



Franklin DynaTech Fund—Class A, C

Growth
Equity
June 30, 2019

Product Profile

Product Details¹

Fund Assets	\$8,583,336,779.70
Fund Inception Date	01/01/1968
Number of Issuers	138
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

Inception Date

Class A	01/01/1968
Class C	09/16/1996

CUSIP NASDAQ Symbol

Class A	353 496 201	FKDNX
Class C	353 496 870	FDYNX

Maximum Sales Charges

Class A	5.50% initial sales charge
Class C	1.00% contingent deferred sales charge (CDSC) in the first year only

Total Annual Operating Expenses

	With Waiver	Without Waiver
Class A	0.87%	0.87%
Class C	1.62%	1.62%

Third-Party Fund Data

Overall Morningstar Rating™—Class A²



As of 06/30/2019 the fund's Class A shares received a 5 star overall Morningstar Rating™, measuring risk-adjusted returns against 1235, 1100 and 812 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.

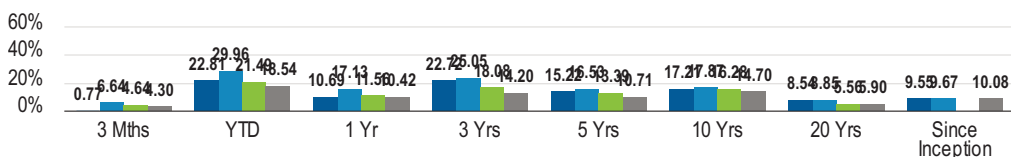
Fund Description

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^{3,4}

Average Annual Total Returns^{5,6} (%)

	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	20 Yrs	Since Inception
Class A - With Sales Charges	0.77	22.81	10.69	22.72	15.22	17.21	8.54	9.55
Class A - Without Sales Charges	6.64	29.96	17.13	25.05	16.53	17.87	8.85	9.67
Class C - With Sales Charges	5.45	28.46	15.24	24.12	15.66	16.99	8.04	9.81
Class C - Without Sales Charges	6.45	29.46	16.24	24.12	15.66	16.99	8.04	9.81
Russell 1000 Growth Index	4.64	21.49	11.56	18.08	13.39	16.28	5.56	-
S&P 500 Index	4.30	18.54	10.42	14.20	10.71	14.70	5.90	10.08



- Class A - With Sales Charges
- Class A - Without Sales Charges
- Russell 1000 Growth Index
- S&P 500 Index

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 at (800) DIAL BEN/342-5236 or visit franklintempleton.com for the most recent month-end performance.

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 01/31/2020. Fund investment results reflect the fee waiver; without this waiver, the results would have been lower.

1. All holdings are subject to change. Holdings of the same issuers have been combined.
 3. Effective 05/01/1994, the fund implemented a Rule 12b-1 plan, which affects subsequent performance. Class A: Prior to 9/10/18, these shares were offered at a higher initial sales charge of 5.75%; thus actual returns would have differed. Total returns with sales charges have been restated to reflect the current maximum initial sales charge of 5.50%. Class C: Prior to 01/01/2004, these shares were offered with an initial sales charge; thus actual returns may differ. The fund offers other share classes subject to different fees and expenses, which will affect their performance. Please see the prospectus for details.
 4. 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.
 5. Periods shorter than one year are shown as cumulative total returns.
 6. Since inception return for the benchmark is calculated to the fund inception date.

Calendar Year Returns (% Without Sales Charges)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Class A	2.80	39.31	1.27	8.46	7.20	39.67	15.42	-2.47	18.51	47.11
Class C	2.03	38.28	0.53	7.62	6.41	38.64	14.54	-3.22	17.62	46.03
Russell 1000 Growth Index	-1.51	30.21	7.08	5.67	13.05	33.48	15.26	2.64	16.71	37.21
S&P 500 Index	-4.38	21.83	11.96	1.38	13.69	32.39	16.00	2.11	15.06	26.46

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If the sales charge had been included, the returns would have been lower.

Portfolio Manager Insight⁷

Performance Review

QUARTERLY KEY PERFORMANCE DRIVERS

	Stocks	Sectors
HELPED	Shopify (Off-Benchmark Exposure)	IT (Stock Selection, Overweight)
	Heico (Significant Overweight)	Health Care (Stock Selection)
	Veeva Systems (Significant Overweight)	Industrials (Stock Selection, Underweight)
HURT	Facebook (Significant Underweight)	Communication Services (Stock Selection)
	Microsoft (Underweight)	Materials (Lack of Exposure)
	Xilinx (Significant Overweight)	—

- Shares of Shopify, which operates a cloud-based commerce platform designed for small and medium-sized businesses, posted an outsized return in the second quarter. The latest catalyst for Shopify was first-quarter operating performance: total revenue increased 50% year-over-year (to US\$320.5 million) during the January–March period; subscription solutions increased 40% year-over-year to US\$140.5 million, driven by growth in monthly recurring revenue; gross merchandise volume climbed 50% year-over-year to reach US\$11.9 billion. The company, currently funding a major growth phase, posted a net loss for the quarter of US\$24.2 million, or US\$0.22 per share, compared with US\$0.16 per share in the year-ago quarter. These metrics surpassed analysts' consensus expectations.
- Contributing to relative performance in the industrials sector were holdings in the aerospace and defense industry, in which aerospace component manufacturer Heico was the standout contributor. The flight support and electronic technology specialist reported solid quarterly results, including impressive gains in sales and an even larger rise in earnings. Heico pointed to strength in aftermarket replacement and specialty products for success in flight support, while defense and aerospace product demand also helped the electronic technologies category. The company expects good industry conditions to persist throughout the remainder of the year.
- While key relative detractors Facebook and Microsoft added solidly to the fund's absolute returns, Xilinx negatively impacted both measures as the semiconductor manufacturer surprised investors with disappointing first-quarter data-center sales. Overall, however, Xilinx said that revenue was up 30% for the quarter compared to the year-earlier period, resulting in a 34% jump in diluted earnings per share over the same time frame—yet investors had wanted to see signs of faster growth, especially in light of even better performance from some of its industry peers.

Outlook & Strategy

- As IT regained its equity market momentum in June, investors were favoring fast-growing companies, many of which are expanding their operations in areas like cloud computing and artificial intelligence (AI); indeed, companies expanding their cloud operations have been reaping some of their strongest quarterly profits in 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 that is permeating all areas of the global economy. Companies will likely have to keep up or be left behind as machine- and deep-learning take hold and become more prevalent.
- Considering the uncertain environment regarding global trade policy, we remain optimistic while exercising caution in our investment strategy. Among the fund's key areas of investment, we note that the semiconductor industry has been particularly volatile lately since it counts China as a critical source of demand. The key risks we are monitoring this summer include China's forward demand potential, which our analysis suggests is focused on semiconductors and semiconductor capital equipment foremost but which also extends to IT hardware built in China. Another area of concern is increased investor expectations within IT. The valuation of the group rose significantly during the spring months, despite growing signs of economic weakness in Europe and signs of weakness in legacy enterprise IT spending after a particularly strong 2018. Though we have moved to reflect these concerns, we are not bearish.
- The pace of disruption is increasing across the investment landscape. Companies once considered highly attractive can quickly find their products or services rendered obsolete. Many industries—such as transportation, retail, manufacturing and banking—are facing challenges from disruptive business models supported by innovative new technology.
- We continue to see innovation as the main driver of value creation across industries and the global economy. The benefit of our approach to active management is that we allocate based on our level of conviction regarding the pace of innovation at each company and the sustainability of the growth it creates. Our view may be very different from that of the market, as selecting securities for an innovation-based portfolio requires an unorthodox approach. For example, the team is likely to conduct additional research on companies that are trading above historical multiples rather than below, as the strategy seeks positive inflections, such as acceleration in earnings or price momentum.

- There is likely to be a general bias toward growth stocks over the long run, in our view. We see a number of structural impediments to strong global GDP growth, including high levels of debt across major economies, adverse demographics in developed markets, a lack of political will for serious structural reform, and rising geopolitical and trade risk, just to name a few. In this environment, we believe investors will place a premium on companies that can grow revenues and earnings—regardless of extant GDP growth—by addressing secular shifts in the way we interact with friends and family, shop and pay for goods and services, treat our illnesses, and spend our leisure time.
- We expect four platforms of growth to generate considerable economic value over the next five to 10 years: robotics; gene sequencing and implantable devices for health care; autonomous driving; and blockchain. In financial services, we expect the use of blockchain with virtual currencies and electronic payments to make transactions more secure and convenient.

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)	214,494	313,797
Return on Equity	12.89%	29.54%
Historical 3-Year EPS Growth	29.28%	28.47%
Estimated 3-5 Yr EPS Growth	21.39%	15.02%
Operating Margin	15.83%	23.33%
Net Margin	12.52%	17.90%
Price to Earnings (12 Month Forward)	37.78x	22.22x

Portfolio Diversification

Top Ten Holdings¹⁰

Percent of Total

Top Holdings	Sector	%
AMAZON.COM INC	Retailing	6.62
MICROSOFT CORP	Software & Services	3.90
ALPHABET INC	Media & Entertainment	3.31
MASTERCARD INC	Software & Services	3.08
VISA INC	Software & Services	2.43
SERVICENOW INC	Software & Services	2.16
SALESFORCE.COM INC	Software & Services	1.77
ADOBE INC	Software & Services	1.72
IDEXX LABORATORIES INC	Health Care Equipment & Services	1.60
HEICO CORP	Capital Goods	1.56

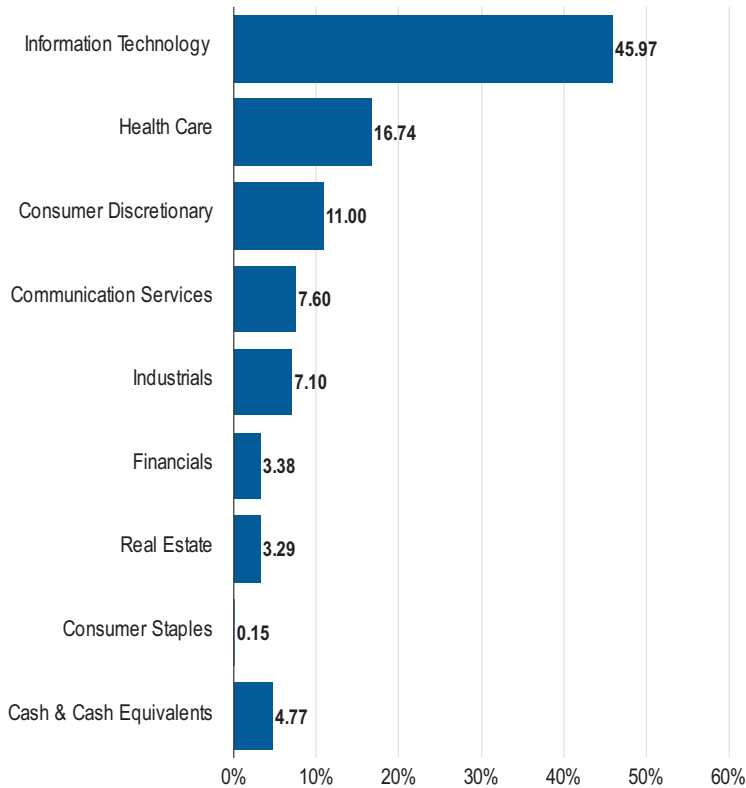
8. The portfolio characteristics listed are based on the fund's underlying holdings, and do not necessarily reflect the fund's characteristics. Due to data limitations all equity holdings are assumed to be the primary equity issue (usually the ordinary or common shares) of each security's issuing company. 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.

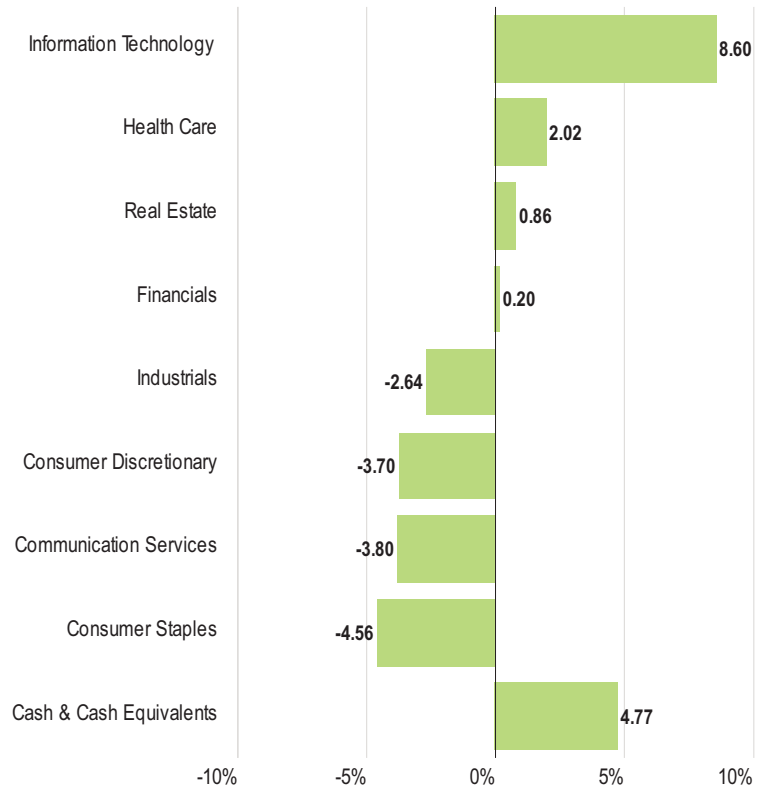
10. Holdings of the same issuers have been combined. Top ten holdings information is historical and may not reflect current or future portfolio characteristics. All holdings are subject to change. The information provided is not a recommendation to purchase, sell, or hold any particular security. The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

Sector Allocation¹¹

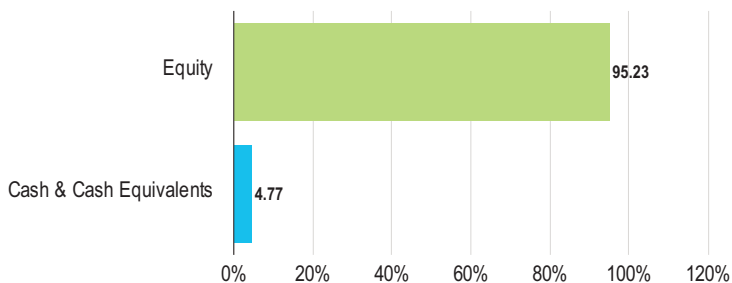
Percent of Total

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

Percent of Total

**Asset Allocation¹⁴**

Percent of Total

**Supplemental Performance Statistics****Supplemental Risk Statistics^{15,16}**

Class A

	3 Yrs	5 Yrs	10 Yrs
Standard Deviation (%)	15.64	15.17	15.56
Tracking Error (%)	5.61	5.27	5.30
Information Ratio	1.25	0.60	0.30
Beta	1.11	1.10	1.10
Sharpe Ratio	1.51	1.03	1.12

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11,12,14. 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.

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

16. 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).

Investment Philosophy

Franklin DynaTech Fund is a growth fund that focuses its investments on innovation. The portfolio managers believe innovation can drive long-term wealth creation in the economy and therefore should be the focus of the portfolio construction process for the fund while it seeks to outperform the market.

Three Key Tenets:

- Discovering innovation requires extensive research. We believe investing in innovation requires active management.
- In our view, innovation is often mispriced, as duration and pace of growth are often misunderstood.
- We believe innovation can occur in various parts of the economy across industries.

Investment Process

Idea Generation Adapted to Innovation Focus

- Evaluate any company employing dynamic technology and innovation
- Leverage portfolio manager market intelligence and analyst input to discover dynamic innovation

Innovation-Oriented Research

- Seek positive inflections, such as earnings and/or revenue acceleration, positive price momentum
- Employ bottom-up, fundamental research to identify compelling opportunities that meet our innovation/sustainable growth profile
- Investment team located near the heart of Silicon Valley
- Environmental, Social and Governance assessment integrated into our research process

Flexible and Opportunistic Portfolio Construction

- Build a diverse portfolio according to end-markets, not third party sector classifications
- Conviction-weighted portfolio with a buy and hold approach

Sell Discipline Tailored to Innovation Universe

- Regular formal discussions with our Investment Risk Management Group
- Well-defined sell criteria for securities that seeks to manage risk and reduce downside

Investment Team

Portfolio Manager	Years with Firm	Years Experience
Matthew Moberg, Portfolio Manager	19	21
Rupert Johnson Jr.	53	53

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.

2. Source: Morningstar®, 06/30/2019. 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 Class A 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.**

**Franklin Templeton Distributors, Inc.**

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