

SEMIANNUAL REPORT

FRANKLIN STRATEGIC SERIES

October 31, 2023



FRANKLIN
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Franklin Biotechnology Discovery Fund

Franklin Natural Resources Fund

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

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

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

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



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Franklin Biotechnology Discovery Fund

This semiannual report for Franklin Biotechnology Discovery Fund covers the period ended October 31, 2023.

Fund Overview

Your Fund's Goal and Main Investments

The Fund seeks capital appreciation. Under normal market conditions, the Fund invests at least 80% of its net assets in securities of biotechnology companies and discovery research firms located in the U.S. and other countries.

Performance Overview

The Fund's Class A shares posted a -9.24% cumulative total return for the six months under review. In comparison, the NASDAQ Biotechnology Index[®], which tracks U.S. - and international-based biotechnology stocks, posted a -11.40% cumulative total return.¹ Also in comparison, the Standard & Poor's 500 Index (S&P 500[®]), which is a broad measure of the U.S. stock market, posted a +1.39% cumulative total return.¹ You can find the Fund's long-term performance data in the Performance Summary beginning on page 3.

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

Portfolio Composition

10/31/23

	% of Total Net Assets
Biotechnology	73.6%
Pharmaceuticals	18.6%
Life Sciences Tools & Services	4.7%
Other*	0.7%
Short-Term Investments & Other Net Assets	2.4%

*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

10/31/23

Company Industry, Country	% of Total Net Assets
Amgen, Inc. Biotechnology, United States	8.3%
Vertex Pharmaceuticals, Inc. Biotechnology, United States	7.5%
Regeneron Pharmaceuticals, Inc. Biotechnology, United States	7.3%
Biogen, Inc. Biotechnology, United States	5.1%
Gilead Sciences, Inc. Biotechnology, United States	4.7%
AstraZeneca plc Pharmaceuticals, United Kingdom	4.0%
Jazz Pharmaceuticals plc Pharmaceuticals, United States	3.9%
Ascendis Pharma A/S Biotechnology, Denmark	3.9%
Argenx SE Biotechnology, Netherlands	3.2%
Seagen, Inc. Biotechnology, United States	3.1%

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

Evan McCulloch, CFA
Lead Portfolio Manager

Wendy Lam, Ph.D.
Akiva Felt

Portfolio Management Team

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 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 15.

CFA[®] is a trademark owned by CFA Institute.

Performance Summary as of October 31, 2023

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

Performance as of 10/31/23¹

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

Share Class	Cumulative Total Return ²	Average Annual Total Return ³
A⁴		
6-Month	-9.24%	-14.23%
1-Year	-2.14%	-7.52%
5-Year	+9.20%	+0.63%
10-Year	+54.89%	+3.88%
Advisor		
6-Month	-9.11%	-9.11%
1-Year	-1.89%	-1.89%
5-Year	+10.59%	+2.03%
10-Year	+58.86%	+4.74%

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

See page 4 for Performance Summary footnotes.

Total Annual Operating Expenses⁵

Share Class

A	1.07%
Advisor	0.82%

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

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

All investments involve risks, including possible loss of principal. The portfolio is **non-diversified** and may invest in a relatively small number of issuers, which may negatively impact the Fund's performance and result in greater fluctuation in the value of the Fund's shares. 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. **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 sourced from the Fund's prospectus available at the time of publication. Actual expenses may be higher and may impact portfolio returns.
2. Cumulative total return represents the change in value of an investment over the periods indicated.
3. Average annual total return represents the average annual change in value of an investment over the periods indicated. Return for less than one year, if any, has not been annualized.
4. Prior to 9/10/18, these shares were offered at a higher initial sales charge of 5.75%, thus actual returns (with sales charges) would have differed. Average annual total returns (with sales charges) have been restated to reflect the current maximum initial sales charge of 5.50%.
5. Figures are as stated in the Fund's current prospectus and may differ from the expense ratios disclosed in the Your Fund's Expenses and Financial Highlights sections in this report. In periods of market volatility, assets may decline significantly, causing total annual Fund operating expenses to become higher than the figures shown. See www.franklintempletondatasources.com 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 5/1/23	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio ²
		Ending Account Value 10/31/23	Expenses Paid During Period 5/1/23–10/31/23 ^{1,2}	Ending Account Value 10/31/23	Expenses Paid During Period 5/1/23–10/31/23 ^{1,2}	
A	\$1,000	\$907.60	\$5.07	\$1,019.82	\$5.37	1.06%
C	\$1,000	\$904.30	\$8.65	\$1,016.05	\$9.16	1.81%
R6	\$1,000	\$909.40	\$3.29	\$1,021.69	\$3.49	0.69%
Advisor	\$1,000	\$908.90	\$3.88	\$1,021.08	\$4.10	0.81%

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 184/366 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 Natural Resources Fund

This semiannual report for Franklin Natural Resources Fund covers the period ended October 31, 2023.

Fund Overview

Your Fund's Goal and Main Investments

The Fund seeks to provide high total return. Total return consists of capital appreciation and current dividend and interest income. Under normal market conditions, the Fund invests at least 80% of its net assets in equity and debt securities of companies that own, produce, refine, process, transport or market natural resources, as well as those that provide related services.

Geographic Composition

10/31/23

	% of Total Net Assets
North America	83.0%
Europe	8.4%
Australia & New Zealand	3.6%
Latin America & Caribbean	2.5%
Other	0.6%
Short-Term Investments & Other Net Assets	1.9%

Performance Overview

The Fund's Class A shares posted a +0.75% cumulative total return for the six months under review. In comparison, the Standard & Poor's (S&P®) North American Natural Resources Sector Index, which tracks companies involved in industries such as mining, energy, timber and forestry services, and the production of pulp and paper, posted a +1.77% cumulative total return.¹ Also in comparison, the Standard & Poor's 500 Index (S&P 500), which is a broad measure of the U.S. stock market, posted a +1.39% cumulative total return.¹ Please note index performance information is provided for reference and we do not attempt to track any index but rather undertake investments on the basis of fundamental research. The Fund's strategy, which focuses on companies with higher long-term growth potential, differs from the natural resources index's large weighting in income-oriented companies that we believe typically provide more limited opportunities for growth. This difference may occasionally lead to wide performance discrepancies, especially in periods when investors focus

on short-term "safety" and yield or, conversely, when investors focus more heavily on companies with stronger growth prospects and greater commodity price leverage. 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 or call (800) 342-5236.

Portfolio Composition

10/31/23

	% of Total Net Assets
Oil & Gas Exploration & Production	22.3%
Integrated Oil & Gas	16.8%
Oil & Gas Equipment & Services	12.6%
Oil & Gas Storage & Transportation	8.1%
Gold	6.5%
Oil & Gas Refining & Marketing	5.8%
Diversified Metals & Mining	5.4%
Copper	4.4%
Industrial Gases	2.8%
Fertilizers & Agricultural Chemicals	2.0%
Oil & Gas Drilling	1.9%
Electrical Components & Equipment	1.4%
Metal, Glass & Plastic Containers	1.2%
Agricultural Products & Services	1.1%
Other*	5.8%
Short-Term Investments & Other Net Assets	1.9%

*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.

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 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 22.

Top 10 Holdings

10/31/23

Company Industry, Country	% of Total Net Assets
ConocoPhillips <i>Oil, Gas & Consumable Fuels, United States</i>	4.6%
Chevron Corp. <i>Oil, Gas & Consumable Fuels, United States</i>	4.6%
Exxon Mobil Corp. <i>Oil, Gas & Consumable Fuels, United States</i>	4.0%
EOG Resources, Inc. <i>Oil, Gas & Consumable Fuels, United States</i>	3.5%
Schlumberger NV <i>Energy Equipment & Services, United States</i>	3.2%
Canadian Natural Resources Ltd. <i>Oil, Gas & Consumable Fuels, Canada</i>	2.9%
Shell plc <i>Oil, Gas & Consumable Fuels, Netherlands</i>	2.6%
Pioneer Natural Resources Co. <i>Oil, Gas & Consumable Fuels, United States</i>	2.4%
Marathon Petroleum Corp. <i>Oil, Gas & Consumable Fuels, United States</i>	2.3%
Suncor Energy, Inc. <i>Oil, Gas & Consumable Fuels, Canada</i>	2.2%

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

Frederick G. Fromm, CFA
Lead Portfolio Manager

Matthew Adams, CFA
Stephen M. Land, CFA

Portfolio Management Team

Performance Summary as of October 31, 2023

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

Performance as of 10/31/23¹

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

Share Class	Cumulative Total Return ²	Average Annual Total Return ³
A⁴		
6-Month	+0.75%	-4.81%
1-Year	+1.78%	-3.82%
5-Year	+29.05%	+4.05%
10-Year	-11.16%	-1.73%
Advisor		
6-Month	+0.89%	+0.89%
1-Year	+2.03%	+2.03%
5-Year	+30.68%	+5.50%
10-Year	-8.80%	-0.92%

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

See page 9 for Performance Summary footnotes.

Total Annual Operating Expenses⁵

Share Class	With Fee Waiver	Without Fee Waiver
A	0.97%	0.98%
Advisor	0.72%	0.73%

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. **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 Funds 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 8/31/2024 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. Prior to 9/10/18, these shares were offered at a higher initial sales charge of 5.75%, thus actual returns (with sales charges) would have differed. Average annual total returns (with sales charges) have been restated to reflect the current maximum initial sales charge of 5.50%.

5. Figures are as stated in the Fund's current prospectus and may differ from the expense ratios disclosed in the Your Fund's Expenses and Financial Highlights sections in this report. In periods of market volatility, assets may decline significantly, causing total annual Fund operating expenses to become higher than the figures shown.

See www.franklintempletondatasources.com 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 5/1/23	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio ²
		Ending Account Value 10/31/23	Expenses Paid During Period 5/1/23–10/31/23 ^{1,2}	Ending Account Value 10/31/23	Expenses Paid During Period 5/1/23–10/31/23 ^{1,2}	
A	\$1,000	\$1,007.50	\$5.07	\$1,020.09	\$5.10	1.01%
C	\$1,000	\$1,004.00	\$8.84	\$1,016.32	\$8.89	1.75%
R6	\$1,000	\$1,009.90	\$3.07	\$1,022.08	\$3.09	0.61%
Advisor	\$1,000	\$1,008.90	\$3.81	\$1,021.34	\$3.84	0.76%

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 184/366 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 Biotechnology Discovery Fund

	Six Months Ended October 31, 2023 (unaudited)	Year Ended April 30,				
		2023	2022	2021	2020	2019
Class A						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$112.50	\$101.90	\$163.50	\$150.48	\$138.85	\$146.14
Income from investment operations ^a :						
Net investment (loss) ^b	(0.26)	(0.47)	(0.75)	(0.99)	(0.69)	(0.99)
Net realized and unrealized gains (losses)	(10.13)	11.21	(43.17)	38.85	26.48	(1.75)
Total from investment operations	(10.39)	10.74	(43.92)	37.86	25.79	(2.74)
Less distributions from:						
Net investment income	—	(0.14)	(1.01)	—	—	—
Net realized gains	—	—	(16.67)	(24.84)	(14.16)	(4.55)
Total distributions	—	(0.14)	(17.68)	(24.84)	(14.16)	(4.55)
Net asset value, end of period	\$102.11	\$112.50	\$101.90	\$163.50	\$150.48	\$138.85
Total return ^c	(9.24)%	10.58%	(28.56)%	24.26%	18.52%	(1.60)%
Ratios to average net assets^d						
Expenses before waiver and payments by affiliates	1.06%	1.06%	1.04%	0.98%	1.03%	1.02%
Expenses net of waiver and payments by affiliates	1.06% ^{e,f}	1.06% ^f	1.04% ^{e,f}	0.97% ^e	1.01% ^e	1.00% ^e
Net investment (loss)	(0.47)%	(0.45)%	(0.54)%	(0.58)%	(0.49)%	(0.67)%
Supplemental data						
Net assets, end of period (000's)	\$582,690	\$686,534	\$705,915	\$1,160,451	\$960,305	\$924,611
Portfolio turnover rate	13.08%	24.08%	26.25%	47.30%	32.92%	28.62%

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

^bBased on average daily shares outstanding.

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

^dRatios are annualized for periods less than one year.

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

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

Franklin Biotechnology Discovery Fund (continued)

	Six Months Ended October 31, 2023 (unaudited)	Year Ended April 30,				
	2023	2022	2021	2020	2019	
Class C						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$103.78	\$94.59	\$152.95	\$143.00	\$133.51	\$141.75
Income from investment operations ^a :						
Net investment (loss) ^b	(0.62)	(1.16)	(1.51)	(2.16)	(1.70)	(2.03)
Net realized and unrealized gains (losses)	(9.32)	10.35	(40.18)	36.95	25.35	(1.66)
Total from investment operations	(9.94)	9.19	(41.69)	34.79	23.65	(3.69)
Less distributions from:						
Net realized gains	—	—	(16.67)	(24.84)	(14.16)	(4.55)
Net asset value, end of period	\$93.84	\$103.78	\$94.59	\$152.95	\$143.00	\$133.51
Total return ^c	(9.57)%	9.75%	(29.00)%	23.33%	17.62%	(2.33)%
Ratios to average net assets^d						
Expenses before waiver and payments by affiliates	1.81%	1.81%	1.66%	1.73%	1.78%	1.77%
Expenses net of waiver and payments by affiliates	1.81% ^{e,f}	1.81% ^f	1.66% ^{e,f}	1.72% ^e	1.76% ^e	1.75% ^e
Net investment (loss)	(1.22)%	(1.20)%	(1.16)%	(1.32)%	(1.24)%	(1.42)%
Supplemental data						
Net assets, end of period (000's)	\$23,378	\$29,573	\$33,905	\$64,801	\$48,363	\$46,508
Portfolio turnover rate	13.08%	24.08%	26.25%	47.30%	32.92%	28.62%

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

^bBased on average daily shares outstanding.

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

^dRatios are annualized for periods less than one year.

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

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

Franklin Biotechnology Discovery Fund (continued)

	Six Months Ended October 31, 2023 (unaudited)	Year Ended April 30,				
		2023	2022	2021	2020	2019
Class R6						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$119.33	\$108.06	\$172.21	\$156.99	\$143.83	\$150.65
Income from investment operations ^a :						
Net investment (loss) ^b	(0.06)	(0.08)	(0.23)	(0.45)	(0.18)	(0.46)
Net realized and unrealized gains (losses)	(10.76)	11.94	(45.64)	40.51	27.50	(1.81)
Total from investment operations	(10.82)	11.86	(45.87)	40.06	27.32	(2.27)
Less distributions from:						
Net investment income	—	(0.59)	(1.61)	—	—	—
Net realized gains	—	—	(16.67)	(24.84)	(14.16)	(4.55)
Total distributions	—	(0.59)	(18.28)	(24.84)	(14.16)	(4.55)
Net asset value, end of period	\$108.51	\$119.33	\$108.06	\$172.21	\$156.99	\$143.83
Total return ^c	(9.06)%	11.03%	(28.29)%	24.67%	18.95%	(1.24)%
Ratios to average net assets^d						
Expenses before waiver and payments by affiliates	0.79%	0.80%	0.74%	0.71%	0.74%	0.70%
Expenses net of waiver and payments by affiliates	0.69% ^e	0.65%	0.66% ^e	0.64% ^e	0.64% ^e	0.63% ^e
Net investment (loss)	(0.10)%	(0.08)%	(0.16)%	(0.25)%	(0.12)%	(0.30)%
Supplemental data						
Net assets, end of period (000's)	\$8,895	\$11,692	\$9,614	\$16,721	\$9,484	\$6,164
Portfolio turnover rate	13.08%	24.08%	26.25%	47.30%	32.92%	28.62%

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

^bBased on average daily shares outstanding.

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

^dRatios are annualized for periods less than one year.

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

Franklin Biotechnology Discovery Fund (continued)

	Six Months	Year Ended April 30,				
	Ended October 31, 2023 (unaudited)	2023	2022	2021	2020	2019
Advisor Class						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$117.54	\$106.46	\$169.95	\$155.30	\$142.56	\$149.54
Income from investment operations ^a :						
Net investment (loss) ^b	(0.13)	(0.22)	(0.42)	(0.59)	(0.34)	(0.63)
Net realized and unrealized gains (losses)	(10.59)	11.72	(44.99)	40.08	27.24	(1.80)
Total from investment operations	(10.72)	11.50	(45.41)	39.49	26.90	(2.43)
Less distributions from:						
Net investment income	—	(0.42)	(1.41)	—	—	—
Net realized gains	—	—	(16.67)	(24.84)	(14.16)	(4.55)
Total distributions	—	(0.42)	(18.08)	(24.84)	(14.16)	(4.55)
Net asset value, end of period	\$106.82	\$117.54	\$106.46	\$169.95	\$155.30	\$142.56
Total return ^c	(9.11)%	10.86%	(28.39)%	24.56%	18.82%	(1.36)%
Ratios to average net assets^d						
Expenses before waiver and payments by affiliates	0.81%	0.81%	0.79%	0.73%	0.78%	0.77%
Expenses net of waiver and payments by affiliates	0.81% ^{e,f}	0.81% ^f	0.79% ^{e,f}	0.72% ^e	0.76% ^e	0.75% ^e
Net investment (loss)	(0.22)%	(0.20)%	(0.29)%	(0.33)%	(0.24)%	(0.42)%
Supplemental data						
Net assets, end of period (000's)	\$91,694	\$110,607	\$110,726	\$206,375	\$159,348	\$153,874
Portfolio turnover rate	13.08%	24.08%	26.25%	47.30%	32.92%	28.62%

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

^bBased on average daily shares outstanding.

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

^dRatios are annualized for periods less than one year.

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

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

Schedule of Investments (unaudited), October 31, 2023

Franklin Biotechnology Discovery Fund

	Country	Shares	Value
Common Stocks 95.4%			
Biotechnology 71.8%			
^a 89bio, Inc.	United States	254,237	\$1,881,354
^a Abivax SA, ADR	France	269,100	2,475,720
^a ACELYRIN, Inc.	United States	257,390	2,621,517
^a Acumen Pharmaceuticals, Inc.	United States	491,900	919,853
^a Alector, Inc.	United States	303,345	1,577,394
^a Alpine Immune Sciences, Inc.	United States	205,104	2,100,265
^a Amgen, Inc.	United States	228,082	58,320,567
^a AnaptysBio, Inc.	United States	105,463	1,720,101
^a Apogee Therapeutics, Inc.	United States	163,539	2,809,600
^{a,b} Applied Therapeutics, Inc.	United States	2,584,054	6,201,730
^a Arcutis Biotherapeutics, Inc.	United States	1,288,820	2,899,845
^a Argenx SE, ADR	Netherlands	47,485	22,297,531
^{a,c} ARS Pharmaceuticals, Inc.	United States	1,229,989	4,391,061
^a Ascendis Pharma A/S, ADR	Denmark	309,111	27,606,703
^a Benitec Biopharma, Inc.	Australia	364,887	1,320,891
^a Biogen, Inc.	United States	152,922	36,325,092
^a BioMarin Pharmaceutical, Inc.	United States	110,289	8,983,039
^a Candel Therapeutics, Inc.	United States	383,296	344,928
^a Centessa Pharmaceuticals plc, ADR	United States	189,736	1,246,566
^{a,c} Centessa Pharmaceuticals plc, ADR	United States	89,257	586,418
^a Crinetics Pharmaceuticals, Inc.	United States	43,322	1,268,901
^a Cullinan Oncology, Inc.	United States	680,120	6,345,520
^a Cytokinetics, Inc.	United States	232,424	8,102,301
^a Day One Biopharmaceuticals, Inc.	United States	908,581	10,748,513
^a Disc Medicine, Inc.	United States	50,325	2,305,388
^a Dyne Therapeutics, Inc.	United States	355,434	2,505,810
^{a,c} Equillium, Inc.	United States	253,462	126,731
^a Gilead Sciences, Inc.	United States	420,314	33,011,462
^{a,d,e} Harpoon Therapeutics, Inc.	United States	430,500	2,024,512
^{a,c} Harpoon Therapeutics, Inc.	United States	44,529	224,426
^a Heron Therapeutics, Inc.	United States	1,195,377	761,336
^a HilleVax, Inc.	United States	575,656	6,332,216
^a Insmmed, Inc.	United States	720,116	18,046,107
^{a,c} Jasper Therapeutics, Inc.	United States	1,439,300	983,762
^a Karuna Therapeutics, Inc.	United States	38,051	6,339,677
^a Keros Therapeutics, Inc.	United States	189,651	5,412,639
^a Kezar Life Sciences, Inc.	United States	449,150	323,882
^a Kura Oncology, Inc.	United States	178,292	1,506,567
^a Legend Biotech Corp., ADR	United States	122,034	8,062,786
^a Merus NV	Netherlands	499,426	10,043,457
^a Mineralys Therapeutics, Inc.	United States	143,600	1,110,028
^a Mirum Pharmaceuticals, Inc.	United States	236,190	6,478,692
^{a,c} MoonLake Immunotherapeutics, A.	United States	67,535	3,498,988
^a Neurocrine Biosciences, Inc.	United States	177,673	19,711,043
^a Novalent, Inc., A	United States	45,289	2,359,104
^{a,c} ORIC Pharmaceuticals, Inc.	United States	234,001	1,567,807
^a PTC Therapeutics, Inc.	United States	295,864	5,547,450
^a RayzeBio, Inc.	United States	126,900	2,461,860
^a Regeneron Pharmaceuticals, Inc.	United States	65,833	51,342,498
^{a,c} Reneo Pharmaceuticals, Inc.	United States	473,833	3,833,309
^a Rocket Pharmaceuticals, Inc.	United States	217,526	3,937,221
^a Sarepta Therapeutics, Inc.	United States	66,852	4,499,808
^a Seagen, Inc.	United States	103,566	22,039,880
^a Sutro Biopharma, Inc.	United States	564,189	1,551,520
^{a,c} Taysha Gene Therapies, Inc.	United States	199,900	467,766
^a Ultragenyx Pharmaceutical, Inc.	United States	60,696	2,148,638
^a Vaxcyte, Inc.	United States	176,239	8,477,096
^a Vertex Pharmaceuticals, Inc.	United States	146,635	53,098,000

Franklin Biotechnology Discovery Fund

	Country	Shares	Value
Common Stocks (continued)			
Biotechnology (continued)			
^a Xenon Pharmaceuticals, Inc.	Canada	55,051	\$1,706,581
			506,943,457
Health Care Providers & Services 0.6%			
^a Guardant Health, Inc.	United States	173,066	4,478,948
Life Sciences Tools & Services 4.4%			
^a Avantor, Inc.	United States	450,529	7,852,721
^a Illumina, Inc.	United States	117,900	12,900,618
Thermo Fisher Scientific, Inc.	United States	22,679	10,086,939
			30,840,278
Pharmaceuticals 18.6%			
^a Amylyx Pharmaceuticals, Inc.	United States	224,524	3,661,987
AstraZeneca plc, ADR.	United Kingdom	451,308	28,536,205
^a Catalent, Inc.	United States	22,700	780,653
^a Cymabay Therapeutics, Inc.	United States	775,553	12,703,558
^a EyePoint Pharmaceuticals, Inc.	United States	783,533	4,716,869
^a Intra-Cellular Therapies, Inc.	United States	442,216	22,004,668
^a Jazz Pharmaceuticals plc	United States	219,463	27,876,190
^a Marinus Pharmaceuticals, Inc.	United States	1,200,781	8,333,420
^a Pliant Therapeutics, Inc.	United States	300,500	4,408,335
^a Revance Therapeutics, Inc.	United States	845,760	6,673,046
^{a,d,e} Structure Therapeutics, Inc.	United States	103,899	2,400,850
^{a,c} Structure Therapeutics, Inc., ADR.	United States	80,210	5,959,603
^a Terns Pharmaceuticals, Inc.	United States	682,684	3,590,918
			131,646,302
Total Common Stocks (Cost \$517,095,185)			673,908,985
Convertible Preferred Stocks 1.0%			
Biotechnology 1.0%			
^{a,d,e} Aeglea BioTherapeutics, Inc.	United States	5,500	2,406,397
^{a,d,e} Carmot Therapeutics, Inc., E.	United States	83,100	1,363,794
^{a,b,d,e} Pipeline Therapeutics, Inc., C.	United States	1,651,505	3,237,485
			7,007,676
Total Convertible Preferred Stocks (Cost \$7,938,794)			7,007,676
Preferred Stocks 0.4%			
Health Care Providers & Services 0.1%			
^{a,b,d,e} Artiva Biotherapeutics, Inc., B.	United States	189,499	645,750
Life Sciences Tools & Services 0.3%			
^f Sartorius AG, 0.61%	Germany	9,200	2,305,669
Total Preferred Stocks (Cost \$6,268,523)			2,951,419
		Warrants	
Warrants 0.8%			
Biotechnology 0.8%			
^{a,b} Applied Therapeutics, Inc., 6/27/27	United States	814,000	1,953,518
^{a,b,d} Applied Therapeutics, Inc., 6/27/27	United States	1,628,100	2,318,017
^a Benitec Biopharma, Inc., 2/20/49.	Australia	310,881	1,125,358
^{a,d} Benitec Biopharma, Inc., 2/20/49.	Australia	310,881	237,993
^{a,d} Benitec Biopharma, Inc., II, 9/14/27.	Australia	7,019,473	118,601

Franklin Biotechnology Discovery Fund

	Country	Warrants	Value
Warrants (continued)			
Biotechnology (continued)			
^{a,d,e} Harpoon Therapeutics, Inc., 2/01/49	United States	215,250	\$352,444
			6,105,931
Pharmaceuticals 0.0%[†]			
^a Nuvation Bio, Inc., 7/07/27	United States	115,266	4,611
Total Warrants (Cost \$1,414,590)			6,110,542
		<u>Shares</u>	
Escrows and Litigation Trusts 0.0%			
^{a,d} Sanofi SA, Escrow Account	France	2,333,755	—
Total Escrows and Litigation Trusts (Cost \$—)			—
Total Long Term Investments (Cost \$532,717,092)			689,978,622
Short Term Investments 3.4%			
	Country	Shares	Value
Money Market Funds 2.0%			
^{g,h} Institutional Fiduciary Trust - Money Market Portfolio, 5.035%	United States	14,528,873	14,528,873
Total Money Market Funds (Cost \$14,528,873)			14,528,873
Investments from Cash Collateral Received for Loaned Securities 1.4%			
Money Market Funds 1.4%			
^{g,h} Institutional Fiduciary Trust - Money Market Portfolio, 5.035%	United States	9,845,985	9,845,985
Total Investments from Cash Collateral Received for Loaned Securities (Cost \$9,845,985)			9,845,985
Total Short Term Investments (Cost \$24,374,858)			24,374,858
Total Investments (Cost \$557,091,950) 101.0%			\$714,353,480
Other Assets, less Liabilities (1.0%)			(7,696,216)
Net Assets 100.0%			\$706,657,264

See Abbreviations on page 43.

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

^aNon-income producing.

^bSee Note 8 regarding holdings of 5% voting securities.

^cA portion or all of the security is on loan at October 31, 2023. See Note 1(c).

^dFair valued using significant unobservable inputs. See Note 10 regarding fair value measurements.

^eSee Note 7 regarding restricted securities.

^fVariable rate security. The rate shown represents the yield at period end.

^gSee Note 3(f) regarding investments in affiliated management investment companies.

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

ⁱSee Note 1(c) regarding securities on loan.

Financial Highlights

Franklin Natural Resources Fund

	Six Months	Year Ended April 30,				
	Ended October 31, 2023 (unaudited)	2023	2022	2021	2020	2019
Class A						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$28.10	\$27.01	\$20.02	\$13.60	\$23.58	\$27.96
Income from investment operations ^a :						
Net investment income ^b	0.29	0.68	0.50	0.28	0.34	0.31
Net realized and unrealized gains (losses)	(0.08)	1.09	6.77	6.54	(9.96)	(4.20)
Total from investment operations	0.21	1.77	7.27	6.82	(9.62)	(3.89)
Less distributions from:						
Net investment income	—	(0.68)	(0.28)	(0.40)	(0.36)	(0.49)
Net asset value, end of period	\$28.31	\$28.10	\$27.01	\$20.02	\$13.60	\$23.58
Total return ^c	0.75%	6.56%	36.63%	50.55%	(41.30)%	(13.69)%
Ratios to average net assets^d						
Expenses before waiver and payments by affiliates	1.01%	0.97%	1.10%	1.24%	1.17%	1.03%
Expenses net of waiver and payments by affiliates	1.01% ^{e,f}	0.96% ^e	1.10% ^f	1.24% ^{e,f}	1.17% ^{e,f}	1.03% ^{e,f}
Net investment income	1.98%	2.45%	2.17%	1.71%	1.75%	1.21%
Supplemental data						
Net assets, end of period (000's)	\$270,015	\$301,153	\$289,403	\$176,127	\$123,467	\$247,362
Portfolio turnover rate	7.51%	23.76%	27.45%	49.23%	25.60%	29.83%

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

^bBased on average daily shares outstanding.

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

^dRatios are annualized for periods less than one year.

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

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

Franklin Natural Resources Fund (continued)

	Six Months Ended October 31, 2023 (unaudited)	Year Ended April 30,				
		2023	2022	2021	2020	2019
Class C						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$27.43	\$26.45	\$19.58	\$13.25	\$22.82	\$27.17
Income from investment operations ^a :						
Net investment income ^b	0.17	0.46	0.32	0.15	0.19	0.11
Net realized and unrealized gains (losses)	(0.06)	1.06	6.63	6.38	(9.70)	(4.07)
Total from investment operations	0.11	1.52	6.95	6.53	(9.51)	(3.96)
Less distributions from:						
Net investment income	—	(0.54)	(0.08)	(0.20)	(0.06)	(0.39)
Net asset value, end of period	\$27.54	\$27.43	\$26.45	\$19.58	\$13.25	\$22.82
Total return ^c	0.40%	5.75%	35.59%	49.42%	(41.71)%	(14.37)%
Ratios to average net assets^d						
Expenses before waiver and payments by affiliates	1.76%	1.72%	1.86%	1.99%	1.92%	1.78%
Expenses net of waiver and payments by affiliates	1.75% ^e	1.71% ^e	1.86% ^f	1.99% ^{e,f}	1.92% ^{e,f}	1.78% ^{e,f}
Net investment income	1.24%	1.72%	1.41%	0.93%	1.00%	0.46%
Supplemental data						
Net assets, end of period (000's)	\$20,490	\$25,090	\$30,427	\$27,753	\$23,391	\$49,620
Portfolio turnover rate	7.51%	23.76%	27.45%	49.23%	25.60%	29.83%

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

^bBased on average daily shares outstanding.

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

^dRatios are annualized for periods less than one year.

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

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

Franklin Natural Resources Fund (continued)

	Six Months Ended October 31, 2023 (unaudited)	Year Ended April 30,				
		2023	2022	2021	2020	2019
Class R6						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$30.45	\$29.17	\$21.58	\$14.63	\$25.22	\$29.79
Income from investment operations ^a :						
Net investment income ^b	0.38	0.79	0.64	0.39	0.54	0.45
Net realized and unrealized gains (losses)	(0.08)	1.24	7.31	7.05	(10.76)	(4.49)
Total from investment operations	0.30	2.03	7.95	7.44	(10.22)	(4.04)
Less distributions from:						
Net investment income	—	(0.75)	(0.36)	(0.49)	(0.37)	(0.53)
Net asset value, end of period	\$30.75	\$30.45	\$29.17	\$21.58	\$14.63	\$25.22
Total return ^c	0.99%	6.99%	37.24%	51.43%	(41.02)%	(13.31)%
Ratios to average net assets^d						
Expenses before waiver and payments by affiliates	0.66%	0.65%	0.80%	0.89%	0.72%	0.62%
Expenses net of waiver and payments by affiliates	0.61% ^e	0.56% ^e	0.65%	0.72% ^e	0.66% ^e	0.59% ^e
Net investment income	2.42%	2.65%	2.53%	2.22%	2.26%	1.65%
Supplemental data						
Net assets, end of period (000's)	\$8,880	\$12,387	\$4,943	\$1,722	\$839	\$15,627
Portfolio turnover rate	7.51%	23.76%	27.45%	49.23%	25.60%	29.83%

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

^bBased on average daily shares outstanding.

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

^dRatios are annualized for periods less than one year.

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

Franklin Natural Resources Fund (continued)

	Six Months Ended October 31, 2023 (unaudited)	Year Ended April 30,				
		2023	2022	2021	2020	2019
Advisor Class						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$30.23	\$28.97	\$21.44	\$14.54	\$25.20	\$29.80
Income from investment operations ^a :						
Net investment income ^b	0.35	0.80	0.60	0.33	0.41	0.40
Net realized and unrealized gains (losses)	(0.08)	1.18	7.24	7.01	(10.64)	(4.49)
Total from investment operations	0.27	1.98	7.84	7.34	(10.23)	(4.09)
Less distributions from:						
Net investment income	—	(0.72)	(0.31)	(0.44)	(0.43)	(0.51)
Net asset value, end of period	\$30.50	\$30.23	\$28.97	\$21.44	\$14.54	\$25.20
Total return ^c	0.89%	6.86%	36.93%	50.95%	(41.15)%	(13.50)%
Ratios to average net assets^d						
Expenses before waiver and payments by affiliates	0.76%	0.72%	0.85%	1.00%	0.92%	0.78%
Expenses net of waiver and payments by affiliates	0.76% ^{e,f}	0.71% ^e	0.85% ^f	1.00% ^{e,f}	0.92% ^{e,f}	0.78% ^{e,f}
Net investment income	2.23%	2.71%	2.39%	1.93%	2.00%	1.46%
Supplemental data						
Net assets, end of period (000's)	\$78,056	\$82,840	\$87,707	\$39,562	\$28,334	\$62,639
Portfolio turnover rate	7.51%	23.76%	27.45%	49.23%	25.60%	29.83%

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

^bBased on average daily shares outstanding.

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

^dRatios are annualized for periods less than one year.

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

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

Schedule of Investments (unaudited), October 31, 2023

Franklin Natural Resources Fund

	Country	Shares	Value
Common Stocks 97.6%			
Agricultural Products & Services 1.1%			
Bunge Ltd.	United States	23,700	\$2,511,726
^a Darling Ingredients, Inc.	United States	34,400	1,523,576
			4,035,302
Construction & Engineering 0.4%			
Eneti, Inc.	United States	155,500	1,578,325
Construction Materials 1.0%			
Martin Marietta Materials, Inc.	United States	8,900	3,639,566
Copper 4.4%			
Antofagasta plc.	Chile	173,700	2,839,677
^a Capstone Copper Corp.	Canada	568,400	1,934,560
^a ERO Copper Corp.	Brazil	131,200	1,780,490
Freeport-McMoRan, Inc.	United States	239,700	8,097,066
Lundin Mining Corp.	Chile	347,600	2,170,620
			16,822,413
Diversified Chemicals 0.8%			
Huntsman Corp.	United States	131,400	3,065,562
Diversified Metals & Mining 5.4%			
^a 29Metals Ltd.	Australia	1,870,255	736,799
^a Aclara Resources, Inc.	United Kingdom	489,200	142,866
^{a,b} Aclara Resources, Inc., 144A	United Kingdom	510,754	149,160
Anglo American plc	South Africa	84,900	2,162,774
BHP Group Ltd., ADR	Australia	108,000	6,162,480
Glencore plc	Australia	334,000	1,768,778
^a MP Materials Corp.	United States	84,400	1,384,160
Rio Tinto plc, ADR	Australia	55,900	3,596,606
South32 Ltd.	Australia	565,300	1,209,299
Teck Resources Ltd., B	Canada	82,400	2,912,016
			20,224,938
Electrical Components & Equipment 1.4%			
^a Fluence Energy, Inc., A	United States	74,000	1,281,680
^a FREYR Battery SA	Norway	465,000	1,492,650
^a NEXTracker, Inc., A	United States	25,600	889,856
^a SES AI Corp.	United States	227,544	411,855
^a Shoals Technologies Group, Inc., A	United States	79,800	1,225,728
			5,301,769
Environmental & Facilities Services 0.1%			
^a Li-Cycle Holdings Corp.	Canada	367,300	492,182
			492,182
Fertilizers & Agricultural Chemicals 2.0%			
Corteva, Inc.	United States	78,100	3,759,734
Nutrien Ltd.	Canada	67,000	3,597,900
			7,357,634
Gold 6.5%			
Agnico Eagle Mines Ltd.	Canada	93,200	4,371,018
Alamos Gold, Inc., A	Canada	344,700	4,267,738
B2Gold Corp.	Canada	326,200	1,044,367
Barrick Gold Corp.	Canada	321,500	5,137,570
Newmont Corp.	United States	175,300	6,568,491

Franklin Natural Resources Fund

	Country	Shares	Value
Common Stocks (continued)			
Gold (continued)			
SSR Mining, Inc.	Canada	214,900	\$2,982,812
			24,371,996
Heavy Electrical Equipment 0.1%			
^a TPI Composites, Inc.	United States	116,500	269,115
Industrial Gases 2.8%			
Air Products and Chemicals, Inc.	United States	18,600	5,253,384
Linde plc.	United States	14,200	5,426,672
			10,680,056
Industrial Machinery & Supplies & Components 1.0%			
Xylem, Inc.	United States	39,400	3,685,476
Integrated Oil & Gas 16.6%			
Chevron Corp.	United States	118,400	17,254,432
Exxon Mobil Corp.	United States	143,200	15,157,720
Occidental Petroleum Corp.	United States	98,700	6,100,647
Shell plc, ADR.	Netherlands	149,800	9,757,972
Suncor Energy, Inc.	Canada	257,200	8,329,140
TotalEnergies SE, ADR.	France	93,410	6,221,106
			62,821,017
Metal, Glass & Plastic Containers 1.2%			
Ball Corp.	United States	53,100	2,556,765
Crown Holdings, Inc.	United States	22,100	1,781,260
			4,338,025
Oil & Gas Drilling 1.9%			
Helmerich & Payne, Inc.	United States	45,100	1,784,607
Patterson-UTI Energy, Inc.	United States	312,024	3,962,705
^a Precision Drilling Corp.	Canada	24,800	1,439,640
			7,186,952
Oil & Gas Equipment & Services 12.3%			
Baker Hughes Co., A.	United States	155,500	5,352,310
Cactus, Inc., A.	United States	45,600	2,140,464
ChampionX Corp.	United States	84,900	2,614,920
Halliburton Co.	United States	115,200	4,531,968
Liberty Energy, Inc., A.	United States	127,600	2,513,720
^a Nine Energy Service, Inc.	United States	105,492	371,332
^a Oceaneering International, Inc.	United States	85,600	1,882,344
^a Oil States International, Inc.	United States	103,700	752,862
Ranger Energy Services, Inc., A.	United States	214,200	2,486,862
Schlumberger NV.	United States	216,200	12,033,692
Schoeller-Bleckmann Oilfield Equipment AG.	Austria	17,600	889,299
Select Water Solutions, Inc., A.	United States	223,400	1,662,096
Technip Energies NV.	France	76,999	1,686,869
TechnipFMC plc.	United Kingdom	351,300	7,559,976
			46,478,714
Oil & Gas Exploration & Production 22.3%			
Aker BP ASA.	Norway	136,200	3,925,450
Canadian Natural Resources Ltd.	Canada	170,900	10,851,928
ConocoPhillips.	United States	147,200	17,487,360
Coterra Energy, Inc.	United States	239,800	6,594,500
Devon Energy Corp.	United States	152,600	7,106,582
EOG Resources, Inc.	United States	103,500	13,066,875

Franklin Natural Resources Fund

	Country	Shares	Value
Common Stocks (continued)			
Oil & Gas Exploration & Production (continued)			
EQT Corp.	United States	47,000	\$1,991,860
Hess Corp.	United States	50,100	7,234,440
Matador Resources Co.	United States	55,100	3,399,119
Permian Resources Corp., A.	United States	122,200	1,780,454
Pioneer Natural Resources Co.	United States	38,201	9,130,039
Tourmaline Oil Corp.	Canada	33,900	1,792,535
			84,361,142
Oil & Gas Refining & Marketing 5.8%			
Marathon Petroleum Corp.	United States	56,300	8,515,375
Phillips 66.	United States	59,800	6,821,386
Valero Energy Corp.	United States	49,400	6,273,800
			21,610,561
Oil & Gas Storage & Transportation 8.1%			
Cheniere Energy, Inc.	United States	17,600	2,928,992
Enbridge, Inc.	Canada	71,000	2,274,840
Kinder Morgan, Inc.	United States	357,100	5,785,020
New Fortress Energy, Inc.	United States	76,000	2,302,800
Targa Resources Corp.	United States	51,800	4,330,998
TC Energy Corp.	Canada	172,900	5,956,405
Williams Cos., Inc. (The)	United States	205,400	7,065,760
			30,644,815
Paper & Plastic Packaging Products & Materials 0.7%			
Packaging Corp. of America	United States	18,700	2,862,035
Specialty Chemicals 1.0%			
Albemarle Corp.	United States	17,100	2,167,938
Ecolab, Inc.	United States	5,700	956,118
Neo Performance Materials, Inc.	Canada	23,600	116,571
^b Neo Performance Materials, Inc., 144A.	Canada	85,000	419,851
			3,660,478
Steel 0.7%			
Vale SA, ADR, B.	Brazil	199,400	2,733,774
Total Common Stocks (Cost \$242,778,949)			368,221,847
		Warrants	
Warrants 0.2%			
Integrated Oil & Gas 0.2%			
^a Occidental Petroleum Corp., 8/03/27.	United States	17,900	713,494
Total Warrants (Cost \$88,605)			713,494
		Principal Amount^c	
Convertible Bonds 0.3%			
Oil & Gas Equipment & Services 0.3%			
Oil States International, Inc., Senior Note, 4.75%, 4/01/26.	United States	1,200,000	1,261,732
Total Convertible Bonds (Cost \$1,200,000)			1,261,732
Total Long Term Investments (Cost \$244,067,554)			370,197,073

Franklin Natural Resources Fund

Short Term Investments 2.0%

	Country	Shares	Value
Money Market Funds 2.0%			
^{c,d} Institutional Fiduciary Trust - Money Market Portfolio, 5.035%	United States	7,382,054	\$7,382,054
Total Money Market Funds (Cost \$7,382,054)			7,382,054
Total Short Term Investments (Cost \$7,382,054)			7,382,054
Total Investments (Cost \$251,449,608) 100.1%			\$377,579,127
Other Assets, less Liabilities (0.1)%			(137,998)
Net Assets 100.0%			\$377,441,129

See Abbreviations on page 43.

¹The principal amount is stated in U.S. dollars unless otherwise indicated.

²Non-income producing.

³Security 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 October 31, 2023, the aggregate value of these securities was \$569,011, representing 0.2% of net assets.

⁴See Note 3(f) regarding investments in affiliated management investment companies.

⁵The rate shown is the annualized seven-day effective yield at period end.

Statements of Assets and Liabilities

October 31, 2023 (unaudited)

	Franklin Biotechnology Discovery Fund	Franklin Natural Resources Fund
Assets:		
Investments in securities:		
Cost - Unaffiliated issuers	\$515,490,453	\$244,067,554
Cost - Non-controlled affiliates (Note 3f and 8)	41,601,497	7,382,054
Value - Unaffiliated issuers (Includes securities loaned of \$9,593,232 and \$—, respectively)	\$675,622,122	\$370,197,073
Value - Non-controlled affiliates (Note 3f and 8)	38,731,358	7,382,054
Cash	146,820	47,603
Foreign currency, at value (cost \$— and \$101,919 respectively)	—	101,919
Receivables:		
Investment securities sold	3,736,036	—
Capital shares sold	167,508	297,756
Dividends and interest	49,661	310,876
European Union tax reclaims (Note 1d)	—	177,287
Due from custodian	222,500	—
Total assets	718,676,005	378,514,568
Liabilities:		
Payables:		
Investment securities purchased	17,177	205,730
Capital shares redeemed	1,100,041	453,911
Management fees	385,271	164,880
Distribution fees	150,121	76,852
Transfer agent fees	184,474	127,425
Trustees' fees and expenses	5	625
Payable upon return of securities loaned (Note 1c)	10,068,485	—
Accrued expenses and other liabilities	113,167	44,016
Total liabilities	12,018,741	1,073,439
Net assets, at value	\$706,657,264	\$377,441,129
Net assets consist of:		
Paid-in capital	\$562,137,731	\$440,266,131
Total distributable earnings (losses)	144,519,533	(62,825,002)
Net assets, at value	\$706,657,264	\$377,441,129

Statements of Assets and Liabilities (continued)

October 31, 2023 (unaudited)

	Franklin Biotechnology Discovery Fund	Franklin Natural Resources Fund
Class A:		
Net assets, at value	\$582,690,294	\$270,014,858
Shares outstanding	5,706,513	9,536,682
Net asset value per share ^a	\$102.11	\$28.31
Maximum offering price per share (net asset value per share + 94.50%)	\$108.05	\$29.96
Class C:		
Net assets, at value	\$23,378,442	\$20,490,359
Shares outstanding	249,124	744,046
Net asset value and maximum offering price per share ^a	\$93.84	\$27.54
Class R6:		
Net assets, at value	\$8,894,517	\$8,879,672
Shares outstanding	81,968	288,803
Net asset value and maximum offering price per share	\$108.51	\$30.75
Advisor Class:		
Net assets, at value	\$91,694,011	\$78,056,240
Shares outstanding	858,373	2,559,286
Net asset value and maximum offering price per share	\$106.82	\$30.50

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

Statements of Operations

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

	Franklin Biotechnology Discovery Fund	Franklin Natural Resources Fund
Investment income:		
Dividends: (net of foreign taxes of \$– and \$253,388, respectively)		
Unaffiliated issuers	\$1,975,055	\$5,728,956
Non-controlled affiliates (Note 3f and 8)	184,359	76,480
Interest:		
Unaffiliated issuers	—	28,500
Income from securities loaned:		
Unaffiliated entities (net of fees and rebates)	23,834	(26,820)
Non-controlled affiliates (Note 3f)	178,052	29,512
Other income (Note 1d)	—	83,175
Total investment income	2,361,300	5,919,803
Expenses:		
Management fees (Note 3a)	2,469,958	1,016,780
Distribution fees: (Note 3c)		
Class A	823,265	355,443
Class C	137,444	114,404
Transfer agent fees: (Note 3e)		
Class A	499,148	250,522
Class C	20,830	20,134
Class R6	6,616	3,891
Advisor Class	79,861	69,767
Custodian fees (Note 4)	21,727	3,224
Reports to shareholders fees	55,192	24,541
Registration and filing fees	43,619	53,266
Professional fees	45,857	32,177
Trustees' fees and expenses	4,640	2,354
Interest expense	—	590
Other	15,945	20,134
Total expenses	4,224,102	1,967,227
Expense reductions (Note 4)	(191)	(877)
Expenses waived/paid by affiliates (Note 3f and 3g)	(28,926)	(9,339)
Net expenses	4,194,985	1,957,011
Net investment income (loss)	(1,833,685)	3,962,792
Realized and unrealized gains (losses):		
Net realized gain (loss) from:		
Investments:		
Unaffiliated issuers	18,593,504	2,263,744
Foreign currency transactions	—	(3,112)
Net realized gain (loss)	18,593,504	2,260,632
Net change in unrealized appreciation (depreciation) on:		
Investments:		
Unaffiliated issuers	(92,156,900)	(4,018,452)
Non-controlled affiliates (Note 3f and 8)	2,520,503	—
Translation of other assets and liabilities denominated in foreign currencies	—	(7,385)
Net change in unrealized appreciation (depreciation)	(89,636,397)	(4,025,837)
Net realized and unrealized gain (loss)	(71,042,893)	(1,765,205)
Net increase (decrease) in net assets resulting from operations	\$(72,876,578)	\$2,197,587

Statements of Changes in Net Assets

	Franklin Biotechnology Discovery Fund		Franklin Natural Resources Fund	
	Six Months Ended October 31, 2023 (unaudited)	Year Ended April 30, 2023	Six Months Ended October 31, 2023 (unaudited)	Year Ended April 30, 2023
Increase (decrease) in net assets:				
Operations:				
Net investment income (loss)	\$ (1,833,685)	\$ (3,661,842)	\$ 3,962,792	\$ 10,632,094
Net realized gain (loss)	18,593,504	27,149,552	2,260,632	11,835,014
Net change in unrealized appreciation (depreciation)	(89,636,397)	58,889,212	(4,025,837)	1,604,535
Net increase (decrease) in net assets resulting from operations.	(72,876,578)	82,376,922	2,197,587	24,071,643
Distributions to shareholders:				
Class A	—	(904,691)	—	(7,499,623)
Class C	—	—	—	(603,835)
Class R6	—	(47,834)	—	(157,126)
Advisor Class	—	(416,127)	—	(2,191,684)
Total distributions to shareholders	—	(1,368,652)	—	(10,452,268)
Capital share transactions: (Note 2)				
Class A	(43,798,643)	(85,965,290)	(32,815,765)	1,741,488
Class C	(3,661,608)	(7,011,858)	(4,718,502)	(6,228,814)
Class R6	(1,881,649)	997,279	(3,496,087)	7,004,889
Advisor Class	(9,529,651)	(10,783,345)	(5,195,656)	(7,147,183)
Total capital share transactions	(58,871,551)	(102,763,214)	(46,226,010)	(4,629,620)
Net increase (decrease) in net assets	(131,748,129)	(21,754,944)	(44,028,423)	8,989,755
Net assets:				
Beginning of period	838,405,393	860,160,337	421,469,552	412,479,797
End of period	\$706,657,264	\$838,405,393	\$377,441,129	\$421,469,552

Notes to Financial Statements (unaudited)

1. Organization and Significant Accounting Policies

Franklin Strategic Series (Trust) is registered under the Investment Company Act of 1940 (1940 Act) as an open-end management investment company, consisting of ten separate funds, two of which are included in this report (Funds). The Funds follow the accounting and reporting guidance in Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 946, Financial Services – Investment Companies (ASC 946) and apply the specialized accounting and reporting guidance in U.S. Generally Accepted Accounting Principles (U.S. GAAP), including, but not limited to, ASC 946. The Funds offer four classes of shares: Class A, Class C, Class R6 and Advisor Class. Class C shares automatically convert to Class A shares on a monthly basis, after they have been held for 8 years. Each class of shares may differ by its initial sales load, contingent deferred 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.

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 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.

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

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

1. Organization and Significant Accounting Policies

(continued)

a. Financial Instrument Valuation (continued)

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 October 31, 2023, certain securities may have been fair valued using these procedures, in which case the securities were categorized as Level 2 within the fair value hierarchy (referred to as "market level fair value"). See the Fair Value Measurements note for more information.

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

b. Foreign Currency Translation

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

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

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

c. Securities Lending

Certain or all Funds participate in an agency based securities lending program to earn additional income. The Fund receives collateral in the form of cash and/or U.S. Government and Agency securities against the loaned securities in an amount equal to at least 102% of the fair value of the loaned securities. Collateral is maintained over the life of the loan in an amount not less than 100% of the fair value of loaned securities, as determined at the close of Fund business each day; any additional collateral required due to changes in security values is delivered to the Fund on the next business day. Any cash collateral received is deposited into a joint cash account with other funds and is used to invest in a money market fund managed by Franklin Advisers, Inc., an affiliate of the Funds, and/or uninvested cash as included in due from custodian in 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

1. Organization and Significant Accounting Policies

(continued)

c. Securities Lending (continued)

agreed to indemnify the Fund in the event of default by a third party borrower. At October 31, 2023, Franklin Natural Resources Fund had no securities on loan.

d. 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 October 31, 2023, each Fund has determined that no tax liability is required in its financial statements related to uncertain tax positions for any open tax years (or expected to be taken in future tax years). Open tax years are those that remain subject to examination and are based on the statute of limitations in each jurisdiction in which the Fund invests.

e. 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. 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.

1. Organization and Significant Accounting Policies
(continued)

f. 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.

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

	Franklin Biotechnology Discovery Fund		Franklin Natural Resources Fund	
	Shares	Amount	Shares	Amount
Class A Shares:				
Six Months ended October 31, 2023				
Shares sold ^a	293,586	\$32,274,495	759,286	\$21,404,426
Shares redeemed	(689,795)	(76,073,138)	(1,941,056)	(54,220,191)
Net increase (decrease)	(396,209)	\$(43,798,643)	(1,181,770)	\$(32,815,765)
Year ended April 30, 2023				
Shares sold ^a	412,448	\$42,946,165	3,647,273	\$101,114,332
Shares issued in reinvestment of distributions	8,033	859,459	265,105	7,409,681
Shares redeemed	(1,245,319)	(129,770,914)	(3,910,363)	(106,782,525)
Net increase (decrease)	(824,838)	\$(85,965,290)	2,015	\$1,741,488
Class C Shares:				
Six Months ended October 31, 2023				
Shares sold	25,871	\$2,622,205	60,040	\$1,617,306
Shares redeemed ^a	(61,702)	(6,283,813)	(230,635)	(6,335,808)
Net increase (decrease)	(35,831)	\$(3,661,608)	(170,595)	\$(4,718,502)
Year ended April 30, 2023				
Shares sold	23,788	\$2,280,883	401,440	\$10,974,990
Shares issued in reinvestment of distributions	—	—	21,669	592,875
Shares redeemed ^a	(97,280)	(9,292,741)	(658,964)	(17,796,679)
Net increase (decrease)	(73,492)	\$(7,011,858)	(235,855)	\$(6,228,814)

2. Shares of Beneficial Interest (continued)

	Franklin Biotechnology Discovery Fund		Franklin Natural Resources Fund	
	Shares	Amount	Shares	Amount
Class R6 Shares:				
Six Months ended October 31, 2023				
Shares sold	8,281	\$975,526	49,785	\$1,546,021
Shares redeemed	(24,295)	(2,857,175)	(167,766)	(5,042,108)
Net increase (decrease)	(16,014)	\$(1,881,649)	(117,981)	\$(3,496,087)
Year ended April 30, 2023				
Shares sold	56,562	\$6,304,709	343,698	\$10,093,852
Shares issued in reinvestment of distributions	405	45,955	5,194	157,126
Shares redeemed	(47,951)	(5,353,385)	(111,579)	(3,246,089)
Net increase (decrease)	9,016	\$997,279	237,313	\$7,004,889
Advisor Class Shares:				
Six Months ended October 31, 2023				
Shares sold	59,915	\$6,951,873	454,481	\$14,143,918
Shares redeemed	(142,544)	(16,481,524)	(635,655)	(19,339,574)
Net increase (decrease)	(82,629)	\$(9,529,651)	(181,174)	\$(5,195,656)
Year ended April 30, 2023				
Shares sold	243,071	\$26,463,616	924,804	\$27,535,454
Shares issued in reinvestment of distributions	3,436	384,000	72,395	2,174,756
Shares redeemed	(345,613)	(37,630,961)	(1,283,885)	(36,857,393)
Net increase (decrease)	(99,106)	\$(10,783,345)	(286,686)	\$(7,147,183)

^aMay 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 Biotechnology Discovery Fund pays an investment management fee, calculated daily and paid monthly, to Advisers based on the average daily net assets of the Fund as follows:

Annualized Fee Rate	Net Assets
0.775%	Up to and including \$100 million
0.650%	Over \$100 million, up to and including \$200 million
0.635%	Over \$200 million, up to and including \$250 million
0.585%	Over \$250 million, up to and including \$700 million
0.550%	Over \$700 million, up to and including \$1.2 billion
0.525%	Over \$1.2 billion, up to and including \$7.5 billion
0.515%	Over \$7.5 billion, up to and including \$10 billion
0.505%	Over \$10 billion, up to and including \$12.5 billion
0.495%	Over \$12.5 billion, up to and including \$15 billion
0.475%	In excess of \$15 billion

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

Annualized Fee Rate	Net Assets
0.625%	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%	In excess of \$15 billion

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

	Franklin Biotechnology Discovery Fund	Franklin Natural Resources Fund
Gross effective investment management fee rate.	0.616%	0.513%

b. Administrative Fees

Under an agreement with Advisers, FT Services provides administrative services to the Funds. The fee is paid by Advisers based on 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 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 reimbursement distribution plans, costs exceeding the maximum for

3. Transactions with Affiliates (continued)

c. Distribution Fees (continued)

the current plan year cannot be reimbursed in subsequent periods. In addition, under the Funds' Class C 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:

	Franklin Biotechnology Discovery Fund	Franklin Natural Resources Fund
Class A	0.35%	0.35%
Class C	1.00%	1.00%

The Board has set the current rate at 0.25% per year for Class A shares until further notice and approval by the Board.

d. Sales Charges/Underwriting Agreements

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

	Franklin Biotechnology Discovery Fund	Franklin Natural Resources Fund
Sales charges retained net of commissions paid to unaffiliated brokers/dealers	\$23,312	\$12,653
CDSC retained	\$6,795	\$2,793

e. Transfer Agent Fees

Each class of shares pays transfer agent fees, calculated monthly and paid monthly, to Investor Services for its performance of shareholder servicing obligations. Effective October 1, 2023, the fees are based on a fixed margin earned by Investor Services and are allocated to the Funds based upon relative assets and relative transactions. Prior to October 1, 2023, the fees were based on an annualized asset based fee of 0.016% 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 paid to third parties are accrued and allocated daily based upon their relative proportion of such classes' aggregate net assets. Class R6 pays Investor Services transfer agent fees allocated specifically to that class based upon its relative assets and relative transactions.

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

	Franklin Biotechnology Discovery Fund	Franklin Natural Resources Fund
Transfer agent fees	\$191,675	\$129,633

3. Transactions with Affiliates (continued)

f. Investments in Affiliated Management Investment Companies

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

	Value at Beginning of Period	Purchases	Sales	Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Value at End of Period	Number of Shares Held at End of Period	Investment Income
Franklin Biotechnology Discovery Fund								
Non-Controlled Affiliates								
								Dividends
Institutional Fiduciary Trust - Money Market Portfolio, 5.035%	\$16,832,344	\$102,246,391	\$(104,549,862)	\$—	\$—	\$14,528,873	14,528,873	\$184,359
Non-Controlled Affiliates								
								Income from securities loaned
Institutional Fiduciary Trust - Money Market Portfolio, 5.035%	\$2,337,680	\$79,933,000	\$(72,424,695)	\$—	\$—	\$9,845,985	9,845,985	\$178,052
Total Affiliated Securities . . .	\$19,170,024	\$182,179,391	\$(176,974,557)	\$—	\$—	\$24,374,858		\$362,411
Franklin Natural Resources Fund								
Non-Controlled Affiliates								
								Dividends
Institutional Fiduciary Trust - Money Market Portfolio, 5.035%	\$631,197	\$53,690,363	\$(46,939,506)	\$—	\$—	\$7,382,054	7,382,054	\$76,480
Non-Controlled Affiliates								
								Income from securities loaned
Institutional Fiduciary Trust - Money Market Portfolio, 5.035%	\$684,160	\$29,607,699	\$(30,291,859)	\$—	\$—	\$—	—	\$29,512
Total Affiliated Securities . . .	\$1,315,357	\$83,298,062	\$(77,231,365)	\$—	\$—	\$7,382,054		\$105,992

g. Waiver and Expense Reimbursements

Transfer agent fees on Class R6 shares of the Funds have been capped so that transfer agent fees for that class do not exceed 0.03% based on the average net assets of the class until August 31, 2024.

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 period ended October 31, 2023, the custodian fees were reduced as noted in the Statement of Operations. Effective July 10, 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 April 30, 2023, the capital loss carryforwards were as follows:

	Franklin Biotechnology Discovery Fund	Franklin Natural Resources Fund
Capital loss carryforwards not subject to expiration:		
Short term	\$19,657,690	\$1,961,609
Long term	3,326,369	194,793,518
Total capital loss carryforwards	\$22,984,059	\$196,755,127

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 April 30, 2023, the Franklin Biotechnology Discovery Fund deferred late-year ordinary losses of \$977,896.

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

	Franklin Biotechnology Discovery Fund	Franklin Natural Resources Fund
Cost of investments	\$562,631,810	\$259,384,684
Unrealized appreciation.	\$281,998,302	\$149,239,485
Unrealized depreciation.	(130,276,632)	(31,045,042)
Net unrealized appreciation (depreciation).	\$151,721,670	\$118,194,443

Differences between income and/or capital gains as determined on a book basis and a tax basis are primarily due to differing treatments of passive foreign investment company shares, corporate actions and wash sales.

6. Investment Transactions

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

	Franklin Biotechnology Discovery Fund	Franklin Natural Resources Fund
Purchases	\$102,112,022	\$29,358,034
Sales	\$163,232,729	\$78,489,633

6. Investment Transactions (continued)

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

	Franklin Biotechnology Discovery Fund
Securities lending transactions^a:	
Equity investments ^b	\$10,068,485

^a The agreements can be terminated at any time.

^b The gross amount of recognized liability for such transactions is included in payable upon return of securities loaned in the Statements of Assets and Liabilities.

7. 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 October 31, 2023, investments in restricted securities, excluding securities exempt from registration under the 1933 Act, were as follows:

Shares/ Warrants	Issuer	Acquisition Date	Cost	Value
Franklin Biotechnology Discovery Fund				
5,500	Aeglea BioTherapeutics, Inc.	6/22/23	\$1,600,940	\$2,406,397
189,499	Artiva Biotherapeutics, Inc., B	2/22/21	2,084,489	645,750
83,100	Carmot Therapeutics, Inc., E	5/24/23	1,911,986	1,363,794
430,500	^a Harpoon Therapeutics Inc	10/23/23	2,511,752	2,024,512
215,250	^a Harpoon Therapeutics, Inc., 2/01/49	10/23/23	—	352,444
1,651,505	Pipeline Therapeutics, Inc., C	2/09/21 - 5/25/23	4,425,868	3,237,485
103,899	^b Structure Therapeutics Inc	9/29/23	1,297,699	2,400,850
Total Restricted Securities (Value is 1.8% of Net Assets).			\$13,832,734	\$12,431,232

^a The Fund also invests in unrestricted securities of the issuer, valued at \$224,426 as of October 31, 2023.

^b The Fund also invests in unrestricted securities of the issuer, valued at \$5,959,603 as of October 31, 2023.

8. Holdings 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 period ended October 31, 2023, investments in "affiliated companies" were as follows:

8. Holdings of 5% Voting Securities of Portfolio Companies (continued)

	Value at Beginning of Period	Purchases	Sales	Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Value at End of Period	Number of Shares/Warrants Held at End of Period	Investment Income
Franklin Biotechnology Discovery Fund								
Non-Controlled Affiliates								
								Dividends
Applied Therapeutics, Inc	\$4,392,892	\$—	\$—	\$—	\$1,808,838	\$6,201,730	2,584,054	\$—
Applied Therapeutics, Inc., 6/27/27	1,383,719	—	—	—	569,799	1,953,518	814,000	—
Applied Therapeutics, Inc., 6/27/27	1,457,250	—	—	—	860,767	2,318,017	1,628,100	—
Artiva Biotherapeutics, Inc., B	829,888	—	—	—	(184,138)	645,750	189,499	—
Benitec Biopharma, Inc.	1,247,436	—	—	—	— ^a	— ^a	— ^a	—
Benitec Biopharma, Inc., II, 9/14/27	366,803	—	—	—	— ^a	— ^a	— ^a	—
Pipeline Therapeutics, Inc., C.	1,435,375	2,336,873	—	—	(534,763)	3,237,485	1,651,505	—
Total Affiliated Securities (Value is 2.0% of Net Assets)	\$11,113,363	\$2,336,873	\$—	\$—	\$2,520,503	\$14,356,500		\$—

^aAs of October 31, 2023, no longer an affiliate.

9. Credit Facility

The Funds, together with other U.S. registered and foreign investment funds (collectively, Borrowers), managed by Franklin Templeton, are borrowers in a joint syndicated senior unsecured credit facility totaling \$2.675 billion (Global Credit Facility) which matures on February 2, 2024. This Global Credit Facility provides a source of funds to the Borrowers for temporary and emergency purposes, including the ability to meet future unanticipated or unusually large redemption requests.

Under the terms of the Global Credit Facility, the Funds shall, in addition to interest charged on any borrowings made by the Funds and other costs incurred by the Funds, pay their share of fees and expenses incurred in connection with the implementation and maintenance of the Global Credit Facility, based upon their relative share of the aggregate net assets of all of the Borrowers, including an annual commitment fee of 0.15% based upon the unused portion of the Global Credit Facility. These fees are reflected in other expenses in the Statements of Operations. During the period ended October 31, 2023, the Funds did not use the Global Credit Facility.

10. 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.)

10. Fair Value Measurements (continued)

- Level 3 – significant unobservable inputs (including the Funds' own assumptions in determining the fair value of financial instruments)

The input levels are not necessarily an indication of the risk or liquidity associated with financial instruments at that level.

A summary of inputs used as of October 31, 2023, in valuing the Funds' assets carried at fair value, is as follows:

	Level 1	Level 2	Level 3	Total
Franklin Biotechnology Discovery Fund				
Assets:				
Investments in Securities:				
Common Stocks:				
Biotechnology	\$504,918,945	\$—	\$2,024,512	\$506,943,457
Health Care Providers & Services	4,478,948	—	—	4,478,948
Life Sciences Tools & Services	30,840,278	—	—	30,840,278
Pharmaceuticals	129,245,452	—	2,400,850	131,646,302
Convertible Preferred Stocks	—	—	7,007,676	7,007,676
Preferred Stocks:				
Health Care Providers & Services	—	—	645,750	645,750
Life Sciences Tools & Services	—	2,305,669	—	2,305,669
Warrants:				
Biotechnology	—	3,078,876	3,027,055	6,105,931
Pharmaceuticals	4,611	—	—	4,611
Escrows and Litigation Trusts	—	—	— ^a	—
Short Term Investments	24,374,858	—	—	24,374,858
Total Investments in Securities	\$693,863,092	\$5,384,545 ^p	\$15,105,843	\$714,353,480

	Level 1	Level 2	Level 3	Total
Franklin Natural Resources Fund				
Assets:				
Investments in Securities:				
Common Stocks:				
Agricultural Products & Services	\$4,035,302	\$—	\$—	\$4,035,302
Construction & Engineering	1,578,325	—	—	1,578,325
Construction Materials	3,639,566	—	—	3,639,566
Copper	13,982,736	2,839,677	—	16,822,413
Diversified Chemicals	3,065,562	—	—	3,065,562
Diversified Metals & Mining	14,347,288	5,877,650	—	20,224,938
Electrical Components & Equipment	5,301,769	—	—	5,301,769
Environmental & Facilities Services	492,182	—	—	492,182
Fertilizers & Agricultural Chemicals	7,357,634	—	—	7,357,634
Gold	24,371,996	—	—	24,371,996
Heavy Electrical Equipment	269,115	—	—	269,115
Industrial Gases	10,680,056	—	—	10,680,056
Industrial Machinery & Supplies & Components	3,685,476	—	—	3,685,476
Integrated Oil & Gas	62,821,017	—	—	62,821,017
Metal, Glass & Plastic Containers	4,338,025	—	—	4,338,025
Oil & Gas Drilling	7,186,952	—	—	7,186,952
Oil & Gas Equipment & Services	43,902,546	2,576,168	—	46,478,714
Oil & Gas Exploration & Production	80,435,692	3,925,450	—	84,361,142
Oil & Gas Refining & Marketing	21,610,561	—	—	21,610,561
Oil & Gas Storage & Transportation	30,644,815	—	—	30,644,815
Paper & Plastic Packaging Products & Materials	2,862,035	—	—	2,862,035
Specialty Chemicals	3,660,478	—	—	3,660,478

10. Fair Value Measurements (continued)

	Level 1	Level 2	Level 3	Total
Franklin Natural Resources Fund (continued)				
Assets: (continued)				
Investments in Securities:				
Common Stocks:				
Steel	\$2,733,774	\$—	\$—	\$2,733,774
Warrants	713,494	—	—	713,494
Convertible Bonds	—	1,261,732	—	1,261,732
Short Term Investments	7,382,054	—	—	7,382,054
Total Investments in Securities	\$361,098,450	\$16,480,677 ^c	\$—	\$377,579,127

^a Includes financial instruments determined to have no value.

^b Includes foreign securities valued at \$2,305,669, 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.

^c Includes foreign securities valued at \$15,218,945, which were categorized as Level 2 as a result of the application of market level fair value procedures. See the Financial Instrument Valuation note for more information.

A reconciliation in which Level 3 inputs are used in determining fair value is presented when there are significant Level 3 assets and/or liabilities at the beginning and/or end of the period. At October 31, 2023, the reconciliation is as follows:

	Balance at Beginning of Period	Purchases ^a	Sales ^b	Transfer Into Level 3	Transfer Out of Level 3	Net Accretion (Amortiza- tion)	Net Realized Gain (Loss)	Net Unrealized Appreciation (Depreciation)	Balance at End of Period	Net Change in Unrealized Appreciation (Depreciation) on Assets Held at Period End
Franklin Biotechnology Discovery Fund										
Assets:										
Investments in Securities:										
Common Stocks:										
Biotechnology	\$—	\$2,511,752	\$—	\$—	\$—	\$—	\$—	\$(487,240)	\$2,024,512	\$(487,241)
Pharmaceuticals	—	1,297,699	—	—	—	—	—	1,103,151	2,400,850	1,103,151
Convertible Preferred										
Stocks:										
Biotechnology	1,435,375	5,849,799	—	—	—	—	—	(277,498)	7,007,676	(277,498)
Preferred Stocks:										
Health Care Providers & Services	829,888	—	—	—	—	—	—	(184,138)	645,750	(184,138)
Warrants:										
Biotechnology	1,824,053	31 ^c	—	—	—	—	—	1,202,971	3,027,055	1,202,971
Escrows and Litigation										
Trusts:	— ^c	—	(776,290)	—	—	—	766,542	9,748	— ^c	—
Total Investments in Securities	\$4,089,316	\$9,659,281	\$(776,290)	\$—	\$—	\$—	\$766,542	\$1,366,994	\$15,105,843	\$1,357,245

^aPurchases include all purchases of securities and securities received in corporate actions.

^bSales include all sales of securities, maturities, paydowns and securities tendered in corporate actions.

^cIncludes financial instruments determined to have no value.

11. Subsequent Events

The Funds have evaluated subsequent events through the issuance of the financial statements and determined that no events have occurred that require disclosure.

Abbreviations

Selected Portfolio

ADR American Depositary Receipt

Shareholder Information

Liquidity Risk Management Program

Each of the Franklin Templeton and Legg Mason Funds has adopted and implemented a written Liquidity Risk Management Program (the “LRMP”) as required by Rule 22e-4 under the Investment Company Act of 1940 (the “Liquidity Rule”). The LRMP is designed to assess and manage each Fund’s liquidity risk, which is defined as the risk that the Fund could not meet requests to redeem shares issued by the Fund without significant dilution of remaining investors’ interests in the Fund. In accordance with the Liquidity Rule, the LRMP includes policies and procedures that provide for: (1) assessment, management, and review (no less frequently than annually) of each Fund’s liquidity risk; (2) classification of each Fund’s portfolio holdings into one of four liquidity categories (Highly Liquid, Moderately Liquid, Less Liquid, and Illiquid); (3) for Funds that do not primarily hold assets that are Highly Liquid, establishing and maintaining a minimum percentage of the Fund’s net assets in Highly Liquid investments (called a “Highly Liquid Investment Minimum” or “HLIM”); and (4) prohibiting the Fund’s acquisition of Illiquid investments that would result in the Fund holding more than 15% of its net assets in Illiquid assets. The LRMP also requires reporting to the Securities and Exchange Commission (“SEC”) (on a non-public basis) and to the Board if the Fund’s holdings of Illiquid assets exceed 15% of the Fund’s net assets. Funds with HLIMs must have procedures for addressing HLIM shortfalls, including reporting to the Board and, with respect to HLIM shortfalls lasting more than seven consecutive calendar days, reporting to the SEC (on a non-public basis).

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

In assessing and managing each Fund’s liquidity risk, the ILC considers, as relevant, a variety of factors, including the Fund’s investment strategy and the liquidity of its portfolio investments during both normal and reasonably foreseeable stressed conditions; its short and long-term

cash flow projections; and its cash holdings and access to other funding sources including the Funds’ interfund lending facility and line of credit. Classification of the Fund’s portfolio holdings in the four liquidity categories is based on the number of days it is reasonably expected to take to convert the investment to cash (for Highly Liquid and Moderately Liquid holdings) or sell or dispose of the investment (for Less Liquid and Illiquid investments), in current market conditions without significantly changing the investment’s market value.

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

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

Proxy Voting Policies and Procedures

The Trust’s investment manager has established Proxy Voting Policies and Procedures (Policies) that the Trust uses to determine how to vote proxies relating to portfolio securities. Shareholders may view the Trust’s complete Policies online at franklintempleton.com. Alternatively, shareholders may request copies of the Policies free of charge by calling the Proxy Group collect at (954) 527-7678 or by sending a written request to: Franklin Templeton Companies, LLC, 300 S.E. 2nd Street, Fort Lauderdale, FL 33301, Attention: Proxy Group. Copies of the Trust’s proxy voting records are also made available online at franklintempleton.com and posted on the U.S. Securities and Exchange Commission’s website at sec.gov and reflect the most recent 12-month period ended June 30.

Quarterly Schedule of Investments

The Trust files a complete schedule of investments with the U.S. Securities and Exchange Commission for the first and third quarters for each fiscal year as an exhibit to its report on Form N-PORT. Shareholders may view the filed Form N-PORT by visiting the Commission's website at sec.gov. The filed form may also be viewed and copied at the Commission's Public Reference Room in Washington, DC. Information regarding the operations of the Public Reference Room may be obtained by calling (800) SEC-0330.

Householding of Reports and Prospectuses

You will receive, or receive notice of the availability of, each Fund's financial reports every six months. In addition, you will receive an annual updated summary prospectus (detail prospectus available upon request). To reduce Fund expenses, we try to identify related shareholders in a household and send only one copy of the financial reports (to the extent received by mail) and summary prospectus. This process, called "householding," will continue indefinitely unless you instruct us otherwise. If you prefer not to have these documents househanded, please call us at (800) 632-2301. At any time you may view current prospectuses/summary prospectuses and financial reports on our website. If you choose, you may receive these documents through electronic delivery.

Authorized for distribution only when accompanied or preceded by a summary prospectus and/or prospectus. Investors should carefully consider a fund's investment goals, risks, charges and expenses before investing. A prospectus contains this and other information; please read it carefully before investing.

To help ensure we provide you with quality service, all calls to and from our service areas are monitored and/or recorded.



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