

Product Profile

Product Details¹

Fund Assets	\$19,822,312,889.38
Fund Inception Date	01/14/1987
Number of Issuers	70
Investment Style	Blend
Benchmark	S&P 500 Index
Lipper Classification	Multi-Cap Core Funds
Morningstar Category™	Large Blend
Dividend Frequency	Quarterly

Inception Date

Class A	01/14/1987
Class C	05/01/1995

CUSIP NASDAQ Symbol

Class A	353 825 102	FRDPX
Class C	353 825 409	FRDTX

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

Class A	0.88%
Class C	1.63%

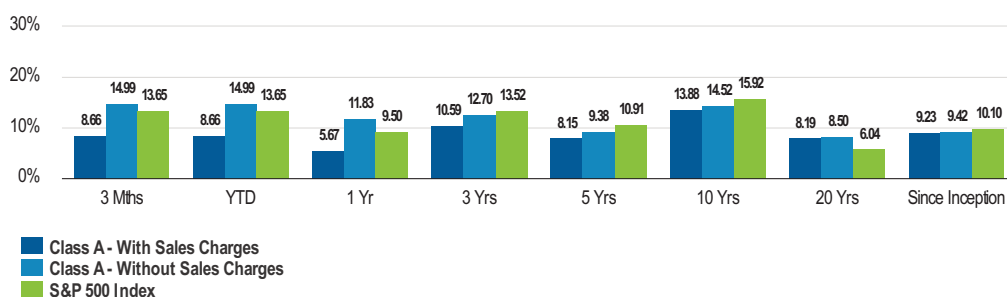
Fund Description

The fund seeks long-term capital appreciation by investing at least 80% of its net assets in companies of any size that have paid consistently rising dividends.

Performance Data Information^{2,3}

Average Annual Total Returns^{4,5} (%)

	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	20 Yrs	Since Inception
Class A - With Sales Charges	8.66	8.66	5.67	10.59	8.15	13.88	8.19	9.23
Class A - Without Sales Charges	14.99	14.99	11.83	12.70	9.38	14.52	8.50	9.42
Class C - With Sales Charges	13.79	13.79	10.00	11.86	8.57	13.67	7.75	9.21
Class C - Without Sales Charges	14.79	14.79	11.00	11.86	8.57	13.67	7.75	9.21
S&P 500 Index	13.65	13.65	9.50	13.52	10.91	15.92	6.04	10.10



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.

Calendar Year Returns (% Without Sales Charges)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Class A	-5.30	20.29	14.41	-3.54	9.72	29.30	10.29	7.21	19.08	17.05
Class C	-6.02	19.40	13.53	-4.25	8.89	28.35	9.47	6.40	18.21	16.18
S&P 500 Index	-4.38	21.83	11.96	1.38	13.69	32.39	16.00	2.11	15.06	26.46

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

- All holdings are subject to change. Holdings of the same issuers have been combined.
- 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.
- 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.
- Periods shorter than one year are shown as cumulative total returns.
- Since inception return for the benchmark is calculated to the fund inception date.

Portfolio Manager Insight⁶

Performance Review

QUARTERLY KEY PERFORMANCE DRIVERS

	Stocks	Sectors
Helped	Roper Technologies, Inc.	Industrials (Overweight)
	Stryker Corporation	Financials (Stock Selection)
	Dover Corporation	Health Care (Stock Selection)
Hurt	Medtronic plc	Consumer Staples (Stock Selection)
	Albemarle Corporation	Consumer Discretionary (Stock Selection)
	Bunge Limited	Information Technology (Underweight)

- Roper Technologies, a diversified industrial company, enjoyed solid stock price performance over the period after reporting favorable financial results. The company continues to post strong revenue and earnings growth, as well as robust cash flow generation. Roper expects to continue achieving strong operating results in 2019, with mid-single-digit organic revenue growth and continued strong profitability.
- Shares of Stryker, a developer of surgical and medical products, rose during the quarter after a solid earnings report. The company's topline growth trajectory looks robust on the back of a steady cadence of new product launches, international expansion and ongoing growth from MAKO, Stryker's robotic-arm assisted technology.
- Shares of Medtronic, a developer of medical products, fell in January on investor concerns about reduced growth from the company's cardiovascular division and a potential step-up in its tax rate due to tax reform. Subsequently, its shares rallied in February following solid financial results. We believe that Medtronic is positioned well going forward, based on good organic growth prospects driven by a strong pipeline, as well as improving margins and cash flow generation.

Outlook & Strategy

- Evidence is building that global economic activity should reaccelerate over the coming months. We believe China's economy, which has been at the center of the recent slowdown, is starting to benefit from the government's stimulus efforts. As the Chinese economy rebounds, we expect the US and global economies to follow suit. Already, we are starting to see some data like German business sentiment begin to bounce back.
- This reacceleration can occur even as the United States and China continue to work out a trade deal. Should the two sides reach a comprehensive agreement, we would expect an even faster rebound in economic activity. A resulting improvement in business confidence could lead to more investment, further supporting economic activity and corporate earnings. Failed trade talks could have the opposite effect, however.
- We also believe the recent inversion of the US yield curve does not necessarily signal a looming recession. Unlike in later stages of an economic cycle, inflation is still well below targets as a host of secular trends is restraining consumer prices, while rising productivity is keeping labor costs flat despite higher wages. Without building inflationary pressure, the Fed can afford to be accommodative as it assesses incoming economic data, in our view.
- In our experience, companies with enduring business models and end markets, and those having the capacity to consistently raise their dividends backed by management's inclination to do so, should perform well regardless of the direction of the underlying economy.
- We also firmly believe companies with consistently rising dividends should, over time, have the potential to realize stock price appreciation. We select portfolio securities based on several criteria: We seek fundamentally sound (e.g., low debt) companies that meet our standards for dividend growth consistency and magnitude, and we attempt to acquire them at what we believe are attractive prices.

6. 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^{7,8,9}

	Portfolio	S&P 500 Index
Price to Earnings (12-Month Trailing)	21.99x	21.68x
Price to Book	3.74x	3.34x
Price to Cash Flow	15.70x	12.05x
Market Capitalization (Millions in USD)	138,969	230,702

7. 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 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.

8. Source: FactSet. Price ratio calculations for weighted average use harmonic means. Any exceptions to this are noted.

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.

Portfolio Diversification

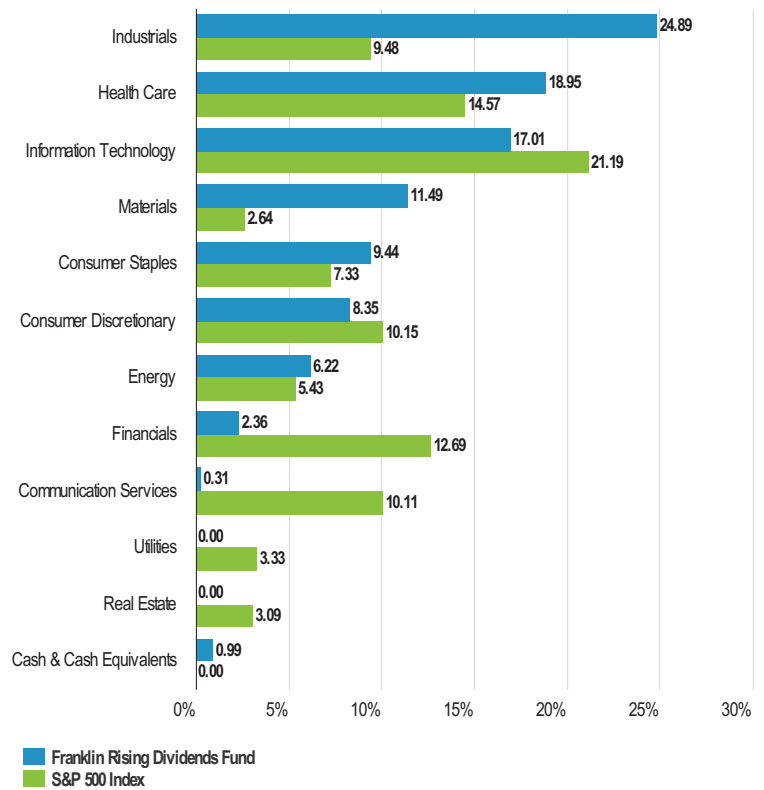
Top Ten Holdings¹⁰

Percent of Total

Top Holdings	Sector	%
MICROSOFT CORP	Software & Services	6.19
ROPER TECHNOLOGIES INC	Capital Goods	6.11
STRYKER CORP	Health Care Equipment & Services	4.10
HONEYWELL INTERNATIONAL INC	Capital Goods	3.57
ACCENTURE PLC	Software & Services	3.56
BECTON DICKINSON AND CO	Health Care Equipment & Services	3.54
LINDE PLC	Materials	3.51
AIR PRODUCTS & CHEMICALS INC	Materials	3.12
ALBEMARLE CORP	Materials	3.03
TEXAS INSTRUMENTS INC	Semiconductors & Semiconductor Equipment	2.99

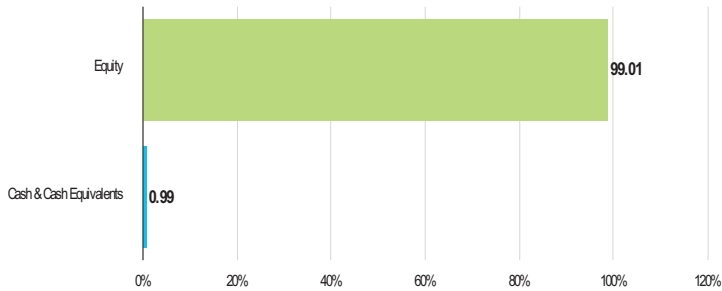
Sector Weightings vs. S&P 500 Index^{11,12}

Percent of Total



Asset Allocation

Percent of Total



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.

11. 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.

12. 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.

Supplemental Performance Statistics

Supplemental Risk Statistics^{13,14}

Class A

	3 Yrs	5 Yrs	10 Yrs
Standard Deviation (%)	10.87	11.24	11.46
Tracking Error (%)	3.09	3.04	3.62
Information Ratio	-0.26	-0.50	-0.39
Beta	0.98	0.97	0.87
Sharpe Ratio	1.06	0.77	1.23

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Investment Philosophy and Process

Investment Criteria

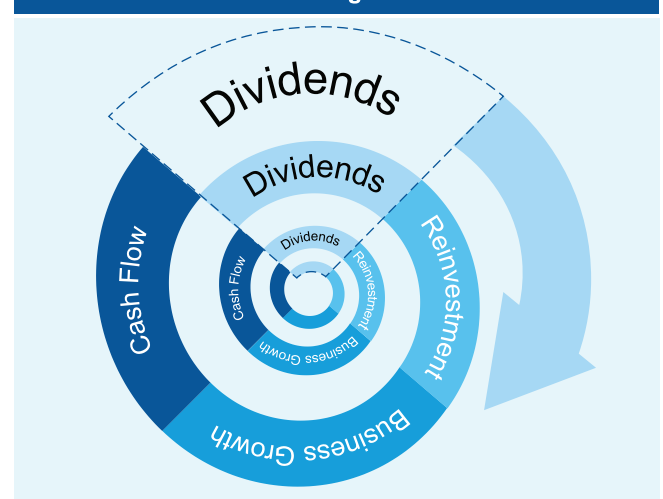
The Fund Invests Primarily in Companies that Have:

- Consistent dividend increases
 - At least 8 out of 10 years
 - No dividend decreases during that time
- Substantial dividend increases
 - At least double over last 10 years
- Reinvested earnings
 - Paid out less than 65% of current earnings in dividends
- Strong balance sheets
 - Long-term debt less than 50% of total capitalization
 - Investment-grade senior debt
- Attractive prices
 - Prices at the time of purchase either in the lower half of the stock's Price/Earnings ratio range for the past 10 years or less than the average current market Price/Earnings ratio of the stocks comprising the Standard & Poor's 500® Stock Index

Investment Approach

Our quantitative screens for dividend growth and valuation metrics reduce our investable universe from 10,000+ companies to +/- 250 qualifiers. Leveraging both the research resources of Franklin Equity Group and a dedicated team focused on dividend growth investing, we conduct bottom-up fundamental analysis to identify 50–70 high conviction companies which we believe will meet our investment criteria going forward. Our analysis includes an assessment of material Environmental, Social, and Governance (ESG) factors.

The Successful Rising Dividends Pattern



Investment Team

Portfolio Manager	Years with Firm	Years Experience
Nicholas Getaz, CFA, Portfolio Manager/Research Analyst	8	18
Matt Quinlan, Portfolio Manager/Research Analyst	13	24
Donald Taylor, Portfolio Manager/Research Analyst	22	37

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%.

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.

Price to Book Value: The price per share of a stock divided by its book value (i.e., net worth) per share. For a portfolio, the value represents a weighted average of the stocks it holds.

13. Beta, Information Ratio and Tracking Error information are measured against the S&P 500 Index.

14. 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).

Price to Cash Flow: Supplements price/earnings ratio as a measure of relative value for a stock. For a portfolio, the value represents a weighted average of the stocks it holds.

Price to Earnings (12-mo Trailing): The share price of a stock, divided by its per-share earnings over the past year. 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. Value securities may not increase in price as anticipated or may decline further in value. For stocks paying dividends, dividends are not guaranteed, and can increase, decrease or be totally eliminated without notice. While smaller and midsize companies may offer substantial opportunities for capital growth, they also involve heightened risks and should be considered speculative. Historically, smaller- and midsize-company securities have been more volatile in price than larger company securities, especially over the short term. These and other risks are detailed 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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