



FRANKLIN TEMPLETON INVESTMENTS

Franklin DynaTech Fund—Advisor Class

Growth Equity
September 30, 2018

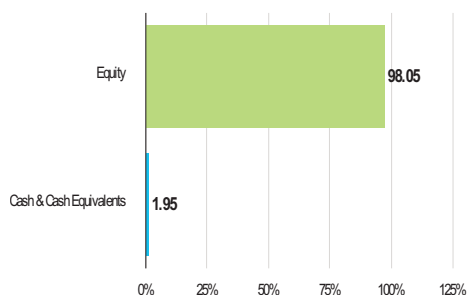
Product Profile

Product Details¹

Fund Assets	\$6,808,135,350.20
Fund Inception Date	01/01/1968
Number of Issuers	136
NASDAQ Symbol	FDYZX
Maximum Sales Charge	0.00
Investment Style	Growth
Benchmark	Russell 1000 Growth Index S&P 500 Index
Lipper Classification	Multi-Cap Growth Funds
Morningstar Category™	Large Growth
Dividend Frequency	Annually in December

Asset Allocation²

Percent of Total



Third-Party Fund Data

Overall Morningstar Rating™³



As of 09/30/2018 the fund's Advisor Class shares received a 5 star overall Morningstar Rating™, measuring risk-adjusted returns against 1258, 1129 and 818 U.S.-domiciled Large Growth mutual funds and exchange traded funds over the 3-, 5- and 10- year periods, respectively. A fund's overall rating is derived from a weighted average of the performance figures associated with its 3-, 5- and 10-year (if applicable) rating metrics.

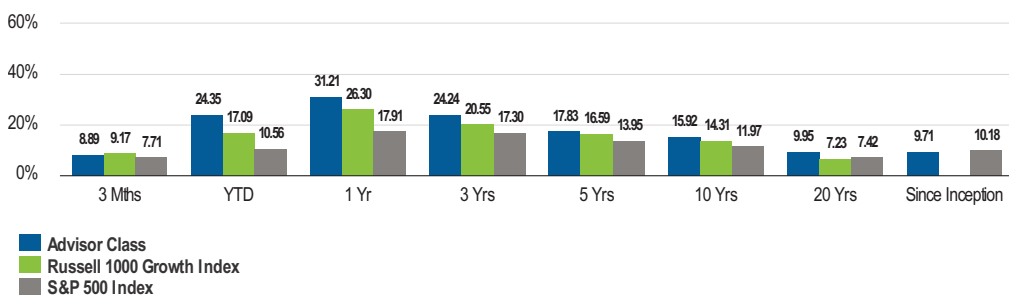
Fund Description

The fund seeks capital appreciation by investing primarily in companies which management believes are leaders in innovation, take advantage of new technologies, have superior management, and benefit from new industry conditions in the dynamically changing global economy.

Performance Data^{4,5}

Average Annual Total Returns⁶ (%)

	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	20 Yrs	Since Inception (01/01/1968)
Advisor Class	8.89	24.35	31.21	24.24	17.83	15.92	9.95	9.71
Russell 1000 Growth Index	9.17	17.09	26.30	20.55	16.59	14.31	7.23	-
S&P 500 Index	7.71	10.56	17.91	17.30	13.95	11.97	7.42	10.18



Total Annual Operating Expenses—With Waiver: 0.64% Without Waiver: 0.65%

Performance data represents past performance, which does not guarantee future results. Current performance may differ from figures shown. The fund's investment return and principal value will change with market conditions, and you may have a gain or a loss when you sell your shares. Please call Franklin Templeton Investments at (800) DIAL BEN/342-5236 or visit franklintempleton.com for the most recent month-end performance.

Advisor Class shares are offered only to certain eligible investors as stated in the prospectus. They are offered without sales charges or Rule 12b-1 fees. The fund offers other share classes subject to different fees and expenses, which will affect their performance. Please see the prospectus for details.

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 01/31/2019. Fund investment results reflect the fee waiver; without this waiver, the results would have been lower.

Calendar Year Returns (%)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Advisor Class	39.68	1.51	8.74	7.47	40.01	15.73	-2.25	18.82	47.49	-40.92
Russell 1000 Growth Index	30.21	7.08	5.67	13.05	33.48	15.26	2.64	16.71	37.21	-38.44
S&P 500 Index	21.83	11.96	1.38	13.69	32.39	16.00	2.11	15.06	26.46	-37.00

1. All holdings are subject to change. Holdings of the same issuers have been combined.
 2. Information is historical and may not reflect current or future portfolio characteristics. Percentage may not equal 100% due to rounding. All holdings are subject to change.
 5. Source for Index: FactSet. Indexes are unmanaged, and one cannot invest directly in an index. They do not reflect any fees, expenses or sales charges.
 6. Periods shorter than one year are shown as cumulative total returns.

Portfolio Manager Insight⁷

Performance Review

QUARTERLY KEY PERFORMANCE DRIVERS

	Stocks	Sectors
HELPED	Veeva Systems (Significant Overweight)	Health Care (Stock Selection, Overweight)
	Square (Significant Overweight)	Information Technology, or IT (Overweight)
	Atlassian (Significant Overweight)	Consumer Staples (Lack of Exposure)
HURT	Apple (Significant Underweight)	Communication Services (Stock Selection, Overweight)
	Tencent Holdings (Off-Benchmark Exposure)	Industrials (Stock Selection, Underweight)
	Alibaba Group Holdings (Off-Benchmark Exposure)	Financials (Stock Selection)

- The stock price of health care technology firm Veeva Systems soared as demand for its life sciences-focused, cloud-based software solutions continued rising strongly. Veeva announced impressive second-quarter 2018 results—revenue jumped 25% year over year to US\$209.6 million, with subscription services' revenue increasing 25% to US\$169.6 million. Management provided strong revenue guidance for the current quarter as the company remains focused on rolling out new products for its huge core life-sciences market; the firm also has been scoring wins outside of this core focus.
- The fund's cash position (averaging 2.0% of the portfolio) was the second-largest drag on relative performance after communication services. Individual detractors were mostly minor, though Apple was a notable exception due to our much lighter-than-index exposure during a month of outsized equity gains; it was, however, among our top contributors in absolute terms.
- Our off-index investments in major China-based, technology-focused companies such as Alibaba (consumer discretionary sector) and Tencent (communication services sector) retreated amid setbacks related to Chinese regulation and worsening US-China trade relations. Tencent, in particular, posted a rare profit decline and lower-than-expected sales, as regulators were making it harder for the Chinese technology giant to make money off its most popular video games.

Outlook & Strategy

- As it pertains to the fund's active, growth-oriented management strategy, we are apt to see any short-term volatility in the coming months not as an obstacle, but as an occasion to potentially add quality names to the DynaTech portfolio. As always, our focus remains on companies that we believe will benefit from multi-year secular tailwinds and unprecedented innovation, and potentially can generate solid risk-adjusted investment performance over the long term regardless of shifts in the markets. We have always recognized that the influence of technology stretches across sectors and industries, and we see innovation as the main driving force behind value creation in the global economy.
- On a cautionary note, we see growing regulatory risks for the data-rich consumer internet platforms, particularly in relation to user privacy and data sharing with companies and government entities. While headline risks are on the rise, we believe that engagement and advertising productivity on platforms like Facebook can remain high, which should keep advertisers engaged and revenue flowing.
- Ongoing market volatility aside, we believe the remainder of the year will be good for IT sector fundamentals (growing revenue, growing earnings per share, increased dividends) based on the "digital transformation" theme, lower taxes, and the need for increased productivity in a tightening labor market. Some stock market-related setbacks are inevitable and may occasionally weigh on what we consider to be a solid IT-driven growth outlook, with significant technology-related changes set to take place in the next few years.
- One key sub-theme in digital transformation involves artificial intelligence (AI) and machine learning, both of which are set to ramp up significantly in the coming months and years. In the near future, all software applications and smart devices across all industries are likely to feature some form of embedded AI in them. Without a doubt, the rapid advancement in AI—supported by a large base of always-connected consumers, high-speed internet access and expanding global cloud-computing infrastructure—is ushering in a radical technological transformation which is permeating all areas of the global economy.
- To gain competitive advantages over their rivals, tech as well as non-tech companies across all industries—including finance, retail, health care, utilities, transportation and others—are expected to invest more in AI. Companies will likely have to keep up or be left behind as machine- and deep-learning take hold and become more prevalent. Other sub-themes in the digital transformation include SaaS (software-as-a-service), fintech (technology-driven financial products and services), cybersecurity, autonomous vehicles, blockchain, predictive medicine, increasingly sophisticated robotics, and the Internet of Things.

7. The information provided is not a complete analysis of every material fact regarding any country, market, industry, security or fund. Because market and economic conditions are subject to change, comments, opinions and analyses are rendered as of the date of this material and may change without notice. A portfolio manager's assessment of a particular security, investment or strategy is not intended as individual investment advice or a recommendation or solicitation to buy, sell or hold any security or to adopt any investment strategy; it is intended only to provide insight into the fund's portfolio selection process. Holdings are subject to change.

Portfolio Characteristics^{8,9}

	Portfolio	Russell 1000 Growth Index
Market Capitalization (Millions in USD)	236,811	320,059
Return on Equity	15.18%	23.69%
Historical 3-Year EPS Growth	22.85%	17.39%
Estimated 3-5 Yr EPS Growth	23.80%	17.47%
Operating Margin	17.39%	22.05%
Net Margin	10.67%	14.30%
Price to Earnings (12 Month Forward)	36.62x	23.11x

Portfolio Diversification**Top Ten Holdings**¹⁰

Percent of Total

Top Holdings	Sector	%
AMAZON.COM INC	Retailing	7.36
ALPHABET INC	Media & Entertainment	4.64
MICROSOFT CORP	Software & Services	3.36
MASTERCARD INC	Software & Services	3.27
FACEBOOK INC	Media & Entertainment	2.42
SALESFORCE.COM INC	Software & Services	2.34
VISA INC	Software & Services	2.20
ADOBE INC	Software & Services	1.98
NVIDIA CORP	Semiconductors & Semiconductor Equipment	1.75
SERVICENOW INC	Software & Services	1.72

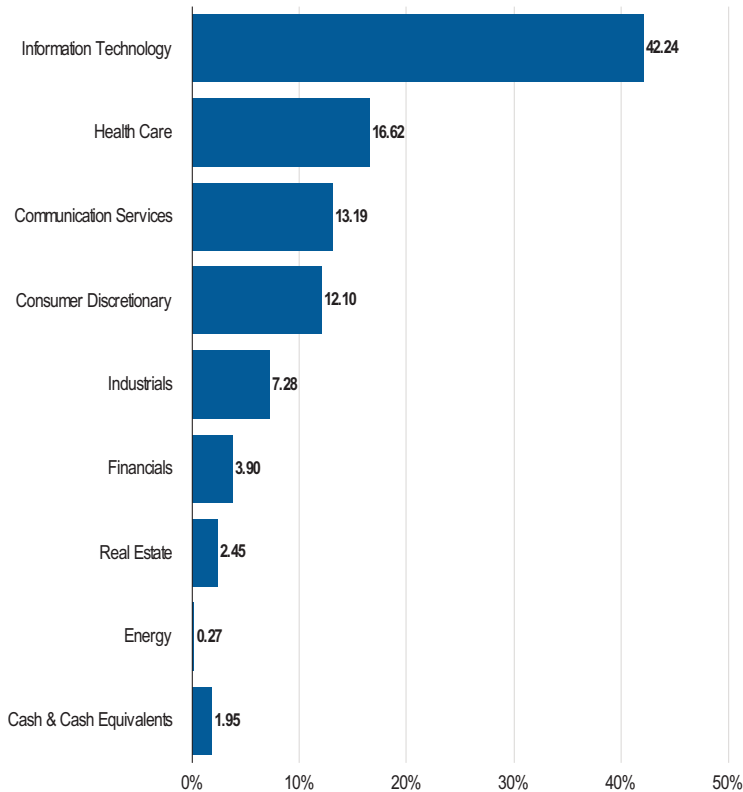
8. The portfolio characteristics listed are based on the fund's underlying holdings, and do not necessarily reflect the fund's characteristics. Due to data limitations all equity holdings are assumed to be the primary equity issue (usually the ordinary or common shares) of each security's issuing company. This methodology may cause small differences between the portfolio's reported characteristics and the portfolio's actual characteristics. In practice, Franklin Templeton's portfolio managers invest in the class or type of security which they believe is most appropriate at the time of purchase. The market capitalization figures for both the portfolio and the benchmark are at the security level, not aggregated up to the main issuer. Source: Factset. Price ratio calculations for weighted average use harmonic means. Any exceptions to this are noted. The Return on Equity calculation uses simple weighted average means. The Estimated 3-5 Year EPS Growth uses simple weighted average means. There can be no assurance that the Estimated 3-5 Year EPS Growth will be realized. Information is historical and may not reflect current or future portfolio characteristics. All holdings are subject to change.

9. Source for Index: FactSet. Indexes are unmanaged, and one cannot invest directly in an index. They do not reflect any fees, expenses or sales charges.

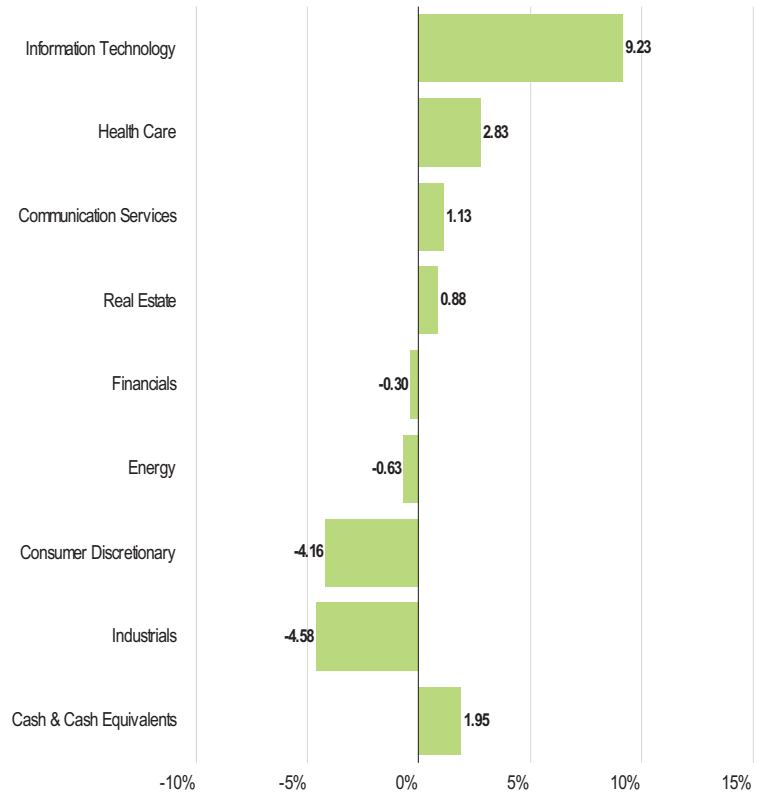
10. Holdings of the same issuers have been combined. Top ten holdings information is historical and may not reflect current or future portfolio characteristics. All holdings are subject to change. The information provided is not a recommendation to purchase, sell, or hold any particular security. The portfolio manager for the fund reserves the right to withhold release of information with respect to holdings that would otherwise be included.

Sector Allocation¹¹

Percent of Total

**Sector Weightings vs. Russell 1000 Growth Index^{12,13}**

Percent of Total

**Supplemental Performance Statistics****Supplemental Risk Statistics^{14,15}**

	3 Yrs	5 Yrs	10 Yrs
Standard Deviation (%)	12.95	13.15	16.14
Tracking Error (%)	5.75	6.25	5.26
Information Ratio	0.64	0.20	0.31
Beta	1.17	1.14	1.05
Sharpe Ratio	1.81	1.32	0.97

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Investment Philosophy

The Franklin Equity Group philosophy holds that companies with the potential for long-term sustainable growth can provide significant opportunities for investors. Market participants can have a short-term perspective and may under appreciate the potential for value created by sustainable growth. We believe that we have the potential to deliver superior risk-adjusted returns by identifying companies with potential for sustainable growth which we believe is not reflected in current prices.

Investment Process

Within a collaborative environment, our team utilizes fundamental, bottom-up research to focus on companies that we believe have sustainable growth characteristics—meeting our criteria of Growth, Quality and Valuation.

11,12. Information is historical and may not reflect current or future portfolio characteristics. Percentage may not equal 100% due to rounding. All holdings are subject to change.

13. Source for Index: FactSet. Indexes are unmanaged, and one cannot invest directly in an index. They do not reflect any fees, expenses or sales charges.

14. Beta, Information Ratio and Tracking Error information are measured against the Russell 1000 Growth Index.

15. Information Ratio is a way to evaluate a manager's ability to outperform a benchmark in relation to the risk that manager is assuming, with risk defined as deviation from the benchmark. This measure is calculated by dividing the portfolio's excess return (portfolio return less the benchmark return) by the tracking error (derived by taking the standard deviation of the monthly differences between the portfolio return and the benchmark return over time).

Growth

- Focus on companies with potential to produce sustainable earnings and cash flow growth
- Evaluate the long-term market opportunity and competitive structure of the industry seeking to identify target leaders and emerging leaders

Quality

- Seek companies with strong and improving competitive positions in attractive markets
- Identify experienced and talented management teams as well as financial strength reflected in the capital structure, gross and operating margins, free cash flow generation, and returns on capital

Valuation

- Consider a range of potential outcomes based on an assessment of multiple scenarios
- Evaluate whether, in our view, security prices fully reflect the balance of the sustainable growth opportunities relative to the business and financial risks

Investment Team**Portfolio Manager**

Matthew Moberg, Portfolio Manager

Years with Firm

19

Years Experience

20

Rupert Johnson Jr.

53

53

Additional Resources

Franklin US Equity Team

Beta: A measure of the magnitude of a portfolio's past share-price fluctuations in relation to the ups and downs of the overall market (or appropriate market index). The market (or index) is assigned a beta of 1.00, so a portfolio with a beta of 1.20 would have seen its share price rise or fall by 12% when the overall market rose or fell by 10%.

Estimated 3-5 Year EPS Growth: An estimated measure of the growth of earnings per share over a forward-looking period. For a portfolio, the value represents a weighted average of the stocks it holds.

Historical 3 Yr Sales Growth: The rate at which sales have increased for the fund's underlying holdings over the last three years.

Information Ratio: In investing terminology, the ratio of expected return to risk. Usually, this statistical technique is used to measure a manager's performance against a benchmark. This measure explicitly relates the degree by which an investment has beaten the benchmark to the consistency by which the investment has beaten the benchmark.

Market Capitalization: A determination of a company's value, calculated by multiplying the total number of company stock shares outstanding by the price per share. Market capitalization is expressed in millions of USD.

Net Margin: The ratio of net profits to revenues for a company or business segment that shows how much of each dollar earned by the company is translated into profits.

Operating Margin: A measurement of what proportion of a company's revenue is left over after paying for variable costs of production such as wages, raw materials, etc.

Price to Earnings (12-mo Forward): A measure of the price to earnings ratio (P/E) using the forecasted earnings for the next 12 months.

Return on Equity: A measure of a corporation's profitability that reveals how much profit a company generates with the money shareholders have invested. For a portfolio, the value represents a weighted average of the stocks it holds.

Sharpe Ratio: To calculate a Sharpe ratio, an asset's excess returns (its return in excess of the return generated by risk-free assets such as Treasury bills) are divided by the asset's standard deviation.

Standard Deviation: A measure of the degree to which returns vary from the average of its previous returns. The larger the standard deviation, the greater the likelihood (and risk) that performance will fluctuate from the average return.

Tracking Error: Measure of the deviation of the return of a product compared to the return of a benchmark over a fixed period of time. Expressed as a percentage. The more passively the investment is managed, the smaller the tracking error.

What Are The Risks?

All investments involve risks, including possible loss of principal. Stocks historically have outperformed other asset classes over the long term, but tend to fluctuate more dramatically over the short term. Investments in fast-growing industries like the technology and healthcare sectors (which have historically been volatile) could result in increased price fluctuation, especially over the short term, due to the rapid pace of product change and development and changes in government regulation of companies emphasizing scientific or technological advancement or regulatory approval for new drugs and medical instruments. The fund may also invest in small- and mid-capitalization companies, which can be particularly sensitive to changing economic conditions, and their prospects for growth are less certain than those of larger, more established companies. These and other risks are described more fully in the fund's prospectus.

Important Legal Information

Investors should carefully consider a fund's investment goals, risks, charges and expenses before investing. To obtain a summary prospectus and/or prospectus, which contains this and other information, talk to your financial advisor, call us at (800) DIAL BEN/342-5236 or visit franklintempleton.com. Please carefully read a prospectus before you invest or send money.

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Source: FTSE. Important data provider notices and terms available at www.franklintempletondatasources.com.

3. Source: Morningstar®, 09/30/2018. For each mutual fund and exchange traded fund with at least a 3-year history, Morningstar calculates a Morningstar Rating™ based on how a fund ranks on a Morningstar Risk-Adjusted Return measure against other funds in the same category. This measure takes into account variations in a fund's monthly performance, and does not take into account the effects of sales charges and loads, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. The weights are: 100% 3-year rating for 36-59 months of total returns, 60% 5-year rating/40% 3-year rating for 60-119 months of total returns, and 50% 10-year rating/30% 5-year rating/20% 3-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent 3-year period actually has the greatest impact because it is included in all three rating periods. The Fund's Advisor Class shares received a Morningstar Rating of 5, 5 and 5 star(s) for the 3-, 5- and 10-year periods, respectively. Morningstar Rating™ is for the named share class only; other classes may have different performance characteristics. **Past performance is not an indicator or a guarantee of future performance.**

4. Effective 05/15/2008, the fund began offering Advisor Class Shares. For periods prior to the fund's Advisor Class inception date, a restated figure is used based on the fund's oldest share class, Class A performance, excluding the effect of Class A's maximum initial sales charge but reflecting the effect of the Class A Rule 12b-1 fees; and b) for periods after the fund's Advisor Class inception date, actual Advisor Class performance is used, reflecting all charges and fees applicable to that class.



**FRANKLIN TEMPLETON
INVESTMENTS**

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