

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name Franklin Strategic Series - Franklin Select U.S. Equity Fund		2 Issuer's employer identification number (EIN) 26-1252046	
3 Name of contact for additional information Shareholder Services	4 Telephone No. of contact (800)632-2301	5 Email address of contact N/A	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact One Franklin Parkway; Attn: Fund Tax Department		7 City, town, or post office, state, and ZIP code of contact San Mateo, CA 94403	
8 Date of action 2/7/2020		9 Classification and description Multiple classes of shares issued by a single mutual fund / regulated investment company	
10 CUSIP number See Statement 1	11 Serial number(s) N/A	12 Ticker symbol See Statement 1	13 Account number(s) 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 ▶ In accordance with the Plan of Reorganization, on July 15, 2019, the tax free reorganization consisted of (i) the acquisition by Franklin Custodian Funds - Franklin Growth Fund ("the Acquiring Fund"), of substantially all of the assets of Franklin Strategic Series - Franklin Select U.S. Equity Fund ("the Target Fund") in exchange solely for full and fractional Class A, Class C, Class R, Class R6 and Advisor Class Shares of the Acquiring Fund; (ii) the distribution of Acquiring Fund shares to the holders of Class A, Class C, Class R, Class R6 and Advisor Class Shares of beneficial interest, with no par value, of the Target Fund, respectively, according to their respective interests in the Target Fund, in complete liquidation of the Target Fund; and (iii) the dissolution of the Target Fund, as soon as is practicable after the closing.

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 ▶ See Statement 1

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 ▶ There was no change in aggregate basis as a result of the above described organizational action.
For additional details see Statement 1.

Part III Organizational Action *(continued)*

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ _____
IRC Sections 354(a), 357(a), 358(a), 361(a), 361(c), 362(b), 368(a), 1032(a), 1223(1), and 1223(2)

18 Can any resulting loss be recognized? ▶ No loss can be recognized as a result of this event.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ _____
The above described organizational action is reportable in the tax year ended February 7, 2020.

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 ▶ 3/19/20

Paid Preparer Use Only	Print your name ▶ Chelsea Brissenden	Preparer's signature	Title ▶ Assistant Treasurer - Tax	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Print/Type preparer's name				Firm's EIN ▶	
	Firm's name ▶				Phone no.	
	Firm's address ▶					

Franklin Strategic Series – Franklin Select U.S. Equity Fund

EIN: 26-1252046

For the year ended February 7, 2020

Attachment to Form 8937

Attachment to Form 8937

Form 8937 Part II Line 15

Franklin Strategic Series - Franklin Select U.S. Equity Fund (Target Fund)				Franklin Custodian Funds - Franklin Growth Fund (Acquiring Fund)				
CUSIP	TICKER	Class	NAV	CUSIP	TICKER	Class	NAV	Merger Ratio
354713448	FCEQX	A	17.8944	353496508	FKGRX	A	117.7700	0.15194
354713430	FCEDX	C	16.5106	353496888	FRGSX	C	106.8300	0.15455
354713422	FCERX	R	17.5086	353496730	FGSRX	R	117.3900	0.14915
354713364	FEFCX	R6	18.4295	353496649	FIFRX	R6	117.8700	0.15635
354713414	FCEZX	Z	18.3054	353496839	FCGAX	Z	118.0100	0.15512

NAVs shown are as of immediately prior to the merger.

Merger Ratio is the number of Acquiring Fund shares received per one Acquired Fund share surrendered.

Effect on Basis

Each shareholder has an aggregate basis in Franklin Custodian Funds – Franklin Growth Fund shares received in the merger equal to the aggregate basis of that shareholder's Franklin Strategic Series – Franklin Select U.S. Equity Fund shares surrendered in the merger.

The number of **Franklin Custodian Funds – Franklin Growth Fund** shares received for each share of Franklin Strategic Series – Franklin Select U.S. Equity Fund shares given up in exchange is as follows:

- 0.15194 shares of Franklin Custodian Funds – Franklin Growth Fund Class A shares for one Franklin Strategic Series – Franklin Select U.S. Equity Fund Class A share
- 0.15455 shares of Franklin Custodian Funds – Franklin Growth Fund Class C shares for one Franklin Strategic Series – Franklin Select U.S. Equity Fund Class C share
- 0.14915 shares of Franklin Custodian Funds – Franklin Growth Fund Class R shares for one Franklin Strategic Series – Franklin Select U.S. Equity Fund Class R share
- 0.15635 shares of Franklin Custodian Funds – Franklin Growth Fund Class R6 shares for one Franklin Strategic Series – Franklin Select U.S. Equity Fund Class R6 share
- 0.15512 shares of Franklin Custodian Funds – Franklin Growth Fund Advisor Class shares for one Franklin Strategic Series – Franklin Select U.S. Equity Fund Advisor Class share