

FRANKLIN UNIVERSAL TRUST
Form N-CSRS
May 02, 2018

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM N-CSRS

CERTIFIED SHAREHOLDER REPORT OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES
Investment Company Act file number 811-05569

Franklin Universal Trust

(Exact name of registrant as specified in charter)

One Franklin Parkway, San Mateo, CA 94403-1906

(Address of principal executive offices) (Zip code)

Craig S. Tyle, One Franklin Parkway, San Mateo, CA 94403-1906

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(Name and address of agent for service)

Registrant's telephone number, including area code: (650) 312-2000

Date of fiscal year end: 8/31

Date of reporting period: 2/28/18

Item 1. Reports to Stockholders.

Semiannual Report

February 28, 2018

Franklin Templeton Investments

Why choose Franklin Templeton Investments?

Successful investing begins with ambition. And achievement only comes when you reach for it. That's why we continually strive to deliver better outcomes for investors. No matter what your goals are, our deep, global investment expertise allows us to offer solutions that can help.

During our more than 70 years of experience, we've managed through all kinds of markets—up, down and those in between. We're always preparing for what may come next. It's because of this, combined with our strength as one of the world's largest asset managers that we've earned the trust of millions of investors around the world.

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Visit franklintempleton.com/investor/products/products/closed-end-funds for fund updates, to access your account, or to find helpful financial planning tools.

Not FDIC Insured | May Lose Value | No Bank Guarantee

Semiannual Report

Franklin Universal Trust

Dear Shareholder:

This semiannual report for Franklin Universal Trust covers the period ended February 28, 2018.

Your Fund's Goal and Main Investments

The Fund's primary investment objective is to provide high, current income consistent with preservation of capital. Its secondary objective is growth of income through dividend increases and capital appreciation.

Performance Overview

For the six months under review, the Fund's cumulative total returns were -2.70% based on net asset value and -3.23% based on market price, as shown in the Performance Summary on page 5. For comparison, the Credit Suisse (CS) High Yield Index, which is designed to mirror the investable universe of the US dollar-denominated high yield debt market, produced a +1.21% total return,¹ and utilities stocks, as measured by the Standard & Poor's (S&P®) 500 Utilities Index, which tracks all electric utility stocks in the broad S&P 500® Index, had a total return of -9.18% for the same period.²

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.

Economic and Market Overview

The US economy continued to grow during the six months under review. The economy expanded in 2017's fourth quarter, though at a slower pace compared to the third quarter as lower inventory investment and higher imports partially offset the contributions of growth in consumer spending, business and housing investment, exports, and government spending. The manufacturing and services sectors expanded during the period. The unemployment rate declined from 4.4% in August 2017 to

4.1% at period-end.³ Monthly retail sales rose during the period's first half but declined in the second half, largely due to lower motor vehicle and gasoline sales. Annual inflation, as measured by the Consumer Price Index, increased from 1.9% in August 2017 to 2.2% at period-end.³

The US Federal Reserve (Fed) began reducing its balance sheet in October 2017 and raised its target range for the federal funds rate 0.25% to 1.25%–1.50% in December. The Fed left its target rate for the federal funds rate unchanged at its January 2018 meeting, but expressed that it anticipated inflation to rise in 2018 and stabilize around the 2% target over the medium term. In February, Jerome Powell succeeded Janet Yellen as Fed Chair and spoke before Congress for the first time. He indicated that the Fed saw signs of a continued strong labor market and economic growth. He reiterated the Fed's intention to gradually raise interest rates in an effort to keep the economy from overheating as inflation increases toward the Fed's 2% target. However, he noted that there was no evidence of the economy overheating and that he had yet to see a clear move upward in wages.

The 10-year Treasury yield, which moves inversely to its price, increased during the period. After declining at the beginning of the period, the yield rose amid easing concerns about Hurricane Irma's economic impact, the Fed's balance sheet normalization beginning in October and the passage of the tax reform bill in December. Although some factors weighed on the Treasury yield at certain points during the period, including tensions between the US and North Korea, indications of higher inflation drove the yield higher in the last two months of the period, reaching a four-year high in February 2018. Overall, the 10-year Treasury yield rose from 2.12% at the beginning of the period to 2.87% at period-end.

Investment Strategy

We invest primarily in two asset classes: high yield bonds and utility stocks. Within the high yield portion of the portfolio, we

1. Source: Credit Suisse Group.

2. 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.

3. Source: US Bureau of Labor Statistics.

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 Statement of Investments (SOI). The SOI begins on page 8.

use fundamental research to invest in a diversified portfolio of bonds. Within the utility portion of the portfolio, we focus on companies with attractive dividend yields and with a history of increasing their dividends.

Manager's Discussion

High Yield Corporate Bonds

The Fund underperformed relative to the CS High Yield Index during the period. The Fund's largest relative detractor was our underweighting in the energy sector. Our yield curve positioning also detracted from relative returns as interest rates increased over the period. In contrast, overall security selection was a relative contributor, driven primarily by our selection within the utility and building industries. Our ratings quality allocation also contributed to relative results over the period, primarily due to an underweighting in CCC-rated corporate bonds.

Portfolio Composition

2/28/18

	% of Total Investments*
Corporate Bonds	67.4%
Utilities Common Stocks	28.0%
Natural Resources Common Stocks	1.2%
Materials Common Stocks	1.1%
Convertible Bonds	0.2%
Convertible Preferred Stocks	0.1%
Transportation Common Stocks**	0.0%
Escrows and Litigation Trusts**	0.0%
Short-Term Investments & Other Net Assets	2.0%

*Percentage of total investments of the Fund. Total investments of the Fund include long-term and short-term investments and other net assets, excluding long-term debt issued by the Fund.

**Rounds to less than 0.1%.

Utility Stocks

Utility stocks, as measured by the S&P 500 Utilities Index, had a -9.18% return during the period, compared to a +10.84% return for the S&P 500 Index.² This underperformance occurred primarily due to two economic circumstances. First, the passage of federal tax legislation in December 2017, while very positive for US corporations, was viewed by investors as being less beneficial for the utilities sector. As regulated entities, utilities are obligated to pass through the savings of lower federal taxation to their customers and should generally not see the immediate positive adjustments to corporate earnings that other sectors of the economy could generate. Secondly, inflationary signals within the US and globally seem to have been increasing in recent months, leading to higher

interest-rate levels. Thus, in our opinion, utilities likely underperformed the overall stock market given the sector's historically high correlation to interest rates and the movements of the bond market. Overall, we believe the financial health of the utilities sector remains intact, and although the sector is not a direct beneficiary of tax reform, the sector may benefit indirectly with potential increased growth opportunities resulting from a more business-friendly regulatory environment.

Top 10 Holdings*

Based on Total Investments**

2/28/18 vs. 8/31/17

Issuer	2/28/18
Sempra Energy	2.1%
NextEra Energy Inc.	2.1%
Dominion Energy Inc.	1.9%
American Electric Power Co. Inc.	1.9%
CMS Energy Corp.	1.7%
Duke Energy Corp.	1.4%
Pinnacle West Capital Corp.	1.3%
CenterPoint Energy Inc.	1.3%
Navient Corp.	1.2%
Alliant Energy Corp.	1.2%
Issuer	8/31/17
Dominion Energy Inc.	2.4%
NextEra Energy Inc.	2.3%
Sempra Energy	2.2%
American Electric Power Co. Inc.	2.1%
Pinnacle West Capital Corp.	1.9%
Duke Energy Corp.	1.9%
Edison International	1.8%
CenterPoint Energy Inc.	1.4%
Navient Corp.	1.3%
PG&E Corp.	1.3%

*Excludes money market funds.

**Percentage of total investments of the Fund. Total investments of the Fund include long-term and short-term investments and other net assets, excluding long-term debt issued by the Fund.

FRANKLIN UNIVERSAL TRUST

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

Sincerely,

Christopher J. Molumphy, CFA

Senior Portfolio Manager

Glenn I. Voyles, CFA

Portfolio Manager

The foregoing information reflects our analysis, opinions and portfolio holdings as of February 28, 2018, the end of the reporting period. The way we implement our main investment strategies and the resulting portfolio holdings may change depending on factors such as market and economic conditions. These opinions may not be relied upon as investment advice or an offer for a particular security. The information is not a complete analysis of every aspect of any market, country, industry, security or the Fund. Statements of fact are from sources considered reliable, but the investment manager makes no representation or warranty as to their completeness or accuracy. Although historical performance is no guarantee of future results, these insights may help you understand our investment management philosophy.

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Performance Summary as of February 28, 2018

Total return reflects reinvestment of the Fund's dividends and capital gain distributions, if any, and any unrealized gains or losses. Total returns do not reflect any sales charges paid at inception or brokerage commissions paid on secondary market purchases. 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. Your dividend income will vary depending on dividends or interest paid by securities in the Fund's portfolio, adjusted for operating expenses. Capital gain distributions are net profits realized from the sale of portfolio securities.

Performance as of 2/28/18¹

	Cumulative Total Return ²		Average Annual Total Return ²	
	Based on NAV ³	Based on market price ⁴	Based on NAV ³	Based on market price ⁴
6-Month	-2.70%	-3.23%	-2.70%	-3.23%
1-Year	+1.59%	+1.61%	+1.59%	+1.61%
5-Year	+34.04%	+26.68%	+6.03%	+4.84%
10-Year	+107.52%	+112.06%	+7.57%	+7.81%

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.

Share Prices

Symbol: FT	2/28/18	8/31/17	Change
Net Asset Value (NAV)	\$7.83	\$8.24	-\$0.41
Market Price (NYSE)	\$6.82	\$7.24	-\$0.42

Distributions (9/1/17 - 2/28/18)

Net Investment

Income

\$0.1920

All investments involve risks, including possible loss of principal. Bond prices generally move in the opposite direction of interest rates. As prices of bonds in a fund adjust to a rise in interest rates, the Fund's share price may decline. Investments in lower rated bonds include higher risk of default and loss of principal. Stock prices fluctuate, sometimes rapidly and dramatically, due to factors affecting individual companies, particular industries or sectors, or general market conditions. In addition to having sensitivity to other factors, securities issued by utility companies have historically been sensitive to interest rate changes. When interest rates fall, utility securities prices, and thus a utilities fund's share price, tend to rise; when interest rates rise, their prices generally fall. For stocks paying dividends, dividends are not guaranteed, and can increase, decrease or be

totally eliminated without notice. The Fund is actively managed but there is no guarantee that the manager's investment decisions will produce the desired results.

1. The Fund has a fee waiver associated with any investment it makes in a Franklin Templeton money fund and/or other Franklin Templeton fund, contractually guaranteed through 8/31/18. Fund investment results reflect the fee waiver; without this waiver, the results would have been lower.
2. Total return calculations represent the cumulative and average annual changes in value of an investment over the periods indicated. Return for less than one year, if any, has not been annualized.
3. Assumes reinvestment of distributions based on net asset value.
4. Assumes reinvestment of distributions based on the dividend reinvestment and cash purchase plan.

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Important Notice to Shareholders

The Fund's Board previously authorized an open-market share repurchase program, pursuant to which the Fund may purchase Fund shares, from time to time, up to 10% of the Fund's common shares in open-market transactions, at the discretion of management. This authorization remains in effect.

6 Semiannual Report

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Financial Highlights

	Six Months Ended February 28, 2018 (unaudited)	2017	Year Ended August 31,			2013
			2016	2015	2014	
Per share operating performance (for a share outstanding throughout the period)						
Net asset value, beginning of period	\$ 8.24	\$ 7.67	\$ 7.11	\$ 8.34	\$7.61	\$ 7.47
Income from investment operations:						
Net investment income ^a	0.20	0.38	0.39	0.45	0.47	0.43
Net realized and unrealized gains (losses)	(0.42)	0.57	0.64	(1.21)	0.73	0.17
Total from investment operations	(0.22)	0.95	1.03	(0.76)	1.20	0.60
Less distributions from net investment income	(0.19)	(0.38)	(0.47)	(0.47)	(0.47)	(0.46)
Net asset value, end of period	\$ 7.83	\$ 8.24	\$ 7.67	\$ 7.11	\$ 8.34	\$ 7.61
Market value, end of period ^b	\$ 6.82	\$ 7.24	\$ 6.84	\$ 6.10	\$ 7.39	\$ 6.76
Total return (based on market value per share) ^c	(3.23)%	11.81%	20.76%	(11.57)%	16.71%	(2.45)%
Ratios to average net assets^d						
	1.97%	2.00%	2.13%	1.97%	1.97%	2.34%

Expenses before waiver and payments by affiliates						
Expenses net of waiver and payments by affiliates	1.97% ^{e,f}	1.99% ^e	2.12% ^e	1.97% ^{e,f}	1.97% ^{e,f}	2.34%
Net investment income	4.85%	4.81%	5.48%	5.63%	5.76%	5.58%

Supplemental data

Net assets, end of period (000 s)	\$196,724	\$206,965	\$192,682	\$178,747	\$209,674	\$191,223
Portfolio turnover rate	14.25%	23.25%	21.13%	20.30%	18.25%	21.95%
Total debt outstanding at end of period (000 s)	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
Asset coverage per \$1,000 of debt	\$4,279	\$4,449	\$4,211	\$3,979	\$4,495	\$4,187
Average amount of senior rate fixed Notes per share during the period	\$2.39	\$2.39	\$2.39	\$2.39	\$2.39	\$1.68

^aBased on average daily shares outstanding.

^bBased on the last sale on the New York Stock Exchange.

^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%.

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Statement of Investments, February 28, 2018 (unaudited)

	Country	Shares/ Warrants	Value
Common Stocks and Other Equity Interests 39.6%			
Energy 1.5%			
^a Chaparral Energy Inc., A	United States	23,303	\$ 547,621
^{a,b} Chaparral Energy Inc., A, 144A	United States	214	5,029
^a Chaparral Energy Inc., B	United States	5,868	137,898
^a CHC Group LLC	Cayman Islands	10,468	91,595
Enbridge Inc.	Canada	39,360	1,252,435
^a Energy XXI Gulf Coast Inc., wts., 12/30/21	United States	5,433	163
^a Goodrich Petroleum Corp.	United States	19,379	201,154
^a Halcon Resources Corp.	United States	52,355	316,748
^a Halcon Resources Corp., wts., 9/09/20	United States	4,668	3,314
^a Linn Energy Inc.	United States	11,768	458,952
^a Midstates Petroleum Co. Inc.	United States	326	4,392
^{a,c} Midstates Petroleum Co. Inc., wts., 4/21/20	United States	2,311	54
			3,019,355
Materials 1.4%			
BHP Billiton PLC, ADR	United Kingdom	25,185	1,028,052
^a Freeport-McMoRan Inc.	United States	80,380	1,495,068
South32 Ltd., ADR	Australia	10,074	129,149
^a Verso Corp., A	United States	3,330	58,408
^a Verso Corp., wts., 7/25/23	United States	350	665
			2,711,342
Transportation 0.1%			
^a CEVA Holdings LLC	United States	180	103,172
Utilities 36.6%			
Alliant Energy Corp.	United States	80,000	3,092,000
American Electric Power Co. Inc.	United States	75,000	4,918,500
CenterPoint Energy Inc.	United States	122,800	3,321,740
CMS Energy Corp.	United States	100,000	4,245,000
Consolidated Edison Inc.	United States	40,000	2,995,600
Dominion Energy Inc.	United States	67,200	4,977,504
DTE Energy Co.	United States	30,000	3,023,400
Duke Energy Corp.	United States	46,060	3,470,160
Edison International	United States	36,000	2,181,240

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Entergy Corp.	United States	30,000	2,274,600
Exelon Corp.	United States	80,000	2,963,200
FirstEnergy Corp.	United States	60,000	1,939,800
Great Plains Energy Inc.	United States	70,000	2,040,500
NextEra Energy Inc.	United States	34,800	5,294,820
NiSource Inc.	United States	60,000	1,387,800
PG&E Corp.	United States	30,000	1,232,700
Pinnacle West Capital Corp.	United States	44,800	3,447,808
PPL Corp.	United States	24,500	701,925
Public Service Enterprise Group Inc.	United States	45,000	2,179,350
Sempra Energy	United States	50,000	5,449,000
The Southern Co.	United States	68,250	2,938,845
WEC Energy Group Inc.	United States	40,000	2,396,800
Westar Energy Inc.	United States	60,000	2,923,800
Xcel Energy Inc.	United States	60,000	2,596,800
			71,992,892
Total Common Stocks and Other Equity Interests			
(Cost \$44,496,859)			77,826,761

FRANKLIN UNIVERSAL TRUST

STATEMENT OF INVESTMENTS (UNAUDITED)

	Country	Shares	Value
Convertible Preferred Stocks 0.1%			
Transportation 0.1%			
^a CEVA Holdings LLC, cvt. pfd., A-1	United States	6	\$ 4,950
^a CEVA Holdings LLC, cvt. pfd., A-2	United States	388	223,336
Total Convertible Preferred Stocks (Cost \$587,092)			228,286
		Principal Amount*	
Convertible Bonds (Cost \$559,375) 0.2%			
Energy 0.2%			
CHC Group LLC/CHC Finance Ltd., cvt., secured note, zero cpn., 10/01/20	Cayman Islands	\$ 302,365	409,704
Corporate Bonds 87.9%			
Automobiles & Components 1.0%			
^b Allison Transmission Inc., senior bond, 144A, 4.75%, 10/01/27	United States	600,000	589,500
The Goodyear Tire & Rubber Co., senior bond, 5.00%, 5/31/26	United States	1,100,000	1,104,125
senior note, 5.125%, 11/15/23	United States	300,000	307,875
			2,001,500
Banks 1.6%			
^d Citigroup Inc., junior sub. bond, M, 6.30% to 5/15/24, FRN thereafter, Perpetual	United States	1,100,000	1,159,345
^d JPMorgan Chase & Co., junior sub. bond, R, 6.00% to 8/01/23, FRN thereafter, Perpetual	United States	900,000	943,200
junior sub. bond, V, 5.00% to 7/30/19, FRN thereafter, Perpetual	United States	1,100,000	1,106,875
			3,209,420
Capital Goods 4.3%			
^b Beacon Escrow Corp., senior note, 144A, 4.875%, 11/01/25	United States	600,000	588,180
^b Cloud Crane LLC, secured note, second lien, 144A, 10.125%, 8/01/24	United States	300,000	336,750
CNH Industrial Capital LLC, senior note, 3.875%, 10/15/21	United States	300,000	301,875
^b H&E Equipment Services Inc., senior note, 144A, 5.625%, 9/01/25	United States	1,300,000	1,332,500
^b HD Supply Inc., senior note, 144A, 5.75%, 4/15/24	United States	400,000	420,500
^b	United States	300,000	291,750

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Jeld-Wen Inc., senior bond, 144A, 4.875%, 12/15/27			
senior note, 144A, 4.625%, 12/15/25	United States	300,000	294,000
Oshkosh Corp., senior note, 5.375%, 3/01/22	United States	500,000	515,080
Tennant Co., senior note, 5.625%, 5/01/25	United States	1,200,000	1,236,000
^b Terex Corp., senior note, 144A, 5.625%, 2/01/25	United States	1,400,000	1,415,750
^b Vertiv Group Corp., senior note, 144A, 9.25%, 10/15/24	United States	1,700,000	1,802,000
			8,534,385
Commercial & Professional Services 1.2%			
^b Multi-Color Corp., senior note, 144A, 4.875%, 11/01/25	United States	1,100,000	1,058,750
^b West Corp., senior note, 144A, 8.50%, 10/15/25	United States	1,300,000	1,267,500
			2,326,250
Consumer Durables & Apparel 4.7%			
^b Ashton Woods USA LLC, senior note, 144A, 6.75%, 8/01/25	United States	1,500,000	1,503,750
Beazer Homes USA Inc., senior note, 8.75%, 3/15/22	United States	1,300,000	1,407,250
^b Hanesbrands Inc., senior note, 144A, 4.625%, 5/15/24	United States	1,300,000	1,293,500
PulteGroup Inc., senior bond, 5.00%, 1/15/27	United States	1,500,000	1,496,250
^b Taylor Morrison Communities Inc./Taylor Morrison Holdings II Inc., senior note, 144A, 5.25%, 4/15/21	United States	400,000	404,500
senior note, 144A, 5.625%, 3/01/24	United States	600,000	615,000
Toll Brothers Finance Corp., senior bond, 5.625%, 1/15/24	United States	700,000	745,500

FRANKLIN UNIVERSAL TRUST

STATEMENT OF INVESTMENTS (UNAUDITED)

	Country	Principal Amount*	Value
Corporate Bonds (continued)			
Consumer Durables & Apparel (continued)			
b Weekley Homes LLC/Weekley Finance Corp., senior note, 144A, 6.625%, 8/15/25	United States	\$ 1,700,000	\$ 1,700,000
			9,165,750
Consumer Services 7.3%			
b 1011778 BC ULC/New Red Finance Inc., senior secured note, first lien, 144A, 4.25%, 5/15/24	Canada	900,000	861,750
b 24 Hour Holdings III LLC, senior note, 144A, 8.00%, 6/01/22	United States	1,300,000	1,300,000
b Ascend Learning LLC, senior note, 144A, 6.875%, 8/01/25	United States	1,200,000	1,239,000
b Downstream Development Authority of the Quapaw Tribe of Oklahoma, secured note, 144A, 10.50%, 2/15/23	United States	500,000	515,500
b Golden Nugget Inc., senior note, 144A, 6.75%, 10/15/24	United States	200,000	205,500
b International Game Technology PLC, senior secured bond, 144A, 6.50%, 2/15/25	United States	1,700,000	1,836,000
b Jack Ohio Finance LLC/Jack Ohio Finance 1 Corp., senior secured note, first lien, 144A, 6.75%, 11/15/21	United States	1,700,000	1,775,599
b KFC Holding Co./Pizza Hut Holdings LLC/Taco Bell of America LLC, senior note, 144A, 5.00%, 6/01/24	United States	600,000	607,500
senior note, 144A, 5.25%, 6/01/26	United States	600,000	609,000
b Silversea Cruise Finance Ltd., senior secured note, first lien, 144A, 7.25%, 2/01/25	United States	500,000	536,250
United Rentals North America Inc., senior bond, 5.75%, 11/15/24	United States	1,400,000	1,454,250
senior bond, 5.875%, 9/15/26	United States	100,000	105,425
senior bond, 5.50%, 5/15/27	United States	500,000	513,000
b Wynn Las Vegas LLC/Wynn Las Vegas Capital Corp., senior bond, 144A, 5.50%, 3/01/25	United States	1,300,000	1,321,125
b Wynn Macau Ltd., senior note, 144A, 4.875%, 10/01/24	Macau	1,500,000	1,473,750
			14,353,649
Diversified Financials 2.2%			
b FirstCash Inc., senior note, 144A, 5.375%, 6/01/24	United States	1,100,000	1,139,875
Navient Corp., senior note, 6.625%, 7/26/21	United States	800,000	838,000
senior note, 6.50%, 6/15/22	United States	500,000	521,875
senior note, 7.25%, 9/25/23	United States	1,700,000	1,814,750

4,314,500

Energy 9.6%

Bill Barrett Corp., senior note, 8.75%, 6/15/25	United States	1,700,000	1,844,500
^e BreitBurn Energy Partners LP/BreitBurn Finance Corp., senior bond, 7.875%, 4/15/22	United States	200,000	7,500
senior note, 8.625%, 10/15/20	United States	600,000	22,500
California Resources Corp., ^b secured note, second lien, 144A, 8.00%, 12/15/22	United States	615,000	489,694
senior bond, 6.00%, 11/15/24	United States	15,000	9,225
senior note, 5.50%, 9/15/21	United States	10,000	8,300
Calumet Specialty Products Partners LP/Calumet Finance Corp., senior note, 7.75%, 4/15/23	United States	800,000	798,000
Cheniere Corpus Christi Holdings LLC, senior secured note, first lien, 7.00%, 6/30/24	United States	600,000	673,650
senior secured note, first lien, 5.875%, 3/31/25	United States	1,000,000	1,061,250
^b Cheniere Energy Partners LP, senior secured note, first lien, 144A, 5.25%, 10/01/25	United States	1,200,000	1,215,000
CONSOL Energy Inc., senior note, 5.875%, 4/15/22	United States	300,000	302,437
senior note, 8.00%, 4/01/23	United States	600,000	636,750

FRANKLIN UNIVERSAL TRUST

STATEMENT OF INVESTMENTS (UNAUDITED)

	Country	Principal Amount*	Value
Corporate Bonds (continued)			
Energy (continued)			
Crestwood Midstream Partners LP/Crestwood Midstream Finance Corp., senior note, 6.25%, 4/01/23	United States	\$ 500,000	\$ 517,500
senior note, 5.75%, 4/01/25	United States	800,000	813,000
CSI Compressco LP/CSI Compressco Finance Inc., senior note, 7.25%, 8/15/22	United States	800,000	782,000
Energy Transfer Equity LP, senior note, first lien, 7.50%, 10/15/20	United States	1,200,000	1,305,000
senior secured bond, first lien, 5.875%, 1/15/24	United States	200,000	212,500
^{b,f} EnQuest PLC, senior note, 144A, PIK, 7.00%, 10/15/23	United Kingdom	665,378	574,717
Ferrellgas LP/Ferrellgas Finance Corp., senior note, 6.75%, 6/15/23	United States	700,000	640,500
Martin Midstream Partners LP/Martin Midstream Finance Corp., senior note, 7.25%, 2/15/21	United States	600,000	602,250
^b Murray Energy Corp., secured note, second lien, 144A, 11.25%, 4/15/21	United States	1,000,000	450,000
Oceaneering International Inc., senior note, 6.00%, 2/01/28	United States	800,000	789,984
QEP Resources Inc., senior bond, 5.375%, 10/01/22	United States	1,600,000	1,632,000
Sanchez Energy Corp., senior note, 7.75%, 6/15/21	United States	800,000	768,000
senior note, 6.125%, 1/15/23	United States	100,000	75,500
^b Sunoco LP/Sunoco Finance Corp., senior note, 144A, 4.875%, 1/15/23	United States	700,000	696,500
^{b,f} W&T Offshore Inc., secured note, second lien, 144A, PIK, 9.00%, 5/15/20	United States	290,289	277,770
senior secured note, third lien, 144A, PIK, 10.00%, 6/15/21	United States	258,859	210,583
Weatherford International Ltd., senior note, 5.125%, 9/15/20	United States	200,000	201,500
senior note, 7.75%, 6/15/21	United States	400,000	396,750
senior note, 4.50%, 4/15/22	United States	400,000	354,000
senior note, 8.25%, 6/15/23	United States	600,000	583,500
			18,952,360
Food & Staples Retailing 0.4%			
^b Aramark Services Inc., senior bond, 144A, 5.00%, 2/01/28	United States	700,000	699,125
Food, Beverage & Tobacco 3.2%			
B&G Foods Inc., senior note, 5.25%, 4/01/25	United States	1,200,000	1,158,000
^b Cott Holdings Inc., senior note, 144A, 5.50%, 4/01/25	Canada	1,700,000	1,697,620

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b Lamb Weston Holdings Inc., senior note, 144A, 4.625%, 11/01/24	United States	700,000	707,000
senior note, 144A, 4.875%, 11/01/26	United States	1,000,000	1,002,500
b Post Holdings Inc., senior bond, 144A, 5.00%, 8/15/26	United States	1,100,000	1,047,750
senior bond, 144A, 5.625%, 1/15/28	United States	300,000	292,500
senior note, 144A, 5.50%, 3/01/25	United States	400,000	403,500
			6,308,870
Health Care Equipment & Services 5.8%			
b Avantor Inc., senior secured note, first lien, 144A, 6.00%, 10/01/24	United States	700,000	701,750
b Catalent Pharma Solutions Inc., senior note, 144A, 4.875%, 1/15/26	United States	1,400,000	1,389,500
CHS/Community Health Systems Inc., senior note, 7.125%, 7/15/20	United States	700,000	592,375
senior note, 6.875%, 2/01/22	United States	200,000	131,250
senior secured note, first lien, 6.25%, 3/31/23	United States	600,000	549,000
b Envision Healthcare Corp., senior note, 144A, 6.25%, 12/01/24	United States	1,500,000	1,586,250
HCA Inc., senior bond, 5.875%, 2/15/26	United States	1,400,000	1,452,500
senior secured bond, first lien, 5.875%, 3/15/22	United States	600,000	637,500

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STATEMENT OF INVESTMENTS (UNAUDITED)

	Country	Principal Amount*	Value
Corporate Bonds (continued)			
Health Care Equipment & Services (continued)			
^b MPH Acquisition Holdings LLC, senior note, 144A, 7.125%, 6/01/24	United States	\$ 1,300,000	\$ 1,371,500
^{b,f} Polaris Intermediate Corp., senior note, 144A, PIK, 8.50%, 12/01/22	United States	400,000	408,250
Tenet Healthcare Corp., senior note, 5.50%, 3/01/19	United States	400,000	407,565
senior note, 8.125%, 4/01/22	United States	1,000,000	1,056,250
WellCare Health Plans Inc., senior note, 5.25%, 4/01/25	United States	1,200,000	1,217,544
			11,501,234
Materials 11.9%			
^f ARD Finance SA, secured note, PIK, 7.125%, 9/15/23	Luxembourg	400,000	417,000
^b Ardagh Packaging Finance PLC/Ardagh MP Holdings USA Inc., senior note, 144A, 6.00%, 6/30/21	Luxembourg	500,000	511,875
^b Axalta Coating Systems LLC, senior note, 144A, 4.875%, 8/15/24	United States	250,000	251,875
^b BlueScope Steel Ltd./BlueScope Steel Finance, senior note, 144A, 6.50%, 5/15/21	Australia	1,500,000	1,556,722
^b BWAY Holding Co., senior note, 144A, 7.25%, 4/15/25	United States	1,800,000	1,863,000
The Chemours Co., senior bond, 7.00%, 5/15/25	United States	200,000	216,500
senior note, 6.625%, 5/15/23	United States	1,100,000	1,161,875
senior note, 5.375%, 5/15/27	United States	300,000	301,500
^b Crown Americas LLC/Crown Americas Capital Corp., senior note, 144A, 4.75%, 2/01/26	United States	700,000	691,250
^b Eldorado Gold Corp., senior note, 144A, 6.125%, 12/15/20	Canada	500,000	487,500
^b First Quantum Minerals Ltd., senior note, 144A, 7.00%, 2/15/21	Zambia	431,000	445,277
senior note, 144A, 7.25%, 4/01/23	Zambia	600,000	624,000
senior note, 144A, 6.875%, 3/01/26	Zambia	500,000	498,750
^b FMG Resources (August 2006) Pty. Ltd., senior note, 144A, 4.75%, 5/15/22	Australia	800,000	800,984
^b Grinding Media Inc./MC Grinding Media Canada Inc., senior secured note, 144A, 7.375%, 12/15/23	United States	1,000,000	1,060,000
^b New Gold Inc., senior note, 144A, 6.375%, 5/15/25	Canada	700,000	726,250
^b Northwest Acquisitions ULC/Dominion Finco Inc., secured note, second lien, 144A, 7.125%, 11/01/22	Canada	400,000	413,960
^b Novelis Corp., senior bond, 144A, 5.875%, 9/30/26	United States	500,000	505,000
senior note, 144A, 6.25%, 8/15/24	United States	700,000	717,500
^b	United States	1,000,000	1,023,750

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Owens-Brockway Glass Container Inc., senior note, 144A, 5.00%, 1/15/22			
senior note, 144A, 5.875%, 8/15/23	United States	500,000	522,188
^b Plastipak Holdings Inc., senior note, 144A, 6.25%, 10/15/25	United States	1,200,000	1,227,000
^b Platform Specialty Products Corp., senior note, 144A, 6.50%, 2/01/22	United States	600,000	617,250
senior note, 144A, 5.875%, 12/01/25	United States	1,000,000	996,250
Reynolds Group Issuer Inc./Reynolds Group Issuer LLC/Reynolds Group Issuer Luxembourg SA, ^b senior note, 144A, 7.00%, 7/15/24	United States	200,000	211,000
senior secured note, first lien, 5.75%, 10/15/20	United States	484,554	491,822
^b senior secured note, first lien, 144A, 5.125%, 7/15/23	United States	1,000,000	1,021,100
^b Sealed Air Corp., senior bond, 144A, 5.50%, 9/15/25	United States	200,000	209,750
senior note, 144A, 6.50%, 12/01/20	United States	400,000	428,000
Steel Dynamics Inc., senior bond, 5.50%, 10/01/24	United States	900,000	933,750
senior bond, 5.00%, 12/15/26	United States	700,000	715,750

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STATEMENT OF INVESTMENTS (UNAUDITED)

		Principal	
	Country	Amount*	Value
Corporate Bonds (continued)			
Materials (continued)			
^b SunCoke Energy Partners LP/SunCoke Energy Partners Finance Corp., senior note, 144A, 7.50%, 6/15/25	United States	\$ 1,600,000	\$ 1,676,000
			23,324,428
Media 10.0%			
^b Altice Luxembourg SA, senior secured note, 144A, 7.75%, 5/15/22	Luxembourg	1,200,000	1,123,500
^b Altice U.S. Finance I Corp., senior secured bond, 144A, 5.50%, 5/15/26	United States	1,200,000	1,191,000
AMC Entertainment Holdings Inc., senior sub. note, 5.875%, 11/15/26	United States	700,000	679,000
AMC Networks Inc., senior note, 5.00%, 4/01/24	United States	1,200,000	1,206,000
CCO Holdings LLC/CCO Holdings Capital Corp., senior bond, 5.25%, 9/30/22	United States	1,700,000	1,734,000
^b senior bond, 144A, 5.75%, 2/15/26	United States	700,000	712,250
Clear Channel Worldwide Holdings Inc., senior note, 6.50%, 11/15/22.	United States	1,000,000	1,032,500
senior sub. note, 7.625%, 3/15/20	United States	700,000	701,750
CSC Holdings LLC,			
^b senior bond, 144A, 5.50%, 4/15/27	United States	500,000	493,750
senior note, 6.75%, 11/15/21	United States	700,000	738,062
senior note, 5.25%, 6/01/24	United States	700,000	675,500
DISH DBS Corp., senior note, 6.75%, 6/01/21	United States	700,000	721,000
senior note, 7.75%, 7/01/26	United States	800,000	791,000
^e iHeartCommunications Inc., senior secured bond, first lien, 9.00%, 3/01/21	United States	1,000,000	802,500
senior secured note, first lien, 9.00%, 9/15/22	United States	100,000	80,000
^b Nexstar Broadcasting Inc., senior note, 144A, 5.625%, 8/01/24	United States	900,000	906,750
^b Radio One Inc., senior sub. note, 144A, 9.25%, 2/15/20	United States	500,000	486,250
^b Sirius XM Radio Inc., senior bond, 144A, 6.00%, 7/15/24	United States	800,000	840,000
senior bond, 144A, 5.375%, 4/15/25	United States	700,000	713,125
Tegna Inc., senior bond, 6.375%, 10/15/23	United States	900,000	941,625
senior note, 5.125%, 7/15/20	United States	800,000	811,000
^b	United States	116,000	120,205

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Univision Communications Inc., senior secured bond, first lien, 144A, 6.75%, 9/15/22			
^b Virgin Media Finance PLC, senior bond, 144A, 6.375%, 4/15/23	United Kingdom	300,000	309,000
^b Virgin Media Secured Finance PLC, senior secured bond, 144A, 5.25%, 1/15/26	United Kingdom	500,000	491,250
senior secured bond, first lien, 144A, 5.50%, 1/15/25	United Kingdom	800,000	806,000
senior secured bond, first lien, 144A, 5.50%, 8/15/26	United Kingdom	200,000	198,480
^b WMG Acquisition Corp., secured note, first lien, 144A, 5.00%, 8/01/23	United States	200,000	203,500
senior note, 144A, 5.625%, 4/15/22	United States	92,000	94,415
			19,603,412

Pharmaceuticals, Biotechnology & Life Sciences 3.0%

^b Concordia International Corp.,			
^e senior note, 144A, 7.00%, 4/15/23	Canada	900,000	85,500
senior secured note, first lien, 144A, 9.00%, 4/01/22	Canada	400,000	368,000
^b Endo DAC/Endo Finance LLC/Endo Finco Inc., senior bond, 144A, 6.00%, 2/01/25	United States	800,000	577,500
senior note, 144A, 6.00%, 7/15/23	United States	1,000,000	755,000
Horizon Pharma Inc., senior note, 6.625%, 5/01/23	United States	1,500,000	1,507,500

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STATEMENT OF INVESTMENTS (UNAUDITED)

	Country	Principal Amount*	Value
Corporate Bonds (continued)			
Pharmaceuticals, Biotechnology & Life Sciences (continued)			
b Jaguar Holding Co. II/Pharmaceutical Product Development LLC, senior note, 144A, 6.375%, 8/01/23	United States	\$ 700,000	\$ 705,250
b Valeant Pharmaceuticals International, senior note, 144A, 6.375%, 10/15/20	United States	1,100,000	1,109,625
b Valeant Pharmaceuticals International Inc., senior note, 144A, 5.625%, 12/01/21	United States	700,000	666,750
senior note, first lien, 144A, 7.00%, 3/15/24	United States	200,000	211,500
			5,986,625
Real Estate 2.8%			
CyrusOne LP/CyrusOne Finance Corp., senior note, 5.00%, 3/15/24	United States	1,400,000	1,414,000
Equinix Inc., senior bond, 5.375%, 4/01/23	United States	1,300,000	1,340,625
senior bond, 5.875%, 1/15/26	United States	200,000	210,000