35,000,000	30,187,500
°MPH Acquisition Holdings LLC,			
° Senior Note, 144A, 5.75%, 11/01/28	United States	140,000,000	105,275,100
Senior Secured Note, 144A, 5.5%, 9/01/28	United States	175,000,000	148,837,867
Quest Diagnostics, Inc., Senior Bond, 2.95%, 6/30/30	United States	58,755,000	49,368,794
Tenet Healthcare Corp.,			
Secured Note, 6.25%, 2/01/27	United States	100,000,000	96,856,790
Senior Bond, 6.875%, 11/15/31	United States	55,258,000	53,038,645
Senior Note, 6.125%, 10/01/28	United States	425,000,000	399,364,000
Senior Secured Note, 4.25%, 6/01/29	United States	130,000,000	112,018,764
Senior Secured Note, 4.375%, 1/15/30	United States	32,000,000	27,564,777
Senior Secured Note, 6.125%, 6/15/30	United States	386,000,000	362,376,530
° Senior Secured Note, 144A, 6.75%, 5/15/31	United States	122,775,000	118,566,310
UnitedHealth Group, Inc., Senior Bond, 5.35%, 2/15/33	United States	125,000,000	123,719,444
			5,351,699,392
<b>Health Care REITs 0.1%</b>			
MPT Operating Partnership LP / MPT Finance Corp.,			
° Senior Bond, 5.25%, 8/01/26	United States	37,000,000	31,567,266
Senior Bond, 5%, 10/15/27	United States	80,000,000	62,117,824
			93,685,090
<b>Health Care Technology 0.2%</b>			
° Multiplan Corp., Senior Note, 144A, PIK, 6%, 10/15/27	United States	185,000,000	123,302,500
<b>Hotel &amp; Resort REITs 0.0%<sup>†</sup></b>			
Service Properties Trust, Senior Note, 4.35%, 10/01/24	United States	17,389,000	16,700,802
<b>Hotels, Restaurants &amp; Leisure 2.9%</b>			
°Caesars Entertainment, Inc.,			
Senior Note, 144A, 8.125%, 7/01/27	United States	99,750,000	100,301,318
Senior Note, 144A, 4.625%, 10/15/29	United States	115,000,000	97,547,014
Senior Secured Note, 144A, 6.25%, 7/01/25	United States	189,759,000	187,328,711
Senior Secured Note, 144A, 7%, 2/15/30	United States	52,000,000	50,654,328
°Carnival Corp.,			
Senior Note, 144A, 7.625%, 3/01/26	United States	150,000,000	146,020,365
Senior Note, 144A, 5.75%, 3/01/27	United States	205,000,000	185,748,286
Senior Note, 144A, 10.5%, 6/01/30	United States	65,000,000	66,998,080
°Everi Holdings, Inc., Senior Note, 144A, 5%, 7/15/29			
	United States	15,000,000	12,928,200
Expedia Group, Inc.,			
Senior Bond, 3.8%, 2/15/28	United States	57,000,000	52,115,016
Senior Note, 5%, 2/15/26	United States	30,000,000	29,391,737
Senior Note, 3.25%, 2/15/30	United States	60,000,000	50,786,501
° Senior Note, 144A, 6.25%, 5/01/25	United States	54,596,000	54,712,500
°Fertitta Entertainment LLC / Fertitta Entertainment Finance Co., Inc.,			
Senior Note, 144A, 6.75%, 1/15/30	United States	75,000,000	61,222,147
Senior Secured Note, 144A, 4.625%, 1/15/29	United States	150,000,000	127,289,250

**Franklin Income Fund** (continued)

	Country	Principal Amount <sup>a</sup>	Value
<b>Corporate Bonds</b> (continued)			
<b>Hotels, Restaurants &amp; Leisure</b> (continued)			
Marriott International, Inc.,			
Senior Note, 5%, 10/15/27	United States	25,000,000	\$24,376,248
Senior Note, 4.9%, 4/15/29	United States	20,000,000	19,079,730
McDonald's Corp., Senior Bond, 4.6%, 9/09/32	United States	50,000,000	47,071,325
<sup>e</sup> Penn Entertainment, Inc.,			
Senior Note, 144A, 5.625%, 1/15/27	United States	20,000,000	18,829,800
<sup>g</sup> Senior Note, 144A, 4.125%, 7/01/29	United States	60,000,000	49,104,000
<sup>e</sup> Wynn Las Vegas LLC / Wynn Las Vegas Capital Corp.,			
Senior Bond, 144A, 5.5%, 3/01/25	United States	440,000,000	433,030,620
Senior Bond, 144A, 5.25%, 5/15/27	United States	150,000,000	139,677,810
<sup>e</sup> Wynn Resorts Finance LLC / Wynn Resorts Capital Corp., Senior Note, 144A, 7.125%, 2/15/31			
	United States	30,000,000	28,513,017
			1,982,726,003
<b>Household Durables 0.2%</b>			
KB Home, Senior Note, 7.25%, 7/15/30	United States	20,000,000	19,671,151
Lennar Corp., Senior Note, 4.5%, 4/30/24	United States	44,675,000	44,259,497
Shea Homes LP / Shea Homes Funding Corp.,			
Senior Note, 4.75%, 2/15/28	United States	34,630,000	31,163,715
Senior Note, 4.75%, 4/01/29	United States	49,895,000	43,329,566
			138,423,929
<b>Household Products 0.1%</b>			
<sup>e</sup> Energizer Holdings, Inc.,			
Senior Note, 144A, 6.5%, 12/31/27	United States	20,000,000	18,847,600
Senior Note, 144A, 4.75%, 6/15/28	United States	24,000,000	20,758,868
			39,606,468
<b>Independent Power and Renewable Electricity Producers 0.4%</b>			
<sup>e</sup> Calpine Corp.,			
Senior Note, 144A, 5.125%, 3/15/28	United States	142,000,000	126,604,814
Senior Secured Note, 144A, 4.5%, 2/15/28	United States	100,000,000	90,226,640
<sup>e,h</sup> Vistra Corp., Junior Sub. Bond, 144A, 7% to 12/14/26, FRN thereafter, Perpetual			
	United States	90,000,000	82,216,350
			299,047,804
<b>Insurance 0.2%</b>			
<sup>e</sup> Five Corners Funding Trust III, Senior Note, 144A, 5.791%, 2/15/33			
	United States	30,000,000	29,470,887
<sup>e</sup> Northwestern Mutual Global Funding, Secured Note, 144A, 4.35%, 9/15/27			
	United States	40,000,000	38,377,397
Prudential Financial, Inc., Junior Sub. Bond, 5.7% to 9/14/28, FRN thereafter, 9/15/48			
	United States	65,000,000	59,701,011
			127,549,295
<b>Interactive Media &amp; Services 0.1%</b>			
Meta Platforms, Inc., Senior Note, 3.85%, 8/15/32			
	United States	65,000,000	57,699,858
<sup>e</sup> ZipRecruiter, Inc., Senior Note, 144A, 5%, 1/15/30			
	United States	30,000,000	23,586,927
			81,286,785
<b>IT Services 0.1%</b>			
Twilio, Inc.,			
Senior Bond, 3.875%, 3/15/31	United States	40,000,000	32,563,312
Senior Note, 3.625%, 3/15/29	United States	45,000,000	37,713,528
			70,276,840
<b>Machinery 0.1%</b>			
Parker-Hannifin Corp., Senior Bond, 3.25%, 6/14/29			
	United States	43,000,000	38,229,170

## Franklin Income Fund (continued)

	Country	Principal Amount <sup>†</sup>	Value
<b>Corporate Bonds</b> (continued)			
<b>Machinery</b> (continued)			
°TK Elevator US Newco, Inc., Senior Secured Note, 144A, 5.25%, 7/15/27	Germany	35,000,000	\$32,118,217
			70,347,387
<b>Media 1.2%</b>			
°Clear Channel Outdoor Holdings, Inc., Senior Note, 144A, 7.75%, 4/15/28	United States	179,000,000	143,185,966
Senior Note, 144A, 7.5%, 6/01/29	United States	35,000,000	26,815,391
Senior Secured Note, 144A, 5.125%, 8/15/27	United States	90,000,000	80,007,074
CSC Holdings LLC, Senior Bond, 5.25%, 6/01/24	United States	45,026,000	42,902,493
DISH DBS Corp., Senior Note, 5.875%, 11/15/24	United States	120,000,000	111,885,996
Senior Note, 7.75%, 7/01/26	United States	26,520,000	19,931,504
° Senior Secured Note, 144A, 5.25%, 12/01/26	United States	10,000,000	8,517,258
°Stagwell Global LLC, Senior Note, 144A, 5.625%, 8/15/29	United States	55,000,000	44,479,600
°Univision Communications, Inc., Senior Secured Note, 144A, 5.125%, 2/15/25	United States	232,274,000	226,651,875
Senior Secured Note, 144A, 6.625%, 6/01/27	United States	60,000,000	55,943,502
Senior Secured Note, 144A, 8%, 8/15/28	United States	30,000,000	29,115,750
Senior Secured Note, 144A, 7.375%, 6/30/30	United States	20,000,000	18,302,534
			807,738,943
<b>Metals &amp; Mining 1.2%</b>			
°Alcoa Nederland Holding BV, Senior Note, 144A, 5.5%, 12/15/27	United States	104,742,000	99,638,331
° Senior Note, 144A, 4.125%, 3/31/29	United States	101,547,000	89,956,831
ArcelorMittal SA, Senior Bond, 6.8%, 11/29/32	Luxembourg	40,000,000	39,766,790
Senior Note, 6.55%, 11/29/27	Luxembourg	25,000,000	25,374,396
°Cleveland-Cliffs, Inc., Senior Bond, 144A, 4.875%, 3/01/31	United States	25,000,000	21,322,957
Senior Secured Note, 144A, 6.75%, 3/15/26	United States	50,000,000	49,909,295
°First Quantum Minerals Ltd., Senior Note, 144A, 7.5%, 4/01/25	Zambia	85,000,000	84,945,609
Senior Note, 144A, 8.625%, 6/01/31	Zambia	55,000,000	54,803,742
°FMG Resources August 2006 Pty. Ltd., Senior Bond, 144A, 4.375%, 4/01/31	Australia	120,000,000	98,890,248
Senior Bond, 144A, 6.125%, 4/15/32	Australia	22,500,000	20,492,918
Senior Note, 144A, 5.875%, 4/15/30	Australia	50,000,000	45,781,132
Freeport-McMoRan, Inc., Senior Bond, 5.25%, 9/01/29	United States	61,402,000	58,084,837
Senior Bond, 5.4%, 11/14/34	United States	35,000,000	32,082,004
°Glencore Funding LLC, Senior Bond, 144A, 2.5%, 9/01/30	Australia	100,000,000	79,124,709
°Mineral Resources Ltd., Senior Note, 144A, 8%, 11/01/27	Australia	20,000,000	19,647,900
Senior Note, 144A, 8.5%, 5/01/30	Australia	35,000,000	34,377,576
			854,199,275
<b>Multi-Utilities 0.2%</b>			
Dominion Energy, Inc., A, Senior Note, 4.35%, 8/15/32	United States	30,000,000	26,862,599
C, Senior Note, 3.375%, 4/01/30	United States	30,000,000	25,827,207
NiSource, Inc., Senior Bond, 3.6%, 5/01/30	United States	33,750,000	29,424,603
Sempra, Senior Bond, 5.5%, 8/01/33	United States	35,000,000	33,521,185
Southern Co. Gas Capital Corp., Senior Bond, 5.15%, 9/15/32	United States	40,000,000	37,692,286
			153,327,880

**Franklin Income Fund** (continued)

	Country	Principal Amount <sup>a</sup>	Value
<b>Corporate Bonds</b> (continued)			
<b>Oil, Gas &amp; Consumable Fuels 2.4%</b>			
BP Capital Markets America, Inc., Senior Bond, 4.234%, 11/06/28 . . . . .	United States	28,705,000	\$27,307,802
Senior Bond, 3.633%, 4/06/30 . . . . .	United States	46,500,000	41,897,618
Senior Bond, 2.721%, 1/12/32 . . . . .	United States	25,000,000	20,300,915
<sup>e</sup> Calumet Specialty Products Partners LP / Calumet Finance Corp., Senior Note, 144A, 11%, 4/15/25 . . . . .	United States	255,000,000	259,448,623
Senior Note, 144A, 8.125%, 1/15/27 . . . . .	United States	95,000,000	91,127,458
Senior Note, 144A, 9.75%, 7/15/28 . . . . .	United States	69,000,000	68,199,704
Senior Secured Note, 144A, 9.25%, 7/15/24 . . . . .	United States	111,402,000	111,871,560
Cheniere Corpus Christi Holdings LLC, Senior Secured Note, 5.125%, 6/30/27 . . . . .	United States	87,973,000	85,527,207
Senior Secured Note, 3.7%, 11/15/29 . . . . .	United States	107,245,000	95,200,477
<sup>e</sup> Cheniere Energy Partners LP, Senior Bond, 144A, 5.95%, 6/30/33. Chevron Corp., Senior Bond, 2.236%, 5/11/30 . . . . .	United States	30,000,000	28,971,600
<sup>e</sup> CITGO Petroleum Corp., Senior Secured Note, 144A, 7%, 6/15/25 . . . . .	United States	40,000,000	33,365,944
Senior Secured Note, 144A, 6.375%, 6/15/26 . . . . .	United States	33,224,000	32,760,615
<sup>e</sup> Civitas Resources, Inc., Senior Note, 144A, 8.75%, 7/01/31 . . . . .	United States	30,000,000	29,654,604
Energy Transfer LP, Senior Bond, 5.75%, 2/15/33 . . . . .	United States	25,000,000	25,567,977
<sup>e</sup> Hilcorp Energy I LP / Hilcorp Finance Co., Senior Note, 144A, 6%, 4/15/30 . . . . .	United States	30,000,000	28,870,599
Kinder Morgan, Inc., Senior Bond, 5.2%, 6/01/33 . . . . .	United States	25,000,000	22,569,337
<sup>e</sup> Kinetik Holdings LP, Senior Note, 144A, 5.875%, 6/15/30 . . . . .	United States	87,000,000	80,522,529
Occidental Petroleum Corp., Senior Bond, 6.625%, 9/01/30 . . . . .	United States	45,000,000	42,239,250
Senior Bond, 6.125%, 1/01/31 . . . . .	United States	80,000,000	81,147,200
Senior Note, 5.5%, 12/01/25 . . . . .	United States	52,000,000	51,304,760
Senior Note, 6.375%, 9/01/28 . . . . .	United States	30,000,000	29,638,288
<sup>e</sup> Venture Global LNG, Inc., Senior Secured Note, 144A, 8.125%, 6/01/28 . . . . .	United States	60,000,000	60,504,300
Williams Cos., Inc. (The), Senior Bond, 3.5%, 11/15/30 . . . . .	United States	55,000,000	54,498,010
Senior Bond, 2.6%, 3/15/31 . . . . .	United States	130,000,000	112,172,522
Senior Bond, 4.65%, 8/15/32 . . . . .	United States	61,000,000	48,615,141
Senior Bond, 5.65%, 3/15/33 . . . . .	United States	70,000,000	63,714,858
		30,000,000	29,005,214
			1,656,004,112
<b>Passenger Airlines 1.8%</b>			
<sup>e</sup> American Airlines Group, Inc., Senior Note, 144A, 3.75%, 3/01/25 . . . . .	United States	64,000,000	60,696,979
<sup>e</sup> American Airlines Inc/AAdvantage Loyalty IP Ltd., Senior Secured Note, 144A, 5.5%, 4/20/26 . . . . .	United States	197,083,334	192,659,345
Senior Secured Note, 144A, 5.75%, 4/20/29 . . . . .	United States	146,850,000	136,699,024
<sup>e</sup> American Airlines, Inc., Senior Secured Note, 144A, 11.75%, 7/15/25	United States	180,000,000	193,646,308
<sup>e</sup> Delta Air Lines, Inc. / SkyMiles IP Ltd., Senior Secured Note, 144A, 4.5%, 10/20/25 . . . . .	United States	58,971,622	57,301,813
Senior Secured Note, 144A, 4.75%, 10/20/28 . . . . .	United States	341,718,000	324,875,465
<sup>e</sup> Mileage Plus Holdings LLC / Mileage Plus Intellectual Property Assets Ltd., Senior Secured Note, 144A, 6.5%, 6/20/27 . . . . .	United States	99,618,096	98,800,879
<sup>e</sup> United Airlines, Inc., Senior Secured Note, 144A, 4.375%, 4/15/26 . . . . .	United States	69,462,000	64,306,912
Senior Secured Note, 144A, 4.625%, 4/15/29 . . . . .	United States	116,643,000	100,380,115
			1,229,366,840
<b>Personal Care Products 0.2%</b>			
<sup>e</sup> BellRing Brands, Inc., Senior Note, 144A, 7%, 3/15/30 . . . . .	United States	30,000,000	29,579,529
Haleon US Capital LLC, Senior Note, 3.375%, 3/24/29 . . . . .	United States	30,000,000	26,916,991



## Franklin Income Fund (continued)

	Country	Principal Amount <sup>†</sup>	Value
<b>Corporate Bonds</b> (continued)			
<b>Personal Care Products</b> (continued)			
Haleon US Capital LLC, (continued)			
Senior Note, 3.625%, 3/24/32	United States	65,043,000	\$55,813,776
			112,310,296
<b>Pharmaceuticals 2.6%</b>			
<sup>e</sup> 1375209 BC Ltd., Senior Secured Note, 144A, 9%, 1/30/28	Canada	467,060,000	462,232,057
<sup>e</sup> Bausch Health Cos., Inc.,			
Secured Note, 144A, 14%, 10/15/30	United States	164,340,000	97,831,602
Senior Secured Note, 144A, 5.5%, 11/01/25	United States	60,000,000	53,232,000
Senior Secured Note, 144A, 6.125%, 2/01/27	United States	165,000,000	102,885,205
Senior Secured Note, 144A, 5.75%, 8/15/27	United States	18,850,000	11,247,041
Senior Secured Note, 144A, 11%, 9/30/28	United States	752,000,000	512,074,400
Bristol-Myers Squibb Co., Senior Note, 3.9%, 2/20/28	United States	30,000,000	28,370,025
<sup>e,k</sup> Endo Dac / Endo Finance LLC / Endo Finco, Inc., Senior Secured Note, 144A, 5.875%, 10/15/24	United States	47,500,000	33,328,499
<sup>e,k</sup> Endo Luxembourg Finance Co. I SARL / Endo US, Inc., Senior Secured Note, 144A, 6.125%, 4/01/29	United States	66,355,000	47,240,779
<sup>e,k</sup> Par Pharmaceutical, Inc., Senior Secured Note, 144A, 7.5%, 4/01/27	United States	193,401,000	138,084,446
Royalty Pharma plc,			
Senior Bond, 2.15%, 9/02/31	United States	45,800,000	34,297,762
Senior Note, 2.2%, 9/02/30	United States	35,000,000	27,190,708
Teva Pharmaceutical Finance Netherlands III BV,			
Senior Note, 7.125%, 1/31/25	Israel	27,220,000	27,342,136
Senior Note, 6.75%, 3/01/28	Israel	26,000,000	25,553,359
Senior Note, 7.875%, 9/15/29	Israel	25,000,000	25,357,850
Senior Note, 8.125%, 9/15/31	Israel	30,000,000	31,074,060
Utah Acquisition Sub, Inc., Senior Note, 3.95%, 6/15/26	United States	130,500,000	122,293,260
Viatrix, Inc., Senior Note, 2.7%, 6/22/30	United States	25,000,000	19,558,364
			1,799,193,553
<b>Semiconductors &amp; Semiconductor Equipment 1.0%</b>			
Broadcom, Inc.,			
Senior Bond, 4.15%, 11/15/30	United States	20,000,000	17,722,974
Senior Bond, 4.3%, 11/15/32	United States	100,000,000	87,275,710
<sup>e</sup> Senior Bond, 144A, 2.45%, 2/15/31	United States	80,000,000	62,564,524
<sup>e</sup> Senior Bond, 144A, 4.15%, 4/15/32	United States	75,000,000	65,130,153
<sup>e</sup> Senior Bond, 144A, 3.469%, 4/15/34	United States	66,000,000	51,863,900
<sup>e</sup> Senior Note, 144A, 4%, 4/15/29	United States	48,307,000	43,618,515
<sup>e</sup> Entegris Escrow Corp., Senior Secured Note, 144A, 4.75%, 4/15/29	United States	60,000,000	53,994,798
Intel Corp.,			
Senior Bond, 5.2%, 2/10/33	United States	25,000,000	24,218,632
Senior Note, 5.125%, 2/10/30	United States	30,000,000	29,453,802
Micron Technology, Inc.,			
Senior Bond, 5.327%, 2/06/29	United States	25,000,000	24,108,980
Senior Bond, 4.663%, 2/15/30	United States	34,000,000	30,961,873
Senior Bond, 5.875%, 2/09/33	United States	40,000,000	38,242,115
Senior Note, 6.75%, 11/01/29	United States	55,000,000	55,917,942
NXP BV / NXP Funding LLC, Senior Note, 5.55%, 12/01/28	China	20,000,000	19,585,613
NXP BV / NXP Funding LLC / NXP USA, Inc., Senior Note, 3.4%, 5/01/30	China	31,200,000	26,695,566
<sup>e</sup> Qorvo, Inc., Senior Bond, 144A, 3.375%, 4/01/31	United States	30,800,000	24,428,284
			655,783,381
<b>Software 0.9%</b>			
<sup>e</sup> McAfee Corp., Senior Note, 144A, 7.375%, 2/15/30	United States	60,000,000	50,301,774
Oracle Corp.,			
Senior Bond, 2.65%, 7/15/26	United States	100,000,000	92,235,663

**Franklin Income Fund** (continued)

	Country	Principal Amount <sup>a</sup>	Value
<b>Corporate Bonds</b> (continued)			
<b>Software</b> (continued)			
Oracle Corp., (continued)			
Senior Bond, 3.25%, 11/15/27	United States	40,000,000	\$36,469,231
Senior Bond, 2.95%, 4/01/30	United States	44,000,000	37,043,217
Senior Bond, 3.25%, 5/15/30	United States	21,960,000	18,810,120
Senior Bond, 2.875%, 3/25/31	United States	101,000,000	82,544,295
Senior Bond, 6.25%, 11/09/32	United States	45,000,000	45,580,434
Senior Note, 2.3%, 3/25/28	United States	50,000,000	43,343,417
Senior Note, 6.15%, 11/09/29	United States	20,000,000	20,313,069
Roper Technologies, Inc.,			
Senior Bond, 2%, 6/30/30	United States	30,303,000	23,985,488
Senior Bond, 1.75%, 2/15/31	United States	20,000,000	15,187,062
Workday, Inc., Senior Bond, 3.8%, 4/01/32	United States	200,000,000	171,553,392
			637,367,162
<b>Specialized REITs 0.6%</b>			
American Tower Corp.,			
Senior Bond, 3.375%, 10/15/26	United States	20,000,000	18,633,570
Senior Bond, 3.55%, 7/15/27	United States	40,000,000	36,776,372
Senior Bond, 2.9%, 1/15/30	United States	30,000,000	24,953,948
Senior Bond, 5.65%, 3/15/33	United States	60,000,000	57,742,951
Senior Note, 1.6%, 4/15/26	United States	45,318,000	40,719,004
Senior Note, 4.05%, 3/15/32	United States	50,000,000	43,139,328
Crown Castle, Inc.,			
Senior Bond, 3.3%, 7/01/30	United States	74,583,000	63,005,377
Senior Bond, 2.1%, 4/01/31	United States	33,500,000	25,583,257
Senior Bond, 2.5%, 7/15/31	United States	25,000,000	19,520,721
<sup>e</sup> Iron Mountain, Inc., Senior Note, 144A, 4.875%, 9/15/27	United States	65,000,000	60,027,487
Weyerhaeuser Co., Senior Bond, 3.375%, 3/09/33	United States	42,300,000	34,665,297
			424,767,312
<b>Specialty Retail 0.8%</b>			
AutoNation, Inc.,			
Senior Bond, 4.75%, 6/01/30	United States	40,959,000	36,927,209
Senior Bond, 2.4%, 8/01/31	United States	44,451,000	32,808,613
Senior Bond, 3.85%, 3/01/32	United States	32,953,000	26,813,903
Senior Note, 1.95%, 8/01/28	United States	44,000,000	35,876,220
Bath & Body Works, Inc., Senior Bond, 6.875%, 11/01/35	United States	40,000,000	35,769,332
Home Depot, Inc. (The), Senior Note, 4.5%, 9/15/32	United States	100,000,000	94,406,654
Lowe's Cos., Inc.,			
Senior Bond, 3.65%, 4/05/29	United States	20,000,000	18,161,044
Senior Bond, 4.5%, 4/15/30	United States	35,000,000	32,672,371
Senior Bond, 3.75%, 4/01/32	United States	88,000,000	76,234,693
Senior Bond, 5%, 4/15/33	United States	115,000,000	108,315,362
Senior Bond, 5.15%, 7/01/33	United States	35,000,000	33,220,718
<sup>e</sup> Michaels Cos., Inc. (The), Senior Secured Note, 144A, 5.25%, 5/01/28	United States	60,000,000	47,987,100
			579,193,219
<b>Technology Hardware, Storage &amp; Peripherals 0.5%</b>			
Apple, Inc., Senior Bond, 3.35%, 8/08/32	United States	60,000,000	52,959,290
Dell International LLC / EMC Corp.,			
<sup>g</sup> Senior Bond, 5.75%, 2/01/33	United States	40,000,000	38,892,143
Senior Note, 5.3%, 10/01/29	United States	55,000,000	53,413,539
HP, Inc.,			
Senior Bond, 5.5%, 1/15/33	United States	70,000,000	65,672,509

## Franklin Income Fund (continued)

	Country	Principal Amount <sup>†</sup>	Value
<b>Corporate Bonds</b> (continued)			
<b>Technology Hardware, Storage &amp; Peripherals</b> (continued)			
HP, Inc., (continued)			
Senior Note, 4%, 4/15/29 .....	United States	160,309,000	\$146,559,428
			357,496,909
<b>Textiles, Apparel &amp; Luxury Goods 0.0%<sup>†</sup></b>			
<sup>e</sup> Hanesbrands, Inc., Senior Note, 144A, 9%, 2/15/31 .....	United States	20,000,000	19,085,412
<b>Tobacco 0.7%</b>			
BAT Capital Corp.,			
Senior Bond, 2.726%, 3/25/31 .....	United Kingdom	25,000,000	19,310,930
Senior Bond, 6.421%, 8/02/33 .....	United Kingdom	53,500,000	52,043,272
Senior Note, 3.557%, 8/15/27 .....	United Kingdom	306,500,000	280,568,362
Senior Note, 2.259%, 3/25/28 .....	United Kingdom	37,812,000	32,004,407
Philip Morris International, Inc.,			
Senior Bond, 5.75%, 11/17/32 .....	United States	41,000,000	40,040,216
Senior Bond, 5.375%, 2/15/33 .....	United States	70,000,000	66,396,857
Senior Bond, 5.625%, 9/07/33 .....	United States	25,000,000	24,050,326
			514,414,370
<b>Trading Companies &amp; Distributors 0.5%</b>			
United Rentals North America, Inc.,			
Senior Bond, 4.875%, 1/15/28 .....	United States	155,000,000	144,936,326
Senior Bond, 4%, 7/15/30 .....	United States	25,200,000	21,508,543
Senior Bond, 3.875%, 2/15/31 .....	United States	70,657,000	58,865,746
Senior Bond, 3.75%, 1/15/32 .....	United States	31,000,000	25,055,635
<sup>e</sup> Senior Secured Note, 144A, 6%, 12/15/29 .....	United States	65,000,000	63,362,721
<sup>e</sup> WESCO Distribution, Inc., Senior Note, 144A, 7.125%, 6/15/25 .....	United States	25,000,000	25,085,525
			338,814,496
<b>Water Utilities 0.1%</b>			
American Water Capital Corp., Senior Bond, 4.45%, 6/01/32 .....	United States	40,336,000	37,308,130
<b>Wireless Telecommunication Services 0.6%</b>			
Sprint LLC,			
Senior Note, 7.125%, 6/15/24 .....	United States	190,650,000	191,974,636
Senior Note, 7.625%, 3/01/26 .....	United States	86,300,000	88,758,943
<sup>e</sup> Sprint Spectrum Co. LLC / Sprint Spectrum Co. II LLC / Sprint Spectrum Co. III LLC, Senior Secured Bond, 144A, 5.152%, 3/20/28 .....	United States	81,000,000	79,599,545
T-Mobile USA, Inc.,			
Senior Bond, 5.2%, 1/15/33 .....	United States	45,000,000	42,498,043
Senior Note, 3.375%, 4/15/29 .....	United States	30,000,000	26,413,638
			429,244,805
<b>Total Corporate Bonds (Cost \$35,550,373,530) .....</b>			<b>33,236,375,156</b>
		<u>Units</u>	
<b>Index-Linked Notes 0.1%</b>			
<b>Capital Markets 0.1%</b>			
<sup>e,m</sup> Goldman Sachs International Bank into S&P 500 Index, Senior Note, 144A, 6.5%, 12/22/23 .....	United States	5,985	25,602,656
<b>Total Index-Linked Notes (Cost \$25,008,125) .....</b>			<b>25,602,656</b>

Franklin Income Fund (continued)

	Country	Principal Amount <sup>†</sup>	Value
<b><sup>n</sup>Senior Floating Rate Interests 0.5%</b>			
<b>Chemicals 0.1%</b>			
<sup>f</sup> oSCIH Salt Holdings, Inc., First Lien, Incremental Term Loan, B1, 9.631%, (3-month SOFR + 4%), 3/16/27 .....	United States	34,953,382	\$34,795,742
<b>Health Care Equipment &amp; Supplies 0.1%</b>			
<sup>f</sup> oMedline Borrower LP, Initial Dollar Term Loan, 8.681%, (1-month SOFR + 3.25%), 10/23/28 .....	United States	79,759,685	79,637,254
<b>Software 0.3%</b>			
<sup>o</sup> TIBCO Software, Inc., First Lien, CME Term Loan, A, 9.99%, (3-month SOFR + 4.5%), 9/29/28 .....	United States	248,597,961	239,172,369
<b>Total Senior Floating Rate Interests (Cost \$333,674,778) .....</b>			<b>353,605,365</b>
<b>U.S. Government and Agency Securities 13.7%</b>			
U.S. Treasury Bonds,			
3.375%, 8/15/42 .....	United States	600,000,000	486,269,532
3.875%, 5/15/43 .....	United States	250,000,000	217,382,812
3.625%, 5/15/53 .....	United States	500,000,000	414,101,560
4.125%, 8/15/53 .....	United States	750,000,000	680,976,563
U.S. Treasury Notes,			
4.375%, 10/31/24 .....	United States	500,000,000	494,462,890
4.25%, 10/15/25 .....	United States	1,000,000,000	984,492,190
4.125%, 10/31/27 .....	United States	1,250,000,000	1,223,583,988
3.875%, 11/30/27 .....	United States	500,000,000	484,765,625
4%, 10/31/29 .....	United States	1,000,000,000	965,664,060
2.875%, 5/15/32 .....	United States	1,250,000,000	1,097,412,112
2.75%, 8/15/32 .....	United States	2,250,000,000	1,948,710,938
3.875%, 8/15/33 .....	United States	500,000,000	472,500,000
<b>Total U.S. Government and Agency Securities (Cost \$10,097,268,212) .....</b>			<b>9,470,322,270</b>
<b>Asset-Backed Securities 0.2%</b>			
<b>Passenger Airlines 0.2%</b>			
United Airlines Pass-Through Trust,			
2020-1, A, 5.875%, 10/15/27 .....	United States	68,283,333	67,780,754
2023-1, A, 5.8%, 1/15/36 .....	United States	50,000,000	48,793,380
			116,574,134
<b>Total Asset-Backed Securities (Cost \$118,061,413) .....</b>			<b>116,574,134</b>
<b>Mortgage-Backed Securities 0.0%<sup>†</sup></b>			
<b>Federal National Mortgage Association (FNMA) Fixed Rate 0.0%<sup>†</sup></b>			
FNMA, 30 Year, 4%, 8/01/49 .....	United States	25,647,017	23,235,952
<b>Total Mortgage-Backed Securities (Cost \$27,169,809) .....</b>			<b>23,235,952</b>
<b>Total Long Term Investments (Cost \$71,780,930,471) .....</b>			<b>68,229,507,089</b>

Franklin Income Fund (continued)

**Short Term Investments 0.9%**

	Country	Shares	Value
<b>Money Market Funds 0.9%</b>			
<sup>c</sup> Institutional Fiduciary Trust - Money Market Portfolio, 5.019% . . . .	United States	645,794,493	\$645,794,493
<b>Total Money Market Funds (Cost \$645,794,493) . . . . .</b>			<b>645,794,493</b>
<b>Total Short Term Investments (Cost \$645,794,493) . . . . .</b>			<b>645,794,493</b>
<b>Total Investments (Cost \$72,426,724,964) 99.6% . . . . .</b>			<b>\$68,875,301,582</b>
<b>Options Written (0.1)% . . . . .</b>			<b>(87,227,000)</b>
<b>Other Assets, less Liabilities 0.5% . . . . .</b>			<b>360,723,996</b>
<b>Net Assets 100.0% . . . . .</b>			<b>\$69,148,798,578</b>

	Number of Contracts	Notional Amount <sup>#</sup>	
<b><sup>d</sup>Options Written (0.1)%</b>			
<b>Calls - Exchange-Traded</b>			
<b>Equity Options</b>			
Bank of America Corp., October Strike Price \$29.00, Expires 10/20/23 . . . . .	25,000	68,450,000	(650,000)
Bank of America Corp., November Strike Price \$30.00, Expires 11/17/23 . . . . .	25,000	68,450,000	(675,000)
Bank of America Corp., December Strike Price \$31.00, Expires 12/15/23 . . . . .	25,000	68,450,000	(550,000)
Bank of America Corp., January Strike Price \$32.00, Expires 1/19/24	25,000	68,450,000	(700,000)
Charles Schwab Corp. (The), December Strike Price \$65.00, Expires 12/15/23 . . . . .	10,000	54,900,000	(550,000)
Charles Schwab Corp. (The), November Strike Price \$67.50, Expires 11/17/23 . . . . .	10,000	54,900,000	(160,000)
Charles Schwab Corp. (The), October Strike Price \$75.00, Expires 10/20/23 . . . . .	10,000	54,900,000	(20,000)
Chevron Corp., October Strike Price \$175.00, Expires 10/20/23 . .	10,000	168,620,000	(890,000)
Cisco Systems, Inc., October Strike Price \$55.00, Expires 10/20/23	20,000	107,520,000	(600,000)
Citigroup, Inc., December Strike Price \$47.00, Expires 12/15/23 . .	20,000	82,260,000	(580,000)
Comcast Corp., November Strike Price \$47.50, Expires 11/17/23 . .	10,000	44,340,000	(450,000)
Comcast Corp., December Strike Price \$50.00, Expires 12/15/23 . .	15,000	66,510,000	(480,000)
CVS Health Corp., November Strike Price \$85.00, Expires 11/17/23	10,000	69,820,000	(90,000)
Fifth Third Bancorp, November Strike Price \$29.00, Expires 11/17/23	10,000	25,330,000	(150,000)
Fifth Third Bancorp, November Strike Price \$30.00, Expires 11/17/23	10,000	25,330,000	(100,000)
Goldman Sachs Group, Inc. (The), November Strike Price \$350.00, Expires 11/17/23 . . . . .	5,500	177,963,500	(1,925,000)
Honeywell International, Inc., December Strike Price \$200.00, Expires 12/15/23 . . . . .	13,000	240,162,000	(2,262,000)
International Business Machines Corp., December Strike Price \$160.00, Expires 12/15/23 . . . . .	10,000	140,300,000	(330,000)
Johnson & Johnson, November Strike Price \$175.00, Expires 11/17/23 . . . . .	25,000	389,375,000	(400,000)
JPMorgan Chase & Co., December Strike Price \$160.00, Expires 12/15/23 . . . . .	10,000	145,020,000	(1,110,000)
JPMorgan Chase & Co., January Strike Price \$165.00, Expires 1/19/24 . . . . .	10,000	145,020,000	(1,070,000)
MetLife, Inc., October Strike Price \$67.50, Expires 10/20/23 . . . . .	10,000	62,910,000	(150,000)
MetLife, Inc., November Strike Price \$67.50, Expires 11/17/23 . . . .	15,000	94,365,000	(1,050,000)
MetLife, Inc., December Strike Price \$67.50, Expires 12/15/23 . . . .	10,000	62,910,000	(1,050,000)
Morgan Stanley, October Strike Price \$100.00, Expires 10/20/23 . .	20,000	163,340,000	(80,000)
NextEra Energy, Inc., November Strike Price \$70.00, Expires 11/17/23 . . . . .	20,000	114,580,000	(200,000)

**Franklin Income Fund** (continued)

	Number of Contracts	Notional Amount <sup>#</sup>	Value
<b>Options Written</b> (continued)			
<b>Calls - Exchange-Traded</b> (continued)			
<b>Equity Options</b> (continued)			
PepsiCo, Inc., November Strike Price \$190.00, Expires 11/17/23 . . .	10,000	169,440,000	\$(130,000)
Philip Morris International, Inc., December Strike Price \$100.00, Expires 12/15/23 . . . . .	10,000	92,580,000	(1,100,000)
PNC Financial Services Group, Inc. (The), November Strike Price \$130.00, Expires 11/17/23 . . . . .	10,000	122,770,000	(2,000,000)
QUALCOMM, Inc., October Strike Price \$130.00, Expires 10/20/23 . . . .	10,000	111,060,000	(50,000)
Target Corp., October Strike Price \$145.00, Expires 10/20/23 . . . .	10,000	110,570,000	(20,000)
Texas Instruments, Inc., November Strike Price \$185.00, Expires 11/17/23 . . . . .	10,000	159,010,000	(260,000)
Truist Financial Corp., December Strike Price \$32.50, Expires 12/15/23 . . . . .	20,000	57,220,000	(1,200,000)
US Bancorp, December Strike Price \$37.50, Expires 12/15/23 . . . .	10,000	33,060,000	(600,000)
US Bancorp, October Strike Price \$40.00, Expires 10/20/23 . . . . .	10,000	33,060,000	(50,000)
			(21,682,000)
<b>Puts - Exchange-Traded</b>			
<b>Equity Options</b>			
Amazon.com, Inc., December Strike Price \$100.00, Expires 12/15/23 . . . .	10,000	127,120,000	(930,000)
American Express Co., November Strike Price \$150.00, Expires 11/17/23 . . . . .	10,000	149,190,000	(5,850,000)
Analog Devices, Inc., November Strike Price \$160.00, Expires 11/17/23 . . . . .	10,000	175,090,000	(1,660,000)
Coca-Cola Co. (The), December Strike Price \$52.50, Expires 12/15/23 . . . . .	20,000	111,960,000	(1,180,000)
Coca-Cola Co. (The), November Strike Price \$57.50, Expires 11/17/23 . . . . .	10,000	55,980,000	(1,960,000)
CVS Health Corp., November Strike Price \$70.00, Expires 11/17/23 . . . .	10,000	69,820,000	(2,910,000)
Duke Energy Corp., November Strike Price \$85.00, Expires 11/17/23 . . . .	10,000	88,260,000	(1,700,000)
Exxon Mobil Corp., October Strike Price \$105.00, Expires 10/20/23 . . . .	20,000	235,160,000	(320,000)
Exxon Mobil Corp., November Strike Price \$105.00, Expires 11/17/23 . . . . .	15,000	176,370,000	(1,170,000)
Home Depot, Inc. (The), November Strike Price \$305.00, Expires 11/17/23 . . . . .	10,000	302,160,000	(10,350,000)
Honeywell International, Inc., December Strike Price \$170.00, Expires 12/15/23 . . . . .	10,000	184,740,000	(2,200,000)
International Business Machines Corp., December Strike Price \$135.00, Expires 12/15/23 . . . . .	10,000	140,300,000	(3,300,000)
Johnson & Johnson, October Strike Price \$150.00, Expires 10/20/23 . . . .	10,000	155,750,000	(970,000)
Johnson & Johnson, November Strike Price \$150.00, Expires 11/17/23 . . . . .	10,000	155,750,000	(1,910,000)
Johnson Controls International plc, October Strike Price \$57.50, Expires 10/20/23 . . . . .	5,000	26,605,000	(2,175,000)
JPMorgan Chase & Co., November Strike Price \$135.00, Expires 11/17/23 . . . . .	10,000	145,020,000	(1,900,000)
Microchip Technology, Inc., November Strike Price \$70.00, Expires 11/17/23 . . . . .	10,000	78,050,000	(1,100,000)
Microchip Technology, Inc., October Strike Price \$72.50, Expires 10/20/23 . . . . .	10,000	78,050,000	(500,000)
Microsoft Corp., October Strike Price \$290.00, Expires 10/20/23 . . . .	10,000	315,750,000	(970,000)
NextEra Energy, Inc., December Strike Price \$50.00, Expires 12/15/23 . . . . .	20,000	114,580,000	(1,400,000)
Oracle Corp., December Strike Price \$95.00, Expires 12/15/23 . . . .	20,000	211,840,000	(3,440,000)
Palo Alto Networks, Inc., December Strike Price \$180.00, Expires 12/15/23 . . . . .	20,000	468,880,000	(2,580,000)
PepsiCo, Inc., November Strike Price \$170.00, Expires 11/17/23 . . . .	10,000	169,440,000	(4,250,000)

## Franklin Income Fund (continued)

	Number of Contracts	Notional Amount <sup>#</sup>	Value
<b>Options Written</b> (continued)			
<b>Puts - Exchange-Traded</b> (continued)			
<b>Equity Options</b> (continued)			
Philip Morris International, Inc., December Strike Price \$82.50, Expires 12/15/23 .....	10,000	92,580,000	\$(700,000)
QUALCOMM, Inc., October Strike Price \$100.00, Expires 10/20/23	10,000	111,060,000	(350,000)
Texas Instruments, Inc., December Strike Price \$140.00, Expires 12/15/23 .....	10,000	159,010,000	(1,870,000)
Union Pacific Corp., October Strike Price \$205.00, Expires 10/20/23	10,000	203,630,000	(5,100,000)
United Parcel Service, Inc., October Strike Price \$160.00, Expires 10/20/23 .....	5,000	77,935,000	(2,800,000)
			(65,545,000)
<b>Total Options Written (Premiums received \$98,516,643)</b> .....			<u>\$(87,227,000)</u>

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

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

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

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

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

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

<sup>‡</sup> See Note 1(f) regarding equity-linked securities.

<sup>§</sup> Security was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At September 30, 2023, the aggregate value of these securities was \$28,131,840,048, representing 40.7% of net assets.

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

<sup>||</sup> A portion or all of the security is on loan at September 30, 2023. See Note 1(g).

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

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

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

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

<sup>¶</sup> See Note 1(e) regarding index-linked notes.

<sup>¶</sup> Security pays variable interest based on the distributions of the strategy index and proceeds earned from related equity derivatives. The coupon rate shown represents the combined rate at period end. Cash payment at maturity or upon early redemption is based on the performance of the strategy index.

<sup>¶</sup> See Note 1(h) regarding senior floating rate interests.

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

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

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

**Franklin Income Fund** (continued)

At September 30, 2023, the Fund had the following futures contracts outstanding. See Note 1(d).

**Futures Contracts**

Description	Type	Number of Contracts	Notional Amount*	Expiration Date	Value/ Unrealized Appreciation (Depreciation)
<b>Interest rate contracts</b>					
U.S. Treasury 10 Year Notes . . . . .	Long	54,000	\$5,835,375,000	12/19/23	\$(120,952,289)
U.S. Treasury Ultra Bonds . . . . .	Long	5,250	623,109,375	12/19/23	(44,465,285)
Total Futures Contracts . . . . .					<u>\$(165,417,574)</u>

\*As of period end.

See Note 9 regarding derivative financial instruments.



## Financial Highlights

### Franklin U.S. Government Securities Fund

	Year Ended September 30,				
	2023	2022	2021	2020	2019
<b>Class A</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$5.03	\$5.89	\$6.09	\$6.07	\$5.86
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b</sup> . . . . .	0.12	0.08	0.05	0.10	0.14
Net realized and unrealized gains (losses) . . . . .	(0.14)	(0.81)	(0.12)	0.08	0.25
Total from investment operations . . . . .	(0.02)	(0.73)	(0.07)	0.18	0.39
Less distributions from:					
Net investment income . . . . .	(0.15)	(0.13)	(0.13)	(0.16)	(0.18)
Net asset value, end of year . . . . .	\$4.86	\$5.03	\$5.89	\$6.09	\$6.07
Total return <sup>c</sup> . . . . .	(0.49)%	(12.50)%	(1.15)%	3.01%	6.70%
<b>Ratios to average net assets</b>					
Expenses before waiver and payments by affiliates . . . . .	0.81%	0.87%	0.87%	0.89%	0.89%
Expenses net of waiver and payments by affiliates . . . . .	0.80%	0.86% <sup>d</sup>	0.87% <sup>d,e</sup>	0.88% <sup>d</sup>	0.88% <sup>d</sup>
Net investment income . . . . .	2.45%	1.44%	0.79%	1.58%	2.36%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$607,527	\$687,607	\$1,020,574	\$1,097,545	\$336,646
Portfolio turnover rate . . . . .	2.81%	53.63%	89.16%	65.54%	41.34%

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

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

<sup>c</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

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

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

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

	Year Ended September 30,				
	2023	2022	2021	2020	2019
<b>Class A1</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$5.03	\$5.90	\$6.09	\$6.07	\$5.85
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b</sup> . . . . .	0.13	0.09	0.05	0.10	0.15
Net realized and unrealized gains (losses) . . . . .	(0.14)	(0.82)	(0.10)	0.09	0.25
Total from investment operations . . . . .	(0.01)	(0.73)	(0.05)	0.19	0.40
Less distributions from:					
Net investment income . . . . .	(0.16)	(0.14)	(0.14)	(0.17)	(0.18)
Net asset value, end of year . . . . .	\$4.86	\$5.03	\$5.90	\$6.09	\$6.07
Total return <sup>c</sup> . . . . .	(0.38)%	(12.55)%	(0.89)%	3.09%	6.94%
<b>Ratios to average net assets</b>					
Expenses before waiver and payments by affiliates . . . . .	0.70%	0.76%	0.77%	0.78%	0.79%
Expenses net of waiver and payments by affiliates . . . . .	0.69%	0.76% <sup>d,e</sup>	0.76% <sup>d</sup>	0.77% <sup>d</sup>	0.78% <sup>d</sup>
Net investment income . . . . .	2.55%	1.56%	0.90%	1.69%	2.46%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$1,362,598	\$1,592,268	\$2,104,978	\$2,661,888	\$2,885,194
Portfolio turnover rate . . . . .	2.81%	53.63%	89.16%	65.54%	41.34%

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

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

<sup>c</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

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

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

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

	Year Ended September 30,				
	2023	2022	2021	2020	2019
<b>Class C</b>					
<b>Per share operating performance</b> (for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$5.00	\$5.85	\$6.04	\$6.03	\$5.81
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b</sup> . . . . .	0.10	0.06	0.02	0.07	0.12
Net realized and unrealized gains (losses) . . . . .	(0.15)	(0.80)	(0.10)	0.08	0.25
Total from investment operations . . . . .	(0.05)	(0.74)	(0.08)	0.15	0.37
Less distributions from:					
Net investment income . . . . .	(0.13)	(0.11)	(0.11)	(0.14)	(0.15)
Net asset value, end of year . . . . .	\$4.82	\$5.00	\$5.85	\$6.04	\$6.03
Total return <sup>c</sup> . . . . .	(1.12)%	(12.77)%	(1.41)%	2.43%	6.45%
<b>Ratios to average net assets</b>					
Expenses before waiver and payments by affiliates . . . . .	1.21%	1.27%	1.27%	1.29%	1.29%
Expenses net of waiver and payments by affiliates . . . . .	1.20%	1.26% <sup>d</sup>	1.27% <sup>d,e</sup>	1.28% <sup>d</sup>	1.28% <sup>d</sup>
Net investment income . . . . .	2.04%	1.04%	0.39%	1.18%	1.96%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$60,693	\$116,145	\$196,643	\$354,483	\$389,021
Portfolio turnover rate . . . . .	2.81%	53.63%	89.16%	65.54%	41.34%

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

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

<sup>c</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

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

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

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

	Year Ended September 30,				
	2023	2022	2021	2020	2019
<b>Class R</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$5.03	\$5.89	\$6.09	\$6.07	\$5.85
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b</sup> . . . . .	0.11	0.07	0.03	0.08	0.13
Net realized and unrealized gains (losses) . . . . .	(0.14)	(0.81)	(0.11)	0.08	0.25
Total from investment operations . . . . .	(0.03)	(0.74)	(0.08)	0.16	0.38
Less distributions from:					
Net investment income . . . . .	(0.14)	(0.12)	(0.12)	(0.14)	(0.16)
Net asset value, end of year . . . . .	\$4.86	\$5.03	\$5.89	\$6.09	\$6.07
Total return . . . . .	(0.74)%	(12.72)%	(1.41)%	2.73%	6.58%
<b>Ratios to average net assets</b>					
Expenses before waiver and payments by affiliates . . . . .	1.05%	1.12%	1.11%	1.13%	1.14%
Expenses net of waiver and payments by affiliates . . . . .	1.05% <sup>c</sup>	1.11% <sup>d</sup>	1.11% <sup>c,d</sup>	1.12% <sup>d</sup>	1.13% <sup>d</sup>
Net investment income . . . . .	2.20%	1.20%	0.55%	1.34%	2.11%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$14,078	\$15,476	\$19,513	\$27,746	\$32,906
Portfolio turnover rate . . . . .	2.81%	53.63%	89.16%	65.54%	41.34%

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

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

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

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

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

	Year Ended September 30,				
	2023	2022	2021	2020	2019
<b>Class R6</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$5.06	\$5.92	\$6.12	\$6.10	\$5.87
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b</sup> . . . . .	0.14	0.10	0.07	0.12	0.16
Net realized and unrealized gains (losses) . . . . .	(0.15)	(0.81)	(0.12)	0.08	0.27
Total from investment operations . . . . .	(0.01)	(0.71)	(0.05)	0.20	0.43
Less distributions from:					
Net investment income . . . . .	(0.17)	(0.15)	(0.15)	(0.18)	(0.20)
Net asset value, end of year . . . . .	\$4.88	\$5.06	\$5.92	\$6.12	\$6.10
Total return . . . . .	(0.34)%	(12.11)%	(0.80)%	3.34%	7.39%
<b>Ratios to average net assets</b>					
Expenses before waiver and payments by affiliates . . . . .	0.46%	0.50%	0.53%	0.54%	0.51%
Expenses net of waiver and payments by affiliates . . . . .	0.45%	0.50% <sup>c,d</sup>	0.51% <sup>c</sup>	0.52% <sup>c</sup>	0.50% <sup>c</sup>
Net investment income . . . . .	2.80%	1.81%	1.15%	1.96%	2.74%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$204,317	\$202,611	\$304,650	\$361,791	\$573,957
Portfolio turnover rate . . . . .	2.81%	53.63%	89.16%	65.54%	41.34%

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

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

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

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

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

	Year Ended September 30,				
	2023	2022	2021	2020	2019
<b>Advisor Class</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$5.05	\$5.92	\$6.11	\$6.10	\$5.87
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b</sup> . . . . .	0.14	0.09	0.06	0.11	0.16
Net realized and unrealized gains (losses) . . . . .	(0.15)	(0.81)	(0.10)	0.07	0.26
Total from investment operations . . . . .	(0.01)	(0.72)	(0.04)	0.18	0.42
Less distributions from:					
Net investment income . . . . .	(0.16)	(0.15)	(0.15)	(0.17)	(0.19)
Net asset value, end of year . . . . .	\$4.88	\$5.05	\$5.92	\$6.11	\$6.10
Total return . . . . .	(0.24)%	(12.39)%	(0.74)%	3.23%	7.08%
<b>Ratios to average net assets</b>					
Expenses before waiver and payments by affiliates . . . . .	0.55%	0.62%	0.62%	0.64%	0.64%
Expenses net of waiver and payments by affiliates . . . . .	0.55% <sup>c</sup>	0.61% <sup>d</sup>	0.62% <sup>c,d</sup>	0.63% <sup>d</sup>	0.63% <sup>d</sup>
Net investment income . . . . .	2.70%	1.67%	1.04%	1.84%	2.61%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$262,569	\$300,303	\$692,010	\$743,012	\$946,318
Portfolio turnover rate . . . . .	2.81%	53.63%	89.16%	65.54%	41.34%

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

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

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

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

## Schedule of Investments, September 30, 2023

## Franklin U.S. Government Securities Fund

	Principal Amount	Value
<b>U.S. Government and Agency Securities 0.6%</b>		
U.S. Treasury Bonds, 4.75%, 2/15/37 .....	\$14,500,000	\$14,763,945
<b>Total U.S. Government and Agency Securities (Cost \$18,307,804) .....</b>		<b>14,763,945</b>
<b>Mortgage-Backed Securities 96.5%</b>		
<b>Government National Mortgage Association (GNMA) Fixed Rate 96.5%</b>		
GNMA I, 30 Year, 4.5%, 4/15/40 .....	3,364,078	3,217,868
GNMA I, 30 Year, 5%, 9/15/40 .....	118,740,568	115,216,808
GNMA I, 30 Year, 5.5%, 2/15/40 .....	52,224,227	52,106,361
GNMA I, 30 Year, 6%, 12/15/39 .....	48,247,453	49,475,218
GNMA I, 30 Year, 6.5%, 8/15/37 .....	11,626,757	11,712,151
GNMA I, 30 Year, 7%, 9/15/32 .....	7,209,548	7,450,507
GNMA I, 30 Year, 7.5%, 7/15/26 - 8/15/33 .....	639,034	654,459
GNMA I, 30 Year, 8%, 10/15/29 .....	977	995
GNMA I, 30 Year, 8.5%, 11/15/24 .....	37	37
GNMA I, Single-family, 30 Year, 3.5%, 4/15/43 - 5/15/43 .....	10,962,826	9,859,593
GNMA I, Single-family, 30 Year, 4%, 10/15/40 - 8/15/46 .....	32,684,932	30,162,120
GNMA I, Single-family, 30 Year, 4.5%, 2/15/39 - 6/15/41 .....	61,928,884	58,974,060
GNMA I, Single-family, 30 Year, 5%, 2/15/35 .....	10,908	10,420
GNMA I, Single-family, 30 Year, 5.5%, 10/15/48 .....	554,148	539,932
GNMA I, Single-family, 30 Year, 7.25%, 12/15/25 .....	19,668	19,571
GNMA I, Single-family, 30 Year, 7.5%, 1/15/24 - 7/15/31 .....	802,055	805,164
GNMA I, Single-family, 30 Year, 8%, 2/15/24 - 9/15/30 .....	270,724	271,136
GNMA I, Single-family, 30 Year, 8.5%, 4/15/24 - 5/15/25 .....	2,743	2,739
GNMA I, Single-family, 30 Year, 10%, 2/15/25 .....	1,631	1,631
GNMA II, 30 Year, 4.5%, 5/20/34 - 6/20/41 .....	2,787,545	2,646,792
GNMA II, 30 Year, 6%, 3/20/34 - 9/20/34 .....	872,087	863,648
GNMA II, 30 Year, 6%, 7/20/39 .....	21,521,172	22,192,193
GNMA II, 30 Year, 6.5%, 9/20/31 - 9/20/32 .....	879,396	892,995
GNMA II, 30 Year, 7%, 7/20/32 .....	251,121	259,383
GNMA II, 30 Year, 7.5%, 10/20/24 .....	843	841
GNMA II, 30 Year, 8%, 12/20/28 .....	27,481	27,622
GNMA II, Single-family, 30 Year, 2%, 8/20/51 .....	161,759,722	128,227,577
GNMA II, Single-family, 30 Year, 2.5%, 11/20/50 .....	14,735,186	11,728,249
GNMA II, Single-family, 30 Year, 2.5%, 7/20/51 .....	70,756,950	57,930,660
GNMA II, Single-family, 30 Year, 2.5%, 8/20/51 .....	210,073,356	171,987,615
GNMA II, Single-family, 30 Year, 2.5%, 9/20/51 .....	85,119,674	69,683,591
GNMA II, Single-family, 30 Year, 2.5%, 10/20/51 .....	83,156,615	68,074,641
GNMA II, Single-family, 30 Year, 2.5%, 12/20/51 .....	84,917,308	69,517,042
GNMA II, Single-family, 30 Year, 2.5%, 1/20/52 .....	127,626,054	104,465,008
GNMA II, Single-family, 30 Year, 3%, 10/20/44 .....	18,472,801	15,931,538
GNMA II, Single-family, 30 Year, 3%, 12/20/44 .....	9,148,164	7,910,950
GNMA II, Single-family, 30 Year, 3%, 5/20/45 .....	13,393,961	11,552,413
GNMA II, Single-family, 30 Year, 3%, 4/20/46 .....	17,911,197	15,329,098
GNMA II, Single-family, 30 Year, 3%, 9/20/47 .....	14,433,455	12,403,820
GNMA II, Single-family, 30 Year, 3%, 10/20/47 .....	23,179,108	19,928,177
GNMA II, Single-family, 30 Year, 3%, 6/20/50 .....	10,485,357	9,105,986
GNMA II, Single-family, 30 Year, 3%, 7/20/51 .....	88,216,247	74,888,230
GNMA II, Single-family, 30 Year, 3%, 8/20/51 .....	165,335,215	140,676,318
GNMA II, Single-family, 30 Year, 3%, 9/20/51 .....	27,215,920	23,159,080
GNMA II, Single-family, 30 Year, 3%, 10/20/51 .....	118,109,398	100,479,416
GNMA II, Single-family, 30 Year, 3%, 2/20/45 - 10/20/50 .....	68,916,561	59,510,145
GNMA II, Single-family, 30 Year, 3.5%, 7/20/42 .....	28,824,475	25,804,564
GNMA II, Single-family, 30 Year, 3.5%, 9/20/42 .....	36,176,121	32,436,228
GNMA II, Single-family, 30 Year, 3.5%, 5/20/43 .....	10,792,012	9,692,252
GNMA II, Single-family, 30 Year, 3.5%, 6/20/43 .....	12,481,274	11,185,746
GNMA II, Single-family, 30 Year, 3.5%, 9/20/47 .....	128,947,405	114,505,395
GNMA II, Single-family, 30 Year, 3.5%, 11/20/47 .....	122,674,581	108,861,383
GNMA II, Single-family, 30 Year, 3.5%, 10/20/40 - 1/20/49 .....	46,960,910	41,998,414

Franklin U.S. Government Securities Fund (continued)

	Principal Amount	Value
<b>Mortgage-Backed Securities (continued)</b>		
<b>Government National Mortgage Association (GNMA) Fixed Rate (continued)</b>		
GNMA II, Single-family, 30 Year, 3.5%, 11/20/51	\$23,112,047	\$20,301,198
GNMA II, Single-family, 30 Year, 3.5%, 2/20/52	65,848,721	57,733,817
GNMA II, Single-family, 30 Year, 4%, 11/20/40	9,506,202	8,808,995
GNMA II, Single-family, 30 Year, 4%, 9/20/41	9,456,934	8,763,296
GNMA II, Single-family, 30 Year, 4%, 10/20/41	11,686,364	10,827,268
GNMA II, Single-family, 30 Year, 4%, 11/20/41	11,018,803	10,206,847
GNMA II, Single-family, 30 Year, 4%, 5/20/47	30,967,304	28,420,501
GNMA II, Single-family, 30 Year, 4%, 6/20/47	23,746,823	21,792,407
GNMA II, Single-family, 30 Year, 4%, 7/20/47	15,198,628	13,924,912
GNMA II, Single-family, 30 Year, 4%, 5/20/40 - 12/20/49	44,743,761	41,290,883
GNMA II, Single-family, 30 Year, 4%, 6/20/52	95,580,436	86,190,020
GNMA II, Single-family, 30 Year, 4.5%, 5/20/41	8,639,070	8,203,398
GNMA II, Single-family, 30 Year, 4.5%, 6/20/41	10,650,866	10,113,943
GNMA II, Single-family, 30 Year, 4.5%, 7/20/41	11,873,283	11,274,233
GNMA II, Single-family, 30 Year, 4.5%, 9/20/41	17,091,932	16,229,913
GNMA II, Single-family, 30 Year, 4.5%, 10/20/41	12,189,968	11,575,078
GNMA II, Single-family, 30 Year, 4.5%, 5/20/33 - 2/20/44	27,034,256	25,688,865
GNMA II, Single-family, 30 Year, 5%, 7/20/33 - 9/20/41	31,492,832	30,909,903
GNMA II, Single-family, 30 Year, 5%, 7/20/53	26,196,846	24,846,470
GNMA II, Single-family, 30 Year, 5.5%, 6/20/34 - 2/20/50	34,069,585	34,009,101
GNMA II, Single-family, 30 Year, 5.5%, 7/20/53	25,635,217	24,890,937
GNMA II, Single-family, 30 Year, 6%, 6/20/34	476,391	477,055
GNMA II, Single-family, 30 Year, 6%, 7/20/53	25,277,361	25,072,456
GNMA II, Single-family, 30 Year, 6.5%, 6/20/24 - 1/20/39	6,855,359	7,084,010
GNMA II, Single-family, 30 Year, 7%, 2/20/28 - 7/20/33	1,758,340	1,790,676
GNMA II, Single-family, 30 Year, 7.5%, 10/20/25 - 4/20/32	206,710	210,073
GNMA II, Single-family, 30 Year, 8%, 12/20/24 - 6/20/30	101,026	102,694
GNMA II, Single-family, 30 Year, 8.5%, 1/20/25 - 6/20/25	46	46
GNMA II, Single-family, 30 Year, 9.5%, 1/20/25	246	246
		2,425,077,021
<b>Total Mortgage-Backed Securities (Cost \$2,856,128,379)</b>		<b>2,425,077,021</b>
<b>Total Long Term Investments (Cost \$2,874,436,183)</b>		<b>2,439,840,966</b>
<b>Short Term Investments 2.7%</b>		
	<b>Shares</b>	
<b>Money Market Funds 2.7%</b>		
<sup>a,b</sup> Institutional Fiduciary Trust - Money Market Portfolio, 5.019%	67,238,754	67,238,754
<b>Total Money Market Funds (Cost \$67,238,754)</b>		<b>67,238,754</b>
<b>Total Short Term Investments (Cost \$67,238,754)</b>		<b>67,238,754</b>
<b>Total Investments (Cost \$2,941,674,937) 99.8%</b>		<b>\$2,507,079,720</b>
<b>Other Assets, less Liabilities 0.2%</b>		<b>4,701,846</b>
<b>Net Assets 100.0%</b>		<b>\$2,511,781,566</b>

See Abbreviations on page 154.

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

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



## Financial Highlights

### Franklin Utilities Fund

	Year Ended September 30,				
	2023	2022	2021	2020	2019
<b>Class A</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$20.26	\$20.20	\$19.76	\$22.53	\$18.66
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b</sup> . . . . .	0.49	0.46	0.43	0.51	0.53
Net realized and unrealized gains (losses) . . . . .	(1.33)	0.67	1.94	(2.43)	4.41
Total from investment operations . . . . .	(0.84)	1.13	2.37	(1.92)	4.94
Less distributions from:					
Net investment income . . . . .	(0.47)	(0.47)	(0.52)	(0.50)	(0.49)
Net realized gains . . . . .	(0.31)	(0.60)	(1.41)	(0.35)	(0.58)
Total distributions . . . . .	(0.78)	(1.07)	(1.93)	(0.85)	(1.07)
Net asset value, end of year . . . . .	\$18.64	\$20.26	\$20.20	\$19.76	\$22.53
Total return <sup>c</sup> . . . . .	(4.55)%	5.56%	12.29%	(8.68)%	27.43%
<b>Ratios to average net assets</b>					
Expenses <sup>d,e</sup> . . . . .	0.81%	0.82%	0.82%	0.83%	0.83%
Net investment income . . . . .	2.34%	2.08%	2.10%	2.46%	2.51%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$1,116,740	\$1,200,671	\$982,201	\$742,188	\$521,782
Portfolio turnover rate . . . . .	4.43%	5.66%	5.18%	12.19%	7.90%

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

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

<sup>c</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

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

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

**Franklin Utilities Fund** (continued)

	Year Ended September 30,				
	2023	2022	2021	2020	2019
<b>Class A1</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$20.27	\$20.21	\$19.77	\$22.54	\$18.66
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b</sup> . . . . .	0.50	0.47	0.45	0.52	0.53
Net realized and unrealized gains (losses) . . . . .	(1.31)	0.68	1.94	(2.41)	4.44
Total from investment operations . . . . .	(0.81)	1.15	2.39	(1.89)	4.97
Less distributions from:					
Net investment income . . . . .	(0.50)	(0.49)	(0.54)	(0.53)	(0.51)
Net realized gains . . . . .	(0.31)	(0.60)	(1.41)	(0.35)	(0.58)
Total distributions . . . . .	(0.81)	(1.09)	(1.95)	(0.88)	(1.09)
Net asset value, end of year . . . . .	\$18.65	\$20.27	\$20.21	\$19.77	\$22.54
Total return <sup>c</sup> . . . . .	(4.45)%	5.67%	12.40%	(8.59)%	27.61%
<b>Ratios to average net assets</b>					
Expenses <sup>d,e</sup> . . . . .	0.71%	0.72%	0.72%	0.73%	0.73%
Net investment income . . . . .	2.42%	2.16%	2.20%	2.50%	2.61%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$2,752,653	\$3,230,150	\$3,321,370	\$3,388,126	\$4,176,487
Portfolio turnover rate . . . . .	4.43%	5.66%	5.18%	12.19%	7.90%

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

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

<sup>c</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

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

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

**Franklin Utilities Fund** (continued)

	Year Ended September 30,				
	2023	2022	2021	2020	2019
<b>Class C</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$20.14	\$20.09	\$19.65	\$22.42	\$18.57
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b</sup> . . . . .	0.39	0.36	0.34	0.41	0.42
Net realized and unrealized gains (losses) . . . . .	(1.30)	0.67	1.95	(2.41)	4.43
Total from investment operations . . . . .	(0.91)	1.03	2.29	(2.00)	4.85
Less distributions from:					
Net investment income . . . . .	(0.39)	(0.38)	(0.44)	(0.42)	(0.42)
Net realized gains . . . . .	(0.31)	(0.60)	(1.41)	(0.35)	(0.58)
Total distributions . . . . .	(0.70)	(0.98)	(1.85)	(0.77)	(1.00)
Net asset value, end of year . . . . .	\$18.53	\$20.14	\$20.09	\$19.65	\$22.42
Total return <sup>c</sup> . . . . .	(4.91)%	5.11%	11.91%	(9.10)%	26.96%
<b>Ratios to average net assets</b>					
Expenses <sup>d,e</sup> . . . . .	1.21%	1.22%	1.22%	1.23%	1.23%
Net investment income . . . . .	1.90%	1.66%	1.69%	1.98%	2.11%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$218,134	\$302,959	\$350,553	\$537,808	\$767,363
Portfolio turnover rate . . . . .	4.43%	5.66%	5.18%	12.19%	7.90%

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

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

<sup>c</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

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

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

**Franklin Utilities Fund** (continued)

	Year Ended September 30,				
	2023	2022	2021	2020	2019
<b>Class R</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$20.17	\$20.12	\$19.68	\$22.45	\$18.59
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b</sup> . . . . .	0.43	0.40	0.38	0.44	0.45
Net realized and unrealized gains (losses) . . . . .	(1.31)	0.67	1.94	(2.41)	4.44
Total from investment operations . . . . .	(0.88)	1.07	2.32	(1.97)	4.89
Less distributions from:					
Net investment income . . . . .	(0.42)	(0.42)	(0.47)	(0.45)	(0.45)
Net realized gains . . . . .	(0.31)	(0.60)	(1.41)	(0.35)	(0.58)
Total distributions . . . . .	(0.73)	(1.02)	(1.88)	(0.80)	(1.03)
Net asset value, end of year . . . . .	\$18.56	\$20.17	\$20.12	\$19.68	\$22.45
Total return . . . . .	(4.76)%	5.26%	12.06%	(8.95)%	27.17%
<b>Ratios to average net assets</b>					
Expenses <sup>c,d</sup> . . . . .	1.06%	1.07%	1.07%	1.08%	1.08%
Net investment income . . . . .	2.08%	1.83%	1.85%	2.15%	2.26%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$89,085	\$103,579	\$83,441	\$84,488	\$103,376
Portfolio turnover rate . . . . .	4.43%	5.66%	5.18%	12.19%	7.90%

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

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

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

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

**Franklin Utilities Fund** (continued)

	Year Ended September 30,				
	2023	2022	2021	2020	2019
<b>Class R6</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$20.47	\$20.40	\$19.93	\$22.73	\$18.81
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b</sup> . . . . .	0.56	0.54	0.50	0.58	0.56
Net realized and unrealized gains (losses) . . . . .	(1.34)	0.67	1.96	(2.46)	4.50
Total from investment operations . . . . .	(0.78)	1.21	2.46	(1.88)	5.06
Less distributions from:					
Net investment income . . . . .	(0.54)	(0.54)	(0.58)	(0.57)	(0.56)
Net realized gains . . . . .	(0.31)	(0.60)	(1.41)	(0.35)	(0.58)
Total distributions . . . . .	(0.85)	(1.14)	(1.99)	(0.92)	(1.14)
Net asset value, end of year . . . . .	\$18.84	\$20.47	\$20.40	\$19.93	\$22.73
Total return . . . . .	(4.24)%	5.90%	12.71%	(8.44)%	27.89%
<b>Ratios to average net assets</b>					
Expenses before waiver and payments by affiliates . . . . .	0.52%	0.54%	0.58%	0.56%	0.53%
Expenses net of waiver and payments by affiliates <sup>c</sup> . . . . .	0.49%	0.50%	0.50%	0.50%	0.50%
Net investment income . . . . .	2.64%	2.41%	2.42%	2.75%	2.84%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$187,585	\$223,710	\$153,969	\$144,079	\$150,244
Portfolio turnover rate . . . . .	4.43%	5.66%	5.18%	12.19%	7.90%

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

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

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

**Franklin Utilities Fund** (continued)

	Year Ended September 30,				
	2023	2022	2021	2020	2019
<b>Advisor Class</b>					
<b>Per share operating performance</b>					
(for a share outstanding throughout the year)					
Net asset value, beginning of year . . . . .	\$20.47	\$20.40	\$19.93	\$22.73	\$18.81
Income from investment operations <sup>a</sup> :					
Net investment income <sup>b</sup> . . . . .	0.54	0.52	0.48	0.56	0.56
Net realized and unrealized gains (losses) . . . . .	(1.33)	0.68	1.97	(2.46)	4.48
Total from investment operations . . . . .	(0.79)	1.20	2.45	(1.90)	5.04
Less distributions from:					
Net investment income . . . . .	(0.53)	(0.53)	(0.57)	(0.55)	(0.54)
Net realized gains . . . . .	(0.31)	(0.60)	(1.41)	(0.35)	(0.58)
Total distributions . . . . .	(0.84)	(1.13)	(1.98)	(0.90)	(1.12)
Net asset value, end of year . . . . .	\$18.84	\$20.47	\$20.40	\$19.93	\$22.73
Total return . . . . .	(4.31)%	5.82%	12.62%	(8.51)%	27.78%
<b>Ratios to average net assets</b>					
Expenses <sup>c,d</sup> . . . . .	0.56%	0.57%	0.57%	0.58%	0.58%
Net investment income . . . . .	2.57%	2.32%	2.35%	2.66%	2.76%
<b>Supplemental data</b>					
Net assets, end of year (000's) . . . . .	\$1,134,602	\$1,383,667	\$1,200,859	\$1,179,002	\$1,262,883
Portfolio turnover rate . . . . .	4.43%	5.66%	5.18%	12.19%	7.90%

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

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

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

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

## Schedule of Investments, September 30, 2023

## Franklin Utilities Fund

	Country	Shares	Value
<b>Common Stocks 99.5%</b>			
<b>Construction &amp; Engineering 1.5%</b>			
MDU Resources Group, Inc. . . . .	United States	4,200,000	\$82,236,000
<b>Electric Utilities 57.5%</b>			
Alliant Energy Corp. . . . .	United States	3,700,000	179,265,000
American Electric Power Co., Inc. . . . .	United States	2,100,000	157,962,000
Constellation Energy Corp. . . . .	United States	500,000	54,540,000
Duke Energy Corp. . . . .	United States	2,700,000	238,302,000
Edison International . . . . .	United States	4,300,000	272,147,000
Entergy Corp. . . . .	United States	2,400,000	222,000,000
Evergy, Inc. . . . .	United States	4,150,000	210,405,000
Eversource Energy . . . . .	United States	1,800,000	104,670,000
Exelon Corp. . . . .	United States	6,350,000	239,966,500
FirstEnergy Corp. . . . .	United States	2,000,000	68,360,000
NextEra Energy, Inc. . . . .	United States	9,500,000	544,255,000
OGE Energy Corp. . . . .	United States	1,600,000	53,328,000
<sup>a</sup> PG&E Corp. . . . .	United States	11,200,000	180,656,000
Pinnacle West Capital Corp. . . . .	United States	950,000	69,996,000
PPL Corp. . . . .	United States	7,000,000	164,920,000
Southern Co. (The) . . . . .	United States	4,400,000	284,768,000
Xcel Energy, Inc. . . . .	United States	2,000,000	114,440,000
			3,159,980,500
<b>Gas Utilities 0.8%</b>			
Spire, Inc. . . . .	United States	800,000	45,264,000
<b>Independent Power and Renewable Electricity Producers 3.5%</b>			
Clearway Energy, Inc., C. . . . .	United States	900,000	19,044,000
Drax Group plc . . . . .	United Kingdom	8,000,000	42,826,879
Vistra Corp. . . . .	United States	3,994,269	132,529,844
			194,400,723
<b>Multi-Utilities 30.4%</b>			
Ameren Corp. . . . .	United States	1,900,000	142,177,000
CenterPoint Energy, Inc. . . . .	United States	6,500,000	174,525,000
CMS Energy Corp. . . . .	United States	3,300,000	175,263,000
Consolidated Edison, Inc. . . . .	United States	500,000	42,765,000
Dominion Energy, Inc. . . . .	United States	4,000,000	178,680,000
DTE Energy Co. . . . .	United States	1,500,000	148,920,000
E.ON SE. . . . .	Germany	9,000,000	106,429,043
National Grid plc . . . . .	United Kingdom	5,000,000	59,791,859
NiSource, Inc. . . . .	United States	6,200,000	153,016,000
Northwestern Energy Group, Inc. . . . .	United States	1,300,000	62,478,000
Public Service Enterprise Group, Inc. . . . .	United States	1,900,000	108,129,000
Sempra. . . . .	United States	3,600,000	244,908,000
WEC Energy Group, Inc. . . . .	United States	900,000	72,495,000
			1,669,576,902
<b>Oil, Gas &amp; Consumable Fuels 4.4%</b>			
Cheniere Energy, Inc. . . . .	United States	700,000	116,172,000
DT Midstream, Inc. . . . .	United States	1,500,000	79,380,000
Williams Cos., Inc. (The) . . . . .	United States	1,400,000	47,166,000
			242,718,000
<b>Water Utilities 1.4%</b>			
Essential Utilities, Inc. . . . .	United States	1,500,000	51,495,000

**Franklin Utilities Fund** (continued)

	Country	Shares	Value
<b>Common Stocks</b> (continued)			
<b>Water Utilities</b> (continued)			
United Utilities Group plc. . . . .	United Kingdom	2,000,000	\$23,108,129
			74,603,129
<b>Total Common Stocks (Cost \$3,024,581,873)</b> . . . . .			<b>5,468,779,254</b>
 <b>Short Term Investments 0.4%</b>			
	Country	Shares	Value
<b>Money Market Funds 0.4%</b>			
<sup>b,c</sup> Institutional Fiduciary Trust - Money Market Portfolio, 5.019% . . . . .	United States	20,399,531	20,399,531
<b>Total Money Market Funds (Cost \$20,399,531)</b> . . . . .			<b>20,399,531</b>
<b>Total Short Term Investments (Cost \$20,399,531)</b> . . . . .			<b>20,399,531</b>
<b>Total Investments (Cost \$3,044,981,404) 99.9%</b> . . . . .			<b>\$5,489,178,785</b>
<b>Other Assets, less Liabilities 0.1%</b> . . . . .			<b>9,619,613</b>
<b>Net Assets 100.0%</b> . . . . .			<b>\$5,498,798,398</b>

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

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

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



## Statements of Assets and Liabilities

September 30, 2023

	Franklin DynaTech Fund	Franklin Focused Growth Fund	Franklin Growth Fund
<b>Assets:</b>			
Investments in securities:			
Cost - Unaffiliated issuers . . . . .	\$10,875,811,585	\$61,529,690	\$4,896,133,073
Cost - Non-controlled affiliates (Note 3f and 10) . . . . .	93,924,605	448,270	86,621,522
Value - Unaffiliated issuers (Includes securities loaned of \$458,850, \$— and \$—, respectively) . . . . .	\$19,533,719,771	\$77,708,925	\$15,525,444,726
Value - Non-controlled affiliates (Note 3f and 10) . . . . .	93,924,605	448,270	82,684,911
Cash . . . . .	199,500	14,982	935,396
Receivables:			
Investment securities sold . . . . .	101,307,215	433,325	22,056,280
Capital shares sold . . . . .	12,914,330	29,673	33,805,209
Dividends and interest . . . . .	4,142,042	10,386	7,038,920
Total assets . . . . .	19,746,207,463	78,645,561	15,671,965,442
<b>Liabilities:</b>			
Payables:			
Investment securities purchased . . . . .	37,533,565	1,617	471,871
Capital shares redeemed . . . . .	23,700,913	1,033,098	20,406,240
Management fees . . . . .	7,252,503	17,246	5,897,538
Distribution fees . . . . .	2,607,794	18,185	2,569,279
Transfer agent fees . . . . .	3,202,583	27,254	3,385,140
Trustees' fees and expenses . . . . .	1,673	—	3,131
Accrued expenses and other liabilities . . . . .	1,363,670	52,601	752,315
Total liabilities . . . . .	75,662,701	1,150,001	33,485,514
Net assets, at value . . . . .	\$19,670,544,762	\$77,495,560	\$15,638,479,928
<b>Net assets consist of:</b>			
Paid-in capital . . . . .	\$12,553,181,734	\$76,766,448	\$4,031,332,256
Total distributable earnings (losses) . . . . .	7,117,363,028	729,112	11,607,147,672
Net assets, at value . . . . .	\$19,670,544,762	\$77,495,560	\$15,638,479,928

## Statements of Assets and Liabilities (continued)

September 30, 2023

	Franklin DynaTech Fund	Franklin Focused Growth Fund	Franklin Growth Fund
<b>Class A:</b>			
Net assets, at value	\$8,669,145,467	\$57,250,701	\$10,072,509,456
Shares outstanding	74,467,535	2,313,149	87,525,425
Net asset value per share <sup>a</sup>	\$116.42	\$24.75	\$115.08
Maximum offering price per share (net asset value per share + 94.50%, —% and 94.50%, respectively) (Note 3d)	\$123.20	\$24.75	\$121.78
<b>Class C:</b>			
Net assets, at value	\$774,154,392	\$5,016,695	\$333,955,891
Shares outstanding	8,315,860	208,269	3,405,034
Net asset value and maximum offering price per share <sup>a</sup> (Note 3d)	\$93.09	\$24.09	\$98.08
<b>Class R:</b>			
Net assets, at value	\$212,067,950	\$1,092,872	\$256,889,229
Shares outstanding	1,900,805	44,493	2,261,254
Net asset value and maximum offering price per share	\$111.57	\$24.56	\$113.60
<b>Class R6:</b>			
Net assets, at value	\$7,515,703,007	\$—	\$2,114,155,091
Shares outstanding	60,931,380	—	18,199,668
Net asset value and maximum offering price per share	\$123.35	\$—	\$116.16
<b>Advisor Class:</b>			
Net assets, at value	\$2,499,473,946	\$14,135,292	\$2,860,970,261
Shares outstanding	20,561,393	565,592	24,618,547
Net asset value and maximum offering price per share	\$121.56	\$24.99	\$116.21

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

## Statements of Assets and Liabilities (continued)

September 30, 2023

	Franklin Income Fund	Franklin U.S. Government Securities Fund	Franklin Utilities Fund
<b>Assets:</b>			
Investments in securities:			
Cost - Unaffiliated issuers . . . . .	\$71,680,930,471	\$2,874,436,183	\$3,024,581,873
Cost - Non-controlled affiliates (Note 3f and 10) . . . . .	745,794,493	67,238,754	20,399,531
Value - Unaffiliated issuers (Includes securities loaned of \$39,735,302, \$— and \$—, respectively) . . . . .	\$68,135,486,487	\$2,439,840,966	\$5,468,779,254
Value - Non-controlled affiliates (Note 3f and 10) . . . . .	739,815,095	67,238,754	20,399,531
Cash . . . . .	11,486,432	—	4,095,701
Receivables:			
Investment securities sold . . . . .	225,026,175	—	—
Capital shares sold . . . . .	32,220,007	2,788,070	2,728,741
Dividends and interest . . . . .	757,996,272	8,309,962	13,232,617
European Union tax reclaims (Note 1i) . . . . .	27,382,012	—	—
Deposits with brokers for:			
Futures contracts . . . . .	139,500,000	—	—
Variation margin on futures contracts . . . . .	12,937,230	—	—
Total assets . . . . .	70,081,849,710	2,518,177,752	5,509,235,844
<b>Liabilities:</b>			
Payables:			
Investment securities purchased . . . . .	752,496,755	249,919	258,742
Capital shares redeemed . . . . .	48,221,098	3,857,077	5,495,331
Management fees . . . . .	21,678,409	967,134	2,366,990
Distribution fees . . . . .	10,689,052	340,211	768,528
Transfer agent fees . . . . .	10,600,497	679,675	1,251,133
Trustees' fees and expenses . . . . .	3,798	1,488	767
Distributions to shareholders . . . . .	1,343	—	—
Options written, at value (premiums received \$98,516,643, \$— and \$—, respectively) . . . . .	87,227,000	—	—
Accrued expenses and other liabilities . . . . .	2,133,180	300,682	295,955
Total liabilities . . . . .	933,051,132	6,396,186	10,437,446
Net assets, at value . . . . .	\$69,148,798,578	\$2,511,781,566	\$5,498,798,398
<b>Net assets consist of:</b>			
Paid-in capital . . . . .	\$73,626,054,046	\$3,755,512,246	\$2,872,826,608
Total distributable earnings (losses) . . . . .	(4,477,255,468)	(1,243,730,680)	2,625,971,790
Net assets, at value . . . . .	\$69,148,798,578	\$2,511,781,566	\$5,498,798,398

## Statements of Assets and Liabilities (continued)

September 30, 2023

	Franklin Income Fund	Franklin U.S. Government Securities Fund	Franklin Utilities Fund
<b>Class A:</b>			
Net assets, at value	\$19,705,318,771	\$607,527,194	\$1,116,740,231
Shares outstanding	8,983,810,362	125,121,604	59,908,837
Net asset value per share <sup>a</sup>	\$2.19	\$4.86	\$18.64
Maximum offering price per share (net asset value per share + 96.25%)	\$2.28	\$5.05	\$19.37
<b>Class A1:</b>			
Net assets, at value	\$29,633,018,678	\$1,362,598,427	\$2,752,653,064
Shares outstanding	13,480,810,467	280,503,898	147,615,965
Net asset value per share <sup>a</sup>	\$2.20	\$4.86	\$18.65
Maximum offering price per share (net asset value per share + 96.25%)	\$2.29	\$5.05	\$19.38
<b>Class C:</b>			
Net assets, at value	\$4,905,480,180	\$60,692,559	\$218,134,206
Shares outstanding	2,189,907,255	12,593,493	11,774,564
Net asset value and maximum offering price per share <sup>a</sup>	\$2.24	\$4.82	\$18.53
<b>Class R:</b>			
Net assets, at value	\$300,283,382	\$14,078,134	\$89,084,593
Shares outstanding	139,867,262	2,898,751	4,800,673
Net asset value and maximum offering price per share	\$2.15	\$4.86	\$18.56
<b>Class R6:</b>			
Net assets, at value	\$1,662,931,324	\$204,316,715	\$187,584,792
Shares outstanding	760,052,134	41,865,166	9,958,470
Net asset value and maximum offering price per share	\$2.19	\$4.88	\$18.84
<b>Advisor Class:</b>			
Net assets, at value	\$12,941,766,243	\$262,568,537	\$1,134,601,512
Shares outstanding	5,945,416,774	53,858,009	60,228,174
Net asset value and maximum offering price per share	\$2.18	\$4.88	\$18.84

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

## Statements of Operations

for the year ended September 30, 2023

	Franklin DynaTech Fund	Franklin Focused Growth Fund	Franklin Growth Fund
Investment income:			
Dividends: (net of foreign taxes of \$1,154,040, \$8,649 and \$909,229, respectively)			
Unaffiliated issuers . . . . .	\$79,440,676	\$431,993	\$147,762,107
Non-controlled affiliates (Note 3f and 10) . . . . .	8,342,288	119,821	4,422,471
Interest:			
Unaffiliated issuers . . . . .	703,065	—	—
Income from securities loaned:			
Unaffiliated entities (net of fees and rebates) . . . . .	25,023	—	8,254
Non-controlled affiliates (Note 3f) . . . . .	176,402	—	6,403
Total investment income . . . . .	88,687,454	551,814	152,199,235
Expenses:			
Management fees (Note 3a) . . . . .	81,515,784	580,590	69,711,082
Distribution fees: (Note 3c)			
Class A . . . . .	20,329,531	155,691	25,153,108
Class C . . . . .	7,635,003	46,729	4,112,453
Class R . . . . .	1,043,225	4,908	1,337,991
Transfer agent fees: (Note 3e)			
Class A . . . . .	9,930,415	123,972	10,162,337
Class C . . . . .	937,884	9,129	418,161
Class R . . . . .	256,263	1,901	271,142
Class R6 . . . . .	1,409,691	113	465,842
Advisor Class . . . . .	2,943,989	26,489	2,920,305
Custodian fees (Note 4) . . . . .	177,349	644	87,380
Reports to shareholders fees . . . . .	2,773,218	10,381	302,493
Registration and filing fees . . . . .	246,867	95,559	398,708
Professional fees . . . . .	97,980	62,633	118,781
Trustees' fees and expenses . . . . .	208,832	269	188,350
Interest expense . . . . .	2,170	—	14,346
Other . . . . .	540,042	9,677	440,562
Total expenses . . . . .	130,048,243	1,128,685	116,103,041
Expense reductions (Note 4) . . . . .	(8,173)	(21)	(24,106)
Expenses waived/paid by affiliates (Note 3f and 3g) . . . . .	(765,879)	(215,872)	(384,003)
Net expenses . . . . .	129,274,191	912,792	115,694,932
Net investment income (loss) . . . . .	(40,586,737)	(360,978)	36,504,303
Realized and unrealized gains (losses):			
Net realized gain (loss) from:			
Investments:			
Unaffiliated issuers . . . . .	(626,388,742)	(3,218,754)	1,015,593,732
Foreign currency transactions . . . . .	686,873	1,973	28,756
Net realized gain (loss) . . . . .	(625,701,869)	(3,216,781)	1,015,622,488
Net change in unrealized appreciation (depreciation) on:			
Investments:			
Unaffiliated issuers . . . . .	4,822,664,347	24,153,663	1,825,452,376
Non-controlled affiliates (Note 3f and 10) . . . . .	—	—	3,519,973
Translation of other assets and liabilities denominated in foreign currencies . . . . .	10,429	20	297
Net change in unrealized appreciation (depreciation) . . . . .	4,822,674,776	24,153,683	1,828,972,646
Net realized and unrealized gain (loss) . . . . .	4,196,972,907	20,936,902	2,844,595,134
Net increase (decrease) in net assets resulting from operations . . . . .	\$4,156,386,170	\$20,575,924	\$2,881,099,437

## Statements of Operations (continued)

for the year ended September 30, 2023

	Franklin Income Fund	Franklin U.S. Government Securities Fund	Franklin Utilities Fund
Investment income:			
Dividends: (net of foreign taxes of \$13,862,201, \$– and \$1,409,547, respectively)			
Unaffiliated issuers . . . . .	\$607,198,953	\$—	\$201,306,374
Non-controlled affiliates (Note 3f and 10) . . . . .	56,431,254	2,073,812	812,396
Interest:			
Unaffiliated issuers:			
Paydown gain (loss) . . . . .	106,488	(11,990,474)	—
Paid in cash <sup>a</sup> . . . . .	2,680,998,119	99,961,851	—
Income from securities loaned:			
Unaffiliated entities (net of fees and rebates) . . . . .	(259,539)	—	—
Non-controlled affiliates (Note 3f) . . . . .	4,852,893	—	—
Other income (Note 1i) . . . . .	4,178,592	—	—
Total investment income . . . . .	3,353,506,760	90,045,189	202,118,770
Expenses:			
Management fees (Note 3a) . . . . .	266,634,174	12,638,728	29,075,818
Distribution fees: (Note 3c)			
Class A . . . . .	47,996,759	1,620,357	3,151,149
Class A1 . . . . .	47,133,212	2,174,878	4,816,603
Class C . . . . .	35,997,461	734,528	1,817,644
Class R . . . . .	1,493,905	77,932	536,189
Transfer agent fees: (Note 3e)			
Class A . . . . .	15,403,564	819,168	1,302,182
Class A1 . . . . .	25,220,213	1,908,913	3,309,178
Class C . . . . .	4,446,167	143,373	286,522
Class R . . . . .	239,723	19,615	110,428
Class R6 . . . . .	413,581	67,384	133,664
Advisor Class . . . . .	10,429,362	362,284	1,402,395
Custodian fees (Note 4) . . . . .	816,597	—	39,189
Reports to shareholders fees . . . . .	2,128,948	152,307	50,129
Registration and filing fees . . . . .	1,176,436	65,850	194,908
Professional fees . . . . .	—	86,886	81,872
Trustees' fees and expenses . . . . .	867,377	34,823	81,990
Interest expense . . . . .	—	—	541
Other . . . . .	835,809	(1,060,738)	168,504
Total expenses . . . . .	461,233,288	19,846,288	46,558,905
Expense reductions (Note 4) . . . . .	—	—	(1,400)
Expenses waived/paid by affiliates (Note 3f and 3g) . . . . .	(5,231,500)	(189,109)	(146,180)
Net expenses . . . . .	456,001,788	19,657,179	46,411,325
Net investment income . . . . .	2,897,504,972	70,388,010	155,707,445

**Statements of Operations** (continued)

for the year ended September 30, 2023

	Franklin Income Fund	Franklin U.S. Government Securities Fund	Franklin Utilities Fund
Realized and unrealized gains (losses):			
Net realized gain (loss) from:			
Investments:			
Unaffiliated issuers . . . . .	1,122,797,806	(11,489,373)	196,559,229
Written options . . . . .	371,224,717	—	—
Foreign currency transactions . . . . .	(1,985,405)	—	(434,743)
Futures contracts . . . . .	(216,973,008)	—	—
Net realized gain (loss) . . . . .	1,275,064,110	(11,489,373)	196,124,486
Net change in unrealized appreciation (depreciation) on:			
Investments:			
Unaffiliated issuers . . . . .	1,538,588,234	(63,522,640)	(574,108,727)
Non-controlled affiliates (Note 3f and 10) . . . . .	(6,077,870)	—	—
Translation of other assets and liabilities denominated in foreign currencies . . . . .	7,832,067	—	44,631
Written options . . . . .	14,778,567	—	—
Futures contracts . . . . .	(180,221,824)	—	—
Net change in unrealized appreciation (depreciation) . . . . .	1,374,899,174	(63,522,640)	(574,064,096)
Net realized and unrealized gain (loss) . . . . .	2,649,963,284	(75,012,013)	(377,939,610)
Net increase (decrease) in net assets resulting from operations . . . . .	\$5,547,468,256	\$(4,624,003)	\$(222,232,165)

<sup>3</sup>Includes amortization of premium and accretion of discount.

## Statements of Changes in Net Assets

	Franklin DynaTech Fund		Franklin Focused Growth Fund	
	Year Ended September 30, 2023	Year Ended September 30, 2022	Year Ended September 30, 2023	Year Ended September 30, 2022
Increase (decrease) in net assets:				
Operations:				
Net investment income (loss) . . . . .	\$(40,586,737)	\$(84,996,268)	\$(360,978)	\$(671,705)
Net realized gain (loss) . . . . .	(625,701,869)	(812,697,850)	(3,216,781)	(11,577,019)
Net change in unrealized appreciation (depreciation) . . . . .	4,822,674,776	(10,578,235,213)	24,153,683	(33,530,551)
Net increase (decrease) in net assets resulting from operations.	4,156,386,170	(11,475,929,331)	20,575,924	(45,779,275)
Distributions to shareholders:				
Class A. . . . .	—	(172,943,583)	—	(493,434)
Class C. . . . .	—	(23,184,109)	—	(38,188)
Class R. . . . .	—	(4,586,975)	—	(5,897)
Class R6. . . . .	—	(134,824,197)	—	(415)
Advisor Class . . . . .	—	(60,590,104)	—	(131,680)
Total distributions to shareholders . . . . .	—	(396,128,968)	—	(669,614)
Capital share transactions: (Note 2)				
Class A. . . . .	(337,773,209)	192,477,080	(11,501,059)	8,401,386
Class C. . . . .	(106,526,277)	(72,201,401)	(25,915)	711,737
Class R. . . . .	(23,054,438)	10,119,125	130,411	196,571
Class R6. . . . .	(428,242,325)	788,549,445	(70,140)	415
Advisor Class . . . . .	(311,526,640)	(278,464,615)	1,117,619	(8,229,494)
Total capital share transactions . . . . .	(1,207,122,889)	640,479,634	(10,349,084)	1,080,615
Net increase (decrease) in net assets . . . . .	2,949,263,281	(11,231,578,665)	10,226,840	(45,368,274)
Net assets:				
Beginning of year . . . . .	16,721,281,481	27,952,860,146	67,268,720	112,636,994
End of year . . . . .	\$19,670,544,762	\$16,721,281,481	\$77,495,560	\$67,268,720



Statements of Changes in Net Assets (continued)

	Franklin Growth Fund		Franklin Income Fund	
	Year Ended September 30, 2023	Year Ended September 30, 2022	Year Ended September 30, 2023	Year Ended September 30, 2022
Increase (decrease) in net assets:				
Operations:				
Net investment income . . . . .	\$36,504,303	\$14,326,662	\$2,897,504,972	\$2,273,669,839
Net realized gain (loss) . . . . .	1,015,622,488	1,846,110,618	1,275,064,110	430,503,782
Net change in unrealized appreciation (depreciation) . . . . .	1,828,972,646	(6,521,606,215)	1,374,899,174	(7,786,851,093)
Net increase (decrease) in net assets resulting from operations.	2,881,099,437	(4,661,168,935)	5,547,468,256	(5,082,677,472)
Distributions to shareholders:				
Class A . . . . .	(909,635,091)	(1,168,961,036)	(1,088,887,170)	(1,152,988,107)
Class A1 . . . . .	—	—	(1,829,113,474)	(2,410,250,572)
Class C . . . . .	(44,719,554)	(66,622,776)	(288,652,148)	(440,734,378)
Class R . . . . .	(24,964,554)	(34,890,151)	(16,524,734)	(18,070,687)
Class R6 . . . . .	(198,355,706)	(278,038,777)	(89,382,048)	(71,339,359)
Advisor Class . . . . .	(266,375,785)	(380,494,855)	(775,029,689)	(871,094,088)
Total distributions to shareholders . . . . .	(1,444,050,690)	(1,929,007,595)	(4,087,589,263)	(4,964,477,191)
Capital share transactions: (Note 2)				
Class A . . . . .	43,938,573	278,407,375	2,570,603,933	3,309,460,327
Class A1 . . . . .	—	—	(1,352,914,020)	(809,147,805)
Class C . . . . .	(105,822,260)	(49,537,765)	(915,970,034)	(977,179,035)
Class R . . . . .	(16,786,530)	(30,209,220)	25,115,227	53,857,218
Class R6 . . . . .	(87,230,658)	(204,647,567)	491,347,753	581,612,935
Advisor Class . . . . .	(62,355,424)	(306,999,175)	1,081,950,846	1,445,415,173
Total capital share transactions . . . . .	(228,256,299)	(312,986,352)	1,900,133,705	3,604,018,813
Net increase (decrease) in net assets . . . . .	1,208,792,448	(6,903,162,882)	3,360,012,698	(6,443,135,850)
Net assets:				
Beginning of year . . . . .	14,429,687,480	21,332,850,362	65,788,785,880	72,231,921,730
End of year . . . . .	\$15,638,479,928	\$14,429,687,480	\$69,148,798,578	\$65,788,785,880

Statements of Changes in Net Assets (continued)

	Franklin U.S. Government Securities Fund		Franklin Utilities Fund	
	Year Ended September 30, 2023	Year Ended September 30, 2022	Year Ended September 30, 2023	Year Ended September 30, 2022
Increase (decrease) in net assets:				
Operations:				
Net investment income . . . . .	\$70,388,010	\$56,545,892	\$155,707,445	\$145,646,532
Net realized gain (loss) . . . . .	(11,489,373)	(58,392,142)	196,124,486	109,367,801
Net change in unrealized appreciation (depreciation) . . . . .	(63,522,640)	(461,258,575)	(574,064,096)	64,616,747
Net increase (decrease) in net assets resulting from operations.	(4,624,003)	(463,104,825)	(222,232,165)	319,631,080
Distributions to shareholders:				
Class A . . . . .	(18,992,408)	(20,267,585)	(47,301,433)	(55,029,799)
Class A1 . . . . .	(45,747,379)	(46,598,044)	(123,955,611)	(176,291,048)
Class C . . . . .	(2,788,226)	(3,045,344)	(9,576,816)	(16,186,173)
Class R . . . . .	(418,094)	(367,976)	(3,775,562)	(4,384,032)
Class R6 . . . . .	(6,525,019)	(7,008,183)	(9,040,783)	(9,709,506)
Advisor Class . . . . .	(9,122,636)	(13,110,289)	(54,549,649)	(67,381,826)
Total distributions to shareholders . . . . .	(83,593,762)	(90,397,421)	(248,199,854)	(328,982,384)
Capital share transactions: (Note 2)				
Class A . . . . .	(58,993,421)	(204,548,972)	14,298,922	235,216,595
Class A1 . . . . .	(182,231,037)	(227,866,480)	(241,581,831)	(116,776,805)
Class C . . . . .	(53,026,368)	(57,456,291)	(67,137,551)	(52,951,717)
Class R . . . . .	(850,366)	(1,409,442)	(6,763,361)	21,829,002
Class R6 . . . . .	8,774,608	(63,528,606)	(20,302,748)	75,674,198
Advisor Class . . . . .	(28,084,539)	(315,646,464)	(154,018,141)	198,701,770
Total capital share transactions . . . . .	(314,411,123)	(870,456,255)	(475,504,710)	361,693,043
Net increase (decrease) in net assets . . . . .	(402,628,888)	(1,423,958,501)	(945,936,729)	352,341,739
Net assets:				
Beginning of year . . . . .	2,914,410,454	4,338,368,955	6,444,735,127	6,092,393,388
End of year . . . . .	\$2,511,781,566	\$2,914,410,454	\$5,498,798,398	\$6,444,735,127

# Notes to Financial Statements

## 1. Organization and Significant Accounting Policies

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

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

Franklin DynaTech Fund  
Franklin Focused Growth Fund<sup>a</sup>  
Franklin Growth Fund

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

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

<sup>a</sup>Effective September 13, 2023, Franklin Focused Growth Fund liquidated Class R6.

The following summarizes the Funds' significant accounting policies.

### a. Financial Instrument Valuation

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

performing this responsibility, including leading the cross-functional Valuation Committee (VC). The Funds may utilize independent pricing services, quotations from securities and financial instrument dealers, and other market sources to determine fair value.

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

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

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

The Funds have procedures to determine the fair value of financial instruments for which market prices are not reliable or readily available. Under these procedures, the Funds primarily employ a market-based approach

## 1. Organization and Significant Accounting Policies

(continued)

### a. Financial Instrument Valuation (continued)

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

Trading in securities on foreign securities stock exchanges and OTC markets may be completed before 4 p.m. Eastern time. In addition, trading in certain foreign markets may not take place on every Funds' business day. Events can occur between the time at which trading in a foreign security is completed and 4 p.m. Eastern time that might call into question the reliability of the value of a portfolio security held by the Fund. As a result, differences may arise between the value of the Funds' portfolio securities as determined at the foreign market close and the latest indications of value at 4 p.m. Eastern time. In order to minimize the potential for these differences, an independent pricing service may be used to adjust the value of the Funds' portfolio securities to the latest indications of fair value at 4 p.m. Eastern time. At September 30, 2023, certain securities may have been fair valued using these procedures, in which case the securities were categorized as Level 2 within the fair value hierarchy (referred to as "market level fair value"). See the Fair Value Measurements note for more information.

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

### b. Foreign Currency Translation

Portfolio securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars based on the exchange rate of such currencies

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

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

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

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

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

### d. Derivative Financial Instruments

Certain or all Funds invested in derivative financial instruments in order to manage risk or gain exposure to various other investments or markets. Derivatives are financial contracts based on an underlying or notional

**1. Organization and Significant Accounting Policies**

(continued)

**d. Derivative Financial Instruments** (continued)

amount, require no initial investment or an initial net investment that is smaller than would normally be required to have a similar response to changes in market factors, and require or permit net settlement. Derivatives contain various risks including the potential inability of the counterparty to fulfill their obligations under the terms of the contract, the potential for an illiquid secondary market, and/or the potential for market movements which expose the Fund to gains or losses in excess of the amounts shown in the Statements of Assets and Liabilities. Realized gain and loss and unrealized appreciation and depreciation on these contracts for the period are included in the Statements of Operations.

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

Certain or all Funds entered into exchange traded futures contracts primarily to manage and/or gain exposure to interest rate risk. A futures contract is an agreement between the Fund and a counterparty to buy or sell an asset at a specified price on a future date. Required initial margins are pledged by the Fund, and the daily change in fair value is accounted for as a variation margin payable or receivable in the Statements of Assets and Liabilities. At September 30, 2023, Franklin DynaTech Fund, Franklin Focused Growth Fund, Franklin Growth Fund, Franklin U.S. Government Securities Fund and Franklin Utilities Fund had no futures contracts.

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

between the premium received or paid and the cost to close the position is recorded as a realized gain or loss. At September 30, 2023, Franklin DynaTech Fund, Franklin Focused Growth Fund, Franklin Growth Fund, Franklin U.S. Government Securities Fund and Franklin Utilities Fund had no option contracts.

See Note 9 regarding other derivative information.

**e. Index-Linked Notes**

Certain or all Funds invest in index-linked notes. Index-linked notes are senior, unsecured, subordinated debt securities issued by a financial institution, and the value is based on the price movements of the underlying index. Index-linked notes are designed to provide investors access to the returns of various market benchmarks and intended to replicate the economic effects that would apply had the Fund directly purchased the underlying referenced asset or basket of assets. The risks of investing in index-linked notes include unfavorable price movements in the underlying index and the credit risk of the issuing financial institution. There may be no guarantee of a return of principal with index-linked notes and the appreciation potential may be limited. Index-linked notes may be more volatile and less liquid than other investments held by the Funds.

**f. Equity-Linked Securities**

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

**g. Securities Lending**

Certain or all Funds participate in an agency based securities lending program to earn additional income. The Fund receives collateral in the form of cash and/or U.S. Government and Agency securities against the loaned securities in an amount equal to at least 102% of the fair

## 1. Organization and Significant Accounting Policies

(continued)

### g. Securities Lending (continued)

value of the loaned securities. Collateral is maintained over the life of the loan in an amount not less than 100% of the fair value of loaned securities, as determined at the close of Fund business each day; any additional collateral required due to changes in security values is delivered to the Fund on the next business day. Any cash collateral received is deposited into a joint cash account with other funds and is used to invest in a money market fund managed by Franklin Advisers, Inc., an affiliate of the Funds. Additionally, at September 30, 2023, Franklin DynaTech Fund and Franklin Income Fund held \$492,893 and \$41,176,622, respectively, in U.S. Government and Agency securities as collateral. These securities are held as collateral in segregated accounts with the Funds' custodian. The Fund cannot repledge or resell these securities held as collateral. As such, the non-cash collateral is excluded from the Statements of Assets and Liabilities. The Fund may receive income from the investment of cash collateral, in addition to lending fees and rebates paid by the borrower. Income from securities loaned, net of fees paid to the securities lending agent and/or third-party vendor, is reported separately in the Statements of Operations. The Fund bears the market risk with respect to any cash collateral investment, securities loaned, and the risk that the agent may default on its obligations to the Fund. If the borrower defaults on its obligation to return the securities loaned, the Fund has the right to repurchase the securities in the open market using the collateral received. The securities lending agent has agreed to indemnify the Fund in the event of default by a third party borrower. At September 30, 2023, Franklin Focused Growth Fund, Franklin Growth Fund, Franklin U.S. Government Securities Fund and Franklin Utilities Fund had no securities on loan.

### h. Senior Floating Rate Interests

Certain or all Funds invest in senior secured corporate loans that pay interest at rates which are periodically reset by reference to a base lending rate plus a spread. These base lending rates are generally the prime rate offered by a designated U.S. bank, or the London Interbank Offered Rate (LIBOR), or the Secured Overnight Financing Rate (SOFR). Senior secured corporate loans often require prepayment of principal from excess cash flows or at the discretion of the borrower. As a result, actual maturity may be substantially

less than the stated maturity. Senior secured corporate loans in which the Funds invest are generally readily marketable, but may be subject to certain restrictions on resale.

### i. Income and Deferred Taxes

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

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

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

Each Fund may recognize an income tax liability related to its uncertain tax positions under U.S. GAAP when the uncertain tax position has a less than 50% probability that it will be sustained upon examination by the tax authorities based on its technical merits. As of September 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

**1. Organization and Significant Accounting Policies**

(continued)

**i. Income and Deferred Taxes** (continued)

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.

**j. Security Transactions, Investment Income, Expenses and Distributions**

Security transactions are accounted for on trade date. Realized gains and losses on security transactions are determined on a specific identification basis. Interest income and estimated expenses are accrued daily. Amortization of premium and accretion of discount on debt securities are included in interest income. Paydown gains and losses are recorded separately in the Statements of Operations. Certain or all Funds may receive other income from investments in senior secured corporate loans or unfunded commitments, including amendment fees, consent fees or commitment fees. These fees are recorded as income when received by the Funds. Facility fees are recognized as income over the expected term of the loan. Dividend income is recorded on the ex-dividend date except for certain dividends from securities where the dividend rate is not available. In such cases, the dividend is recorded as soon as the information is received by the Funds. Distributions to shareholders are recorded on the ex-dividend date. Distributable earnings are determined according to income tax regulations (tax basis) and may differ from earnings recorded in accordance with U.S. GAAP. These differences may be permanent or temporary. Permanent differences are reclassified among capital accounts to reflect their tax character. These reclassifications have no impact on net assets or the results of operations. Temporary differences are not reclassified, as they may reverse in subsequent periods.

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

Realized and unrealized gains and losses and net investment income, excluding class specific expenses, are allocated daily to each class of shares based upon the

relative proportion of net assets of each class. Differences in per share distributions by class are generally due to differences in class specific expenses.

**k. 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.

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

	Franklin DynaTech Fund		Franklin Focused Growth Fund <sup>a</sup>	
	Shares	Amount	Shares	Amount
<b>Class A Shares:</b>				
Year ended September 30, 2023				
Shares sold <sup>b</sup> . . . . .	10,835,412	\$1,175,640,499	1,233,955	\$28,366,209
Shares redeemed . . . . .	(14,127,682)	(1,513,413,708)	(1,668,340)	(39,867,268)
Net increase (decrease) . . . . .	(3,292,270)	\$(337,773,209)	(434,385)	\$(11,501,059)
Year ended September 30, 2022				
Shares sold <sup>b</sup> . . . . .	14,363,386	\$1,856,702,021	1,213,199	\$33,600,799
Shares issued in reinvestment of distributions . . . . .	1,053,354	163,733,239	15,386	489,286
Shares redeemed . . . . .	(14,802,906)	(1,827,958,180)	(1,027,936)	(25,688,699)
Net increase (decrease) . . . . .	613,834	\$192,477,080	200,649	\$8,401,386
<b>Class C Shares:</b>				
Year ended September 30, 2023				
Shares sold . . . . .	1,092,810	\$94,835,391	94,040	\$2,082,520
Shares redeemed <sup>b</sup> . . . . .	(2,355,286)	(201,361,668)	(94,696)	(2,108,435)
Net increase (decrease) . . . . .	(1,262,476)	\$(106,526,277)	(656)	\$(25,915)
Year ended September 30, 2022				
Shares sold . . . . .	1,588,693	\$169,004,456	97,172	\$2,671,024
Shares issued in reinvestment of distributions . . . . .	175,065	22,063,462	1,220	38,258
Shares redeemed <sup>b</sup> . . . . .	(2,641,655)	(263,269,319)	(82,494)	(1,997,545)
Net increase (decrease) . . . . .	(877,897)	\$(72,201,401)	15,898	\$711,737
<b>Class R Shares:</b>				
Year ended September 30, 2023				
Shares sold . . . . .	255,007	\$26,525,522	18,468	\$403,494
Shares redeemed . . . . .	(472,660)	(49,579,960)	(11,616)	(273,083)
Net increase (decrease) . . . . .	(217,653)	\$(23,054,438)	6,852	\$130,411
Year ended September 30, 2022				
Shares sold . . . . .	453,729	\$56,189,217	24,654	\$667,940
Shares issued in reinvestment of distributions . . . . .	30,631	4,583,974	186	5,897
Shares redeemed . . . . .	(422,749)	(50,654,066)	(18,389)	(477,266)
Net increase (decrease) . . . . .	61,611	\$10,119,125	6,451	\$196,571



**2. Shares of Beneficial Interest** (continued)

	Franklin DynaTech Fund		Franklin Focused Growth Fund <sup>a</sup>	
	Shares	Amount	Shares	Amount
<b>Class R6 Shares:</b>				
Year ended September 30, 2023				
Shares sold	13,862,160	\$1,552,849,083	3,859	\$93,822
Shares redeemed	(17,471,967)	(1,981,091,408)	(6,233)	(163,962)
Net increase (decrease)	(3,609,807)	\$(428,242,325)	(2,374)	\$(70,140)
Year ended September 30, 2022				
Shares sold	19,924,717	\$2,652,793,439	—	\$—
Shares issued in reinvestment of distributions	819,201	134,013,149	13	415
Shares redeemed	(15,624,599)	(1,998,257,143)	—	—
Net increase (decrease)	5,119,319	\$788,549,445	13	\$415
<b>Advisor Class Shares:</b>				
Year ended September 30, 2023				
Shares sold	4,935,450	\$549,668,851	400,540	\$8,729,317
Shares redeemed	(7,969,253)	(861,195,491)	(324,805)	(7,611,698)
Net increase (decrease)	(3,033,803)	\$(311,526,640)	75,735	\$1,117,619
Year ended September 30, 2022				
Shares sold	8,399,379	\$1,127,784,359	315,963	\$8,974,322
Shares issued in reinvestment of distributions	331,088	53,493,894	4,116	131,564
Shares redeemed	(11,793,370)	(1,459,742,868)	(618,869)	(17,335,380)
Net increase (decrease)	(3,062,903)	\$(278,464,615)	(298,790)	\$(8,229,494)
	Franklin Growth Fund		Franklin Income Fund	
	Shares	Amount	Shares	Amount
<b>Class A Shares:</b>				
Year ended September 30, 2023				
Shares sold <sup>b</sup>	8,919,861	\$1,004,330,038	1,958,333,384	\$4,444,609,074
Shares issued in reinvestment of distributions	8,412,633	874,241,477	442,719,983	1,006,637,852
Shares redeemed	(16,309,554)	(1,834,632,942)	(1,270,723,185)	(2,880,642,993)
Net increase (decrease)	1,022,940	\$43,938,573	1,130,330,182	\$2,570,603,933
Year ended September 30, 2022				
Shares sold <sup>b</sup>	7,112,775	\$950,008,754	1,967,528,153	\$4,769,802,324
Shares issued in reinvestment of distributions	7,829,335	1,123,352,847	441,349,127	1,064,714,504
Shares redeemed	(13,642,430)	(1,794,954,226)	(1,046,858,486)	(2,525,056,501)
Net increase (decrease)	1,299,680	\$278,407,375	1,362,018,794	\$3,309,460,327

**2. Shares of Beneficial Interest** (continued)

	Franklin Growth Fund		Franklin Income Fund	
	Shares	Amount	Shares	Amount
<b>Class A1 Shares:</b>				
Year ended September 30, 2023				
Shares sold	—	\$—	459,374,313	\$1,043,033,441
Shares issued in reinvestment of distributions	—	—	737,289,877	1,678,831,635
Shares redeemed	—	—	(1,793,735,206)	(4,074,779,096)
Net increase (decrease)	—	\$—	(597,071,016)	\$(1,352,914,020)
Year ended September 30, 2022				
Shares sold	—	\$—	462,966,749	\$1,128,353,082
Shares issued in reinvestment of distributions	—	—	921,359,816	2,231,616,951
Shares redeemed	—	—	(1,716,035,662)	(4,169,117,838)
Net increase (decrease)	—	\$—	(331,709,097)	\$(809,147,805)
<b>Class C Shares:</b>				
Year ended September 30, 2023				
Shares sold	668,819	\$64,223,834	313,172,661	\$725,942,414
Shares issued in reinvestment of distributions	495,681	44,160,212	119,089,335	276,353,693
Shares redeemed <sup>b</sup>	(2,195,278)	(214,206,306)	(829,490,789)	(1,918,266,141)
Net increase (decrease)	(1,030,778)	\$(105,822,260)	(397,228,793)	\$(915,970,034)
Year ended September 30, 2022				
Shares sold	555,692	\$66,038,572	376,265,055	\$933,445,062
Shares issued in reinvestment of distributions	521,624	65,667,219	172,175,078	424,342,430
Shares redeemed <sup>b</sup>	(1,579,860)	(181,243,556)	(943,189,191)	(2,334,966,527)
Net increase (decrease)	(502,544)	\$(49,537,765)	(394,749,058)	\$(977,179,035)
<b>Class R Shares:</b>				
Year ended September 30, 2023				
Shares sold	294,779	\$32,903,635	30,456,104	\$67,677,054
Shares issued in reinvestment of distributions	242,555	24,932,223	7,381,783	16,432,512
Shares redeemed	(668,878)	(74,622,388)	(26,586,799)	(58,994,339)
Net increase (decrease)	(131,544)	\$(16,786,530)	11,251,088	\$25,115,227
Year ended September 30, 2022				
Shares sold	225,684	\$29,038,794	38,495,084	\$91,632,223
Shares issued in reinvestment of distributions	244,578	34,832,817	7,597,250	17,950,459
Shares redeemed	(699,391)	(94,080,831)	(23,493,263)	(55,725,464)
Net increase (decrease)	(229,129)	\$(30,209,220)	22,599,071	\$53,857,218

**2. Shares of Beneficial Interest** (continued)

	Franklin Growth Fund		Franklin Income Fund	
	Shares	Amount	Shares	Amount
<b>Class R6 Shares:</b>				
Year ended September 30, 2023				
Shares sold	2,621,003	\$298,026,426	322,258,788	\$726,763,497
Shares issued in reinvestment of distributions	1,715,972	179,878,131	35,330,547	80,079,184
Shares redeemed	(4,974,150)	(565,135,215)	(139,602,997)	(315,494,928)
Net increase (decrease)	(637,175)	\$(87,230,658)	217,986,338	\$491,347,753
Year ended September 30, 2022				
Shares sold	3,675,674	\$475,633,325	297,381,010	\$723,113,206
Shares issued in reinvestment of distributions	1,758,267	253,489,423	25,240,470	60,705,956
Shares redeemed in-kind (Note 12)	(448,827)	(65,832,485)	—	—
Shares redeemed	(6,581,226)	(867,937,830)	(83,879,771)	(202,206,227)
Net increase (decrease)	(1,596,112)	\$(204,647,567)	238,741,709	\$581,612,935
<b>Advisor Class Shares:</b>				
Year ended September 30, 2023				
Shares sold	3,710,821	\$417,749,821	1,459,603,354	\$3,293,204,682
Shares issued in reinvestment of distributions	2,262,495	237,226,372	316,588,066	714,220,227
Shares redeemed	(6,322,439)	(717,331,617)	(1,301,500,962)	(2,925,474,063)
Net increase (decrease)	(349,123)	\$(62,355,424)	474,690,458	\$1,081,950,846
Year ended September 30, 2022				
Shares sold	5,539,441	\$691,586,170	1,421,259,437	\$3,411,492,621
Shares issued in reinvestment of distributions	2,305,617	332,746,676	333,722,149	799,087,621
Shares redeemed in-kind (Note 3h)	(924,131)	(104,759,504)	—	—
Shares redeemed	(9,694,616)	(1,226,572,517)	(1,157,679,072)	(2,765,165,069)
Net increase (decrease)	(2,773,689)	\$(306,999,175)	597,302,514	\$1,445,415,173
<b>Franklin U.S. Government Securities Fund</b>				
<b>Franklin Utilities Fund</b>				
	Shares	Amount	Shares	Amount
<b>Class A Shares:</b>				
Year ended September 30, 2023				
Shares sold <sup>b</sup>	25,502,060	\$128,982,735	13,072,954	\$271,677,836
Shares issued in reinvestment of distributions	3,560,276	18,048,016	1,986,664	42,069,637
Shares redeemed	(40,571,399)	(206,024,172)	(14,408,448)	(299,448,551)
Net increase (decrease)	(11,509,063)	\$(58,993,421)	651,170	\$14,298,922
Year ended September 30, 2022				
Shares sold <sup>b</sup>	28,163,866	\$157,662,763	20,426,933	\$453,472,027
Shares issued in reinvestment of distributions	3,489,049	19,245,353	2,332,270	48,266,115
Shares redeemed	(68,182,403)	(381,457,088)	(12,123,828)	(266,521,547)
Net increase (decrease)	(36,529,488)	\$(204,548,972)	10,635,375	\$235,216,595

**2. Shares of Beneficial Interest** (continued)

	Franklin U.S. Government Securities Fund		Franklin Utilities Fund	
	Shares	Amount	Shares	Amount
<b>Class A1 Shares:</b>				
Year ended September 30, 2023				
Shares sold	16,661,587	\$84,268,130	5,639,347	\$116,568,550
Shares issued in reinvestment of distributions	8,176,665	41,483,470	5,353,956	113,432,565
Shares redeemed	(60,580,369)	(307,982,637)	(22,742,906)	(471,582,946)
Net increase (decrease)	(35,742,117)	\$(182,231,037)	(11,749,603)	\$(241,581,831)
Year ended September 30, 2022				
Shares sold	10,992,579	\$61,460,301	6,815,891	\$150,191,697
Shares issued in reinvestment of distributions	7,641,977	42,120,329	7,794,675	161,036,003
Shares redeemed	(59,374,388)	(331,447,110)	(19,602,339)	(428,004,505)
Net increase (decrease)	(40,739,832)	\$(227,866,480)	(4,991,773)	\$(116,776,805)
<b>Class C Shares:</b>				
Year ended September 30, 2023				
Shares sold	11,456,357	\$57,859,125	1,302,789	\$27,051,481
Shares issued in reinvestment of distributions	546,291	2,755,118	439,989	9,300,965
Shares redeemed <sup>b</sup>	(22,658,314)	(113,640,611)	(5,010,140)	(103,489,997)
Net increase (decrease)	(10,655,666)	\$(53,026,368)	(3,267,362)	\$(67,137,551)
Year ended September 30, 2022				
Shares sold	4,759,211	\$26,534,963	2,115,656	\$46,531,797
Shares issued in reinvestment of distributions	546,780	2,996,336	769,737	15,737,676
Shares redeemed <sup>b</sup>	(15,663,297)	(86,987,590)	(5,296,474)	(115,221,190)
Net increase (decrease)	(10,357,306)	\$(57,456,291)	(2,411,081)	\$(52,951,717)
<b>Class R Shares:</b>				
Year ended September 30, 2023				
Shares sold	798,409	\$4,104,492	1,136,867	\$23,573,767
Shares issued in reinvestment of distributions	81,889	415,457	178,708	3,775,361
Shares redeemed	(1,056,206)	(5,370,315)	(1,649,313)	(34,112,489)
Net increase (decrease)	(175,908)	\$(850,366)	(333,738)	\$(6,763,361)
Year ended September 30, 2022				
Shares sold	781,481	\$4,240,961	1,807,582	\$39,910,876
Shares issued in reinvestment of distributions	66,564	366,299	212,284	4,365,844
Shares redeemed	(1,083,625)	(6,016,702)	(1,033,330)	(22,447,718)
Net increase (decrease)	(235,580)	\$(1,409,442)	986,536	\$21,829,002

## 2. Shares of Beneficial Interest (continued)

	Franklin U.S. Government Securities Fund		Franklin Utilities Fund	
	Shares	Amount	Shares	Amount
<b>Class R6 Shares:</b>				
Year ended September 30, 2023				
Shares sold	12,838,713	\$65,145,828	3,653,507	\$76,827,234
Shares issued in reinvestment of distributions	1,259,495	6,416,241	421,790	9,015,064
Shares redeemed	(12,294,254)	(62,787,461)	(5,046,545)	(106,145,046)
Net increase (decrease)	1,803,954	\$8,774,608	(971,248)	\$(20,302,748)
Year ended September 30, 2022				
Shares sold	9,713,988	\$54,869,336	5,404,404	\$121,039,182
Shares issued in reinvestment of distributions	1,245,685	6,913,611	460,767	9,666,565
Shares redeemed	(22,336,576)	(125,311,553)	(2,484,233)	(55,031,549)
Net increase (decrease)	(11,376,903)	\$(63,528,606)	3,380,938	\$75,674,198
<b>Advisor Class Shares:</b>				
Year ended September 30, 2023				
Shares sold	15,353,248	\$78,738,231	11,834,588	\$249,807,250
Shares issued in reinvestment of distributions	1,584,307	8,062,313	2,401,364	51,373,895
Shares redeemed	(22,516,109)	(114,885,083)	(21,605,799)	(455,199,286)
Net increase (decrease)	(5,578,554)	\$(28,084,539)	(7,369,847)	\$(154,018,141)
Year ended September 30, 2022				
Shares sold	26,643,569	\$146,873,967	18,972,988	\$427,940,062
Shares issued in reinvestment of distributions	2,135,912	11,924,174	3,023,204	63,261,713
Shares redeemed	(86,296,878)	(474,444,605)	(13,271,920)	(292,500,005)
Net increase (decrease)	(57,517,397)	\$(315,646,464)	8,724,272	\$198,701,770

<sup>a</sup>Effective September 13, 2023, Class R6 was liquidated.

<sup>b</sup>May include a portion of Class C shares that were automatically converted to Class A.

## 3. Transactions with Affiliates

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

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

### 3. Transactions with Affiliates (continued)

#### a. Management Fees

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

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

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

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

**3. Transactions with Affiliates** (continued)**a. Management Fees** (continued)

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

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

For the year ended September 30, 2023, each Fund's gross effective investment management fee rate based on average daily net assets was as follows:

	<b>Franklin DynaTech Fund</b>	<b>Franklin Focused Growth Fund</b>	<b>Franklin Growth Fund</b>
Gross effective investment management fee rate . . . . .	0.436%	0.700%	0.442%

	<b>Franklin Income Fund</b>	<b>Franklin U.S. Government Securities Fund</b>	<b>Franklin Utilities Fund</b>
Gross effective investment management fee rate . . . . .	0.376%	0.456%	0.451%

**b. Administrative Fees**

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

**c. Distribution Fees**

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

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

### 3. Transactions with Affiliates (continued)

#### c. Distribution Fees (continued)

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

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

#### d. Sales Charges/Underwriting Agreements

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

	Franklin DynaTech Fund	Franklin Focused Growth Fund	Franklin Growth Fund
Sales charges retained net of commissions paid to unaffiliated brokers/dealers . . . . .	\$1,805,698	\$8,681	\$976,461
CDSC retained . . . . .	\$114,789	\$237	\$49,060

	Franklin Income Fund	Franklin U.S. Government Securities Fund	Franklin Utilities Fund
Sales charges retained net of commissions paid to unaffiliated brokers/dealers . . . . .	\$2,682,048	\$18,534	\$104,347
CDSC retained . . . . .	\$1,210,633	\$16,434	\$63,811

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

#### e. Transfer Agent Fees

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



### 3. Transactions with Affiliates (continued)

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

For the year ended September 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 DynaTech Fund	Franklin Focused Growth Fund	Franklin Growth Fund
Transfer agent fees . . . . .	\$5,204,602	\$83,143	\$5,274,657

	Franklin Income Fund	Franklin U.S. Government Securities Fund	Franklin Utilities Fund
Transfer agent fees . . . . .	\$19,433,817	\$1,529,824	\$2,238,219

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

Certain or all Funds invest in one or more affiliated management investment companies. As defined in the 1940 Act, an investment is deemed to be a “Controlled Affiliate” of a fund when a fund owns, either directly or indirectly, 25% or more of the affiliated fund’s outstanding shares or has the power to exercise control over management or policies of such fund. The Funds do not invest for purposes of exercising a controlling influence over the management or policies. Management fees paid by the Funds are waived on assets invested in the affiliated management investment companies, as noted in the Statements of Operations, in an amount not to exceed the management and administrative fees paid directly or indirectly by each affiliate. During the year ended September 30, 2023, investments in affiliated management investment companies were as follows:

	Value at Beginning of Year	Purchases	Sales	Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Value at End of Year	Number of Shares Held at End of Year	Investment Income
<b>Franklin DynaTech Fund</b>								
<b>Non-Controlled Affiliates</b>								
								Dividends
Institutional Fiduciary Trust - Money Market Portfolio, 5.019%	\$270,863,972	\$1,902,413,131	\$(2,079,352,498)	\$—	\$—	\$93,924,605	93,924,605	\$8,342,288
<b>Non-Controlled Affiliates</b>								
								Income from securities loaned
Institutional Fiduciary Trust - Money Market Portfolio, 5.019%	\$385,000	\$111,416,000	\$(111,801,000)	\$—	\$—	\$—	—	\$176,402
<b>Total Affiliated Securities . . .</b>	<b>\$271,248,972</b>	<b>\$2,013,829,131</b>	<b>\$(2,191,153,498)</b>	<b>\$—</b>	<b>\$—</b>	<b>\$93,924,605</b>		<b>\$8,518,690</b>
<b>Franklin Focused Growth Fund</b>								
<b>Non-Controlled Affiliates</b>								
								Dividends
Institutional Fiduciary Trust - Money Market Portfolio, 5.019%	\$1,276,224	\$28,024,098	\$(28,852,052)	\$—	\$—	\$448,270	448,270	\$119,821
<b>Total Affiliated Securities . . .</b>	<b>\$1,276,224</b>	<b>\$28,024,098</b>	<b>\$(28,852,052)</b>	<b>\$—</b>	<b>\$—</b>	<b>\$448,270</b>		<b>\$119,821</b>

**3. Transactions with Affiliates** (continued)

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

	Value at Beginning of Year	Purchases	Sales	Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Value at End of Year	Number of Shares Held at End of Year	Investment Income
<b>Franklin Growth Fund</b>								
<b>Non-Controlled Affiliates</b>								
								Dividends
Institutional Fiduciary Trust - Money Market Portfolio, 5.019%	\$69,725,524	\$1,611,107,347	\$(1,610,878,025)	\$—	\$—	\$69,954,846	69,954,846	\$4,422,471
<b>Non-Controlled Affiliates</b>								
								Income from securities loaned
Institutional Fiduciary Trust - Money Market Portfolio, 5.019%	\$—	\$25,755,000	\$(25,755,000)	\$—	\$—	\$—	—	\$6,403
<b>Total Affiliated Securities . . .</b>	<b>\$69,725,524</b>	<b>\$1,636,862,347</b>	<b>\$(1,636,633,025)</b>	<b>\$—</b>	<b>\$—</b>	<b>\$69,954,846</b>		<b>\$4,428,874</b>
<b>Franklin Income Fund</b>								
<b>Non-Controlled Affiliates</b>								
								Dividends
Clarion Partners Real Estate Income Fund, Inc., Class I . . .	\$75,098,472	\$25,000,000	\$—	\$—	\$(6,077,870)	\$94,020,602	7,867,833	\$5,825,627
Institutional Fiduciary Trust - Money Market Portfolio, 5.019%	880,891,701	17,750,871,198	(17,985,968,406)	—	—	645,794,493	645,794,493	50,605,627
<b>Total Non-Controlled Affiliates</b>	<b>\$955,990,173</b>	<b>\$17,775,871,198</b>	<b>\$(17,985,968,406)</b>	<b>\$—</b>	<b>\$(6,077,870)</b>	<b>\$739,815,095</b>		<b>\$56,431,254</b>
<b>Non-Controlled Affiliates</b>								
								Income from securities loaned
Institutional Fiduciary Trust - Money Market Portfolio, 5.019%	\$124,103,000	\$479,836,000	\$(603,939,000)	\$—	\$—	\$—	—	\$4,852,893
<b>Total Affiliated Securities . . .</b>	<b>\$1,080,093,173</b>	<b>\$18,255,707,198</b>	<b>\$(18,589,907,406)</b>	<b>\$—</b>	<b>\$(6,077,870)</b>	<b>\$739,815,095</b>		<b>\$61,284,147</b>
<b>Franklin U.S. Government Securities Fund</b>								
<b>Non-Controlled Affiliates</b>								
								Dividends
Institutional Fiduciary Trust - Money Market Portfolio, 5.019%	\$47,626,883	\$439,798,860	\$(420,186,989)	\$—	\$—	\$67,238,754	67,238,754	\$2,073,812
<b>Total Affiliated Securities . . .</b>	<b>\$47,626,883</b>	<b>\$439,798,860</b>	<b>\$(420,186,989)</b>	<b>\$—</b>	<b>\$—</b>	<b>\$67,238,754</b>		<b>\$2,073,812</b>

**3. Transactions with Affiliates** (continued)**f. Investments in Affiliated Management Investment Companies** (continued)

	Value at Beginning of Year	Purchases	Sales	Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Value at End of Year	Number of Shares Held at End of Year	Investment Income	Dividends
<b>Franklin Utilities Fund</b>									
<b>Non-Controlled Affiliates</b>									
Institutional Fiduciary Trust - Money Market Portfolio, 5.019%	\$67,045,219	\$560,015,139	\$(606,660,827)	\$—	\$—	\$20,399,531	20,399,531	\$812,396	
<b>Total Affiliated Securities . . .</b>	<b>\$67,045,219</b>	<b>\$560,015,139</b>	<b>\$(606,660,827)</b>	<b>\$—</b>	<b>\$—</b>	<b>\$20,399,531</b>		<b>\$812,396</b>	

**g. Waiver and Expense Reimbursements**

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

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

**h. Other Affiliated Transactions**

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

**4. Expense Offset Arrangement**

The Funds have previously 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 year ended September 30, 2023, the custodian fees were reduced as noted in the Statements of Operations. For Franklin Income Fund and Franklin U.S. Government Securities Fund, effective July 10, 2023, earned credits, if any, will be recognized as income. For Franklin DynaTech Fund, Franklin Growth Fund and Franklin Utilities Fund, effective September 21, 2023, earned credits, if any, will be recognized as income.

## 5. Income Taxes

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

At September 30, 2023, the capital loss carryforwards were as follows:

	Franklin DynaTech Fund	Franklin Focused Growth Fund	Franklin Income Fund	Franklin U.S. Government Securities Fund
Capital loss carryforwards not subject to expiration:				
Short term . . . . .	\$1,494,736,002	\$10,557,832	\$672,035,575	\$349,782,198
Long term . . . . .	—	4,435,190	—	457,952,751
Total capital loss carryforwards . . . . .	\$1,494,736,002	\$14,993,022	\$672,035,575	\$807,734,949

During the year ended September 30, 2023, the following Fund utilized capital loss carryforwards as follows:

	Franklin Income Fund
Capital loss carryforwards utilized . . . . .	\$10,715,760

For tax purposes, the Funds may elect to defer any portion of a post-October capital loss or late-year ordinary loss to the first day of the following fiscal year. At September 30, 2023, the deferred losses were as follows:

	Franklin Dynatech Fund	Franklin Focused Growth Fund
Late-year ordinary loss . . . . .	\$30,489,840	\$282,820

The tax character of distributions paid during the years ended September 30, 2023 and 2022, was as follows:

	Franklin DynaTech Fund		Franklin Focused Growth Fund	
	2023	2022	2023	2022
Distributions paid from:				
Long term capital gain . . . . .	\$—	\$396,128,968	\$—	\$669,614

	Franklin Growth Fund		Franklin Income Fund	
	2023	2022	2023	2022
Distributions paid from:				
Ordinary income . . . . .	\$9,174,871	\$10,164,224	\$4,087,589,263	\$3,902,195,620
Long term capital gain . . . . .	1,434,875,819	1,918,843,371	—	1,062,281,571
	\$1,444,050,690	\$1,929,007,595	\$4,087,589,263	\$4,964,477,191

	Franklin U.S. Government Securities Fund		Franklin Utilities Fund	
	2023	2022	2023	2022
Distributions paid from:				
Ordinary income . . . . .	\$83,593,762	\$90,397,421	\$151,418,612	\$167,618,020
Long term capital gain . . . . .	—	—	96,781,242	161,364,364
	\$83,593,762	\$90,397,421	\$248,199,854	\$328,982,384

## 5. Income Taxes (continued)

At September 30, 2023, the cost of investments, net unrealized appreciation (depreciation), undistributed ordinary income and undistributed long term capital gains for income tax purposes were as follows:

	Franklin DynaTech Fund	Franklin Focused Growth Fund	Franklin Growth Fund
Cost of investments . . . . .	\$10,985,031,511	\$62,152,235	\$4,979,022,894
Unrealized appreciation. . . . .	\$8,773,211,542	\$17,842,894	\$10,873,854,365
Unrealized depreciation. . . . .	(130,598,677)	(1,837,934)	(244,747,622)
Net unrealized appreciation (depreciation). . . . .	\$8,642,612,865	\$16,004,960	\$10,629,106,743
Distributable earnings:			
Undistributed ordinary income. . . . .	\$—	\$—	\$31,307,010
Undistributed long term capital gains. . . . .	—	—	946,735,037
Total distributable earnings . . . . .	\$—	\$—	\$978,042,047

	Franklin Income Fund	Franklin U.S. Government Securities Fund	Franklin Utilities Fund
Cost of investments . . . . .	\$72,488,742,906	\$2,943,078,128	\$3,045,751,082
Unrealized appreciation. . . . .	\$1,996,163,481	\$394,966	\$2,491,113,570
Unrealized depreciation. . . . .	(5,862,249,379)	(436,393,374)	(47,685,867)
Net unrealized appreciation (depreciation). . . . .	\$(3,866,085,898)	\$(435,998,408)	\$2,443,427,703
Distributable earnings:			
Undistributed ordinary income. . . . .	\$33,987,448	\$2,677	\$4,263,996
Undistributed long term capital gains. . . . .	—	—	178,397,942
Total distributable earnings . . . . .	\$33,987,448	\$2,677	\$182,661,938

Differences between income and/or capital gains as determined on a book basis and a tax basis are primarily due to differing treatments of wash sales, paydown losses, bond discounts and premiums, derivative financial instruments, equity-linked securities and net operating losses.

Franklin Growth Fund and Franklin Utilities Fund utilized a tax accounting practice to treat a portion of the proceeds from capital shares redeemed as a distribution from net investment income and realized capital gains.

## 6. Investment Transactions

Purchases and sales of investments (excluding short term securities) for the year ended September 30, 2023, were as follows:

	Franklin DynaTech Fund	Franklin Focused Growth Fund	Franklin Growth Fund
Purchases . . . . .	\$2,839,735,882	\$21,721,803	\$448,821,427
Sales . . . . .	\$4,038,604,283	\$31,036,303	\$2,130,226,247

## 6. Investment Transactions (continued)

	Franklin Income Fund	Franklin U.S. Government Securities Fund	Franklin Utilities Fund
Purchases .....	\$40,400,441,585	\$76,280,868	\$282,463,109
Sales .....	\$38,773,075,977	\$413,661,510	\$792,975,181

## 7. Credit Risk and Defaulted Securities

At September 30, 2023, Franklin Income Fund had 23.9% of its portfolio invested in high yield securities, senior secured floating rate loans, or other securities rated below investment grade and unrated securities. These securities may be more sensitive to economic conditions causing greater price volatility and are potentially subject to a greater risk of loss due to default than higher rated securities.

Franklin Income Fund held defaulted securities and/or other securities for which the income has been deemed uncollectible. At September 30, 2023, the aggregate value of these securities was \$218,653,724, representing 0.3% of the Fund's net assets. The Fund discontinues accruing income on securities for which income has been deemed uncollectible and provides an estimate for losses on interest receivable. The securities have been identified in the accompanying Schedule of Investments.

## 8. Restricted Securities

Certain or all Funds invest in securities that are restricted under the Securities Act of 1933 (1933 Act). Restricted securities are often purchased in private placement transactions, and cannot be sold without prior registration unless the sale is pursuant to an exemption under the 1933 Act. Disposal of these securities may require greater effort and expense, and prompt sale at an acceptable price may be difficult. The Funds may have registration rights for restricted securities. The issuer generally incurs all registration costs.

At September 30, 2023, investments in restricted securities, excluding securities exempt from registration under the 1933 Act, were as follows:

Shares	Issuer	Acquisition Date	Cost	Value
<b>Franklin Growth Fund</b>				
25,413	Canva, Inc. ....	11/08/21	\$43,323,040	\$28,524,759
2,353	Canva, Inc., A .....	11/08/21	4,011,298	2,641,119
94	Canva, Inc., A-3 .....	11/08/21	160,247	105,510
8	Canva, Inc., A-4 .....	11/08/21	13,638	8,980
5	Canva, Inc., A-5 .....	11/08/21	8,524	5,612
96,603	Checkout Payments Group Ltd., B .....	1/11/22	30,000,062	8,383,837
822,494	Gusto, Inc., E .....	7/13/21	24,999,977	22,949,784
849,894	OneTrust LLC, C .....	4/01/21	16,666,676	12,730,065
540,043	Stripe, Inc., B .....	5/18/21	21,671,052	11,756,907
1,759,545	Stripe, Inc., I .....	3/15/23 - 5/08/23	35,426,925	38,305,853
	<b>Total Restricted Securities (Value is 0.8% of Net Assets) .....</b>		<b>\$176,281,439</b>	<b>\$125,412,426</b>

## 9. Other Derivative Information

At September 30, 2023, investments in derivative contracts are reflected in the Statements of Assets and Liabilities as follows:

Derivative Contracts Not Accounted for as Hedging Instruments	Asset Derivatives		Liability Derivatives	
	Statement of Assets and Liabilities Location	Fair Value	Statement of Assets and Liabilities Location	Fair Value
<b>Franklin Income Fund</b>				
Interest rate contracts . . . . .	Variation margin on futures contracts	\$—	Variation margin on futures contracts	\$165,417,574 <sup>a</sup>
Equity contracts . . . . .	Investments in securities, at value	—	Options written, at value	87,227,000
Total . . . . .		<u>\$—</u>		<u>\$252,644,574</u>

<sup>a</sup>This amount reflects the cumulative appreciation (depreciation) of futures contracts as reported in the schedule of investments. Only the variation margin receivable/payable at year end is separately reported within the Statements of Assets and Liabilities. Prior variation margin movements were recorded to cash upon receipt or payment.

For the year ended September 30, 2023, the effect of derivative contracts in the Statements of Operations was as follows:

Derivative Contracts Not Accounted for as Hedging Instruments	Statement of Operations Location	Net Realized Gain (Loss) for the Year	Statement of Operations Location	Net Change in Unrealized Appreciation (Depreciation) for the Year
<b>Franklin Income Fund</b>				
	Net realized gain (loss) from:		Net change in unrealized appreciation (depreciation) on:	
Interest rate contracts . . . . .	Futures contracts	\$(216,973,008)	Futures contracts	\$(180,221,824)
Equity Contracts . . . . .	Written options	371,224,717	Written options	14,778,567
Total . . . . .		<u>\$154,251,709</u>		<u>\$(165,443,257)</u>

For the year ended September 30, 2023, the average month end notional amount of futures contracts and options represented \$5,566,923,077 and \$53,743,054, respectively.

See Note 1(d) regarding derivative financial instruments.

## 10. Holding of 5% Voting Securities of Portfolio Companies

The 1940 Act defines "affiliated companies" to include investments in portfolio companies in which a fund owns 5% or more of the outstanding voting securities. Additionally, as defined in the 1940 Act, an investment is deemed to be a "Controlled Affiliate" of a fund when a fund owns, either directly or indirectly, 25% or more of the affiliated companies' outstanding shares or has the power to exercise control over management or policies of such company. During the year ended September 30, 2023, investments in "affiliated companies" were as follows:

## 10. Holding of 5% Voting Securities of Portfolio Companies (continued)

	Value at Beginning of Year	Purchases	Sales	Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Value at End of Year	Number of Shares Held at End of Year	Investment Income
<b>Franklin Growth Fund</b>								
<b>Non-Controlled Affiliates</b>								
								Dividends
OneTrust LLC, C . . . . .	\$9,210,092	\$—	\$—	\$—	\$3,519,973	\$12,730,065	849,894	\$—
<b>Total Affiliated Securities</b> (Value is 0.1% of Net Assets). . . . .	\$9,210,092	\$—	\$—	\$—	\$3,519,973	\$12,730,065		\$—

## 11. 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 year ended September 30, 2023, the Funds did not use the Global Credit Facility.

## 12. Redemption In-Kind

During the year ended September 30, 2022, Franklin Growth Fund realized \$47,765,967 of net gains resulting from redemptions in-kind in which a shareholder redeemed fund shares for cash and securities held by the Fund. Because such gains are not taxable to the Fund and are not distributed to remaining shareholders, they are reclassified from accumulated net realized gains to paid-in capital.

## 13. 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)



### 13. Fair Value Measurements (continued)

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 September 30, 2023, in valuing the Funds' assets and liabilities carried at fair value, is as follows:

	Level 1	Level 2	Level 3	Total
<b>Franklin DynaTech Fund</b>				
<b>Assets:</b>				
Investments in Securities:				
Common Stocks:				
Aerospace & Defense	\$225,583,300	\$—	\$—	\$225,583,300
Automobile Components	24,930,000	—	—	24,930,000
Automobiles	625,550,000	—	—	625,550,000
Biotechnology	27,645,000	146,641,318	—	174,286,318
Broadline Retail	1,524,776,000	—	—	1,524,776,000
Capital Markets	360,387,000	—	—	360,387,000
Communications Equipment	13,794,750	—	—	13,794,750
Construction & Engineering	205,777,000	—	—	205,777,000
Diversified Consumer Services	20,733,750	—	—	20,733,750
Electric Utilities	131,767,000	—	—	131,767,000
Electrical Equipment	47,299,000	—	—	47,299,000
Electronic Equipment, Instruments & Components	41,995,000	111,672,441	—	153,667,441
Energy Equipment & Services	307,990,000	—	—	307,990,000
Financial Services	913,358,500	66,725,910	—	980,084,410
Ground Transportation	149,467,500	—	—	149,467,500
Health Care Equipment & Supplies	869,198,150	—	—	869,198,150
Health Care Providers & Services	270,357,500	—	—	270,357,500
Health Care Technology	91,552,500	—	—	91,552,500
Hotels, Restaurants & Leisure	114,186,500	—	—	114,186,500
Interactive Media & Services	1,012,049,250	—	—	1,012,049,250
IT Services	622,922,473	—	—	622,922,473
Life Sciences Tools & Services	926,023,000	—	—	926,023,000
Media	23,445,000	—	—	23,445,000
Pharmaceuticals	384,152,000	—	—	384,152,000
Professional Services	174,649,150	—	—	174,649,150
Semiconductors & Semiconductor Equipment	3,693,453,634	104,393,244	—	3,797,846,878
Software	5,839,712,450	14,382,451	—	5,854,094,901
Technology Hardware, Storage & Peripherals	428,025,000	—	—	428,025,000
Trading Companies & Distributors	19,124,000	—	—	19,124,000
Warrants	—	—	— <sup>a</sup>	—
Short Term Investments	93,924,605	—	—	93,924,605
Total Investments in Securities	\$19,183,829,012	\$443,815,364 <sup>b</sup>	\$—	\$19,627,644,376
<b>Franklin Focused Growth Fund</b>				
<b>Assets:</b>				
Investments in Securities: <sup>c</sup>				
Common Stocks	77,708,925	—	—	77,708,925
Short Term Investments	448,270	—	—	448,270
Total Investments in Securities	\$78,157,195	\$—	\$—	\$78,157,195
<b>Franklin Growth Fund</b>				
<b>Assets:</b>				
Investments in Securities:				
Common Stocks:				
Aerospace & Defense	683,366,920	—	—	683,366,920
Automobiles	119,901,170	—	—	119,901,170
Beverages	539,449,461	—	—	539,449,461
Biotechnology	276,388,462	—	—	276,388,462

**13. Fair Value Measurements** (continued)

	Level 1	Level 2	Level 3	Total
<b>Franklin Growth Fund</b> (continued)				
<b>Assets:</b> (continued)				
Investments in Securities:				
Common Stocks:				
Broadline Retail	\$577,013,443	\$—	\$—	\$577,013,443
Building Products	249,910,116	—	—	249,910,116
Capital Markets	648,294,574	—	—	648,294,574
Chemicals	490,750,269	—	—	490,750,269
Commercial Services & Supplies	87,900,025	—	—	87,900,025
Construction Materials	123,553,249	—	—	123,553,249
Consumer Staples Distribution & Retail	30,083,555	—	—	30,083,555
Electric Utilities	111,448,872	—	—	111,448,872
Electrical Equipment	173,711,646	—	—	173,711,646
Electronic Equipment, Instruments & Components	449,274,179	—	—	449,274,179
Entertainment	34,079,723	—	—	34,079,723
Financial Services	665,198,574	53,707,685	—	718,906,259
Food Products	48,038,425	—	—	48,038,425
Ground Transportation	525,790,721	—	—	525,790,721
Health Care Equipment & Supplies	646,027,638	—	—	646,027,638
Health Care Providers & Services	152,933,589	—	—	152,933,589
Health Care Technology	53,245,510	—	—	53,245,510
Hotels, Restaurants & Leisure	213,274,931	—	—	213,274,931
Industrial REITs	37,904,538	—	—	37,904,538
Interactive Media & Services	585,806,722	—	—	585,806,722
IT Services	79,599,241	—	28,524,759	108,124,000
Life Sciences Tools & Services	858,868,804	—	—	858,868,804
Machinery	577,272,686	—	—	577,272,686
Media	33,741,764	—	—	33,741,764
Personal Care Products	25,759,966	—	—	25,759,966
Pharmaceuticals	700,544,959	—	—	700,544,959
Professional Services	113,871,291	—	—	113,871,291
Semiconductors & Semiconductor Equipment	1,398,585,979	—	—	1,398,585,979
Software	2,772,962,200	—	20,140,744	2,793,102,944
Specialized REITs	68,858,595	—	—	68,858,595
Technology Hardware, Storage & Peripherals	727,298,881	—	—	727,298,881
Textiles, Apparel & Luxury Goods	168,055,592	—	—	168,055,592
Trading Companies & Distributors	142,354,302	—	—	142,354,302
Water Utilities	71,817,314	—	—	71,817,314
Convertible Preferred Stocks	—	—	76,746,923	76,746,923
Preferred Stocks	—	96,116,794	—	96,116,794
Short Term Investments	69,954,846	—	—	69,954,846
<b>Total Investments in Securities</b>	<b>\$15,332,892,732</b>	<b>\$149,824,479<sup>d</sup></b>	<b>\$125,412,426</b>	<b>\$15,608,129,637</b>

**Franklin Income Fund**

**Assets:**

Investments in Securities:

Common Stocks:

Aerospace & Defense	879,478,500	—	—	879,478,500
Air Freight & Logistics	155,870,000	—	—	155,870,000
Banks	1,934,075,000	—	—	1,934,075,000
Beverages	281,400,000	—	—	281,400,000
Biotechnology	298,120,000	—	—	298,120,000
Capital Markets	863,718,100	—	—	863,718,100
Chemicals	—	226,314,018	—	226,314,018
Communications Equipment	349,440,000	—	—	349,440,000
Consumer Staples Distribution & Retail	187,969,000	—	—	187,969,000
Diversified Telecommunication Services	162,050,000	—	—	162,050,000

**13. Fair Value Measurements** (continued)

	Level 1	Level 2	Level 3	Total
<b>Franklin Income Fund</b> (continued)				
<b>Assets:</b> (continued)				
Investments in Securities:				
Common Stocks:				
Electric Utilities . . . . .	\$1,510,379,643	\$—	\$—	\$1,510,379,643
Health Care Providers & Services . . . . .	69,820,000	—	—	69,820,000
Household Products . . . . .	401,115,000	—	—	401,115,000
Industrial Conglomerates . . . . .	246,579,313	—	—	246,579,313
Insurance . . . . .	220,185,000	—	—	220,185,000
IT Services . . . . .	280,600,000	—	—	280,600,000
Media . . . . .	221,700,000	—	—	221,700,000
Metals & Mining . . . . .	459,432,766	—	—	459,432,766
Multi-Utilities . . . . .	515,755,000	—	—	515,755,000
Oil, Gas & Consumable Fuels . . . . .	1,316,466,862	—	—	1,316,466,862
Pharmaceuticals . . . . .	1,201,811,070	48,022,143	—	1,249,833,213
Semiconductors & Semiconductor Equipment . . . . .	801,390,000	—	—	801,390,000
Tobacco . . . . .	277,740,000	—	—	277,740,000
Management Investment Companies . . . . .	94,020,602	—	—	94,020,602
Equity-Linked Securities . . . . .	—	11,942,773,789	—	11,942,773,789
Convertible Preferred Stocks . . . . .	24,592,000	—	—	24,592,000
Preferred Stocks . . . . .	8,880,000	—	—	8,880,000
Convertible Bonds . . . . .	—	24,093,750	—	24,093,750
Corporate Bonds . . . . .	—	33,236,375,156	—	33,236,375,156
Index-Linked Notes . . . . .	—	25,602,656	—	25,602,656
Senior Floating Rate Interests . . . . .	—	353,605,365	—	353,605,365
U.S. Government and Agency Securities . . . . .	—	9,470,322,270	—	9,470,322,270
Asset-Backed Securities . . . . .	—	116,574,134	—	116,574,134
Mortgage-Backed Securities . . . . .	—	23,235,952	—	23,235,952
Short Term Investments . . . . .	645,794,493	—	—	645,794,493
Total Investments in Securities . . . . .	\$13,408,382,349	\$55,466,919,233 <sup>e</sup>	\$—	\$68,875,301,582
<b>Liabilities:</b>				
Other Financial Instruments:				
Options written . . . . .	\$87,227,000	\$—	\$—	\$87,227,000
Futures contracts . . . . .	165,417,574	—	—	165,417,574
Total Other Financial Instruments . . . . .	\$252,644,574	\$—	\$—	\$252,644,574
<b>Franklin U.S. Government Securities Fund</b>				
<b>Assets:</b>				
Investments in Securities: <sup>g</sup>				
U.S. Government and Agency Securities . . . . .	—	14,763,945	—	14,763,945
Mortgage-Backed Securities . . . . .	—	2,425,077,021	—	2,425,077,021
Short Term Investments . . . . .	67,238,754	—	—	67,238,754
Total Investments in Securities . . . . .	\$67,238,754	\$2,439,840,966	\$—	\$2,507,079,720
<b>Franklin Utilities Fund</b>				
<b>Assets:</b>				
Investments in Securities:				
Common Stocks:				
Construction & Engineering . . . . .	82,236,000	—	—	82,236,000
Electric Utilities . . . . .	3,159,980,500	—	—	3,159,980,500
Gas Utilities . . . . .	45,264,000	—	—	45,264,000
Independent Power and Renewable Electricity Producers . . . . .	194,400,723	—	—	194,400,723
Multi-Utilities . . . . .	1,503,356,000	166,220,902	—	1,669,576,902
Oil, Gas & Consumable Fuels . . . . .	242,718,000	—	—	242,718,000
Water Utilities . . . . .	51,495,000	23,108,129	—	74,603,129
Short Term Investments . . . . .	20,399,531	—	—	20,399,531
Total Investments in Securities . . . . .	\$5,299,849,754	\$189,329,031 <sup>f</sup>	\$—	\$5,489,178,785

### 13. Fair Value Measurements (continued)

<sup>a</sup> Includes financial instruments determined to have no value.

<sup>b</sup> Includes foreign securities valued at \$443,815,364, which were categorized as Level 2 as a result of the application of market level fair value procedures. See the Financial Instrument Valuation note for more information.

<sup>c</sup> For detailed categories, see the accompanying Schedule of Investments.

<sup>d</sup> Includes foreign securities valued at \$149,824,479, which were categorized as Level 2 as a result of the application of market level fair value procedures. See the Financial Instrument Valuation note for more information.

<sup>e</sup> Includes foreign securities valued at \$274,336,161, which were categorized as Level 2 as a result of the application of market level fair value procedures. See the Financial Instrument Valuation note for more information.

<sup>f</sup> Includes foreign securities valued at \$189,329,031, which were categorized as Level 2 as a result of the application of market level fair value procedures. See the Financial Instrument Valuation note for more information.

A reconciliation in which Level 3 inputs are used in determining fair value is presented when there are significant Level 3 assets and/or liabilities at the beginning and/or end of the year.

### 14. New Accounting Pronouncements

In March 2020, the FASB issued Accounting Standards Update (ASU) No. 2020-04, Reference Rate Reform (Topic 848) – Facilitation of the Effects of Reference Rate Reform on Financial Reporting. In January 2021 and December 2022, the FASB issued ASU No. 2021-01 and ASU No. 2022-06, with further amendments to Topic 848. The amendments in the ASUs provide optional temporary accounting recognition and financial reporting relief from the effect of certain types of contract modifications due to the planned discontinuation of LIBOR and other interbank-offered based reference rates as of the end of 2021 for certain LIBOR settings and 2023 for the remainder. The ASUs are effective for certain reference rate-related contract modifications that occur during the period March 12, 2020 through December 31, 2024. Management has reviewed the requirements and believes the adoption of these ASUs will not have a material impact on the financial statements.

### 15. 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, except for the following:

At a meeting held on June 30, 2023, shareholders of the Franklin Focused Growth Fund (the “Fund”) approved the reorganization of the Fund into the Franklin Focused Growth ETF, a newly-organized series of Franklin Templeton ETF Trust (the “Reorganization”). The Reorganization occurred as of the close of business on November 3, 2023. Effective as of the close of business on November 3, 2023, the Fund ceased operations in connection with the consummation of the Reorganization.

### Abbreviations

#### Currency

<b>CAD</b>	Canadian Dollar
<b>GBP</b>	British Pound
<b>USD</b>	United States Dollar

#### Selected Portfolio

<b>ADR</b>	American Depositary Receipt
<b>CME</b>	Chicago Mercantile Exchange
<b>FNMA</b>	Federal National Mortgage Association
<b>FRN</b>	Floating Rate Note
<b>GNMA</b>	Government National Mortgage Association
<b>LIBOR</b>	London Interbank Offered Rate
<b>PIK</b>	Payment-In-Kind
<b>REIT</b>	Real Estate Investment Trust
<b>SOFR</b>	Secured Overnight Financing Rate

## Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Franklin Custodian Funds and Franklin Templeton ETF Trust and Shareholders of Franklin DynaTech Fund, Franklin Focused Growth ETF, Franklin Growth Fund, Franklin Income Fund, Franklin U.S. Government Securities Fund, and Franklin Utilities Fund

### ***Opinions on the Financial Statements***

We have audited the accompanying statements of assets and liabilities, including the schedules of investments, of Franklin DynaTech Fund, Franklin Focused Growth Fund, Franklin Growth Fund, Franklin Income Fund, Franklin U.S. Government Securities Fund, and Franklin Utilities Fund (constituting Franklin Custodian Funds, hereafter collectively referred to as the "Funds") as of September 30, 2023, the related statements of operations for the year ended September 30, 2023, the statements of changes in net assets for each of the two years in the period ended September 30, 2023, including the related notes, and the financial highlights for each of the periods indicated therein (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of each of the Funds as of September 30, 2023, the results of each of their operations for the year then ended, the changes in each of their net assets for each of the two years in the period ended September 30, 2023 and each of the financial highlights for each of the periods indicated therein in conformity with accounting principles generally accepted in the United States of America.

### ***Basis for Opinions***

These financial statements are the responsibility of the Funds' management. Our responsibility is to express an opinion on the Funds' financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Funds in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of September 30, 2023 by correspondence with the custodian, transfer agent and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinions.

PricewaterhouseCoopers LLP

San Francisco, California  
November 17, 2023

We have served as the auditor of one or more investment companies in the Franklin Templeton Group of Funds since 1948.

## Tax Information (unaudited)

By mid-February, tax information related to a shareholder's proportionate share of distributions paid during the preceding calendar year will be received, if applicable. Please also refer to [www.franklintempleton.com](http://www.franklintempleton.com) for per share tax information related to any distributions paid during the preceding calendar year. Shareholders are advised to consult with their tax advisors for further information on the treatment of these amounts on their tax returns.

The following tax information for the Funds is required to be furnished to shareholders with respect to income earned and distributions paid during its fiscal year.

The Funds below hereby report the following amounts, or if subsequently determined to be different, the maximum allowable amounts, for the fiscal year ended September 30, 2023:

	Pursuant to:	Franklin DynaTech Fund	Franklin Focused Growth Fund	Franklin Growth Fund
Long-Term Capital Gain Dividends Distributed	§852(b)(3)(C)	—	—	\$1,506,697,314
Income Eligible for Dividends Received Deduction (DRD)	§854(b)(1)(A)	\$64,689,418	\$360,278	\$121,344,192
Qualified Dividend Income Earned (QDI)	§854(b)(1)(B)	\$79,350,535	\$425,998	\$142,918,752

	Pursuant to:	Franklin Income Fund	Franklin U.S. Government Securities Fund	Franklin Utilities Fund
Long-Term Capital Gain Dividends Distributed	§852(b)(3)(C)	—	—	\$107,663,288
Income Eligible for Dividends Received Deduction (DRD)	§854(b)(1)(A)	\$438,464,364	—	\$186,720,891
Qualified Dividend Income Earned (QDI)	§854(b)(1)(B)	\$535,358,998	—	\$202,614,632
Qualified Net Interest Income (QII)	§871(k)(1)(C)	\$2,359,693,978	\$83,156,481	—
Short-Term Capital Gain Dividends Distributed	§871(k)(2)(C)	—	—	\$348,019
Section 163(j) Interest Dividends Earned	§163(j)	\$2,401,003,372	\$83,157,241	\$625,927
Interest Earned from Federal Obligations	Note (1)	\$322,818,350	\$688,750	—

Note (1) - The Law varies in each state as to whether and what percentage of dividend income attributable to Federal obligations is exempt from state income tax. Shareholders are advised to consult with their tax advisors to determine if any portion of the dividends received is exempt from state income taxes.

**FRANKLIN FOCUSED GROWTH FUND**  
**(a series of Franklin Custodian Funds)**

## Special Shareholder Meeting

June 30, 2023 (unaudited)

A Special Meeting of Shareholders of Franklin Focused Growth Fund, a series of Franklin Custodian Funds, was held on June 30, 2023. The purpose of the meeting was to approve the Agreement and Plan of Reorganization providing for the reorganization of Franklin Focused Growth Fund, a series of Franklin Custodian Funds, with and into Franklin Focused Growth ETF, a series of Franklin Templeton ETF Trust.

At the meeting the proposal was passed. No other business was transacted at the meeting with respect to the Fund.

The results of the voting at the meeting are as follows:

To approve the Agreement and Plan of Reorganization providing for the reorganization of Franklin Focused Growth Fund, a series of Franklin Custodian Funds, with and into Franklin Focused Growth ETF, a series of Franklin Templeton ETF Trust.

<b>For</b>	<b>% Voted FOR</b>	<b>% FOR of Outstanding Shares</b>
1,596,093	85.72%	44.33%
<b>Against</b>	<b>% Voted Against</b>	<b>% Against of Outstanding Shares</b>
41,448	2.23%	1.15%
<b>Abstain</b>	<b>% Voted Abstain</b>	<b>% Abstain of Outstanding Shares</b>
224,361	12.05%	6.23%

## Board Members and Officers

The name, year of birth and address of the officers and board members, as well as their affiliations, positions held with the Trust, principal occupations during at least the past five years and number of U.S. registered portfolios overseen in the Franklin Templeton/Legg Mason fund complex, are shown below. Generally, each board member serves until that person's successor is elected and qualified.

### Independent Board Members

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member <sup>1</sup>	Other Directorships Held During at Least the Past 5 Years
<b>Harris J. Ashton (1932)</b> One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 1976	119	Bar-S Foods (meat packing company) (1981-2010).

**Principal Occupation During at Least the Past 5 Years:**

Director of various companies; and **formerly**, Director, RBC Holdings, Inc. (bank holding company) (until 2002); and President, Chief Executive Officer and Chairman of the Board, General Host Corporation (nursery and craft centers) (until 1998).

<b>Terrence J. Checki (1945)</b> One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2017	119	Hess Corporation (exploration of oil and gas) (2014-present).
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**Principal Occupation During at Least the Past 5 Years:**

Member of the Council on Foreign Relations (1996-present); Member of the National Committee on U.S.-China Relations (1999-present); member of the board of trustees of the Economic Club of New York (2013-present); member of the board of trustees of the Foreign Policy Association (2005-present); member of the board of directors of Council of the Americas (2007-present) and the Tallberg Foundation (2018-present); and **formerly**, Executive Vice President of the Federal Reserve Bank of New York and Head of its Emerging Markets and Internal Affairs Group and Member of Management Committee (1995-2014); and Visiting Fellow at the Council on Foreign Relations (2014).

<b>Mary C. Choksi (1950)</b> One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2014	119	Omnicom Group Inc. (advertising and marketing communications services) (2011-present) and White Mountains Insurance Group, Ltd. (holding company) (2017-present); and <b>formerly</b> , Avis Budget Group Inc. (car rental) (2007-2020).
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**Principal Occupation During at Least the Past 5 Years:**

Director of various companies; and **formerly**, Founder and Senior Advisor, Strategic Investment Group (investment management group) (2015-2017); Founding Partner and Senior Managing Director, Strategic Investment Group (1987-2015); Founding Partner and Managing Director, Emerging Markets Management LLC (investment management firm) (1987-2011); and Loan Officer/Senior Loan Officer/Senior Pension Investment Officer, World Bank Group (international financial institution) (1977-1987).



## Independent Board Members (continued)

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member <sup>1</sup>	Other Directorships Held During at Least the Past 5 Years
<b>Edith E. Holiday (1952)</b> One Franklin Parkway San Mateo, CA 94403-1906	Lead Independent Trustee	Trustee since 1998 and Lead Independent Trustee since 2019	119	Hess Corporation (exploration of oil and gas) (1993-present), Santander Consumer USA Holdings, Inc. (consumer finance) (2016-present); Santander Holdings USA (holding company) (2019-present); and <b>formerly</b> , Canadian National Railway (railroad) (2001-2021), White Mountains Insurance Group, Ltd. (holding company) (2004-2021), RTI International Metals, Inc. (manufacture and distribution of titanium) (1999-2015) and H.J. Heinz Company (processed foods and allied products) (1994-2013).

**Principal Occupation During at Least the Past 5 Years:**

Director or Trustee of various companies and trusts; and **formerly**, Assistant to the President of the United States and Secretary of the Cabinet (1990-1993); General Counsel to the United States Treasury Department (1989-1990); and Counselor to the Secretary and Assistant Secretary for Public Affairs and Public Liaison-United States Treasury Department (1988-1989).

<b>J. Michael Luttig (1954)</b> One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2009	119	Boeing Capital Corporation (aircraft financing) (2006-2010).
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**Principal Occupation During at Least the Past 5 Years:**

Counselor and Special Advisor to the CEO and Board of Directors of The Coca-Cola Company (beverage company) (2021-present); and **formerly**, Counselor and Senior Advisor to the Chairman, CEO, and Board of Directors, of The Boeing Company (aerospace company), and member of the Executive Council (2019-2020); Executive Vice President, General Counsel and member of the Executive Council, The Boeing Company (2006-2019); and Federal Appeals Court Judge, United States Court of Appeals for the Fourth Circuit (1991-2006).

<b>Larry D. Thompson (1945)</b> One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2007	119	Graham Holdings Company (education and media organization) (2011-2021); The Southern Company (energy company) (2014-2020; previously 2010-2012) and Cbeyond, Inc. (business communications provider) (2010-2012).
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**Principal Occupation During at Least the Past 5 Years:**

Director of various companies; Counsel, Finch McCranie, LLP (law firm) (2015-present); John A. Sibley Professor of Corporate and Business Law, University of Georgia School of Law (2015-present; previously 2011-2012); and **formerly**, Independent Compliance Monitor and Auditor, Volkswagen AG (manufacturer of automobiles and commercial vehicles) (2017-2020); Executive Vice President - Government Affairs, General Counsel and Corporate Secretary, PepsiCo, Inc. (consumer products) (2012-2014); Senior Vice President - Government Affairs, General Counsel and Secretary, PepsiCo, Inc. (2004-2011); Senior Fellow of The Brookings Institution (2003-2004); Visiting Professor, University of Georgia School of Law (2004); and Deputy Attorney General, U.S. Department of Justice (2001-2003).

## Independent Board Members (continued)

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member <sup>1</sup>	Other Directorships Held During at Least the Past 5 Years
<b>Valerie M. Williams (1956)</b> One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2021	110	Omnicom Group, Inc. (advertising and marketing communications services) (2016-present), DTE Energy Co. (gas and electric utility) (2018-present), Devon Energy Corporation (exploration and production of oil and gas) (2021-present); and <b>formerly</b> , WPX Energy, Inc. (exploration and production of oil and gas) (2018-2021).

**Principal Occupation During at Least the Past 5 Years:**

Director of various companies; and **formerly**, Regional Assurance Managing Partner, Ernst & Young LLP (public accounting) (2005-2016) and various roles of increasing responsibility at Ernst & Young (1981-2005).

## Interested Board Members and Officers

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member <sup>1</sup>	Other Directorships Held During at Least the Past 5 Years
<b>Gregory E. Johnson<sup>2</sup> (1961)</b> One Franklin Parkway San Mateo, CA 94403-1906	Chairman of the Board, Vice President and Trustee	Chairman of the Board and Vice President since January 2023 and Trustee since 2013	129	None

**Principal Occupation During at Least the Past 5 Years:**

Executive Chairman, Chairman of the Board and Director, Franklin Resources, Inc.; officer and/or director or trustee, as the case may be, of some of the other subsidiaries of Franklin Resources, Inc. and of certain funds in the Franklin Templeton/Legg Mason fund complex; Vice Chairman, Investment Company Institute; and **formerly**, Chief Executive Officer (2013-2020) and President (1994-2015) Franklin Resources, Inc.

<b>Rupert H. Johnson, Jr.<sup>3</sup> (1940)</b> One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 1983	119	None
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**Principal Occupation During at Least the Past 5 Years:**

Director (Vice Chairman), Franklin Resources, Inc.; Director, Franklin Advisers, Inc.; and officer and/or director or trustee, as the case may be, of some of the other subsidiaries of Franklin Resources, Inc. and of certain funds in the Franklin Templeton/Legg Mason fund complex.

<b>Ted P. Becker (1951)</b> 280 Park Avenue New York, NY 10017	Chief Compliance Officer	Since June 2023	Not Applicable	Not Applicable
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**Principal Occupation During at Least the Past 5 Years:**

Vice President, Global Compliance of Franklin Templeton (since 2020); Chief Compliance Officer of Legg Mason Partners Fund Advisor, LLC (since 2006); Chief Compliance Officer of certain funds associated with Legg Mason & Co. or its affiliates (since 2006); **formerly**, Director of Global Compliance at Legg Mason (2006 to 2020); Managing Director of Compliance of Legg Mason & Co. (2005 to 2020).

<b>Matthew T. Hinkle (1971)</b> One Franklin Parkway San Mateo, CA 94403-1906	Chief Executive Officer – Finance and Administration	Since 2017	Not Applicable	Not Applicable
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**Principal Occupation During at Least the Past 5 Years:**

Senior Vice President, Franklin Templeton Services, LLC; officer of certain funds in the Franklin Templeton/Legg Mason fund complex; and **formerly**, Vice President, Global Tax (2012-April 2017) and Treasurer/Assistant Treasurer, Franklin Templeton (2009-2017).

## Interested Board Members and Officers (continued)

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member <sup>1</sup>	Other Directorships Held During at Least the Past 5 Years
<b>Susan Kerr (1949)</b> 280 Park Avenue New York, NY 10017	Vice President – AML Compliance	Since 2021	Not Applicable	Not Applicable
<b>Principal Occupation During at Least the Past 5 Years:</b> Senior Compliance Analyst, Franklin Templeton; Chief Anti-Money Laundering Compliance Officer, Legg Mason & Co., or its affiliates; Anti Money Laundering Compliance Officer; Senior Compliance Officer, LMIS; and officer of certain funds in the Franklin Templeton/Legg Mason fund complex.				
<b>Christopher Kings (1974)</b> One Franklin Parkway San Mateo, CA 94403-1906	Chief Financial Officer, Chief Accounting Officer and Treasurer	Since 2022	Not Applicable	Not Applicable
<b>Principal Occupation During at Least the Past 5 Years:</b> Treasurer, U.S. Fund Administration & Reporting; and officer of certain funds in the Franklin Templeton/Legg Mason fund complex.				
<b>Edward D. Perks (1970)</b> One Franklin Parkway San Mateo, CA 94403-1906	President and Chief Executive Officer – Investment Management	Since 2018	Not Applicable	Not Applicable
<b>Principal Occupation During at Least the Past 5 Years:</b> President and Director, Franklin Advisers, Inc.; and officer of certain funds in the Franklin Templeton/Legg Mason fund complex.				
<b>Navid J. Tofigh (1972)</b> One Franklin Parkway San Mateo, CA 94403-1906	Vice President and Secretary	Vice President since 2015 and Secretary since June 2023	Not Applicable	Not Applicable
<b>Principal Occupation During at Least the Past 5 Years:</b> Senior Associate General Counsel, Franklin Templeton; and officer of certain funds in the Franklin Templeton/Legg Mason fund complex.				

Note 1: Rupert H. Johnson, Jr. is the uncle of Gregory E. Johnson.

Note 2: Officer information is current as of the date of this report. It is possible that after this date, information about officers may change.

1. We base the number of portfolios on each separate series of the U.S. registered investment companies within the Franklin Templeton/Legg Mason fund complex. These portfolios have a common investment manager or affiliated investment managers.
2. Gregory E. Johnson is considered to be an interested person of the Fund under the federal securities laws due to his position as an officer and director of Franklin Resources, Inc. (Resources), which is the parent company of the Fund's investment manager and distributor.
3. Rupert H. Johnson, Jr. is considered to be an interested person of the Fund under the federal securities laws due to his position as an officer and director and a major shareholder of Resources, which is the parent company of the Fund's investment manager and distributor.

The Sarbanes-Oxley Act of 2002 and Rules adopted by the Securities and Exchange Commission require the Fund to disclose whether the Fund's Audit Committee includes at least one member who is an audit committee financial expert within the meaning of such Act and Rules. The Fund's Board has determined that there is at least one such financial expert on the Audit Committee and has designated Mary C. Choksi as its audit committee financial expert. The Board believes that Ms. Choksi qualifies as such an expert in view of her extensive business background and experience. She served as a director of Avis Budget Group, Inc. (2007 to 2020) and formerly, Founder and Senior Advisor, Strategic Investment Group (1987 to 2017). Ms. Choksi has been a Member of the Fund's Audit Committee since 2014. As a result of such background and experience, the Board believes that Ms. Choksi has acquired an understanding of generally accepted accounting principles and financial statements, the general application of such principles in connection with the accounting estimates, accruals and reserves, and analyzing and evaluating financial statements that present a breadth and level of complexity of accounting issues generally comparable to those of the Fund, as well as an understanding of internal controls and procedures for financial reporting and an understanding of audit committee functions. Ms. Choksi is an independent Board member as that term is defined under the relevant Securities and Exchange Commission Rules and Releases.

The Statement of Additional Information (SAI) includes additional information about the board members and is available, without charge, upon request. Shareholders may call (800) DIAL BEN/342-5236 to request the SAI.

## Shareholder Information

### Board Approval of Investment Management Agreements

#### FRANKLIN CUSTODIAN FUNDS

**Franklin DynaTech Fund**

**Franklin Focused Growth Fund**

**Franklin Growth Fund**

**Franklin Income Fund**

**Franklin U.S. Government Securities Fund**

**Franklin Utilities Fund**

(each a Fund)

At an in-person meeting held on April 18, 2023 (Meeting), the Board of Trustees (Board) of Franklin Custodian Funds (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 agreement between Franklin Advisers, Inc. (Manager) and the Trust, on behalf of each Fund (each a Management Agreement) for an additional one-year period. The Independent Trustees received advice from and met separately with Independent Trustee counsel in considering whether to approve the continuation of each Management Agreement. 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 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 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 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.

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 further 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 DynaTech Fund* - The Performance Universe for the Fund included the Fund and all retail and institutional multi-cap growth funds. The Board noted that the Fund's annualized total return for the one- and three-year periods was below the median of its Performance Universe, but for the five- and 10-year periods was above the median of its Performance Universe. The Board discussed the Fund's performance with management and management explained that, during the one-year period, there was a broad sell-off of growth equities which adversely impacted the Fund's short- and long-term performance. Management further explained that the Fund's one-year below median performance was due, in part, to the Fund's overweight positions in the information technology and healthcare sectors, which management believed would offer more growth in the long term. The Board noted management's conviction in the Fund's investment strategies. The Board concluded that the Fund's Management Agreement should be continued for an additional one-year period, while management's efforts continue to be closely monitored.

*Franklin Focused Growth Fund* - The Performance Universe for the Fund included the Fund and all retail and institutional large-cap growth funds. The Board noted that the Fund's annualized total return for the one-, three- and five-year

periods was below the median of its Performance Universe. The Board further noted that it had approved, subject to shareholder approval, the reorganization of the Fund into the Franklin Focused Growth ETF, which is expected to occur in the fourth quarter of 2023. After consideration of the above, the Board concluded that the Fund's Management Agreement should be continued for an additional one-year period.

*Franklin Growth Fund* - The Performance Universe for the Fund included the Fund and all retail and institutional multi-cap growth funds. The Board noted that the Fund's annualized total return for the one-, three-, five- and 10-year periods was above the median of its Performance Universe. The Board concluded that the Fund's performance was satisfactory.

*Franklin Income Fund* - The Performance Universe for the Fund included the Fund and all retail and institutional flexible portfolio funds. The Board noted that the Fund's annualized income return and annualized total return for the one-, three-, five- and 10-year periods were above the medians of its Performance Universe. The Board further noted management's view regarding the income-related attributes of the Fund (e.g., a fund's investment objective) as set forth in the Fund's registration statement and that the evaluation of the Fund's performance relative to its peers on an income return basis was appropriate given these attributes. The Board concluded that the Fund's performance was satisfactory.

*Franklin U.S. Government Securities Fund* - The Performance Universe for the Fund included the Fund and all retail and institutional Government National Mortgage Association (Ginnie Mae) funds. The Board noted that the Fund's annualized income return for the one-, three-, five- and 10-year periods was above the median of its Performance Universe. The Board also noted that the Fund's annualized total return for the one- and three-year periods was above the median of its Performance Universe, but for the five- and 10-year periods was below the median of its Performance Universe. The Board further noted management's view regarding the income-related attributes of the Fund (e.g., a fund's investment objective) as set forth in the Fund's registration statement and that the evaluation of the Fund's performance relative to its peers on an income return basis was appropriate given these attributes. The Board concluded that the Fund's performance was satisfactory.

*Franklin Utilities Fund* - The Performance Universe for the Fund included the Fund and all retail and institutional utility funds. The Board noted that the Fund's annualized income return for the one-, three-, five- and 10-year periods was above the median of its Performance Universe. The Board also noted that the Fund's annualized total return for the three-year period was slightly below the median of its Performance Universe, but for the one-, five- and 10-year periods was above the median of its Performance Universe. The Board further noted management's view regarding the income-related attributes of the Fund (e.g., a fund's investment objective) as set forth in the Fund's registration statement and that the evaluation of the Fund's performance relative to its peers on an income return basis was appropriate given these attributes. The Board concluded that the Fund's performance was satisfactory.

### **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 A1 shares for the Franklin Income Fund and for Class A shares and Class M shares for the other funds in the Fund's expense group. The actual total expense ratio was shown for Class A1 shares for the Franklin U.S. Government Securities Fund and Franklin Utilities Fund and for Class A shares for the other funds in their expense groups. The actual total expense ratio was shown for Class

A shares for Franklin DynaTech Fund and Franklin Growth Fund and for each other fund in the applicable Expense Group. In addition, the actual total expense ratio was shown for Advisor Class shares for the Franklin Focused Growth Fund and for Class I shares, Class N shares, Class P shares, Class Z shares, Class Y shares, Administrative Class shares, Investor Class shares or Institutional Class shares for each other fund in the Fund's Expense Group. The Board received a description of the methodology used by Broadridge to select the mutual funds included in an Expense Group.

*Franklin DynaTech Fund, Franklin Growth Fund, Franklin Income Fund and Franklin Utilities Fund* - The Expense Group for the Franklin DynaTech Fund included the Fund and 14 other multi-cap growth funds. The Expense Group for the Franklin Growth Fund included the Fund and 13 other multi-cap growth funds. The Expense Group for the Franklin Income Fund included the Fund and 13 other flexible portfolio funds. The Expense Group for the Franklin Utilities Fund included the Fund and six other utility funds. The Board noted that the Management Rates and actual total expense ratios for the Funds were below the medians and in the first quintile (least expensive) of their respective Expense Groups. The Board concluded that the Management Rates charged to the Funds are reasonable.

*Franklin Focused Growth Fund* - The Expense Group for the Fund included the Fund and 16 other large-cap growth funds. The Board noted that the Management Rate for the Fund was below the median of its Expense Group. The Board also noted that the actual total expense ratio for the Fund was equal to the median of its Expense Group. The Board concluded that the Management Rate charged to the Fund is reasonable.

*Franklin U.S. Government Securities Fund* - The Expense Group for the Fund included the Fund, five other Ginnie Mae funds, and six US mortgage funds. The Board noted that the Management Rate for the Fund was less than two basis points above the median of its Expense Group. The Board also noted that the actual total expense ratio for the Fund was below the median and in the first quintile (least expensive) of its Expense Group. The Board concluded that the Management Rate charged to the 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. With respect to possible economies of scale, the Board noted the existence of management fee breakpoints, which operate generally to share any

economies of scale with a Fund's shareholders by reducing the Fund's effective management fees as the Fund grows in size. 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 the Franklin Focused Growth Fund does not have an asset size that would likely enable the Fund to achieve economies of scale. The Board further noted that the Franklin U.S. Government Securities Fund experienced a decline in assets and would not be expected to experience additional economies of scale in the foreseeable future. The Board concluded that to the extent economies of scale may be realized by the Manager and its affiliates, each Fund's management fee structure provided a sharing of benefits with the Fund and its shareholders as the Fund grows.

### **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 an additional one-year period.

## **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](http://franklintempleton.com). Alternatively, shareholders may request copies of the Policies free of charge by calling the Proxy Group collect at (954) 527-7678 or by sending a written request to: Franklin Templeton Companies, LLC, 300 S.E. 2nd Street, Fort Lauderdale, FL 33301, Attention: Proxy Group. Copies of the Trust’s proxy voting records are also made available online at [franklintempleton.com](http://franklintempleton.com) and posted on the U.S. Securities and Exchange Commission’s website at [sec.gov](http://sec.gov) and reflect the most recent 12-month period ended June 30.

## Quarterly Schedule of Investments

The Trust files a complete schedule of investments with the U.S. Securities and Exchange Commission for the first and third quarters for each fiscal year as an exhibit to its report on Form N-PORT. Shareholders may view the filed Form N-PORT by visiting the Commission’s website at [sec.gov](http://sec.gov). The filed form may also be viewed and copied at the Commission’s Public Reference Room in Washington, DC. Information regarding the operations of the Public Reference Room may be obtained by calling (800) SEC-0330.

## Householding of Reports and Prospectuses

You will receive, or receive notice of availability of, the Fund’s financial reports every six months. In addition, you will receive an annual updated summary prospectus (detail prospectus available upon request). To reduce Fund expenses, we try to identify related shareholders in a household and send only one copy of the financial reports (to the extent received by mail) and summary prospectus. This process, called “householding,” will continue indefinitely unless you instruct us otherwise. If you prefer not to have these documents househanded, please call us at (800) 632-2301. At any time you may view current prospectuses/summary prospectuses and financial reports on our website. If you choose, you may receive these documents through electronic delivery.



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Authorized for distribution only when accompanied or preceded by a summary prospectus and/or prospectus. Investors should carefully consider a fund's investment goals, risks, charges and expenses before investing. A prospectus contains this and other information; please read it carefully before investing.

To help ensure we provide you with quality service, all calls to and from our service areas are monitored and/or recorded.



**Annual Report and Shareholder Letter**  
**Franklin Custodian Funds**

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