

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
Franklin Fund Allocator Series - Franklin LifeSmart Retirement Income Fund		20-4554444	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
Shareholder Services	(800) 632-2301	N/A	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and Zip code of contact	
One Franklin Parkway; Attn: Fund Tax Department		San Mateo, CA 94403	
8 Date of action		9 Classification and description	
Various		Multiple classes of shares issued by a single mutual fund/regulated investment company.	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
See Statement 1	N/A	See Statement 1	N/A

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ The Fund paid cash distributions to common shareholders from March 2016 through December 2016.
A portion of this distribution constitutes a non-taxable return of capital.

See Statement 1 for additional information.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ The portion of the distribution that constitutes a non-taxable return of capital will decrease a U.S. taxpayer's basis in the shares of The Fund.

See Statement 1 for per share non-taxable return of capital information.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ The calculation of the return of capital is based upon The Fund's current and accumulated earnings and profits as of its calendar year ended December 31, 2016. Non-taxable return of capital represents the portion of distribution paid from March 2016 through December 2016 in excess of the Fund's current and accumulated earnings and profits.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ _____
IRC Sections 301(c) and 316(a)

18 Can any resulting loss be recognized? ▶ No

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ None

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here Signature ▶ Signed copy is maintained by the issuer Date ▶ 2/7/2017

Paid Preparer Use Only	Print your name ▶ <u>Matthew T. Hinkle</u>	Preparer's signature	Title ▶ <u>Assistant Treasurer</u>	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶		Date	Firm's EIN ▶	
	Firm's address ▶			Phone no.	

Franklin Fund Allocator Series - Franklin LifeSmart Retirement Income Fund

EIN: 20-4554444

FYE: 12/31/2016

Attachment to Form 8937 - Statement 1

Part I - Line 10		Part I - Line 12				Part II - Line 14		Part II - Line 15	
Class	CUSIP	Ticker Symbol	Record Date	Ex- Date	Pay Date	Original Distribution Dividend/Share	Revised Distribution Dividend Return of Capital		
A	354 72P 653	FTRAX	3/28/2016	3/29/2016	3/31/2016	0.037900	0.034400	0.003500	
C	354 72P 646	FRTCX	3/28/2016	3/29/2016	3/31/2016	0.021400	0.019400	0.002000	
R	354 72P 638	FBRLX	3/28/2016	3/29/2016	3/31/2016	0.033400	0.030400	0.003000	
R6	354 72P 398	FLMTX	3/28/2016	3/29/2016	3/31/2016	0.044400	0.040400	0.004000	
ADV	354 72P 620	FLRDX	3/28/2016	3/29/2016	3/31/2016	0.043000	0.039100	0.003900	
A	354 72P 653	FTRAX	5/25/2016	5/26/2016	5/31/2016	0.035500	0.030800	0.004700	
C	354 72P 646	FRTCX	5/25/2016	5/26/2016	5/31/2016	0.028400	0.024600	0.003800	
R	354 72P 638	FBRLX	5/25/2016	5/26/2016	5/31/2016	0.033100	0.028700	0.004400	
R6	354 72P 398	FLMTX	5/25/2016	5/26/2016	5/31/2016	0.038300	0.033200	0.005100	
ADV	354 72P 620	FLRDX	5/25/2016	5/26/2016	5/31/2016	0.037800	0.032800	0.005000	
A	354 72P 653	FTRAX	6/27/2016	6/28/2016	6/30/2016	0.035500	0.030800	0.004700	
C	354 72P 646	FRTCX	6/27/2016	6/28/2016	6/30/2016	0.028400	0.024600	0.003800	
R	354 72P 638	FBRLX	6/27/2016	6/28/2016	6/30/2016	0.033100	0.028700	0.004400	
R6	354 72P 398	FLMTX	6/27/2016	6/28/2016	6/30/2016	0.038300	0.033200	0.005100	
ADV	354 72P 620	FLRDX	6/27/2016	6/28/2016	6/30/2016	0.037800	0.032800	0.005000	
A	354 72P 653	FTRAX	7/26/2016	7/27/2016	7/29/2016	0.035500	0.030800	0.004700	
C	354 72P 646	FRTCX	7/26/2016	7/27/2016	7/29/2016	0.028400	0.024600	0.003800	
R	354 72P 638	FBRLX	7/26/2016	7/27/2016	7/29/2016	0.033100	0.028700	0.004400	
R6	354 72P 398	FLMTX	7/26/2016	7/27/2016	7/29/2016	0.038300	0.033200	0.005100	
ADV	354 72P 620	FLRDX	7/26/2016	7/27/2016	7/29/2016	0.037800	0.032800	0.005000	
A	354 72P 653	FTRAX	8/26/2016	8/29/2016	8/31/2016	0.035500	0.030800	0.004700	
C	354 72P 646	FRTCX	8/26/2016	8/29/2016	8/31/2016	0.028400	0.024600	0.003800	
R	354 72P 638	FBRLX	8/26/2016	8/29/2016	8/31/2016	0.033100	0.028700	0.004400	
R6	354 72P 398	FLMTX	8/26/2016	8/29/2016	8/31/2016	0.038300	0.033200	0.005100	
ADV	354 72P 620	FLRDX	8/26/2016	8/29/2016	8/31/2016	0.037800	0.032800	0.005000	
A	354 72P 653	FTRAX	9/27/2016	9/28/2016	9/30/2016	0.035500	0.030800	0.004700	
C	354 72P 646	FRTCX	9/27/2016	9/28/2016	9/30/2016	0.028400	0.024600	0.003800	
R	354 72P 638	FBRLX	9/27/2016	9/28/2016	9/30/2016	0.033100	0.028700	0.004400	
R6	354 72P 398	FLMTX	9/27/2016	9/28/2016	9/30/2016	0.038300	0.033200	0.005100	
ADV	354 72P 620	FLRDX	9/27/2016	9/28/2016	9/30/2016	0.037800	0.032800	0.005000	
A	354 72P 653	FTRAX	10/26/2016	10/27/2016	10/31/2016	0.035500	0.030800	0.004700	
C	354 72P 646	FRTCX	10/26/2016	10/27/2016	10/31/2016	0.028400	0.024600	0.003800	
R	354 72P 638	FBRLX	10/26/2016	10/27/2016	10/31/2016	0.033100	0.028700	0.004400	
R6	354 72P 398	FLMTX	10/26/2016	10/27/2016	10/31/2016	0.038300	0.033200	0.005100	
ADV	354 72P 620	FLRDX	10/26/2016	10/27/2016	10/31/2016	0.037800	0.032800	0.005000	
A	354 72P 653	FTRAX	11/25/2016	11/28/2016	11/30/2016	0.035500	0.030800	0.004700	
C	354 72P 646	FRTCX	11/25/2016	11/28/2016	11/30/2016	0.028400	0.024600	0.003800	
R	354 72P 638	FBRLX	11/25/2016	11/28/2016	11/30/2016	0.033100	0.028700	0.004400	
R6	354 72P 398	FLMTX	11/25/2016	11/28/2016	11/30/2016	0.038300	0.033200	0.005100	
ADV	354 72P 620	FLRDX	11/25/2016	11/28/2016	11/30/2016	0.037800	0.032800	0.005000	
A	354 72P 653	FTRAX	12/23/2016	12/27/2016	12/29/2016	0.035500	0.030800	0.004700	
C	354 72P 646	FRTCX	12/23/2016	12/27/2016	12/29/2016	0.028400	0.024600	0.003800	
R	354 72P 638	FBRLX	12/23/2016	12/27/2016	12/29/2016	0.033100	0.028700	0.004400	
R6	354 72P 398	FLMTX	12/23/2016	12/27/2016	12/29/2016	0.038300	0.033200	0.005100	
ADV	354 72P 620	FLRDX	12/23/2016	12/27/2016	12/29/2016	0.037800	0.032800	0.005000	