



**Semiannual Report  
and Shareholder Letter**

March 31, 2019

# Franklin Rising Dividends Fund

A SERIES OF FRANKLIN MANAGED TRUST



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During our more than 70 years of experience, we've managed through all kinds of markets—up, down and those in between. We're always preparing for what may come next. It's because of this, combined with our strength as one of the world's largest asset managers that we've earned the trust of millions of investors around the world.

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Dear Shareholder:

During the six months ended March 31, 2019, the U.S. economy continued to grow, but at a more moderate pace due to concerns about trade, geopolitical stress and a partial government shutdown. The U.S. Federal Reserve (Fed) increased its federal funds rate by 0.25% at its December 2018 meeting, bringing the rate from 2.25% at the start of the period to 2.50% by period-end. In March, the Fed kept its key interest rate unchanged and signaled no rate hikes in 2019 based on a more modest economic outlook. The 10-year U.S. Treasury yield began the period at 3.05% and decreased to 2.41% at period-end. In this environment, U.S. stocks, as measured by the Standard & Poor's 500® Index, posted a -1.72% return.<sup>1</sup>

We are committed to our long-term perspective and disciplined investment approach as we conduct a rigorous, fundamental analysis of securities with a regular emphasis on investment risk management.

The enclosed semiannual report for Franklin Rising Dividends Fund includes more detail about prevailing conditions during the period and a discussion about investment decisions. We encourage you to discuss your investment goals with your financial advisor, who can review your overall portfolio,

reassess your goals and help you stay focused on the long term. Please remember all securities markets fluctuate, as do mutual fund prices.

We are grateful for the trust you have placed in Franklin Rising Dividends Fund and look forward to continuing to serve your investment needs.

Sincerely,



Donald G. Taylor, CPA  
President and Chief Investment Officer  
Franklin Managed Trust

*This letter reflects our analysis and opinions as of March 31, 2019, unless otherwise indicated. The information is not a complete analysis of every aspect of any market, country, industry, security or fund. Statements of fact are from sources considered reliable.*

1. Source: Morningstar.

The index is unmanaged and includes reinvestment of any income or distributions. See [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com) for additional data provider information.

**Not FDIC Insured | May Lose Value | No Bank Guarantee**

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# Semiannual Report

## Franklin Rising Dividends Fund

This semiannual report for Franklin Rising Dividends Fund covers the period ended March 31, 2019.

### Your Fund's Goal and Main Investments

The Fund seeks long-term capital appreciation. Preservation of capital, while not a goal, is also an important consideration.

Under normal market conditions, the Fund invests at least 80% of its net assets in companies that have paid consistently rising dividends. The Fund invests predominantly in equity securities, primarily common stock. Companies that have paid consistently rising dividends per share include those companies that currently pay dividends on their common stocks and have maintained or increased their dividend rate during the last four consecutive years. The Fund may invest up to 25% of its total assets in foreign securities.

### Performance Overview

For the six months under review, the Fund's Class A shares posted a +0.37% cumulative total return. In comparison, the Fund's benchmark, the Standard & Poor's® 500 Index (S&P 500®), which is a broad measure of U.S. stock performance, posted a -1.72% total return.<sup>1</sup> You can find more of the Fund's performance data in the Performance Summary beginning on page 6.

*Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to [franklintempleton.com](http://franklintempleton.com) or call (800) 342-5236.*

### Economic and Market Overview

The U.S. economy grew during the six-month period. The economy expanded at a faster rate in 2019's first quarter after moderating in the previous two quarters. Growth in consumer spending, business investment, exports, government spending and inventory investment was partly offset by a decrease in

housing investment. The manufacturing and services sectors expanded during the period. The unemployment rate increased from 3.7% in September 2018 to 3.8% at period-end.<sup>2</sup> The annual inflation rate, as measured by the Consumer Price Index, decreased from 2.3% in September 2018 to 1.9% at period-end.<sup>2</sup>

The U.S. Federal Reserve (Fed) raised its target range for the federal funds rate by 0.25% once during the period, to 2.25%–2.50%, and continued reducing its balance sheet as part of its plan to normalize monetary policy. At its March 2019 meeting, the Fed held its target range for the federal funds rate unchanged and signaled no rate hikes in 2019. The Fed also lowered its forecasts for economic growth in 2019 and 2020. Furthermore, the Fed mentioned it would end its balance sheet normalization by the end of September 2019.

U.S. equity markets overall declined during the period amid concerns about the Fed's interest-rate path, U.S. political uncertainties, U.S. trade disputes with China and other trading partners, and their impact on global growth and corporate earnings. These concerns were partially alleviated by certain upbeat economic data, encouraging U.S. corporate earnings, as well as easing trade tensions and optimism about a potential U.S.-China trade deal. Markets also benefited from the results of the Fed's indications of a patient approach to its monetary policy decisions. After reaching a new all-time high in September 2018, the broad U.S. stock market, as measured by the S&P 500, sold off sharply during 2018's fourth quarter but rallied in 2019's first quarter. Overall, the S&P 500 posted a -1.72% total return for the six-month period.<sup>1</sup>

### Investment Strategy

We base our investment strategy on our belief that companies with consistently rising dividends should, over time, also experience stock price appreciation. We select portfolio securities based on several criteria. To be eligible for purchase, stocks generally will pass certain screening criteria, such as consistent and substantial dividend increases, reinvested

1. Source: Morningstar.

The index is unmanaged and includes reinvestment of any income or distributions. It does not reflect any fees, expenses or sales charges. One cannot invest directly in an index, and an index is not representative of the Fund's portfolio.

2. Source: Bureau of Labor Statistics.

See [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com) for additional data provider information.

**The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Statement of Investments (SOI). The SOI begins on page 14.**

earnings, and long-term debt that is no more than 50% of total capitalization or senior debt that has been rated investment grade by at least one of the major bond rating organizations. We seek fundamentally sound companies that meet our standards and attempt to acquire them at what we believe are attractive prices.

## Manager's Discussion

During the six months under review, holdings that positively contributed to Fund performance included Roper Technologies, Air Products and Chemicals and Stryker.

Roper Technologies, a diversified industrial company, enjoyed solid stock price performance during the period after reporting favorable financial results. The company continued to post strong revenue and earnings growth, as well as robust cash flow generation. Roper expects to continue to achieve strong operating results in 2019, with moderate organic revenue growth and strong profitability. The company has grown its dividend for 26 consecutive years.

Air Products and Chemicals, an industrial gas producer, generated strong share price performance during the period due to ongoing solid financial results. Management remains focused on the significant investment potential in gasification projects, which it believes could provide a long tailwind for profitable growth. The company has raised its dividend for 36 consecutive years.

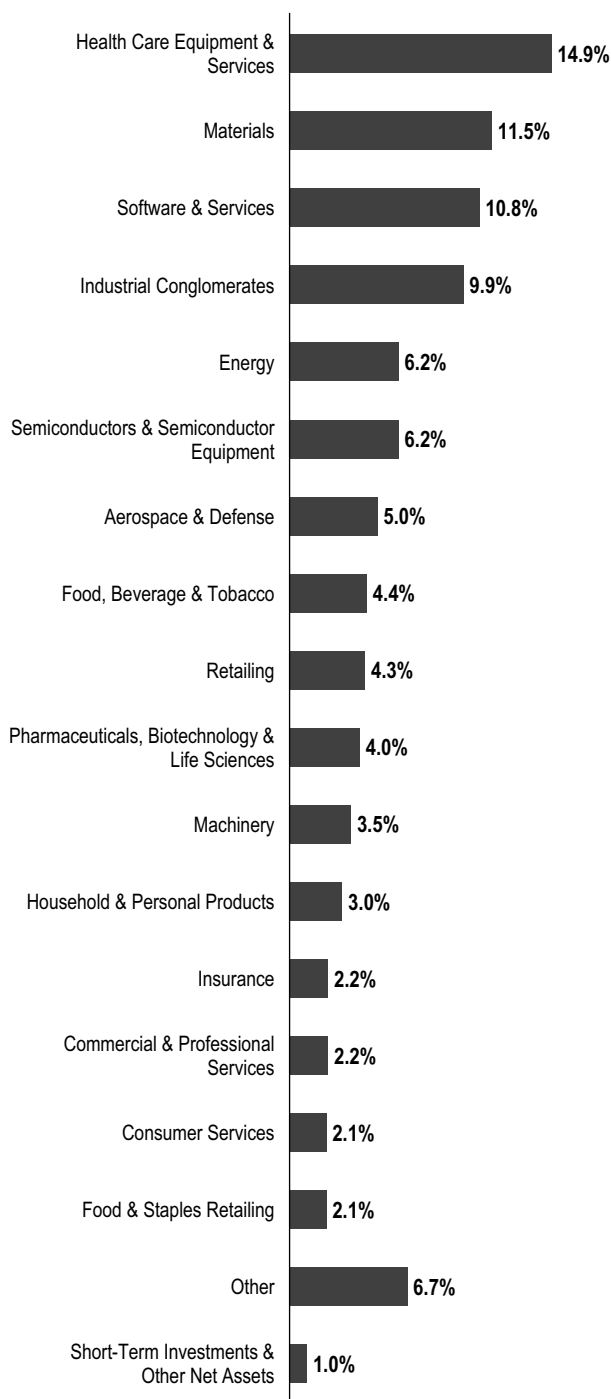
Shares of Stryker, a developer of surgical and medical products, rose based on continued solid earnings reports. We believe the company's topline growth trajectory looks robust due to a steady cadence of new product launches, international expansion and ongoing growth from MAKO, Stryker's robotic-arm assisted technology. Stryker has raised its dividend for 26 years.

Detractors from Fund performance included Albemarle, Schlumberger and General Dynamics.

Shares of Albemarle, a specialty chemicals producer, declined despite ongoing strong performance. Concerns about the possibility of lithium oversupply and pricing implications continued to hurt the industry despite its outlook for balanced supply and demand. We believe Albemarle's long-term contracts, priced below current lithium spot price, and low cost position could provide insulation from spot price fluctuations. The company has increased its dividend for 25 consecutive years.

## Portfolio Composition

Based on Total Net Assets as of 3/31/19



Shares of Schlumberger, an oil and gas services company, declined as concerns mounted around oil production levels and the sustainability of oil prices. The company has struggled as the oil industry has reduced investment in the face of demand uncertainty and higher-than-expected production from both the Organization of the Petroleum Exporting Countries and the U.S. shale oil regions. In our view, Schlumberger is well

positioned to benefit as U.S. shale activity matures and chronic global oil underinvestment leads to the need for new supplies.

General Dynamics, an aerospace and defense company, saw its shares decline after the company reported sequentially weaker bookings in its Aerospace Systems segment. The company attributed the weakness to an issue with one of its suppliers, which has since been resolved. With the launch of the G500 and G600 aircraft platforms, we believe bookings could improve over the next several quarters. In addition, growth in defense spending should benefit the company. The company has raised its dividend for 22 consecutive years.

### Top 10 Holdings

3/31/19

Company Sector/Industry	% of Total Net Assets
Microsoft Corp. Software & Services	6.2%
Roper Technologies Inc. Industrial Conglomerates	6.1%
Stryker Corp. Health Care Equipment & Services	4.1%
Honeywell International Inc. Industrial Conglomerates	3.6%
Accenture PLC Software & Services	3.6%
Becton, Dickinson and Co. Health Care Equipment & Services	3.5%
Linde PLC (United Kingdom) Materials	3.5%
Air Products and Chemicals Inc. Materials	3.1%
Albemarle Corp. Materials	3.0%
Texas Instruments Inc. Semiconductors & Semiconductor Equipment	3.0%

We initiated a new position in Norfolk Southern, a transportation company (17 consecutive years of dividend increases). We added to existing holdings including The Boeing Company, an aerospace company (eight consecutive years of dividend increases); Raytheon, an aerospace and defense manufacturer (15 consecutive years of dividend increases); and Visa, a payments technology company (11 consecutive years of dividend increases); among others. We exited positions in Roche Holding AG and Garrett Motion. We reduced our holdings in several positions, including Dover, Yum! Brands and Walgreens Boots Alliance.

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Subsequent to period-end, on April 1, 2019, Nicolas Getaz and Matt Quinlan were made co-lead portfolio managers, while Donald G. Taylor transitioned from lead portfolio manager to portfolio manager in preparation for his stepping off all portfolio manager duties on September 30, 2019, and his planned retirement on December 2, 2019.

Thank you for your participation in Franklin Rising Dividends Fund. We look forward to continuing to serve your investment needs.



*Donald G. Taylor*

Donald G. Taylor, CPA  
Lead Portfolio Manager

Nicolas Getaz, CFA

Portfolio Management Team

*The foregoing information reflects our analysis, opinions and portfolio holdings as of March 31, 2019, the end of the reporting period. The way we implement our main investment strategies and the resulting portfolio holdings may change depending on factors such as market and economic conditions. These opinions may not be relied upon as investment advice or an offer for a particular security. The information is not a complete analysis of every aspect of any market, country, industry, security or the Fund. Statements of fact are from sources considered reliable, but the investment manager makes no representation or warranty as to their completeness or accuracy. Although historical performance is no guarantee of future results, these insights may help you understand our investment management philosophy.*

## Performance Summary as of March 31, 2019

The performance table does not reflect any taxes that a shareholder would pay on Fund dividends, capital gain distributions, if any, or any realized gains on the sale of Fund shares. Total return reflects reinvestment of the Fund's dividends and capital gain distributions, if any, and any unrealized gains or losses. Your dividend income will vary depending on dividends or interest paid by securities in the Fund's portfolio, adjusted for operating expenses of each class. Capital gain distributions are net profits realized from the sale of portfolio securities.

### Performance as of 3/31/19

*Cumulative total return excludes sales charges. Average annual total return includes maximum sales charges. Sales charges will vary depending on the size of the investment and the class of share purchased. The maximum is 5.50% and the minimum is 0%. **Class A:** 5.50% maximum initial sales charge; **Advisor Class:** no sales charges. For other share classes, visit [franklintempleton.com](http://franklintempleton.com).*

Share Class	Cumulative Total Return <sup>1</sup>	Average Annual Total Return <sup>2</sup>
<b>A<sup>3</sup></b>		
6-Month	+0.37%	-5.15%
1-Year	+11.83%	+5.67%
5-Year	+56.60%	+8.15%
10-Year	+288.04%	+13.88%
<b>Advisor</b>		
6-Month	+0.50%	+0.50%
1-Year	+12.13%	+12.13%
5-Year	+58.59%	+9.66%
10-Year	+297.94%	+14.81%

*Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to [franklintempleton.com](http://franklintempleton.com) or call (800) 342-5236.*

See page 7 for Performance Summary footnotes.



## Distributions (10/1/18–3/31/19)

Share Class	Net Investment Income	Long-Term Capital Gain	Total
A	\$0.4069	\$2.1614	\$2.5683
C	\$0.1654	\$2.1614	\$2.3268
R	\$0.3281	\$2.1614	\$2.4895
R6	\$0.4945	\$2.1614	\$2.6559
Advisor	\$0.4862	\$2.1614	\$2.6476

## Total Annual Operating Expenses<sup>4</sup>

Share Class	
A	0.88%
Advisor	0.63%

Each class of shares is available to certain eligible investors and has different annual fees and expenses, as described in the prospectus.

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. The Fund is actively managed but there is no guarantee that the manager's investment decisions will produce the desired results. The Fund's prospectus also includes a description of the main investment risks.

1. Cumulative total return represents the change in value of an investment over the periods indicated.
2. Average annual total return represents the average annual change in value of an investment over the periods indicated. Return for less than one year, if any, has not been annualized.
3. 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%.
4. Figures are as stated in the Fund's current prospectus and may differ from the expense ratios disclosed in the Your Fund's Expenses and Financial Highlights sections in this report. In periods of market volatility, assets may decline significantly, causing total annual Fund operating expenses to become higher than the figures shown.

## Your Fund's Expenses

As a Fund shareholder, you can incur two types of costs: (1) transaction costs, including sales charges (loads) on Fund purchases and redemptions; and (2) ongoing Fund costs, including management fees, distribution and service (12b-1) fees, and other Fund expenses. All mutual funds have ongoing costs, sometimes referred to as operating expenses. The table below shows ongoing costs of investing in the Fund and can help you understand these costs and compare them with those of other mutual funds. The table assumes a \$1,000 investment held for the six months indicated.

### Actual Fund Expenses

The table below provides information about actual account values and actual expenses in the columns under the heading "Actual." In these columns the Fund's actual return, which includes the effect of Fund expenses, is used to calculate the "Ending Account Value" for each class of shares. You can estimate the expenses you paid during the period by following these steps (*of course, your account value and expenses will differ from those in this illustration*): Divide your account value by \$1,000 (*if your account had an \$8,600 value, then  $\$8,600 \div \$1,000 = 8.6$* ). Then multiply the result by the number in the row for your class of shares under the headings "Actual" and "Expenses Paid During Period" (*if Actual Expenses Paid During Period were \$7.50, then  $8.6 \times \$7.50 = \$64.50$* ). In this illustration, the actual expenses paid this period are \$64.50.

### Hypothetical Example for Comparison with Other Funds

Under the heading "Hypothetical" in the table, information is provided about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. This information may not be used to estimate the actual ending account balance or expenses you paid for the period, but it can help you compare ongoing costs of investing in the Fund with those of other funds. To do so, compare this 5% hypothetical example for the class of shares you hold with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that expenses shown in the table are meant to highlight ongoing costs and do not reflect any transactional costs. Therefore, information under the heading "Hypothetical" is useful in comparing ongoing costs only, and will not help you compare total costs of owning different funds. In addition, if transactional costs were included, your total costs would have been higher.

Share Class	Beginning Account Value 10/1/18	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio <sup>2</sup>
		Ending Account Value 3/31/19	Expenses Paid During Period 10/1/18–3/31/19 <sup>1,2</sup>	Ending Account Value 3/31/19	Expenses Paid During Period 10/1/18–3/31/19 <sup>1,2</sup>	
A	\$1,000	\$1,003.70	\$4.30	\$1,020.64	\$4.33	0.86%
C	\$1,000	\$ 999.90	\$8.03	\$1,016.90	\$8.10	1.61%
R	\$1,000	\$1,002.50	\$5.54	\$1,019.40	\$5.59	1.11%
R6	\$1,000	\$1,005.20	\$2.65	\$1,022.29	\$2.67	0.53%
Advisor	\$1,000	\$1,005.00	\$3.05	\$1,021.89	\$3.07	0.61%

1. Expenses are equal to the annualized expense ratio for the six-month period as indicated above—in the far right column—multiplied by the simple average account value over the period indicated, and then multiplied by 182/365 to reflect the one-half year period.

2. Reflects expenses after fee waivers and expense reimbursements. Does not include acquired fund fees and expenses.

## Financial Highlights

### Franklin Rising Dividends Fund

	Six Months Ended	Year Ended September 30,				
	March 31, 2019 (unaudited)	2018	2017	2016	2015	2014
<b>Class A</b>						
<b>Per share operating performance</b> (for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$66.02	\$58.98	\$53.47	\$47.01	\$49.72	\$45.46
Income from investment operations <sup>a</sup> :						
Net investment income <sup>b</sup> . . . . .	0.38	0.70	0.69	0.69	0.64	0.55
Net realized and unrealized gains (losses) . . .	(0.22)	8.40	6.75	8.26	(2.22)	4.50
Total from investment operations . . . . .	0.16	9.10	7.44	8.95	(1.58)	5.05
Less distributions from:						
Net investment income . . . . .	(0.41)	(0.66)	(0.82)	(0.58)	(0.63)	(0.79)
Net realized gains . . . . .	(2.16)	(1.40)	(1.11)	(1.91)	(0.50)	—
Total distributions . . . . .	(2.57)	(2.06)	(1.93)	(2.49)	(1.13)	(0.79)
Net asset value, end of period . . . . .	\$63.61	\$66.02	\$58.98	\$53.47	\$47.01	\$49.72
Total return <sup>c</sup> . . . . .	0.37%	15.77%	14.36%	19.51%	(3.35)%	11.16%
<b>Ratios to average net assets<sup>d</sup></b>						
Expenses <sup>e</sup> . . . . .	0.86%	0.87%	0.91%	0.91%	0.92%	0.91%
Net investment income . . . . .	1.26%	1.14%	1.25%	1.38%	1.25%	1.12%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$12,450,110	\$12,295,189	\$11,626,959	\$11,662,059	\$10,220,847	\$10,615,668
Portfolio turnover rate . . . . .	1.49%	1.63%	3.09%	1.74%	8.51%	4.42%

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.

<sup>d</sup>Ratios are annualized for periods less than one year.

<sup>e</sup>Benefit of waiver and payments by affiliates and expense reduction rounds to less than 0.01%.

FRANKLIN MANAGED TRUST  
FINANCIAL HIGHLIGHTS

**Franklin Rising Dividends Fund** (continued)

	<b>Six Months Ended</b>	<b>Year Ended September 30,</b>				
	<b>March 31, 2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
	<b>(unaudited)</b>					
<b>Class C</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$64.73	\$57.86	\$52.50	\$46.26	\$48.94	\$44.62
Income from investment operations <sup>a</sup> :						
Net investment income <sup>b</sup> . . . . .	0.15	0.24	0.28	0.31	0.25	0.18
Net realized and unrealized gains (losses) . . .	(0.22)	8.25	6.62	8.12	(2.18)	4.42
Total from investment operations . . . . .	(0.07)	8.49	6.90	8.43	(1.93)	4.60
Less distributions from:						
Net investment income . . . . .	(0.17)	(0.22)	(0.43)	(0.28)	(0.25)	(0.28)
Net realized gains . . . . .	(2.16)	(1.40)	(1.11)	(1.91)	(0.50)	—
Total distributions . . . . .	(2.33)	(1.62)	(1.54)	(2.19)	(0.75)	(0.28)
Net asset value, end of period . . . . .	\$62.33	\$64.73	\$57.86	\$52.50	\$46.26	\$48.94
Total return <sup>c</sup> . . . . .	(0.01)%	14.92%	13.49%	18.62%	(4.07)%	10.32%
<b>Ratios to average net assets<sup>d</sup></b>						
Expenses <sup>e</sup> . . . . .	1.61%	1.62%	1.66%	1.66%	1.67%	1.66%
Net investment income . . . . .	0.51%	0.39%	0.50%	0.63%	0.50%	0.37%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$2,445,921	\$2,980,374	\$2,907,500	\$2,956,171	\$2,644,955	\$2,775,137
Portfolio turnover rate . . . . .	1.49%	1.63%	3.09%	1.74%	8.51%	4.42%

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Total return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.

<sup>d</sup>Ratios are annualized for periods less than one year.

<sup>e</sup>Benefit of waiver and payments by affiliates and expense reduction rounds to less than 0.01%.

**Franklin Rising Dividends Fund** (continued)

	<b>Six Months Ended March 31, 2019 (unaudited)</b>	<b>2018</b>	<b>2017</b>	<b>Year Ended September 30,</b>		
				<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Class R</b>						
<b>Per share operating performance</b> (for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$65.78	\$58.76	\$53.28	\$46.87	\$49.56	\$45.26
Income from investment operations <sup>a</sup> :						
Net investment income <sup>b</sup> . . . . .	0.30	0.55	0.57	0.57	0.51	0.42
Net realized and unrealized gains (losses) . . .	(0.21)	8.37	6.71	8.22	(2.20)	4.48
Total from investment operations . . . . .	0.09	8.92	7.28	8.79	(1.69)	4.90
Less distributions from:						
Net investment income . . . . .	(0.33)	(0.50)	(0.69)	(0.47)	(0.50)	(0.60)
Net realized gains . . . . .	(2.16)	(1.40)	(1.11)	(1.91)	(0.50)	—
Total distributions . . . . .	(2.49)	(1.90)	(1.80)	(2.38)	(1.00)	(0.60)
Net asset value, end of period . . . . .	\$63.38	\$65.78	\$58.76	\$53.28	\$46.87	\$49.56
Total return <sup>c</sup> . . . . .	0.25%	15.50%	14.07%	19.20%	(3.58)%	10.86%
<b>Ratios to average net assets<sup>d</sup></b>						
Expenses <sup>e</sup> . . . . .	1.11%	1.12%	1.16%	1.16%	1.17%	1.16%
Net investment income . . . . .	1.01%	0.89%	1.00%	1.13%	1.00%	0.87%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$192,476	\$203,792	\$227,179	\$247,961	\$243,597	\$332,943
Portfolio turnover rate . . . . .	1.49%	1.63%	3.09%	1.74%	8.51%	4.42%

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Total return is not annualized for periods less than one year.

<sup>d</sup>Ratios are annualized for periods less than one year.

<sup>e</sup>Benefit of waiver and payments by affiliates and expense reduction rounds to less than 0.01%.

**Franklin Rising Dividends Fund** (continued)

	<b>Six Months Ended</b>	<b>Year Ended September 30,</b>				
	<b>March 31, 2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
	<b>(unaudited)</b>					
<b>Class R6</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$65.97	\$58.97	\$53.46	\$46.98	\$49.67	\$45.50
Income from investment operations <sup>a</sup> :						
Net investment income <sup>b</sup> . . . . .	0.48	0.83	0.92	0.90	0.84	0.74
Net realized and unrealized gains (losses) . . .	(0.22)	8.47	6.73	8.24	(2.20)	4.50
Total from investment operations . . . . .	0.26	9.30	7.65	9.14	(1.36)	5.24
Less distributions from:						
Net investment income . . . . .	(0.49)	(0.90)	(1.03)	(0.75)	(0.83)	(1.07)
Net realized gains . . . . .	(2.16)	(1.40)	(1.11)	(1.91)	(0.50)	—
Total distributions . . . . .	(2.65)	(2.30)	(2.14)	(2.66)	(1.33)	(1.07)
Net asset value, end of period . . . . .	\$63.58	\$65.97	\$58.97	\$53.46	\$46.98	\$49.67
Total return <sup>c</sup> . . . . .	0.52%	16.18%	14.80%	19.97%	(2.93)%	11.59%
<b>Ratios to average net assets<sup>d</sup></b>						
Expenses <sup>e</sup> . . . . .	0.53%	0.53%	0.52%	0.52%	0.52%	0.52%
Net investment income . . . . .	1.59%	1.48%	1.64%	1.77%	1.65%	1.51%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$1,700,891	\$1,743,486	\$523,985	\$586,747	\$553,301	\$597,859
Portfolio turnover rate . . . . .	1.49%	1.63%	3.09%	1.74%	8.51%	4.42%

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Total return is not annualized for periods less than one year.

<sup>d</sup>Ratios are annualized for periods less than one year.

<sup>e</sup>Benefit of waiver and payments by affiliates and expense reduction rounds to less than 0.01%.

**Franklin Rising Dividends Fund** (continued)

	<b>Six Months Ended</b>		<b>Year Ended September 30,</b>			
	<b>March 31, 2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Advisor Class</b>						
<b>Per share operating performance</b>						
(for a share outstanding throughout the period)						
Net asset value, beginning of period . . . . .	\$65.98	\$58.95	\$53.45	\$46.97	\$49.68	\$45.48
Income from investment operations <sup>a</sup> :						
Net investment income <sup>b</sup> . . . . .	0.45	0.90	0.78	0.81	0.77	0.67
Net realized and unrealized gains (losses) . . .	(0.20)	8.34	6.79	8.26	(2.22)	4.50
Total from investment operations . . . . .	0.25	9.24	7.57	9.07	(1.45)	5.17
Less distributions from:						
Net investment income . . . . .	(0.49)	(0.81)	(0.96)	(0.68)	(0.76)	(0.97)
Net realized gains . . . . .	(2.16)	(1.40)	(1.11)	(1.91)	(0.50)	—
Total distributions . . . . .	(2.65)	(2.21)	(2.07)	(2.59)	(1.26)	(0.97)
Net asset value, end of period . . . . .	\$63.58	\$65.98	\$58.95	\$53.45	\$46.97	\$49.68
Total return <sup>c</sup> . . . . .	0.50%	16.07%	14.65%	19.81%	(3.11)%	11.43%
<b>Ratios to average net assets<sup>d</sup></b>						
Expenses <sup>e</sup> . . . . .	0.61%	0.62%	0.66%	0.66%	0.67%	0.66%
Net investment income . . . . .	1.51%	1.39%	1.50%	1.63%	1.50%	1.37%
<b>Supplemental data</b>						
Net assets, end of period (000's) . . . . .	\$3,026,571	\$2,883,129	\$3,292,740	\$2,105,241	\$1,671,632	\$1,900,482
Portfolio turnover rate . . . . .	1.49%	1.63%	3.09%	1.74%	8.51%	4.42%

<sup>a</sup>The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

<sup>b</sup>Based on average daily shares outstanding.

<sup>c</sup>Total return is not annualized for periods less than one year.

<sup>d</sup>Ratios are annualized for periods less than one year.

<sup>e</sup>Benefit of waiver and payments by affiliates and expense reduction rounds to less than 0.01%.

**Statement of Investments, March 31, 2019 (unaudited)**  
**Franklin Rising Dividends Fund**

	Shares	Value
<b>Common Stocks 99.0%</b>		
<b>Aerospace &amp; Defense 5.0%</b>		
The Boeing Co. . . . .	319,918	\$ 122,023,124
General Dynamics Corp. . . . .	2,209,190	373,971,683
Raytheon Co. . . . .	566,100	103,075,488
United Technologies Corp. . . . .	3,110,536	400,916,985
		<u>999,987,280</u>
<b>Building Products 1.6%</b>		
Johnson Controls International PLC . . . . .	8,132,149	300,401,584
<sup>a</sup> Resideo Technologies Inc. . . . .	741,266	14,299,021
		<u>314,700,605</u>
<b>Commercial &amp; Professional Services 2.2%</b>		
ABM Industries Inc. . . . .	1,145,249	41,629,801
Cintas Corp. . . . .	1,484,100	299,951,451
<sup>b</sup> Matthews International Corp., A . . . . .	2,538,911	93,812,761
		<u>435,394,013</u>
<b>Consumer Durables &amp; Apparel 1.9%</b>		
NIKE Inc., B . . . . .	4,570,700	384,898,647
<b>Consumer Services 2.1%</b>		
McDonald's Corp. . . . .	1,912,654	363,212,995
Yum! Brands Inc. . . . .	493,600	49,266,216
		<u>412,479,211</u>
<b>Diversified Financials 0.2%</b>		
State Street Corp. . . . .	469,000	30,864,890
<b>Electrical Equipment 0.7%</b>		
nVent Electric PLC . . . . .	5,297,468	142,925,687
<b>Energy 6.2%</b>		
<sup>a</sup> Apergy Corp. . . . .	2,481,950	101,908,867
Chevron Corp. . . . .	2,421,000	298,218,780
EOG Resources Inc. . . . .	1,846,000	175,702,280
Exxon Mobil Corp. . . . .	2,323,500	187,738,800
Occidental Petroleum Corp. . . . .	3,874,900	256,518,380
Schlumberger Ltd. . . . .	4,900,529	213,516,048
		<u>1,233,603,155</u>
<b>Food &amp; Staples Retailing 2.1%</b>		
Walgreens Boots Alliance Inc. . . . .	2,268,247	143,511,988
Walmart Inc. . . . .	2,732,764	266,526,473
		<u>410,038,461</u>
<b>Food, Beverage &amp; Tobacco 4.4%</b>		
Bunge Ltd. . . . .	4,111,980	218,222,779
McCormick & Co. Inc. . . . .	2,162,100	325,677,123
PepsiCo Inc. . . . .	2,682,077	328,688,536
		<u>872,588,438</u>
<b>Health Care Equipment &amp; Services 14.9%</b>		
Abbott Laboratories . . . . .	4,121,500	329,472,710
Becton, Dickinson and Co. . . . .	2,808,756	701,430,636
CVS Health Corp. . . . .	2,357,300	127,129,189
DENTSPLY SIRONA Inc. . . . .	1,755,000	87,030,450
Medtronic PLC . . . . .	6,067,400	552,618,792
Stryker Corp. . . . .	4,118,618	813,509,427



FRANKLIN MANAGED TRUST  
STATEMENT OF INVESTMENTS (UNAUDITED)

**Franklin Rising Dividends Fund** (continued)

	Shares	Value
<b>Common Stocks</b> (continued)		
<b>Health Care Equipment &amp; Services</b> (continued)		
West Pharmaceutical Services Inc. . . . .	3,126,700	\$ 344,562,340
		<u>2,955,753,544</u>
<b>Household &amp; Personal Products 3.0%</b>		
Colgate-Palmolive Co. . . . .	3,874,610	265,565,769
The Procter & Gamble Co. . . . .	3,108,588	323,448,582
		<u>589,014,351</u>
<b>Industrial Conglomerates 9.9%</b>		
Carlisle Cos. Inc. . . . .	322,529	39,548,506
Honeywell International Inc. . . . .	4,447,600	706,812,592
Roper Technologies Inc. . . . .	3,544,402	1,212,079,152
		<u>1,958,440,250</u>
<b>Insurance 2.2%</b>		
Aflac Inc. . . . .	3,129,420	156,471,000
Arthur J. Gallagher & Co. . . . .	591,700	46,211,770
Erie Indemnity Co., A . . . . .	1,305,922	233,133,195
		<u>435,815,965</u>
<b>Machinery 3.5%</b>		
Donaldson Co. Inc. . . . .	2,883,204	144,333,192
Dover Corp. . . . .	3,507,900	329,041,020
Pentair PLC . . . . .	4,816,668	214,389,893
Stanley Black & Decker Inc. . . . .	22,000	2,995,740
		<u>690,759,845</u>
<b>Materials 11.5%</b>		
Air Products and Chemicals Inc. . . . .	3,236,458	618,034,020
<sup>b</sup> Albemarle Corp. . . . .	7,328,965	600,828,551
Ecolab Inc. . . . .	1,443,772	254,883,509
Linde PLC (United Kingdom) . . . . .	3,958,335	696,389,876
Nucor Corp. . . . .	1,825,400	106,512,090
		<u>2,276,648,046</u>
<b>Media &amp; Entertainment 0.3%</b>		
John Wiley & Sons Inc., A . . . . .	1,377,624	60,918,533
<b>Pharmaceuticals, Biotechnology &amp; Life Sciences 4.0%</b>		
AbbVie Inc. . . . .	1,918,900	154,644,151
Johnson & Johnson . . . . .	3,103,800	433,880,202
Perrigo Co. PLC . . . . .	1,711,600	82,430,656
Pfizer Inc. . . . .	3,046,100	129,367,867
		<u>800,322,876</u>
<b>Retailing 4.3%</b>		
The Gap Inc. . . . .	4,071,200	106,584,016
The Home Depot Inc. . . . .	21,500	4,125,635
Ross Stores Inc. . . . .	4,259,150	396,526,865
Target Corp. . . . .	1,837,391	147,469,002
Tiffany & Co. . . . .	1,915,091	202,137,855
		<u>856,843,373</u>

FRANKLIN MANAGED TRUST  
STATEMENT OF INVESTMENTS (UNAUDITED)

**Franklin Rising Dividends Fund** (continued)

	Shares	Value
<b>Common Stocks</b> (continued)		
<b>Semiconductors &amp; Semiconductor Equipment 6.2%</b>		
Analog Devices Inc. . . . .	5,126,519	\$ 539,668,655
Texas Instruments Inc. . . . .	5,589,400	592,867,658
Versum Materials Inc. . . . .	1,784,229	89,764,561
		<u>1,222,300,874</u>
<b>Software &amp; Services 10.8%</b>		
Accenture PLC, A . . . . .	4,013,700	706,491,474
Microsoft Corp. . . . .	10,396,800	1,226,198,592
Visa Inc., A . . . . .	1,318,600	205,952,134
		<u>2,138,642,200</u>
<b>Technology Hardware &amp; Equipment 0.0%†</b>		
Cisco Systems Inc. . . . .	70,000	3,779,300
Corning Inc. . . . .	195,000	6,454,500
		<u>10,233,800</u>
<b>Trading Companies &amp; Distributors 0.8%</b>		
W.W. Grainger Inc. . . . .	539,100	162,231,363
<b>Transportation 1.2%</b>		
Norfolk Southern Corp. . . . .	8,153	1,523,714
United Parcel Service Inc., B . . . . .	2,036,700	227,580,858
		<u>229,104,572</u>
<b>Total Common Stocks (Cost \$10,751,532,805)</b> . . . . .		<u>19,624,509,979</u>
<b>Short Term Investments (Cost \$188,309,528) 1.0%</b>		
<b>Money Market Funds 1.0%</b>		
<sup>c,d</sup> Institutional Fiduciary Trust Money Market Portfolio, 2.10% . . . . .	188,309,528	188,309,528
<b>Total Investments (Cost \$10,939,842,333) 100.0%</b> . . . . .		19,812,819,507
<b>Other Assets, less Liabilities 0.0%†</b> . . . . .		3,149,683
<b>Net Assets 100.0%</b> . . . . .		<u>\$19,815,969,190</u>

†Rounds to less than 0.1% of net assets.

<sup>a</sup>Non-income producing.

<sup>b</sup>See Note 7 regarding holdings of 5% voting securities.

<sup>c</sup>See Note 3(f) regarding investments in affiliated management investment companies.

<sup>d</sup>The rate shown is the annualized seven-day effective yield at period end.

## Financial Statements

### Statement of Assets and Liabilities

March 31, 2019 (unaudited)

#### Franklin Rising Dividends Fund

##### Assets:

##### Investments in securities:

Cost - Unaffiliated issuers	\$10,239,258,522
Cost - Non-controlled affiliates (Note 3f and 7)	700,583,811
Value - Unaffiliated issuers	\$18,929,868,667
Value - Non-controlled affiliates (Note 3f and 7)	882,950,840

##### Receivables:

Investment securities sold	5,415,448
Capital shares sold	16,940,238
Dividends	25,518,649
Other assets	18,507

Total assets	19,860,712,349
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##### Liabilities:

##### Payables:

Capital shares redeemed	24,444,092
Management fees	8,188,522
Distribution fees	8,946,529
Transfer agent fees	2,197,264
Trustees' fees and expenses	44,602
Accrued expenses and other liabilities	922,150

Total liabilities	44,743,159
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Net assets, at value	\$19,815,969,190
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##### Net assets consist of:

Paid-in capital	\$10,738,480,030
Total distributable earnings (loss)	9,077,489,160
Net assets, at value	\$19,815,969,190

**Statement of Assets and Liabilities** (continued)  
March 31, 2019 (unaudited)

**Franklin Rising Dividends Fund**

**Class A:**

Net assets, at value . . . . .	\$12,450,109,848
Shares outstanding . . . . .	195,715,216
Net asset value per share <sup>a</sup> . . . . .	\$63.61
Maximum offering price per share (net asset value per share + 94.50%) . . . . .	\$67.31

**Class C:**

Net assets, at value . . . . .	\$ 2,445,921,318
Shares outstanding . . . . .	39,239,810
Net asset value and maximum offering price per share <sup>a</sup> . . . . .	\$62.33

**Class R:**

Net assets, at value . . . . .	\$ 192,475,500
Shares outstanding . . . . .	3,036,933
Net asset value and maximum offering price per share . . . . .	\$63.38

**Class R6:**

Net assets, at value . . . . .	\$ 1,700,891,377
Shares outstanding . . . . .	26,751,289
Net asset value and maximum offering price per share . . . . .	\$63.58

**Advisor Class:**

Net assets, at value . . . . .	\$ 3,026,571,147
Shares outstanding . . . . .	47,603,800
Net asset value and maximum offering price per share . . . . .	\$63.58

<sup>a</sup>Redemption price is equal to net asset value less contingent deferred sales charges, if applicable.

**Statement of Operations**

for the six months ended March 31, 2019 (unaudited)

**Franklin Rising Dividends Fund**

Investment income:	
Dividends:	
Unaffiliated issuers . . . . .	\$ 190,647,799
Non-controlled affiliates (Note 3f and 7) . . . . .	7,773,774
Total investment income . . . . .	<u>198,421,573</u>
Expenses:	
Management fees (Note 3a) . . . . .	46,631,178
Distribution fees: (Note 3c)	
Class A . . . . .	14,637,585
Class C . . . . .	12,083,992
Class R . . . . .	463,208
Transfer agent fees: (Note 3e)	
Class A . . . . .	5,850,746
Class C . . . . .	1,209,058
Class R . . . . .	93,323
Class R6 . . . . .	202,018
Advisor Class . . . . .	1,374,465
Custodian fees (Note 4) . . . . .	85,415
Reports to shareholders . . . . .	647,060
Registration and filing fees . . . . .	177,928
Professional fees . . . . .	92,931
Trustees' fees and expenses . . . . .	161,588
Other . . . . .	148,391
Total expenses . . . . .	83,858,886
Expense reductions (Note 4) . . . . .	(2,167)
Expenses waived/paid by affiliates (Note 3f and 3g) . . . . .	(307,556)
Net expenses . . . . .	<u>83,549,163</u>
Net investment income . . . . .	<u>114,872,410</u>
Realized and unrealized gains (losses):	
Net realized gain (loss) from:	
Investments:	
Unaffiliated issuers . . . . .	497,952,208
Net change in unrealized appreciation (depreciation) on:	
Investments:	
Unaffiliated issuers . . . . .	(393,901,107)
Non-controlled affiliates (Note 3f and 7) . . . . .	(159,490,323)
Net change in unrealized appreciation (depreciation) . . . . .	<u>(553,391,430)</u>
Net realized and unrealized gain (loss) . . . . .	<u>(55,439,222)</u>
Net increase (decrease) in net assets resulting from operations . . . . .	<u>\$ 59,433,188</u>

**Statements of Changes in Net Assets**

**Franklin Rising Dividends Fund**

	<b>Six Months Ended March 31, 2019 (unaudited)</b>	<b>Year Ended September 30, 2018</b>
Increase (decrease) in net assets:		
Operations:		
Net investment income . . . . .	\$ 114,872,410	\$ 208,408,121
Net realized gain (loss) . . . . .	497,952,208	433,342,583
Net change in unrealized appreciation (depreciation) . . . . .	(553,391,430)	2,169,741,941
Net increase (decrease) in net assets resulting from operations . . . . .	<u>59,433,188</u>	<u>2,811,492,645</u>
Distributions to shareholders:		
Class A . . . . .	(489,884,168)	(398,280,274)
Class C . . . . .	(92,824,827)	(79,151,118)
Class R . . . . .	(7,722,712)	(7,035,147)
Class R6 . . . . .	(71,289,067)	(52,273,566)
Advisor Class . . . . .	(117,152,480)	(93,524,891)
Total distributions to shareholders . . . . .	<u>(778,873,254)</u>	<u>(630,264,996)</u>
Capital share transactions: (Note 2)		
Class A . . . . .	590,469,892	(678,802,613)
Class C . . . . .	(412,493,071)	(256,671,681)
Class R . . . . .	(3,278,076)	(47,107,968)
Class R6 . . . . .	17,927,567	1,056,881,995
Advisor Class . . . . .	236,812,210	(727,919,166)
Total capital share transactions . . . . .	<u>429,438,522</u>	<u>(653,619,433)</u>
Net increase (decrease) in net assets . . . . .	<u>(290,001,544)</u>	<u>1,527,608,216</u>
Net assets:		
Beginning of period . . . . .	20,105,970,734	18,578,362,518
End of period . . . . .	<u>\$19,815,969,190</u>	<u>\$20,105,970,734</u>

## Notes to Financial Statements (unaudited)

### Franklin Rising Dividends Fund

#### 1. Organization and Significant Accounting Policies

Franklin Managed Trust (Trust) is registered under the Investment Company Act of 1940 (1940 Act) as an open-end management investment company, consisting of one fund, Franklin Rising Dividends Fund (Fund) and applies the specialized accounting and reporting guidance in U.S. Generally Accepted Accounting Principles (U.S. GAAP). The Fund offers five classes of shares: Class A, Class C, Class R, Class R6 and Advisor Class. Beginning on October 19, 2018, Class C shares automatically convert to Class A shares after they have been held for 10 years. Each class of shares may differ by its initial sales load, contingent deferred sales charges, voting rights on matters affecting a single class, its exchange privilege and fees due to differing arrangements for distribution and transfer agent fees.

The following summarizes the Fund's significant accounting policies.

##### a. Financial Instrument Valuation

The Fund's investments in financial instruments are carried at fair value daily. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The Fund calculates the net asset value (NAV) per share each business day as of 4 p.m. Eastern time or the regularly scheduled close of the New York Stock Exchange (NYSE), whichever is earlier. Under compliance policies and procedures approved by the Fund's Board of Trustees (the Board), the Fund's administrator has responsibility for oversight of valuation, including leading the cross-functional Valuation Committee (VC). The Fund may utilize independent pricing services, quotations from securities and financial instrument dealers, and other market sources to determine fair value.

Equity securities listed on an exchange or on the NASDAQ National Market System are valued at the last quoted sale price or the official closing price of the day, respectively. Foreign equity securities are valued as of the close of trading on the foreign stock exchange on which the security is primarily traded, or as of 4 p.m. Eastern time. The value is then converted into its U.S. dollar equivalent at the foreign exchange rate in effect at 4 p.m. Eastern time on the day that the value of the security is determined. Over-the-counter (OTC) securities are valued within the range of the most recent quoted bid and ask prices. Securities that trade in multiple markets or on multiple

exchanges are valued according to the broadest and most representative market. Certain equity securities are valued based upon fundamental characteristics or relationships to similar securities.

Investments in open-end mutual funds are valued at the closing NAV.

The Fund has procedures to determine the fair value of financial instruments for which market prices are not reliable or readily available. Under these procedures, the Fund primarily employs a market-based approach which may use related or comparable assets or liabilities, recent transactions, market multiples, book values, and other relevant information for the investment to determine the fair value of the investment. An income-based valuation approach may also be used in which the anticipated future cash flows of the investment are discounted to calculate fair value. Discounts may also be applied due to the nature or duration of any restrictions on the disposition of the investments. Due to the inherent uncertainty of valuations of such investments, the fair values may differ significantly from the values that would have been used had an active market existed.

Trading in securities on foreign securities stock exchanges and OTC markets may be completed before 4 p.m. Eastern time. In addition, trading in certain foreign markets may not take place on every Fund's business day. Occasionally, events occur between the time at which trading in a foreign security is completed and 4 p.m. Eastern time that might call into question the reliability of the value of a portfolio security held by the Fund. As a result, differences may arise between the value of the Fund's portfolio securities as determined at the foreign market close and the latest indications of value at 4 p.m. Eastern time. In order to minimize the potential for these differences, the VC monitors price movements following the close of trading in foreign stock markets through a series of country specific market proxies (such as baskets of American Depositary Receipts, futures contracts and exchange traded funds). These price movements are measured against established trigger thresholds for each specific market proxy to assist in determining if an event has occurred that may call into question the reliability of the values of the foreign securities held by the Fund. If such an event occurs, the securities may be valued using fair value procedures, which may include the use of independent pricing services.

## Franklin Rising Dividends Fund (continued)

### 1. Organization and Significant Accounting Policies (continued)

#### a. Financial Instrument Valuation (continued)

When the last day of the reporting period is a non-business day, certain foreign markets may be open on those days that the Fund's NAV is not calculated, which could result in differences between the value of the Fund's portfolio securities on the last business day and the last calendar day of the reporting period. Any significant security valuation changes due to an open foreign market are adjusted and reflected by the Fund for financial reporting purposes.

#### b. Foreign Currency Translation

Portfolio securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars based on the exchange rate of such currencies against U.S. dollars on the date of valuation. The Fund may enter into foreign currency exchange contracts to facilitate transactions denominated in a foreign currency. Purchases and sales of securities, income and expense items denominated in foreign currencies are translated into U.S. dollars at the exchange rate in effect on the transaction date. Portfolio securities and assets and liabilities denominated in foreign currencies contain risks that those currencies will decline in value relative to the U.S. dollar. Occasionally, events may impact the availability or reliability of foreign exchange rates used to convert the U.S. dollar equivalent value. If such an event occurs, the foreign exchange rate will be valued at fair value using procedures established and approved by the Board.

The Fund does not separately report the effect of changes in foreign exchange rates from changes in market prices on securities held. Such changes are included in net realized and unrealized gain or loss from investments in the Statement of Operations.

Realized foreign exchange gains or losses arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions and the difference between the recorded amounts of dividends, interest, and foreign withholding taxes and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in foreign exchange rates on foreign denominated assets and liabilities other than investments in securities held at the end of the reporting period.

#### c. Income and Deferred Taxes

It is the Fund's policy to qualify as a regulated investment company under the Internal Revenue Code. The Fund intends to distribute to shareholders substantially all of its taxable income and net realized gains to relieve it from federal income and excise taxes. As a result, no provision for U.S. federal income taxes is required.

The Fund may be subject to foreign taxation related to income received, capital gains on the sale of securities and certain foreign currency transactions in the foreign jurisdictions in which it invests. Foreign taxes, if any, are recorded based on the tax regulations and rates that exist in the foreign markets in which the Fund invests. When a capital gain tax is determined to apply, the Fund records an estimated deferred tax liability in an amount that would be payable if the securities were disposed of on the valuation date.

The Fund may recognize an income tax liability related to its uncertain tax positions under U.S. GAAP when the uncertain tax position has a less than 50% probability that it will be sustained upon examination by the tax authorities based on its technical merits. As of March 31, 2019, the Fund has determined that no tax liability is required in its financial statements related to uncertain tax positions for any open tax years (or expected to be taken in future tax years). Open tax years are those that remain subject to examination and are based on the statute of limitations in each jurisdiction in which the Fund invests.

#### d. Security Transactions, Investment Income, Expenses and Distributions

Security transactions are accounted for on trade date. Realized gains and losses on security transactions are determined on a specific identification basis. Estimated expenses are accrued daily. Dividend income is recorded on the ex-dividend date except for certain dividends from securities where the dividend rate is not available. In such cases, the dividend is recorded as soon as the information is received by the Fund. Distributions to shareholders are recorded on the ex-dividend date. Distributable earnings are determined according to income tax regulations (tax basis) and may differ from earnings recorded in accordance with U.S. GAAP. These differences may be permanent or temporary. Permanent differences are reclassified among capital accounts to reflect their tax character. These reclassifications



**Franklin Rising Dividends Fund** (continued)

have no impact on net assets or the results of operations. Temporary differences are not reclassified, as they may reverse in subsequent periods.

Realized and unrealized gains and losses and net investment income, excluding class specific expenses, are allocated daily to each class of shares based upon the relative proportion of net assets of each class. Differences in per share distributions by class are generally due to differences in class specific expenses.

**e. Accounting Estimates**

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

**f. Guarantees and Indemnifications**

Under the Fund's organizational documents, its officers and trustees are indemnified by the Fund against certain liabilities arising out of the performance of their duties to the Fund. Additionally, in the normal course of business, the Fund enters into contracts with service providers that contain general indemnification clauses. The Fund's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet occurred. Currently, the Fund expects the risk of loss to be remote.

**2. Shares of Beneficial Interest**

At March 31, 2019, there were an unlimited number of shares authorized (without par value). Transactions in the Fund's shares were as follows:

	Six Months Ended March 31, 2019		Year Ended September 30, 2018	
	Shares	Amount	Shares	Amount
<b>Class A Shares:</b>				
Shares sold <sup>a</sup> . . . . .	17,429,373	\$1,057,706,773	18,808,403	\$ 1,161,605,875
Shares issued in reinvestment of distributions . . . . .	7,578,244	469,497,968	6,321,101	380,073,730
Shares redeemed . . . . .	(15,540,694)	(936,734,849)	(36,031,200)	(2,220,482,218)
Net increase (decrease) . . . . .	9,466,923	\$ 590,469,892	(10,901,696)	\$ (678,802,613)
<b>Class C Shares:</b>				
Shares sold . . . . .	2,586,619	\$ 151,908,807	4,472,054	\$ 271,543,395
Shares issued in reinvestment of distributions . . . . .	1,428,799	86,715,739	1,251,893	74,169,651
Shares redeemed <sup>a</sup> . . . . .	(10,818,984)	(651,117,617)	(9,930,838)	(602,384,727)
Net increase (decrease) . . . . .	(6,803,566)	\$ (412,493,071)	(4,206,891)	\$ (256,671,681)
<b>Class R Shares:</b>				
Shares sold . . . . .	316,636	\$ 19,121,552	601,475	\$ 37,034,012
Shares issued in reinvestment of distributions . . . . .	113,994	7,035,765	104,447	6,266,855
Shares redeemed . . . . .	(491,771)	(29,435,393)	(1,473,997)	(90,408,835)
Net increase (decrease) . . . . .	(61,141)	\$ (3,278,076)	(768,075)	\$ (47,107,968)
<b>Class R6 Shares:</b>				
Shares sold <sup>b</sup> . . . . .	3,519,502	\$ 210,875,027	21,976,032	\$ 1,333,219,973
Shares issued in reinvestment of distributions . . . . .	1,085,442	67,197,246	816,532	49,038,863
Shares redeemed . . . . .	(4,282,633)	(260,144,706)	(5,249,456)	(325,376,841)
Net increase (decrease) . . . . .	322,311	\$ 17,927,567	17,543,108	\$ 1,056,881,995

**Franklin Rising Dividends Fund** (continued)

**2. Shares of Beneficial Interest** (continued)

	Six Months Ended March 31, 2019		Year Ended September 30, 2018	
	Shares	Amount	Shares	Amount
<b>Advisor Class Shares:</b>				
Shares sold . . . . .	8,407,340	\$ 505,515,868	10,750,124	\$ 664,749,442
Shares issued in reinvestment of distributions . . . . .	1,705,782	105,629,140	1,396,205	83,752,170
Shares redeemed <sup>b</sup> . . . . .	(6,205,482)	(374,332,798)	(24,307,052)	(1,476,420,778)
Net increase (decrease) . . . . .	3,907,640	\$ 236,812,210	(12,160,723)	\$ (727,919,166)

<sup>a</sup>May include a portion of Class C shares that were automatically converted to Class A.  
<sup>b</sup>Effective October 25, 2017, a portion of Advisor Class shares were exchanged into Class R6.

**3. Transactions with Affiliates**

Franklin Resources, Inc. is the holding company for various subsidiaries that together are referred to as Franklin Templeton. Certain officers and trustees of the Fund are also officers and/or directors of the following subsidiaries:

Subsidiary	Affiliation
Franklin Advisers, Inc. (Advisers)	Investment manager
Franklin Templeton Services, LLC (FT Services)	Administrative manager
Franklin Templeton Distributors, Inc. (Distributors)	Principal underwriter
Franklin Templeton Investor Services, LLC (Investor Services)	Transfer agent

**a. Management Fees**

The Fund pays an investment management fee to Advisers based on the average daily net assets of the Fund as follows:

Annualized Fee Rate	Net Assets
0.750%	Up to and including \$500 million
0.625%	Over \$500 million, up to and including \$1 billion
0.500%	Over \$1 billion, up to and including \$5 billion
0.490%	Over \$5 billion, up to and including \$10 billion
0.480%	Over \$10 billion, up to and including \$20 billion
0.470%	In excess of \$20 billion

For the period ended March 31, 2019, the annualized gross effective investment management fee rate was 0.498% of the Fund's average daily net assets.

**b. Administrative Fees**

Under an agreement with Advisers, FT Services provides administrative services to the Fund. The fee is paid by Advisers based on the Fund's average daily net assets, and is not an additional expense of the Fund.

**c. Distribution Fees**

The Board has adopted distribution plans for each share class, with the exception of Class R6 and Advisor Class shares, pursuant to Rule 12b-1 under the 1940 Act. Under the Fund's Class A reimbursement distribution plan, the Fund reimburses Distributors for costs incurred in connection with the servicing, sale and distribution of the Fund's shares up to the maximum annual plan rate. Under the Class A reimbursement distribution plan, costs exceeding the maximum for the current plan year cannot be reimbursed in

**Franklin Rising Dividends Fund** (continued)

subsequent periods. In addition, under the Fund’s Class C and R compensation distribution plans, the Fund pays Distributors for costs incurred in connection with the servicing, sale and distribution of the Fund’s shares up to the maximum annual plan rate for each class. The plan year, for purposes of monitoring compliance with the maximum annual plan rates, is February 1 through January 31.

The maximum annual plan rates, based on the average daily net assets, for each class, are as follows:

Class A . . . . .	0.25%
Class C . . . . .	1.00%
Class R . . . . .	0.50%

**d. Sales Charges/Underwriting Agreements**

Front-end sales charges and contingent deferred sales charges (CDSC) do not represent expenses of the Fund. These charges are deducted from the proceeds of sales of Fund shares prior to investment or from redemption proceeds prior to remittance, as applicable. Distributors has advised the Fund of the following commission transactions related to the sales and redemptions of the Fund’s shares for the period:

Sales charges retained net of commissions paid to unaffiliated brokers/dealers . . . . .	\$932,450
CDSC retained . . . . .	\$ 52,501

**e. Transfer Agent Fees**

Each class of shares pays transfer agent fees to Investor Services for its performance of shareholder servicing obligations. The fees are based on an annualized asset based fee of 0.02% plus a transaction based fee. In addition, each class reimburses Investor Services for out of pocket expenses incurred and, except for Class R6, reimburses shareholder servicing fees paid to third parties. These fees are allocated daily based upon their relative proportion of such classes’ aggregate net assets. Class R6 pays Investor Services transfer agent fees specific to that class.

For the period ended March 31, 2019, the Fund paid transfer agent fees of \$8,729,610, of which \$3,910,118 was retained by Investor Services.

**f. Investments in Affiliated Management Investment Companies**

The Fund invests in one or more affiliated management investment companies for purposes other than exercising a controlling influence over the management or policies. Management fees paid by the Fund are waived on assets invested in the affiliated management investment companies, as noted in the Statement of Operations, in an amount not to exceed the management and administrative fees paid directly or indirectly by each affiliate. During the period ended March 31, 2019, the Fund held investments in affiliated management investment companies as follows:

	Number of Shares Held at Beginning of Period	Gross Additions	Gross Reductions	Number of Shares Held at End of Period	Value at End of Period	Dividend Income	Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)
<b>Non-Controlled Affiliates</b>								
Institutional Fiduciary Trust Money Market Portfolio, 2.10% . . . . .	222,499,729	389,371,108	(423,561,309)	188,309,528	\$188,309,528	\$1,667,488	\$ —	\$ —

**g. Waiver and Expense Reimbursements**

Investor Services has contractually agreed in advance to waive or limit its fees so that the Class R6 transfer agent fees do not exceed 0.03% based on the average net assets of the class until January 31, 2020.

**Franklin Rising Dividends Fund** (continued)

**3. Transactions with Affiliates** (continued)

**g. Waiver and Expense Reimbursements** (continued)

Prior to February 1, 2019, the Class R6 transfer agent fees were limited to 0.02% based on the average net assets of the class.

**4. Expense Offset Arrangement**

The Fund has entered into an arrangement with its custodian whereby credits realized as a result of uninvested cash balances are used to reduce a portion of the Fund's custodian expenses. During the period ended March 31, 2019, the custodian fees were reduced as noted in the Statement of Operations.

**5. Income Taxes**

At March 31, 2019, the cost of investments and net unrealized appreciation (depreciation) for income tax purposes were as follows:

Cost of investments . . . . .	\$10,981,380,931
Unrealized appreciation . . . . .	\$ 9,550,158,638
Unrealized depreciation . . . . .	(718,720,062)
Net unrealized appreciation (depreciation) . . . . .	<u>\$ 8,831,438,576</u>

Differences between income and/or capital gains as determined on a book basis and a tax basis are primarily due to differing treatment of corporate actions.

**6. Investment Transactions**

Purchases and sales of investments (excluding short term securities) for the period ended March 31, 2019, aggregated \$280,838,486 and \$490,919,610, respectively.

**7. Holdings of 5% Voting Securities of Portfolio Companies**

The 1940 Act defines "affiliated companies" to include investments in portfolio companies in which a fund owns 5% or more of the outstanding voting securities. During the period ended March 31, 2019, investments in "affiliated companies" were as follows:

Name of Issuer	Number of Shares Held at Beginning of Period	Gross Additions	Gross Reductions	Number of Shares Held at End of Period	Value at End of Period	Dividend Income	Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)
<b>Non-Controlled Affiliates</b>								
Albemarle Corp. . . . .	7,067,300	261,665	—	7,328,965	\$600,828,551	\$5,090,722	\$ —	\$(125,976,697)
Matthews International Corp., A . . . . .	2,538,911	—	—	2,538,911	93,812,761	1,015,564	—	(33,513,626)
<b>Total Affiliated Securities</b> (Value is 3.5% of Net Assets) . . . . .					<u>\$694,641,312</u>	<u>\$6,106,286</u>	<u>\$ —</u>	<u>\$(159,490,323)</u>

**8. Credit Facility**

The Fund, together with other U.S. registered and foreign investment funds (collectively, Borrowers), managed by Franklin Templeton, are borrowers in a joint syndicated senior unsecured credit facility totaling \$2 billion (Global Credit Facility) which matures on February 7, 2020. This Global Credit Facility provides a source of funds to the Borrowers for temporary and emergency purposes, including the ability to meet future unanticipated or unusually large redemption requests.

**Franklin Rising Dividends Fund** (continued)

Under the terms of the Global Credit Facility, the Fund shall, in addition to interest charged on any borrowings made by the Fund and other costs incurred by the Fund, pay its share of fees and expenses incurred in connection with the implementation and maintenance of the Global Credit Facility, based upon its relative share of the aggregate net assets of all of the Borrowers, including an annual commitment fee of 0.15% based upon the unused portion of the Global Credit Facility. These fees are reflected in other expenses in the Statement of Operations. During the period ended March 31, 2019, the Fund did not use the Global Credit Facility.

**9. Fair Value Measurements**

The Fund follows a fair value hierarchy that distinguishes between market data obtained from independent sources (observable inputs) and the Fund's own market assumptions (unobservable inputs). These inputs are used in determining the value of the Fund's financial instruments and are summarized in the following fair value hierarchy:

- Level 1 – quoted prices in active markets for identical financial instruments
- Level 2 – other significant observable inputs (including quoted prices for similar financial instruments, interest rates, prepayment speed, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the Fund's own assumptions in determining the fair value of financial instruments)

The input levels are not necessarily an indication of the risk or liquidity associated with financial instruments at that level.

At March 31, 2019, all of the Fund's investments in financial instruments carried at fair value were valued using Level 1 inputs. For detailed categories, see the accompanying Statement of Investments.

**10. Subsequent Events**

The Fund has evaluated subsequent events through the issuance of the financial statements and determined that no events have occurred that require disclosure.

## Shareholder Information

### Proxy Voting Policies and Procedures

The Fund's investment manager has established Proxy Voting Policies and Procedures (Policies) that the Fund uses to determine how to vote proxies relating to portfolio securities. Shareholders may view the Fund's complete Policies online at [franklintempleton.com](http://franklintempleton.com). Alternatively, shareholders may request copies of the Policies free of charge by calling the Proxy Group collect at (954) 527-7678 or by sending a written request to: Franklin Templeton Companies, LLC, 300 S.E. 2nd Street, Fort Lauderdale, FL 33301, Attention: Proxy Group. Copies of the Fund's proxy voting records are also made available online at [franklintempleton.com](http://franklintempleton.com) and posted on the U.S. Securities and Exchange Commission's website at [sec.gov](http://sec.gov) and reflect the most recent 12-month period ended June 30.

### Quarterly Statement of Investments

The Trust, on behalf of the Fund, files a complete statement of investments with the U.S. Securities and Exchange Commission for the first and third quarters for each fiscal year as an exhibit to its report on Form N-PORT. Shareholders may view the filed Form N-PORT by visiting the Commission's website at [sec.gov](http://sec.gov). The filed form may also be viewed and copied at the Commission's Public Reference Room in Washington, DC. Information regarding the operations of the Public Reference Room may be obtained by calling (800) SEC-0330.



**FRANKLIN  
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**Semiannual Report and Shareholder Letter  
Franklin Rising Dividends Fund**

**Investment Manager**

Franklin Advisers, Inc.

**Distributor**

Franklin Templeton Distributors, Inc.

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Authorized for distribution only when accompanied or preceded by a summary prospectus and/or prospectus. Investors should carefully consider a fund's investment goals, risks, charges and expenses before investing. A prospectus contains this and other information; please read it carefully before investing.

To help ensure we provide you with quality service, all calls to and from our service areas are monitored and/or recorded.