

SEMIANNUAL REPORT AND SHAREHOLDER LETTER

FRANKLIN FUND ALLOCATOR SERIES

June 30, 2021



FRANKLIN
TEMPLETON

Franklin Corefolio Allocation Fund

Franklin Global Allocation Fund
*Formerly, Franklin Founding Funds Allocation
Fund*

SHAREHOLDER LETTER

Dear Shareholder:

During the six months ended June 30, 2021, the U.S. economy continued to recover from the effects of the coronavirus (COVID-19) pandemic. The recovery accelerated in 2021's first quarter, with total U.S. economic output nearly reaching pre-pandemic levels. The lifting of restrictions, solid vaccination rates, additional fiscal stimulus measures and steady improvement in consumer confidence drove spending higher and fueled optimism about the ongoing recovery.

During the period, the U.S. Federal Reserve held the federal funds rate unchanged at 0.25% to support credit markets and U.S. economic activity, and it continued broad quantitative easing and its policy to allow more flexibility to keep interest rates low, while maintaining a 2% average inflation target.

Rebounding global economic activity, ongoing monetary and fiscal stimulus measures, easing lockdown restrictions and the implementation of vaccination programs globally led many equity markets to reach all-time price highs. In this environment, the prices of U.S. stocks, as measured by the Standard & Poor's® 500 Index (S&P 500®), returned +14.41% (the index increasing from 3,756.07 to 4,297.50).^{1,3} The prices of stocks in global developed markets, as measured by the MSCI World Index, returned +12.16% (the index increasing from 2,690.044 to 3,017.228).^{2,3} Investment-grade bonds, as measured by the Bloomberg Barclays U.S. Aggregate Bond Index (Bloomberg Index), posted a -1.60% total return (an index decrease from 2,392.02 to 2,353.64), which includes reinvestment of income and distributions.⁴

We recognize the important role of financial professionals in today's markets and encourage investors to continue to seek their advice. Amid changing markets and economic conditions, we are confident investors with a well-diversified portfolio and a patient, long-term outlook should be well-positioned for the years ahead.

In addition, Franklin Fund Allocator Series' semiannual report includes more detail about prevailing conditions and a discussion about investment decisions during the period. All securities markets fluctuate, as do mutual fund share prices.

1. Source: Copyright © 2021, S&P Dow Jones Indices LLC. All rights reserved.

2. Source: MSCI.

3. Source: Morningstar. The changes in index prices shown for the S&P 500 and MSCI World Index do not include reinvestments of income and distributions, which are included in their total returns, which were: S&P 500 +15.25% (index total return resulting in an increase from 7,759.35 to 8,942.78) and MSCI World Index +13.33% (index total return resulting in an increase from 11,625.199 to 13,174.277).

4. Sources: Morningstar and Bloomberg Barclays indexes. For the Bloomberg Index, only total return as shown is available, not price change without the inclusion of reinvested income and distributions.

See www.franklintempletondatasources.com for additional data provider information.

We thank you for investing with Franklin, welcome your questions and comments, and look forward to assisting your future investment plans.

Sincerely,

Rupert H. Johnson, Jr.
Chairman
Franklin Fund Allocator Series

This letter reflects our analysis and opinions as of June 30, 2021, 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.

Not FDIC Insured | May Lose Value | No Bank Guarantee

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Visit **franklintempleton.com** for fund updates, to access your account, or to find helpful financial planning tools.

SEMIANNUAL REPORT

Economic and Market Overview

Global developed and emerging market equities, as measured by the MSCI All Country World Index-NR (net of tax withholding when dividends are paid), posted a +12.30% total return for the six months ended June 30, 2021.¹

Global equities benefited from monetary and fiscal stimulus measures, rebounding economic activity and easing novel coronavirus (COVID-19) pandemic restrictions in many regions. The implementation of vaccination programs and additional fiscal stimulus measures led many equity markets to reach new all-time price highs.

In the U.S., the economy continued to recover and equities rallied amid an accommodative monetary policy, additional fiscal stimulus measures and ongoing vaccination programs. The lifting of many COVID-19 restrictions and strong consumer spending also supported the economy. Gross domestic product (GDP) growth accelerated in 2021's first quarter, with total economic output nearly reaching pre-pandemic levels. The rebound in corporate earnings and progress toward a bipartisan infrastructure plan further bolstered investor sentiment. The U.S. Federal Reserve kept the federal funds target rate at a record-low range of 0.00%–0.25% and continued its program of open-ended bond purchases to help keep markets functioning.

The economic recovery in the eurozone was relatively weak, as quarter-over-quarter GDP growth contracted during 2021's first quarter. GDP growth rates were mostly negative among the region's largest economies amid renewed lockdowns, delays in COVID-19 vaccine distribution and weak consumer spending. Nevertheless, optimism that successful vaccine programs would lift global growth helped European developed market equities, as measured by the MSCI Europe Index-NR, to post a +11.80% total return for the six months under review.¹

Asian developed and emerging market equities, as measured by the MSCI All Country Asia Index-NR, posted a +4.54% total return for the six-month period.¹ The region's economic recovery was pressured by weak domestic demand, most notably in China, despite improvement in manufacturing and exports. Asian equity markets experienced volatility near period-end due to inflation concerns, rising COVID-19 infection rates in many countries, especially India, and renewed lockdowns.

Global emerging market stocks, as measured by the MSCI Emerging Markets Index-NR, posted a +7.45% total return for the six months under review.¹ The recovery in oil and

industrial metals prices supported global emerging market equities. Late in the period, higher COVID-19 cases in some countries, limited vaccine rollouts and concerns about rising interest rates and inflation amid higher commodity prices dampened investor enthusiasm in global emerging market equities.

The foregoing information reflects our analysis and opinions as of June 30, 2021. 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.

Franklin Corefolio Allocation Fund

This semiannual report for Franklin Corefolio Allocation Fund covers the period ended June 30, 2021.

Your Fund's Goal and Main Investments

The Fund seeks capital appreciation through investments in a combination of Franklin Growth Fund, Franklin Growth Opportunities Fund, Franklin Mutual Shares Fund and Templeton Growth Fund.

Portfolio Composition* 6/30/21

	% of Total Net Assets
Domestic Equity	75.9%
Foreign Equity	24.1%
Short-Term Investments & Other Net Assets	—%

*The portfolio composition is based on the Statement of Investments (SOI), which classifies each underlying fund into a broad asset class.

Performance Overview

The Fund's Class A shares posted a +12.16% cumulative total return for the six months under review. In comparison, the Fund's benchmarks, the Standard & Poor's 500 Index (S&P 500), which is a broad measure of U.S. stock performance, posted a +15.25% cumulative total return, and the MSCI World Index, which tracks equity performance in global developed markets, posted a +13.33% cumulative total return.¹ You can find the Fund's long-term performance data in the Performance Summary beginning on page 5.

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 or call (800) 342-5236.

Investment Strategy

The Fund invests its assets allocated approximately 25% each in Franklin Growth Fund, Franklin Growth Opportunities Fund, Franklin Mutual Shares Fund and Templeton Growth Fund. These underlying funds, in turn, invest primarily in U.S. and foreign equity securities and, to a lesser extent, fixed income and money market securities. As market

conditions affect the underlying funds, we rebalance the Fund's allocations to maintain the predetermined weightings in each underlying fund whenever the actual allocations exceed plus or minus 3% of the fixed allocation percentages.

Portfolio Review

The Fund's performance can be attributed largely to maintaining a relatively static allocation among domestic and foreign equities, fixed income securities, and short-term investments and other net assets, and to the actual performance of the selected underlying funds.

During the period under review, Franklin Growth Fund – Class R6 and Franklin Growth Opportunities Fund – Class R6 underperformed the S&P 500, while Franklin Mutual Shares Fund – Class R6 outperformed the index. Templeton Growth Fund – Class R6 underperformed the MSCI World Index.

Thank you for your continued participation in Franklin Corefolio Allocation Fund. We look forward to serving your future investment needs.

Thomas A. Nelson, CFA
Wylie Tollette, CFA
Berkeley Revenaugh

Portfolio Management Team

The foregoing information reflects our analysis, opinions and portfolio holdings as of June 30, 2021, 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.

CFA® is a trademark owned by CFA Institute.

1. Source: Morningstar.

The indexes are unmanaged and include reinvestment of any income 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.

See 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 18.

Performance Summary as of June 30, 2021

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 6/30/21

*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.*

Share Class	Cumulative Total Return ¹	Average Annual Total Return ²
A³		
6-Month	+12.16%	+5.97%
1-Year	+38.36%	+30.73%
5-Year	+101.83%	+13.79%
10-Year	+188.92%	+10.56%
Advisor		
6-Month	+12.26%	+12.26%
1-Year	+38.71%	+38.71%
5-Year	+104.29%	+15.36%
10-Year	+196.69%	+11.49%

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 or call (800) 342-5236.

See page 6 for Performance Summary footnotes.

Distributions (1/1/21–6/30/21)

Share Class	Net Investment Income	Long-Term Capital Gain	Total
A	\$0.0029	\$0.6628	\$0.6657
C	\$0.0029	\$0.6628	\$0.6657
R	\$0.0029	\$0.6628	\$0.6657
R6	\$0.0029	\$0.6628	\$0.6657
Advisor	\$0.0029	\$0.6628	\$0.6657

Total Annual Operating Expenses⁴

Share Class	
A	1.06%
Advisor	0.81%

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. Because the Fund invests in underlying funds that may engage in a variety of investment strategies involving certain risks, this fund of funds may be subject to those same risks. Stock prices fluctuate, sometimes rapidly and dramatically, due to factors affecting individual companies, particular industries or sectors, or general market conditions. Growth stock prices reflect projections of future earnings or revenues, and can therefore fall dramatically if the company fails to meet those projections. Value securities may not increase in price as anticipated or may decline further in value. Foreign investing carries additional risks such as currency and market volatility, and political or social instability; risks which are heightened in developing countries. The Fund includes investments in specialized industry sectors such as the technology sector, which has been among the most volatile in the market. Events such as the spread of deadly diseases, disasters, and financial, political or social disruptions, may heighten risks and adversely affect performance. 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 (with sales charges) would have differed. Average annual 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. See www.franklintempletondatasources.com for additional data provider information.

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 1/1/21	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio ²
		Ending Account Value 6/30/21	Expenses Paid During Period 1/1/21–6/30/21 ^{1,2}	Ending Account Value 6/30/21	Expenses Paid During Period 1/1/21–6/30/21 ^{1,2}	
A	\$1,000	\$1,121.60	\$2.10	\$1,022.81	\$2.00	0.40%
C	\$1,000	\$1,117.10	\$6.03	\$1,019.10	\$5.75	1.15%
R	\$1,000	\$1,120.10	\$3.38	\$1,021.61	\$3.22	0.64%
R6	\$1,000	\$1,123.20	\$0.45	\$1,024.37	\$0.43	0.09%
Advisor	\$1,000	\$1,122.60	\$0.79	\$1,024.05	\$0.75	0.15%

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 181/365 to reflect the one-half year period.

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

Franklin Global Allocation Fund

Formerly, Franklin Founding Funds Allocation Fund

This semiannual report for Franklin Global Allocation Fund covers the period ended June 30, 2021.

Your Fund's Goal and Main Investments

The Fund seeks the highest level of long-term total return that is consistent with an acceptable level of risk. Under normal market conditions, the Fund invests in a diversified portfolio of debt and equity securities and, to a lesser extent, alternative strategies.

Portfolio Composition*

6/30/21

	% of Total Net Assets
Diversified Financial Services	13.6%
Capital Markets	10.9%
Banks	7.3%
Software	5.1%
Semiconductors & Semiconductor Equipment	5.0%
Pharmaceuticals	4.2%
Oil, Gas & Consumable Fuels	3.3%
Interactive Media & Services	3.1%
Specialty Retail	2.9%
Metals & Mining	2.5%
Internet & Direct Marketing Retail	2.5%
IT Services	2.3%
Insurance	2.1%
Other**	30.9%
Short-Term Investments & Other Net Assets	4.3%

*The portfolio composition is based on the Statement of Investments (SOI), which classifies each underlying fund into a broad asset class.

**Categories within the Other category are listed in full in the Fund's SOI, which can be found later in this report.

Performance Overview

The Fund's Class A shares posted a +6.88% cumulative total return for the six months under review. In comparison, the Fund's new primary benchmark, the MSCI All Country World Index (ACWI)-NR, which measures equity market performance in global developed and emerging markets, posted a +12.30% cumulative total return. The Fund's old primary benchmark, the Standard & Poor's 500 Index (S&P 500), which is a broad measure of U.S. stock performance, posted a +15.25% cumulative total return. The investment

manager believes the composition of the MSCI ACWI-NR more accurately reflects the Fund's holdings. The Fund's new Custom 60% MSCI ACWI-NR + 30% Bloomberg Barclays Global Aggregate Bond Index + 10% cash and cash equivalents (Blended Benchmark) posted a +6.24% cumulative total return. The MSCI World Index, which tracks equity performance in global developed markets, posted a +13.33% cumulative total return.¹ You can find the Fund's long-term performance data in the Performance Summary beginning on page 10.

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 or call (800) 342-5236.

Investment Strategy

The equity securities in which the Fund invests are primarily common stock of companies in any economic sector or market capitalization. The debt securities in which the Fund may invest include all varieties of fixed, floating and variable rate instruments. Bond investments may include U.S. and foreign corporate debt, U.S. Treasuries and foreign government bonds. The Fund will invest no more than 15% of its assets in alternative strategies, which may include investments that provide exposure to commodities such as commodity future and commodity exchange traded funds (ETFs).

Manager's Discussion

From January 1, 2021, through January 31, 2021, the Fund followed its original investment strategies. For this period, the Fund's performance can be attributed largely to maintaining a relatively static allocation among domestic and foreign equities, fixed income securities, and short-term investments and other net assets, and to the actual performance of the selected underlying funds. For the first month of the period under review, Franklin Income Fund – Class R6 and Franklin Mutual Shares Fund – Class R6 outperformed the S&P 500. Templeton Growth Fund – Class R6 underperformed the MSCI World Index.

1. Source: FactSet. The Blended Benchmark was calculated internally.

The indexes are unmanaged and include reinvestment of any income or distributions. They do 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. Net Returns (NR) include income net of tax withholding when dividends are paid.

See 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 18.

Because of its change in investment strategy, the Fund generally held different investments and had a different investment profile starting on February 1, 2021.

The new strategy outperformed its Blended Benchmark during the five-month period of February through June, driven by our overweighted allocation to equity markets and to a lesser extent our underweighting in fixed income. On an absolute basis, equities contributed to returns, while fixed income detracted slightly.

The Fund's holdings in global equity securities performed strongly, led by our holdings in the U.S. and Europe, while emerging market equities did not perform well.

Individual contributors included financial institutions Bank of America and JPMorgan Chase, energy company Canadian Natural Resources, and information technology companies Microsoft, Alphabet and Facebook.

Individual detractors were concentrated in Chinese equity holdings including Alibaba Group, Tencent Holdings and JD.com amid uncertainty around how evolving Chinese regulation might impact these global technology companies. Other detractors included Japanese video game developer Nexon and global IT services provider Cognizant Technology Solutions.

Fixed income holdings detracted from performance as our holdings in developed government bonds had negative returns during the period, particularly Japanese government bonds and select European government bonds, more than offsetting mildly positive returns in our corporate credit holdings.

Thank you for your continued participation in Franklin Global Allocation Fund. We look forward to serving your future investment needs.

Edward D. Perks, CFA
Todd Brighton, CFA
Eugene Podkaminer, CFA

Portfolio Management Team

The foregoing information reflects our analysis, opinions and portfolio holdings as of June 30, 2021, 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 June 30, 2021

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 6/30/21¹

*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.*

Share Class	Cumulative Total Return ²	Average Annual Total Return ³
A⁴		
6-Month	+6.88%	+0.97%
1-Year	+27.37%	+20.38%
5-Year	+41.80%	+6.02%
10-Year	+86.76%	+5.84%
Advisor		
6-Month	+7.03%	+7.03%
1-Year	+27.65%	+27.65%
5-Year	+43.59%	+7.50%
10-Year	+91.42%	+6.71%

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 or call (800) 342-5236.

See page 11 for Performance Summary footnotes.

Distributions (1/1/21–6/30/21)

Share Class	Net Investment Income
A	\$0.1189
C	\$0.0667
R	\$0.1033
R6	\$0.1404
Advisor	\$0.1353

Total Annual Operating Expenses⁵

Share Class	With Fee Waiver	Without Fee Waiver
A	0.98%	1.02%
Advisor	0.73%	0.77%

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. Stock prices fluctuate, sometimes rapidly and dramatically, due to factors affecting individual companies, particular industries or sectors, or general market conditions. Bonds are affected by changes in interest rates and the creditworthiness of their issuers. Bond prices generally move in the opposite direction of interest rates. Thus, as the prices of bonds adjust to a rise in interest rates, the Fund's share price may decline. Higher-yielding, lower-rated corporate bonds entail a greater degree of credit risk compared to investment-grade securities. Value securities may not increase in price as anticipated or may decline further in value. Foreign investing carries additional risks such as currency and market volatility and political or social instability, risks which are heightened in developing countries. To the extent the Fund focuses on particular countries, regions, industries, sectors or types of investments from time to time, it may be subject to greater risks of adverse developments in such areas of focus than a fund that invests in a wider variety of countries, regions, industries, sectors or investments. In addition to risks associated with more traditional investments (e.g., market risk, credit risk, etc.), the Fund's investments in alternative strategies may expose the Fund to potentially significant fluctuations in value. Events such as the spread of deadly diseases, disasters, and financial, political or social disruptions, may heighten risks and adversely affect performance. The Fund's prospectus also includes a description of the main investment risks.

1. The Fund has an expense reduction and a fee waiver associated with any investments it makes in a Franklin Templeton money fund and/or other Franklin Templeton fund, contractually guaranteed through 4/30/22. Fund investment results reflect the expense reduction and fee waiver; without these reductions, the results would have been lower.
2. Cumulative total return represents the change in value of an investment over the periods indicated.
3. 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.
4. Prior to 9/10/18 these shares were offered at a higher initial sales charge of 5.75%, thus actual returns (with sales charges) would have differed. Average annual total returns (with sales charges) have been restated to reflect the current maximum initial sales charge of 5.50%.
5. 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. See www.franklintempletondatasources.com for additional data provider information.

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 1/1/21	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio ²
		Ending Account Value 6/30/21	Expenses Paid During Period 1/1/21–6/30/21 ^{1,2}	Ending Account Value 6/30/21	Expenses Paid During Period 1/1/21–6/30/21 ^{1,2}	
A	\$1,000	\$1,068.80	\$4.27	\$1,020.67	\$4.17	0.83%
C	\$1,000	\$1,065.40	\$8.08	\$1,016.97	\$7.90	1.58%
R	\$1,000	\$1,068.20	\$5.55	\$1,019.43	\$5.42	1.08%
R6	\$1,000	\$1,070.60	\$2.53	\$1,022.35	\$2.47	0.49%
Advisor	\$1,000	\$1,070.30	\$2.98	\$1,021.91	\$2.91	0.58%

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 181/365 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 Corefolio Allocation Fund

	Six Months Ended June 30, 2021 (unaudited)	Year Ended December 31,				
		2020	2019	2018	2017	2016
Class A						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$21.92	\$20.04	\$17.32	\$19.68	\$17.06	\$16.80
Income from investment operations ^a :						
Net investment income (loss) ^{b,c}	(0.05)	0.12	0.20	0.17	0.17	0.14
Net realized and unrealized gains (losses)	2.71	3.32	4.17	(1.51)	3.23	1.07
Total from investment operations	2.66	3.44	4.37	(1.34)	3.40	1.21
Less distributions from:						
Net investment income and short term gains received from Underlying funds . . .	(—) ^d	(0.18)	(0.20)	(0.15)	(0.18)	(0.17)
Net realized gains	(0.66)	(1.38)	(1.45)	(0.87)	(0.60)	(0.78)
Total distributions	(0.66)	(1.56)	(1.65)	(1.02)	(0.78)	(0.95)
Net asset value, end of period	\$23.92	\$21.92	\$20.04	\$17.32	\$19.68	\$17.06
Total return ^e	12.16%	18.28%	25.79%	(7.10)%	20.07%	7.64%
Ratios to average net assets^f						
Expenses ^{g,h}	0.40%	0.43%	0.44%	0.41%	0.47%	0.45%
Net investment income (loss)	(0.40)%	0.64%	1.02%	0.76%	0.90%	0.83%
Supplemental data						
Net assets, end of period (000's)	\$901,952	\$812,250	\$717,806	\$593,983	\$579,707	\$507,530
Portfolio turnover rate	—%	9.29%	2.12%	3.94%	0.71%	0.40%

^aThe 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.

^bBased on average daily shares outstanding.

^cRecognition of net investment income by the Fund is affected by the timing of declaration of dividends by the Underlying Funds in which the Fund invests.

^dAmount rounds to less than \$0.01 per share.

^eTotal return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.

^fRatios are annualized for periods less than one year.

^gBenefit of waiver and payments by affiliates rounds to less than 0.01%.

^hDoes not include expenses of the Underlying Funds in which the Fund invests. The weighted average indirect expenses of the Underlying Funds was 0.63% for the period ended June 30, 2021.

Franklin Corefolio Allocation Fund (continued)

	Six Months Ended June 30, 2021 (unaudited)	Year Ended December 31,				
		2020	2019	2018	2017	2016
Class C						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$21.57	\$19.76	\$17.10	\$19.43	\$16.85	\$16.61
Income from investment operations ^a :						
Net investment income (loss) ^{b,c}	(0.13)	(0.03)	0.04	(0.10)	0.02	0.01
Net realized and unrealized gains (losses)	2.65	3.25	4.12	(1.35)	3.19	1.05
Total from investment operations	2.52	3.22	4.16	(1.45)	3.21	1.06
Less distributions from:						
Net investment income and short term gains received from Underlying funds . . .	(—) ^d	(0.03)	(0.05)	(0.01)	(0.03)	(0.04)
Net realized gains	(0.66)	(1.38)	(1.45)	(0.87)	(0.60)	(0.78)
Total distributions	(0.66)	(1.41)	(1.50)	(0.88)	(0.63)	(0.82)
Net asset value, end of period	\$23.43	\$21.57	\$19.76	\$17.10	\$19.43	\$16.85
Total return ^e	11.71%	17.41%	24.83%	(7.76)%	19.20%	6.82%
Ratios to average net assets^f						
Expenses ^{g,h}	1.15%	1.18%	1.19%	1.16%	1.22%	1.20%
Net investment income (loss)	(1.15)%	(0.18)%	0.27%	0.01%	0.15%	0.08%
Supplemental data						
Net assets, end of period (000's)	\$77,388	\$73,513	\$75,745	\$72,124	\$170,218	\$160,729
Portfolio turnover rate	—%	9.29%	2.12%	3.94%	0.71%	0.40%

^aThe 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.

^bBased on average daily shares outstanding.

^cRecognition of net investment income by the Fund is affected by the timing of declaration of dividends by the Underlying Funds in which the Fund invests.

^dAmount rounds to less than \$0.01 per share.

^eTotal return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.

^fRatios are annualized for periods less than one year.

^gBenefit of waiver and payments by affiliates rounds to less than 0.01%.

^hDoes not include expenses of the Underlying Funds in which the Fund invests. The weighted average indirect expenses of the Underlying Funds was 0.63% for the period ended June 30, 2021.

Franklin Corefolio Allocation Fund (continued)

	Six Months Ended June 30, 2021 (unaudited)	Year Ended December 31,				
		2020	2019	2018	2017	2016
Class R						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$21.95	\$20.07	\$17.34	\$19.68	\$17.06	\$16.81
Income from investment operations ^a :						
Net investment income (loss) ^{b,c}	(0.07)	0.07	0.14	0.10	0.12	0.10
Net realized and unrealized gains (losses)	2.70	3.32	4.19	(1.48)	3.23	1.06
Total from investment operations	2.63	3.39	4.33	(1.38)	3.35	1.16
Less distributions from:						
Net investment income and short term gains received from Underlying funds . . .	(—) ^d	(0.13)	(0.15)	(0.09)	(0.13)	(0.13)
Net realized gains	(0.66)	(1.38)	(1.45)	(0.87)	(0.60)	(0.78)
Total distributions	(0.66)	(1.51)	(1.60)	(0.96)	(0.73)	(0.91)
Net asset value, end of period	\$23.92	\$21.95	\$20.07	\$17.34	\$19.68	\$17.06
Total return ^e	12.01%	18.00%	25.51%	(7.30)%	19.79%	7.33%
Ratios to average net assets^f						
Expenses ^{g,h}	0.64%	0.67%	0.67%	0.65%	0.72%	0.70%
Net investment income (loss)	(0.64)%	0.38%	0.79%	0.52%	0.65%	0.58%
Supplemental data						
Net assets, end of period (000's)	\$1,620	\$1,498	\$1,387	\$1,412	\$1,629	\$1,461
Portfolio turnover rate	—%	9.29%	2.12%	3.94%	0.71%	0.40%

^aThe 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.

^bBased on average daily shares outstanding.

^cRecognition of net investment income by the Fund is affected by the timing of declaration of dividends by the Underlying Funds in which the Fund invests.

^dAmount rounds to less than \$0.01 per share.

^eTotal return is not annualized for periods less than one year.

^fRatios are annualized for periods less than one year.

^gBenefit of waiver and payments by affiliates rounds to less than 0.01%.

^hDoes not include expenses of the Underlying Funds in which the Fund invests. The weighted average indirect expenses of the Underlying Funds was 0.63% for the period ended June 30, 2021.

Franklin Corefolio Allocation Fund (continued)

	Six Months Ended June 30, 2021 (unaudited)	Year Ended December 31,			
		2020	2019	2018	2017 ^a
Class R6					
Per share operating performance					
(for a share outstanding throughout the period)					
Net asset value, beginning of period	\$21.97	\$20.07	\$17.34	\$19.67	\$19.18
Income from investment operations ^b					
Net investment income (loss) ^{c,d}	(0.01)	0.21	0.70	0.27	0.26
Net realized and unrealized gains (losses)	2.71	3.31	3.75	(1.52)	0.73
Total from investment operations	2.70	3.52	4.45	(1.25)	0.99
Less distributions from:					
Net investment income	(—) ^e	(0.24)	(0.27)	(0.21)	(0.25)
Net realized gains	(0.66)	(1.38)	(1.45)	(0.87)	(0.25)
Total distributions	(0.66)	(1.62)	(1.72)	(1.08)	(0.50)
Net asset value, end of period	\$24.01	\$21.97	\$20.07	\$17.34	\$19.67
Total return ^f	12.32%	18.69%	26.24%	(6.78)%	5.28%
Ratios to average net assets^g					
Expenses before waiver and payments by affiliates ^h	0.12%	0.13%	0.12%	0.23%	3.47%
Expenses net of waiver and payments by affiliates ^h	0.09%	0.09%	0.09%	0.09%	0.08%
Net investment income (loss)	(0.09)%	1.05%	1.37%	1.08%	1.29%
Supplemental data					
Net assets, end of period (000's)	\$5,106	\$4,393	\$3,385	\$75	\$5
Portfolio turnover rate	—%	9.29%	2.12%	3.94%	0.71%

^aFor the period August 1, 2017 (effective date) to December 31, 2017.

^bThe 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.

^cBased on average daily shares outstanding.

^dRecognition of net investment income by the Fund is affected by the timing of declaration of dividends by the Underlying Funds in which the Fund invests.

^eAmount rounds to less than \$0.01 per share.

^fTotal return is not annualized for periods less than one year.

^gRatios are annualized for periods less than one year.

^hDoes not include expenses of the Underlying Funds in which the Fund invests. The weighted average indirect expenses of the Underlying Funds was 0.63% for the period ended June 30, 2021.

Franklin Corefolio Allocation Fund (continued)

	Six Months Ended June 30, 2021 (unaudited)	Year Ended December 31,				
		2020	2019	2018	2017	2016
Advisor Class						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$21.98	\$20.08	\$17.35	\$19.71	\$17.08	\$16.82
Income from investment operations ^a :						
Net investment income (loss) ^{b,c}	(0.02)	0.17	0.27	0.24	0.25	0.21
Net realized and unrealized gains (losses)	2.71	3.34	4.16	(1.53)	3.21	1.04
Total from investment operations	2.69	3.51	4.43	(1.29)	3.46	1.25
Less distributions from:						
Net investment income and short term gains received from Underlying funds . . .	(—) ^d	(0.23)	(0.25)	(0.20)	(0.23)	(0.21)
Net realized gains	(0.66)	(1.38)	(1.45)	(0.87)	(0.60)	(0.78)
Total distributions	(0.66)	(1.61)	(1.70)	(1.07)	(0.83)	(0.99)
Net asset value, end of period	\$24.01	\$21.98	\$20.08	\$17.35	\$19.71	\$17.08
Total return ^e	12.26%	18.59%	26.10%	(6.85)%	20.40%	7.90%
Ratios to average net assets^f						
Expenses ^{g,h}	0.15%	0.18%	0.19%	0.16%	0.22%	0.20%
Net investment income (loss)	(0.15)%	0.90%	1.27%	1.01%	1.15%	1.08%
Supplemental data						
Net assets, end of period (000's)	\$66,691	\$61,166	\$52,512	\$40,399	\$33,607	\$22,721
Portfolio turnover rate	—%	9.29%	2.12%	3.94%	0.71%	0.40%

^aThe 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.

^bBased on average daily shares outstanding.

^cRecognition of net investment income by the Fund is affected by the timing of declaration of dividends by the Underlying Funds in which the Fund invests.

^dAmount rounds to less than \$0.01 per share.

^eTotal return is not annualized for periods less than one year.

^fRatios are annualized for periods less than one year.

^gBenefit of waiver and payments by affiliates rounds to less than 0.01%.

^hDoes not include expenses of the Underlying Funds in which the Fund invests. The weighted average indirect expenses of the Underlying Funds was 0.63% for the period ended June 30, 2021.

Statement of Investments (unaudited), June 30, 2021

Franklin Corefolio Allocation Fund

	Shares	Value
Investments In Underlying Funds 100.0%		
Domestic Equity 75.9%		
^a Franklin Growth Fund, Class R6	1,753,790	\$265,839,420
^a Franklin Growth Opportunities Fund, Class R6	3,943,689	268,249,760
^a Franklin Mutual Shares Fund, Class R6	8,918,385	264,162,561
		<u>798,251,741</u>
Foreign Equity 24.1%		
^a Templeton Growth Fund, Inc., Class R6	10,021,366	254,041,621
Total Investments In Underlying Funds (Cost \$597,776,103)		<u>1,052,293,362</u>
Short Term Investments 0.0%[†]		
Money Market Funds 0.0%[†]		
^{a,b} Institutional Fiduciary Trust - Money Market Portfolio, 0.01%	4	4
Total Money Market Funds (Cost \$4)		<u>4</u>
Total Short Term Investments (Cost \$4)		<u>4</u>
Total Investments (Cost \$597,776,107) 100.0%		<u>\$1,052,293,366</u>
Other Assets, less Liabilities (0.0)%[†]		<u>464,304</u>
Net Assets 100.0%		<u>\$1,052,757,670</u>

See Abbreviations on page 50.

[†]Rounds to less than 0.1% of net assets.^aSee Note 3(f) regarding investments in FT Underlying Funds.^bThe rate shown is the annualized seven-day effective yield at period end.

Financial Highlights

Franklin Global Allocation Fund

	Six Months Ended June 30, 2021 (unaudited)	Year Ended December 31,				
		2020	2019	2018	2017	2016
Class A						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$13.49	\$14.43	\$12.63	\$14.54	\$13.47	\$12.14
Income from investment operations ^a :						
Net investment income ^{b,c}	0.10	0.34	0.42	0.41	0.40	0.36
Net realized and unrealized gains (losses)	0.83	(0.27)	1.82	(1.82)	1.10	1.26
Total from investment operations	0.93	0.07	2.24	(1.41)	1.50	1.62
Less distributions from:						
Net investment income	(0.12)	(0.47)	(0.44)	(0.50)	(0.43)	(0.29)
Net realized gains	—	(0.54)	—	—	—	—
Total distributions	(0.12)	(1.01)	(0.44)	(0.50)	(0.43)	(0.29)
Net asset value, end of period	\$14.30	\$13.49	\$14.43	\$12.63	\$14.54	\$13.47
Total return ^d	6.88%	1.55%	17.81%	(9.82)%	11.20%	13.52%
Ratios to average net assets^e						
Expenses before waiver and payments by affiliates ^f	0.90%	0.42%	0.40%	0.39%	0.43%	0.42%
Expenses net of waiver and payments by affiliates ^f	0.83%	0.42% ^g	0.40% ^g	0.39% ^g	0.43% ^g	0.42% ^g
Net investment income ^e	1.50%	2.73%	2.99%	2.66%	2.81%	2.87%
Supplemental data						
Net assets, end of period (000's)	\$2,966,135	\$2,952,287	\$3,397,662	\$3,209,751	\$3,300,005	\$3,310,397
Portfolio turnover rate	85.75% ^h	4.07%	0.29%	0.73%	0.48%	0.06%

^aThe 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.

^bBased on average daily shares outstanding.

^cRecognition of net investment income by the Fund is affected by the timing of declaration of dividends by the Underlying Funds in which the Fund invests.

^dTotal return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.

^eRatios are annualized for periods less than one year.

^fDoes not include expenses of the Underlying Funds in which the Fund invests. The weighted average indirect expenses of the Underlying Funds was 0.14% for the period ended June 30, 2021.

^gBenefit of waiver and payments by affiliates rounds to less than 0.01%.

^hExcludes the value of portfolio activity as a result of in-kind transactions. See note 8.

Franklin Global Allocation Fund (continued)

	Six Months Ended June 30, 2021 (unaudited)	Year Ended December 31,				
		2020	2019	2018	2017	2016
Class C						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$13.40	\$14.33	\$12.54	\$14.33	\$13.27	\$11.96
Income from investment operations ^a :						
Net investment income ^{b,c}	0.05	0.23	0.29	0.18	0.28	0.26
Net realized and unrealized gains (losses)	0.83	(0.26)	1.82	(1.67)	1.10	1.25
Total from investment operations	0.88	(0.03)	2.11	(1.49)	1.38	1.51
Less distributions from:						
Net investment income	(0.07)	(0.36)	(0.32)	(0.30)	(0.32)	(0.20)
Net realized gains	—	(0.54)	—	—	—	—
Total distributions	(0.07)	(0.90)	(0.32)	(0.30)	(0.32)	(0.20)
Net asset value, end of period	\$14.21	\$13.40	\$14.33	\$12.54	\$14.33	\$13.27
Total return ^d	6.54%	0.79%	16.91%	(10.54)%	10.43%	12.71%
Ratios to average net assets^e						
Expenses before waiver and payments by affiliates ^f	1.65%	1.17%	1.15%	1.14%	1.18%	1.17%
Expenses net of waiver and payments by affiliates ^f	1.58%	1.17% ^g	1.15% ^g	1.14% ^g	1.18% ^g	1.17% ^g
Net investment income ^e	0.75%	1.85%	2.24%	1.91%	2.06%	2.12%
Supplemental data						
Net assets, end of period (000's)	\$184,023	\$201,506	\$300,699	\$362,833	\$1,261,997	\$1,402,623
Portfolio turnover rate	85.75% ^h	4.07%	0.29%	0.73%	0.48%	0.06%

^aThe 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.

^bBased on average daily shares outstanding.

^cRecognition of net investment income by the Fund is affected by the timing of declaration of dividends by the Underlying Funds in which the Fund invests.

^dTotal return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.

^eRatios are annualized for periods less than one year.

^fDoes not include expenses of the Underlying Funds in which the Fund invests. The weighted average indirect expenses of the Underlying Funds was 0.14% for the period ended June 30, 2021.

^gBenefit of waiver and payments by affiliates rounds to less than 0.01%.

^hExcludes the value of portfolio activity as a result of in-kind transactions. See note 8.

Franklin Global Allocation Fund (continued)

	Six Months Ended June 30, 2021 (unaudited)	Year Ended December 31,				
		2020	2019	2018	2017	2016
Class R						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$13.54	\$14.48	\$12.68	\$14.58	\$13.49	\$12.16
Income from investment operations ^a :						
Net investment income ^{b,c}	0.09	0.31	0.37	0.34	0.34	0.33
Net realized and unrealized gains (losses)	0.83	(0.28)	1.83	(1.78)	1.13	1.26
Total from investment operations	0.92	0.03	2.20	(1.44)	1.47	1.59
Less distributions from:						
Net investment income	(0.10)	(0.43)	(0.40)	(0.46)	(0.38)	(0.26)
Net realized gains	—	(0.54)	—	—	—	—
Total distributions	(0.10)	(0.97)	(0.40)	(0.46)	(0.38)	(0.26)
Net asset value, end of period	\$14.36	\$13.54	\$14.48	\$12.68	\$14.58	\$13.49
Total return ^d	6.82%	1.28%	17.44%	(10.01)%	10.97%	13.22%
Ratios to average net assets^e						
Expenses before waiver and payments by affiliates ^f	1.15%	0.67%	0.65%	0.64%	0.68%	0.67%
Expenses net of waiver and payments by affiliates ^f	1.08%	0.67% ^g	0.65% ^g	0.64% ^g	0.68% ^g	0.67% ^g
Net investment income ^e	1.25%	2.47%	2.74%	2.41%	2.56%	2.62%
Supplemental data						
Net assets, end of period (000's)	\$5,117	\$4,975	\$5,699	\$5,513	\$7,843	\$10,776
Portfolio turnover rate	85.75% ^h	4.07%	0.29%	0.73%	0.48%	0.06%

^aThe 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.

^bBased on average daily shares outstanding.

^cRecognition of net investment income by the Fund is affected by the timing of declaration of dividends by the Underlying Funds funds in which the Fund invests.

^dTotal return is not annualized for periods less than one year.

^eRatios are annualized for periods less than one year.

^fDoes not include expenses of the Underlying Funds in which the Fund invests. The weighted average indirect expenses of the Underlying Funds was 0.14% for the period ended June 30, 2021.

^gBenefit of waiver and payments by affiliates rounds to less than 0.01%.

^hExcludes the value of portfolio activity as a result of in-kind transactions. See note 8.

Franklin Global Allocation Fund (continued)

	Six Months Ended June 30, 2021 (unaudited)	Year Ended December 31,			
		2020	2019	2018	2017 ^a
Class R6					
Per share operating performance					
(for a share outstanding throughout the period)					
Net asset value, beginning of period	\$13.89	\$14.81	\$12.95	\$14.62	\$14.46
Income from investment operations ^b :					
Net investment income ^{c,d}	0.13	0.96	0.46	0.37	0.30
Net realized and unrealized gains (losses)	0.85	(0.83)	1.88	(1.75)	0.06
Total from investment operations	0.98	0.13	2.34	(1.38)	0.36
Less distributions from:					
Net investment income	(0.14)	(0.51)	(0.48)	(0.29)	(0.20)
Net realized gains	—	(0.54)	—	—	—
Total distributions	(0.14)	(1.05)	(0.48)	(0.29)	(0.20)
Net asset value, end of period	\$14.73	\$13.89	\$14.81	\$12.95	\$14.62
Total return ^e	7.06%	1.94%	18.18%	(9.57)%	2.56%
Ratios to average net assets^f					
Expenses before waiver and payments by affiliates ^g	0.62%	0.21%	3.23%	0.08%	4.28%
Expenses net of waiver and payments by affiliates ^g	0.49%	0.07%	0.07%	0.07%	0.06%
Net investment income	1.85%	7.33%	3.32%	2.98%	3.18%
Supplemental data					
Net assets, end of period (000's)	\$517	\$631	\$5	\$4	\$5
Portfolio turnover rate	85.75% ^h	4.07%	0.29%	0.73%	0.48%

^aFor the period August 1, 2017 (effective date) to December 31, 2017.

^bThe 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.

^cBased on average daily shares outstanding.

^dRecognition of net investment income by the Fund is affected by the timing of declaration of dividends by the Underlying Funds in which the Fund invests.

^eTotal return is not annualized for periods less than one year.

^fRatios are annualized for periods less than one year.

^gDoes not include expenses of the Underlying Funds in which the Fund invests. The weighted average indirect expenses of the Underlying Funds was 0.14% for the period ended June 30, 2021.

^hExcludes the value of portfolio activity as a result of in-kind transactions. See note 8.

Franklin Global Allocation Fund (continued)

	Six Months Ended June 30, 2021 (unaudited)	Year Ended December 31,				
		2020	2019	2018	2017	2016
Advisor Class						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$13.58	\$14.52	\$12.71	\$14.63	\$13.54	\$12.20
Income from investment operations ^a :						
Net investment income ^{b,c}	0.12	0.37	0.45	0.43	0.46	0.40
Net realized and unrealized gains (losses)	0.84	(0.27)	1.83	(1.81)	1.10	1.26
Total from investment operations	0.96	0.10	2.28	(1.38)	1.56	1.66
Less distributions from:						
Net investment income	(0.14)	(0.50)	(0.47)	(0.54)	(0.47)	(0.32)
Net realized gains	—	(0.54)	—	—	—	—
Total distributions	(0.14)	(1.04)	(0.47)	(0.54)	(0.47)	(0.32)
Net asset value, end of period	\$14.40	\$13.58	\$14.52	\$12.71	\$14.63	\$13.54
Total return ^d	7.03%	1.79%	18.06%	(9.60)%	11.58%	13.82%
Ratios to average net assets^e						
Expenses before waiver and payments by affiliates ^f	0.65%	0.17%	0.15%	0.14%	0.18%	0.17%
Expenses net of waiver and payments by affiliates ^f	0.58%	0.17% ^g	0.15% ^g	0.14% ^g	0.18% ^g	0.17% ^g
Net investment income ^e	1.75%	2.89%	3.24%	2.91%	3.06%	3.12%
Supplemental data						
Net assets, end of period (000's)	\$120,642	\$123,049	\$156,275	\$145,522	\$174,219	\$131,368
Portfolio turnover rate	85.75% ^h	4.07%	0.29%	0.73%	0.48%	0.06%

^aThe 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.

^bBased on average daily shares outstanding.

^cRecognition of net investment income by the Fund is affected by the timing of declaration of dividends by the Underlying Funds in which the Fund invests.

^dTotal return is not annualized for periods less than one year.

^eRatios are annualized for periods less than one year.

^fDoes not include expenses of the Underlying Funds in which the Fund invests. The weighted average indirect expenses of the Underlying Funds was 0.14% for the period ended June 30, 2021.

^gBenefit of waiver and payments by affiliates rounds to less than 0.01%.

^hExcludes the value of portfolio activity as a result of in-kind transactions. See note 8.

Statement of Investments (unaudited), June 30, 2021

Franklin Global Allocation Fund

	Country	Shares	Value
Common Stocks 67.3%			
Aerospace & Defense 0.8%			
Raytheon Technologies Corp.	United States	312,000	\$26,616,720
Air Freight & Logistics 1.0%			
Deutsche Post AG.	Germany	260,000	17,708,720
United Parcel Service, Inc., B.	United States	64,600	13,434,862
			31,143,582
Automobiles 1.1%			
Daimler AG.	Germany	187,000	16,711,474
Toyota Motor Corp.	Japan	227,400	19,879,755
			36,591,229
Banks 4.9%			
Banco Bilbao Vizcaya Argentaria SA.	Spain	3,620,000	22,456,707
Bank of America Corp.	United States	820,100	33,812,723
Citigroup, Inc.	United States	79,300	5,610,475
Commonwealth Bank of Australia.	Australia	175,000	13,101,842
HSBC Holdings plc.	United Kingdom	1,470,000	8,484,731
JPMorgan Chase & Co.	United States	275,300	42,820,162
Royal Bank of Canada.	Canada	118,000	11,953,717
US Bancorp.	United States	419,000	23,870,430
			162,110,787
Beverages 1.5%			
Coca-Cola Co. (The).	United States	338,000	18,289,180
Constellation Brands, Inc., A.	United States	56,700	13,261,563
PepsiCo, Inc.	United States	117,000	17,335,890
			48,886,633
Biotechnology 0.9%			
AbbVie, Inc.	United States	272,000	30,638,080
Building Products 0.5%			
Trane Technologies plc.	United States	85,000	15,651,900
Capital Markets 1.6%			
Hong Kong Exchanges & Clearing Ltd.	Hong Kong	82,000	4,881,410
Morgan Stanley.	United States	285,000	26,131,650
S&P Global, Inc.	United States	50,700	20,809,815
			51,822,875
Chemicals 0.8%			
BASF SE.	Germany	177,000	13,973,518
Linde plc.	United Kingdom	44,000	12,720,400
			26,693,918
Communications Equipment 0.4%			
Cisco Systems, Inc.	United States	242,500	12,852,500
Diversified Telecommunication Services 0.3%			
Verizon Communications, Inc.	United States	200,500	11,234,015
Electric Utilities 1.8%			
Duke Energy Corp.	United States	260,000	25,667,200
Iberdrola SA.	Spain	1,040,000	12,683,514
NextEra Energy, Inc.	United States	132,000	9,672,960
Southern Co. (The).	United States	184,000	11,133,840
			59,157,514

Franklin Global Allocation Fund (continued)

	Country	Shares	Value
Common Stocks (continued)			
Electrical Equipment 0.5%			
Mitsubishi Electric Corp.	Japan	1,132,600	\$16,443,705
Electronic Equipment, Instruments & Components 0.4%			
TE Connectivity Ltd.	United States	93,000	12,574,530
Entertainment 1.2%			
Electronic Arts, Inc.	United States	87,000	12,513,210
Nexon Co. Ltd.	Japan	330,500	7,355,780
Nintendo Co. Ltd.	Japan	32,100	18,577,076
			38,446,066
Equity Real Estate Investment Trusts (REITs) 1.1%			
Alexander's, Inc.	United States	12,678	3,397,070
American Tower Corp.	United States	61,500	16,613,610
Prologis, Inc.	United States	136,000	16,256,080
			36,266,760
Food & Staples Retailing 0.6%			
Walmart, Inc.	United States	140,200	19,771,004
Food Products 1.0%			
Mondelez International, Inc., A.	United States	250,000	15,610,000
Nestle SA.	Switzerland	137,641	17,156,549
			32,766,549
Health Care Equipment & Supplies 0.7%			
Danaher Corp.	United States	46,000	12,344,560
Medtronic plc.	United States	98,000	12,164,740
			24,509,300
Health Care Providers & Services 1.6%			
Anthem, Inc.	United States	46,900	17,906,420
UnitedHealth Group, Inc.	United States	84,000	33,636,960
			51,543,380
Hotels, Restaurants & Leisure 0.4%			
McDonald's Corp.	United States	53,000	12,242,470
Household Durables 0.6%			
Sony Group Corp.	Japan	192,000	18,619,391
Household Products 0.9%			
Procter & Gamble Co. (The)	United States	208,000	28,065,440
Industrial Conglomerates 1.7%			
Hitachi Ltd.	Japan	284,000	16,276,704
Honeywell International, Inc.	United States	110,500	24,238,175
Siemens AG.	Germany	95,697	15,195,935
			55,710,814
Insurance 2.0%			
AIA Group Ltd.	Hong Kong	897,000	11,127,733
Allianz SE.	Germany	25,000	6,239,450
MetLife, Inc.	United States	273,300	16,357,005
Muenchener Rueckversicherungs-Gesellschaft AG in Muenchen. . .	Germany	38,000	10,415,188
Ping An Insurance Group Co. of China Ltd., H.	China	950,000	9,286,568
Sun Life Financial, Inc.	Canada	253,000	13,044,372
			66,470,316
Interactive Media & Services 2.9%			
^a Alphabet, Inc., A.	United States	16,900	41,266,251

Franklin Global Allocation Fund (continued)

	Country	Shares	Value
Common Stocks (continued)			
Interactive Media & Services (continued)			
^a Baidu, Inc., ADR	China	45,000	\$9,175,500
^a Facebook, Inc., A	United States	82,000	28,512,220
Tencent Holdings Ltd.	China	230,000	17,317,166
			96,271,137
Internet & Direct Marketing Retail 2.3%			
^a Alibaba Group Holding Ltd., ADR	China	82,400	18,686,672
^a Amazon.com, Inc.	United States	13,000	44,722,080
^a JD.com, Inc., ADR	China	151,100	12,059,291
			75,468,043
IT Services 2.3%			
Cognizant Technology Solutions Corp., A	United States	274,200	18,991,092
Fujitsu Ltd.	Japan	107,000	20,021,390
Mastercard, Inc., A	United States	66,000	24,095,940
Visa, Inc., A	United States	54,000	12,626,280
			75,734,702
Life Sciences Tools & Services 0.4%			
^a Illumina, Inc.	United States	29,000	13,723,090
Machinery 1.5%			
Deere & Co.	United States	65,000	22,926,150
Stanley Black & Decker, Inc.	United States	68,300	14,000,817
Volvo AB, B	Sweden	490,000	11,809,547
			48,736,514
Marine 0.5%			
AP Moller - Maersk A/S, B	Denmark	5,655	16,281,922
Media 0.4%			
Comcast Corp., A	United States	217,700	12,413,254
Metals & Mining 2.4%			
Agnico Eagle Mines Ltd.	Canada	210,000	12,697,399
BHP Group plc	Australia	665,000	19,679,420
Fortescue Metals Group Ltd.	Australia	380,000	6,636,864
Newmont Corp.	United States	220,000	13,943,600
Rio Tinto plc	Australia	322,000	26,595,106
			79,552,389
Multiline Retail 0.8%			
^a Dollar Tree, Inc.	United States	76,900	7,651,550
Target Corp.	United States	78,000	18,855,720
			26,507,270
Multi-Utilities 0.6%			
Dominion Energy, Inc.	United States	150,000	11,035,500
RWE AG	Germany	275,000	9,971,571
			21,007,071
Oil, Gas & Consumable Fuels 2.9%			
Canadian Natural Resources Ltd.	Canada	612,000	22,214,156
Chevron Corp.	United States	305,000	31,945,700
Eni SpA	Italy	1,850,000	22,556,255
TotalEnergies SE	France	410,000	18,575,304
			95,291,415
Personal Products 0.3%			
Unilever plc.	United Kingdom	187,000	10,927,871

Franklin Global Allocation Fund (continued)

	Country	Shares	Value
Common Stocks (continued)			
Pharmaceuticals 4.0%			
AstraZeneca plc	United Kingdom	207,000	\$24,871,652
Bristol-Myers Squibb Co.	United States	260,000	17,373,200
Eisai Co. Ltd.	Japan	236,000	23,195,523
Eli Lilly & Co.	United States	27,800	6,380,656
Johnson & Johnson	United States	100,000	16,474,000
Novo Nordisk A/S, B	Denmark	215,000	17,999,225
Pfizer, Inc.	United States	305,000	11,943,800
Takeda Pharmaceutical Co. Ltd.	Japan	399,500	13,408,657
			<hr/> 131,646,713
Road & Rail 1.2%			
Canadian National Railway Co.	Canada	135,000	14,242,105
Union Pacific Corp.	United States	107,000	23,532,510
			<hr/> 37,774,615
Semiconductors & Semiconductor Equipment 5.0%			
Analog Devices, Inc.	United States	100,000	17,216,000
Applied Materials, Inc.	United States	145,000	20,648,000
Broadcom, Inc.	United States	35,000	16,689,400
Lam Research Corp.	United States	17,000	11,061,900
NVIDIA Corp.	United States	20,000	16,002,000
Taiwan Semiconductor Manufacturing Co. Ltd., ADR	Taiwan	250,000	30,040,000
Texas Instruments, Inc.	United States	158,100	30,402,630
Tokyo Electron Ltd.	Japan	47,500	20,540,107
			<hr/> 162,600,037
Software 5.1%			
^a Adobe, Inc.	United States	39,000	22,839,960
Intuit, Inc.	United States	38,000	18,626,460
Microsoft Corp.	United States	225,000	60,952,500
Oracle Corp.	United States	186,000	14,478,240
^a salesforce.com, Inc.	United States	47,000	11,480,690
^a ServiceNow, Inc.	United States	25,000	13,738,750
^a Synopsys, Inc.	United States	50,000	13,789,500
^a Workday, Inc., A	United States	51,000	12,175,740
			<hr/> 168,081,840
Specialty Retail 2.9%			
Home Depot, Inc. (The)	United States	59,000	18,814,510
Lowe's Cos., Inc.	United States	114,000	22,112,580
^a O'Reilly Automotive, Inc.	United States	28,000	15,853,880
TJX Cos., Inc. (The)	United States	232,700	15,688,634
Tractor Supply Co.	United States	118,000	21,955,080
			<hr/> 94,424,684
Technology Hardware, Storage & Peripherals 1.3%			
Apple, Inc.	United States	300,000	41,088,000
Textiles, Apparel & Luxury Goods 0.8%			
NIKE, Inc., B	United States	164,000	25,336,360
Trading Companies & Distributors 0.6%			
ITOCHU Corp.	Japan	625,600	18,053,128
Wireless Telecommunication Services 0.8%			
KDDI Corp.	Japan	418,300	13,033,597

Franklin Global Allocation Fund (continued)

	Country	Shares	Value
Common Stocks (continued)			
Wireless Telecommunication Services (continued)			
Vodafone Group plc	United Kingdom	7,250,000	\$12,152,096
			25,185,693
Total Common Stocks (Cost \$2,006,562,397)			2,202,935,226
Management Investment Companies 9.1%			
Capital Markets 9.1%			
iShares Core MSCI Emerging Markets ETF	United States	1,700,000	113,883,000
iShares J.P. Morgan USD Emerging Markets Bond ETF	United States	280,000	31,488,800
^b Templeton Global Bond Fund, Class R6	United States	13,256,436	122,754,598
VanEck Vectors J.P. Morgan EM Local Currency Bond ETF	United States	985,000	30,909,300
			299,035,698
Total Management Investment Companies (Cost \$305,172,097)			299,035,698
		Principal Amount^c	
Corporate Bonds 4.1%			
Automobiles 0.1%			
Ford Motor Co., Senior Note, 4.346%, 12/08/26	United States	1,207,000	1,294,520
Banks 1.5%			
^c Australia & New Zealand Banking Group Ltd., Sub. Bond, 144A, 2.57% to 11/25/30, FRN thereafter, 11/25/35	Australia	6,687,000	6,503,977
^d Bank of America Corp., U, Junior Sub. Bond, 5.2% to 6/01/23, FRN thereafter, Perpetual	United States	3,994,000	4,157,255
Bank of Montreal, Senior Note, 1.85%, 5/01/25	Canada	1,524,000	1,573,230
Barclays plc, Senior Note, 2.852% to 5/07/25, FRN thereafter, 5/07/26	United Kingdom	6,250,000	6,606,453
HSBC Holdings plc, Sub. Bond, 4.25%, 8/18/25	United Kingdom	6,128,000	6,792,351
^d JPMorgan Chase & Co., Q, Junior Sub. Bond, 5.15% to 5/01/23, FRN thereafter, Perpetual	United States	4,045,000	4,181,519
Mitsubishi UFJ Financial Group, Inc., Senior Bond, 3.287%, 7/25/27	Japan	1,690,000	1,861,274
^c Societe Generale SA, Senior Note, 144A, 2.625%, 1/22/25	France	6,354,000	6,633,146
Sumitomo Mitsui Financial Group, Inc., Sub. Bond, 3.202%, 9/17/29	Japan	1,464,000	1,561,682
Toronto-Dominion Bank (The), Sub. Bond, 3.105% to 4/22/25, FRN thereafter, 4/22/30	Canada	4,900,000 CAD	4,164,773
^d Wells Fargo & Co., S, Junior Sub. Bond, 5.9% to 6/15/24, FRN thereafter, Perpetual	United States	1,504,000	1,621,500
Westpac Banking Corp., Sub. Bond, 2.894% to 2/04/25, FRN thereafter, 2/04/30	Australia	1,503,000	1,560,745
			47,217,905
Biotechnology 0.0%[†]			
^c Grifols SA, Senior Note, 144A, 3.2%, 5/01/25	Spain	527,000 EUR	631,234
Capital Markets 0.2%			
Nomura Holdings, Inc., Senior Bond, 3.103%, 1/16/30	Japan	6,225,000	6,542,577
Chemicals 0.1%			
^c Braskem Netherlands Finance BV, Senior Bond, 144A, 4.5%, 1/31/30	Brazil	1,258,000	1,313,931
^e INEOS Quattro Finance 1 plc, Senior Note, 144A, 3.75%, 7/15/26	United Kingdom	1,051,000 EUR	1,284,575
			2,598,506
Communications Equipment 0.0%[†]			
^c CommScope Technologies LLC, Senior Note, 144A, 5%, 3/15/27	United States	954,000	977,850

Franklin Global Allocation Fund (continued)

	Country	Principal Amount [†]	Value
Corporate Bonds (continued)			
Consumer Finance 0.1%			
^{c,d} Volkswagen International Finance NV, Senior Bond, Reg S, 3.5% to 6/17/25, FRN thereafter, Perpetual	Germany	3,200,000 EUR	\$4,104,692
Containers & Packaging 0.1%			
^e Mauser Packaging Solutions Holding Co., Senior Note, 144A, 7.25%, 4/15/25	United States	954,000	936,828
Senior Secured Note, 144A, 5.5%, 4/15/24	United States	313,000	316,521
^e Trivium Packaging Finance BV, Senior Secured Note, 144A, 3.75%, 8/15/26	Netherlands	521,000 EUR	628,195
			1,881,544
Diversified Telecommunication Services 0.1%			
^e Altice France Holding SA, Senior Note, 144A, 6%, 2/15/28	Luxembourg	1,243,000	1,239,495
^e CCO Holdings LLC / CCO Holdings Capital Corp., Senior Bond, 144A, 4.5%, 8/15/30	United States	300,000	312,739
			1,552,234
Health Care Providers & Services 0.1%			
Centene Corp., Senior Note, 3.375%, 2/15/30	United States	1,523,000	1,594,086
^e CHS/Community Health Systems, Inc., Secured Note, 144A, 6.875%, 4/15/29	United States	950,000	996,916
Senior Note, 144A, 6.875%, 4/01/28	United States	687,000	680,525
Senior Secured Note, 144A, 8%, 3/15/26	United States	1,162,000	1,253,525
			4,525,052
Hotels, Restaurants & Leisure 0.0%[†]			
^e Wynn Las Vegas LLC / Wynn Las Vegas Capital Corp., Senior Bond, 144A, 5.5%, 3/01/25	United States	915,000	987,550
Household Products 0.2%			
^e Kimberly-Clark de Mexico SAB de CV, Senior Bond, 144A, 2.431%, 7/01/31	Mexico	6,180,000	6,137,698
Independent Power and Renewable Electricity Producers 0.0%[†]			
^e Calpine Corp., Senior Secured Note, 144A, 4.5%, 2/15/28	United States	306,000	312,502
Insurance 0.1%			
Prudential Financial, Inc., Junior Sub. Bond, 5.375% to 5/15/25, FRN thereafter, 5/15/45	United States	4,060,000	4,505,359
Interactive Media & Services 0.2%			
^e Tencent Holdings Ltd., Senior Note, 144A, 2.39%, 6/03/30	China	6,290,000	6,274,085
Internet & Direct Marketing Retail 0.2%			
Alibaba Group Holding Ltd., Senior Bond, 3.4%, 12/06/27	China	6,300,000	6,888,435
Senior Bond, 2.125%, 2/09/31	China	750,000	738,009
			7,626,444
Media 0.1%			
DISH DBS Corp., Senior Note, 5.875%, 11/15/24	United States	1,226,000	1,317,950
^e Univision Communications, Inc., Senior Secured Note, 144A, 6.625%, 6/01/27	United States	1,210,000	1,312,608
^e Ziggo BV, Senior Secured Bond, 144A, 4.875%, 1/15/30	Netherlands	1,219,000	1,251,084
			3,881,642
Metals & Mining 0.1%			
^e Cleveland-Cliffs, Inc., Senior Secured Note, 144A, 9.875%, 10/17/25	United States	356,000	417,681
^e FMG Resources August 2006 Pty. Ltd., Senior Note, 144A, 5.125%, 5/15/24	Australia	3,217,000	3,506,530

Franklin Global Allocation Fund (continued)

	Country	Principal Amount ¹	Value
Corporate Bonds (continued)			
Metals & Mining (continued)			
Freeport-McMoRan, Inc., Senior Note, 4.125%, 3/01/28	United States	600,000	\$627,000
			4,551,211
Oil, Gas & Consumable Fuels 0.2%			
^c Calumet Specialty Products Partners LP / Calumet Finance Corp., Senior Note, 144A, 11%, 4/15/25	United States	1,249,000	1,361,666
Occidental Petroleum Corp., Senior Note, 5.55%, 3/15/26	United States	3,900,000	4,320,557
			5,682,223
Paper & Forest Products 0.2%			
Suzano Austria GmbH, Senior Bond, 3.75%, 1/15/31	Brazil	4,805,000	5,045,250
Pharmaceuticals 0.2%			
AstraZeneca plc, Senior Bond, 1.375%, 8/06/30	United Kingdom	4,595,000	4,351,931
^c Bausch Health Cos., Inc., Senior Bond, 144A, 6.125%, 4/15/25	United States	900,000	923,625
Teva Pharmaceutical Finance Netherlands III BV, Senior Note, 2.8%, 7/21/23	Israel	970,000	967,808
			6,243,364
Road & Rail 0.2%			
^c Ashtead Capital, Inc., Senior Note, 144A, 4%, 5/01/28	United Kingdom	6,220,000	6,554,325
Tobacco 0.1%			
BAT Capital Corp., Senior Bond, 2.726%, 3/25/31	United Kingdom	4,350,000	4,299,085
Total Corporate Bonds (Cost \$134,203,460)			133,426,852
Foreign Government and Agency Securities 8.0%			
^c Australia Government Bond, Reg S, 1.5%, 6/21/31	Australia	12,170,000 AUD	9,138,789
^c Belgium Government Bond, Reg S, 4%, 3/28/32	Belgium	3,150,000 EUR	5,311,001
^c Bundesrepublik Deutschland, Reg S, 2%, 1/04/22	Germany	6,455,000 EUR	7,760,235
Canada Government Bond, 0.25%, 2/01/23	Canada	4,100,000 CAD	3,300,107
5.75%, 6/01/33	Canada	2,640,000 CAD	3,102,775
^c Canada Housing Trust No. 1, Senior Bond, 144A, 2.65%, 12/15/28	Canada	18,100,000 CAD	15,734,408
European Investment Bank, Senior Bond, 2.125%, 4/13/26	Supranational ^e	14,750,000	15,643,743
^c Finland Government Bond, Senior Bond, 144A, Reg S, 0.75%, 4/15/31	Finland	1,892,000 EUR	2,417,722
Senior Bond, 144A, Reg S, 1.375%, 4/15/47	Finland	1,567,000 EUR	2,270,287
^c France Government Bond, Reg S, Zero Cpn., 2/25/22	France	6,530,000 EUR	7,777,525
Reg S, 8.25%, 4/25/22	France	2,484,897 EUR	3,161,602
Reg S, 2.5%, 5/25/30	France	4,120,000 EUR	5,996,681
Reg S, Zero Cpn., 11/25/30	France	4,350,000 EUR	5,143,447
Reg S, 1.5%, 5/25/31	France	4,410,000 EUR	5,973,373
^c Italy Buoni Poliennali del Tesoro, Reg S, 5%, 3/01/22	Italy	6,133,000 EUR	7,540,349
Senior Bond, 144A, Reg S, 4.75%, 9/01/44	Italy	1,860,000 EUR	3,529,846
Senior Bond, 144A, Reg S, 3.25%, 9/01/46	Italy	1,884,000 EUR	2,934,625
Senior Bond, 144A, Reg S, 1.7%, 9/01/51	Italy	2,786,000 EUR	3,201,649
Japan Government Bond, 2.3%, 9/20/26	Japan	7,580,000,000 JPY	76,790,090
0.5%, 9/20/46	Japan	1,435,000,000 JPY	12,686,935
Mexico Government Bond, Senior Bond, 4.125%, 1/21/26	Mexico	13,950,000	15,780,101
^c Netherlands Government Bond, 144A, Reg S, Zero Cpn., 1/15/22	Netherlands	5,528,000 EUR	6,578,293
144A, Reg S, 0.5%, 1/15/40	Netherlands	1,410,000 EUR	1,764,648
144A, Reg S, 3.75%, 1/15/42	Netherlands	865,000 EUR	1,761,267

Franklin Global Allocation Fund (continued)

	Country	Principal Amount [†]	Value
Foreign Government and Agency Securities (continued)			
Spain Bonos Y Obligaciones del Estado,			
° Senior Bond, 144A, Reg S, 5.85%, 1/31/22	Spain	5,904,000 EUR	\$7,265,255
° Senior Bond, 144A, Reg S, 1.95%, 4/30/26	Spain	2,563,000 EUR	3,363,047
6%, 1/31/29	Spain	3,760,000 EUR	6,451,039
° Senior Bond, 144A, Reg S, 2.9%, 10/31/46	Spain	1,610,000 EUR	2,579,278
°United Kingdom Gilt,			
Reg S, 4%, 3/07/22	United Kingdom	7,727,000 GBP	10,980,723
Reg S, 1.5%, 7/22/47	United Kingdom	5,110,000 GBP	7,481,131
Total Foreign Government and Agency Securities (Cost \$273,125,964)			263,419,971
U.S. Government and Agency Securities 4.6%			
U.S. Treasury Notes,			
0.125%, 12/31/22	United States	55,000,000	54,963,477
0.375%, 12/31/25	United States	13,000,000	12,755,742
0.875%, 11/15/30	United States	13,000,000	12,364,219
† 0.125%, 1/15/31	United States	63,000,000	71,187,418
Total U.S. Government and Agency Securities (Cost \$152,769,868)			151,270,856
Mortgage-Backed Securities 2.6%			
Government National Mortgage Association (GNMA) Fixed Rate 2.6%			
GNMA II, Single-family, 30 Year, 3%, 12/20/50	United States	40,502,758	42,400,261
GNMA II, Single-family, 30 Year, 3%, 1/20/51	United States	40,582,863	42,460,433
			84,860,694
Total Mortgage-Backed Securities (Cost \$86,330,922)			84,860,694
Total Long Term Investments (Cost \$2,958,164,708)			3,134,949,297
Short Term Investments 3.9%			
	Country	Shares	Value
Money Market Funds 3.9%			
°Institutional Fiduciary Trust - Money Market Portfolio, 0.01%	United States	128,995,085	128,995,085
Total Money Market Funds (Cost \$128,995,085)			128,995,085
Total Short Term Investments (Cost \$128,995,085)			128,995,085
Total Investments (Cost \$3,087,159,793) 99.6%			\$3,263,944,382
Other Assets, less Liabilities 0.4%			12,489,384
Net Assets 100.0%			\$3,276,433,766

[†]The principal amount is stated in U.S. dollars unless otherwise indicated.

[†]Rounds to less than 0.1% of net assets.

[°]Non-income producing.

[°]See Note 3(f) regarding investments in FT Underlying Funds.

[°]Security was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At June 30, 2021, the aggregate value of these securities was \$186,518,684, representing 5.7% of net assets.

Franklin Global Allocation Fund (continued)

^d Perpetual security with no stated maturity date.

^e A supranational organization is an entity formed by two or more central governments through international treaties.

^f Principal amount of security is adjusted for inflation. See Note 1(e).

^g The rate shown is the annualized seven-day effective yield at period end.

At June 30, 2021, the Fund had the following forward exchange contracts outstanding. See Note 1(c).

Forward Exchange Contracts

Currency	Counter-party ^a	Type	Quantity	Contract Amount [*]	Settlement Date	Unrealized Appreciation	Unrealized Depreciation
OTC Forward Exchange Contracts							
British Pound	JPHQ	Sell	53,168,982	75,495,541	8/19/21	\$1,935,670	\$—
Canadian Dollar	BZWS	Sell	119,280,680	99,147,394	8/19/21	2,939,642	—
Euro	BZWS	Sell	83,092,162	101,539,910	8/19/21	2,902,036	—
Hong Kong Dollar	HSBK	Sell	389,810,445	50,211,240	8/19/21	970	—
Japanese Yen	JPHQ	Sell	14,233,933,951	130,899,749	8/19/21	2,712,185	—
Total Forward Exchange Contracts						\$10,490,503	\$—
Net unrealized appreciation (depreciation)						\$10,490,503	

^{*} In U.S. dollars unless otherwise indicated.

^a May be comprised of multiple contracts with the same counterparty, currency and settlement date.

See Note 7 regarding other derivative information.

Statements of Assets and Liabilities

June 30, 2021 (unaudited)

	Franklin Corefolio Allocation Fund	Franklin Global Allocation Fund
Assets:		
Investments in securities:		
Cost - Unaffiliated issuers	\$—	\$2,830,310,141
Cost - Non-controlled affiliates (Note 3f)	597,776,107	256,849,652
Value - Unaffiliated issuers	\$—	\$3,012,194,699
Value - Non-controlled affiliates (Note 3f)	1,052,293,366	251,749,683
Cash	1,090,729	—
Foreign currency, at value (cost \$— and \$1,639,381 respectively)	—	1,627,764
Receivables:		
Capital shares sold	332,349	536,066
Dividends and interest	—	6,390,588
Unrealized appreciation on OTC forward exchange contracts	—	10,490,503
Total assets	1,053,716,444	3,282,989,303
Liabilities:		
Payables:		
Capital shares redeemed	532,232	3,509,869
Management fees	—	1,438,705
Administrative fees	25,375	—
Distribution fees	246,884	765,209
Transfer agent fees	88,499	571,311
Funds advanced by custodian	—	16,867
Accrued expenses and other liabilities	65,784	253,576
Total liabilities	958,774	6,555,537
Net assets, at value	\$1,052,757,670	\$3,276,433,766
Net assets consist of:		
Paid-in capital	\$606,088,410	\$3,210,654,955
Total distributable earnings (losses)	446,669,260	65,778,811
Net assets, at value	\$1,052,757,670	\$3,276,433,766

Statements of Assets and Liabilities (continued)

June 30, 2021 (unaudited)

	Franklin Corefolio Allocation Fund	Franklin Global Allocation Fund
Class A:		
Net assets, at value	\$901,952,055	\$2,966,134,943
Shares outstanding	37,709,667	207,382,261
Net asset value per share ^a	\$23.92	\$14.30
Maximum offering price per share (net asset value per share + 94.50%)	\$25.31	\$15.13
Class C:		
Net assets, at value	\$77,388,082	\$184,022,748
Shares outstanding	3,302,407	12,952,790
Net asset value and maximum offering price per share ^a	\$23.43	\$14.21
Class R:		
Net assets, at value	\$1,620,108	\$5,116,871
Shares outstanding	67,731	356,391
Net asset value and maximum offering price per share	\$23.92	\$14.36
Class R6:		
Net assets, at value	\$5,106,156	\$517,367
Shares outstanding	212,665	35,116
Net asset value and maximum offering price per share	\$24.01	\$14.73
Advisor Class:		
Net assets, at value	\$66,691,269	\$120,641,837
Shares outstanding	2,777,335	8,376,639
Net asset value and maximum offering price per share	\$24.01	\$14.40

^aRedemption price is equal to net asset value less contingent deferred sales charges, if applicable.

Statements of Operations

for the six months ended June 30, 2021 (unaudited)

	Franklin Corefolio Allocation Fund	Franklin Global Allocation Fund
Investment income:		
Dividends: (net of foreign taxes of \$– and \$1,445,525, respectively)		
Unaffiliated issuers	\$—	\$25,933,520
Non-controlled affiliates (Note 3f)	16	7,761,701
Interest:		
Unaffiliated issuers	—	4,124,983
Total investment income	16	37,820,204
Expenses:		
Management fees (Note 3a)	—	7,747,539
Administrative fees (Note 3b)	148,036	84,291
Distribution fees: (Note 3c)		
Class A	1,054,054	3,653,192
Class C	372,212	949,381
Class R	3,797	12,303
Transfer agent fees: (Note 3e)		
Class A	400,036	1,653,314
Class C	35,301	107,335
Class R	729	2,785
Class R6	1,522	237
Advisor Class	29,891	67,425
Custodian fees	133	3,783
Reports to shareholders	42,716	184,720
Registration and filing fees	47,619	63,703
Professional fees	21,062	97,037
Trustees' fees and expenses	3,268	13,642
Other	9,563	535,278
Total expenses	2,169,939	15,175,965
Expenses waived/paid by affiliates (Note 3f and 3g)	(902)	(1,130,943)
Net expenses	2,169,037	14,045,022
Net investment income (loss)	(2,169,021)	23,775,182
Realized and unrealized gains (losses):		
Net realized gain (loss) from:		
Investments:		
Unaffiliated issuers	—	45,486,506
Non-controlled affiliates (Note 3f)	355,653	(126,378,763)
Foreign currency transactions	—	40,903
Forward exchange contracts	—	(2,077,795)
Net realized gain (loss)	355,653	(82,929,149)
Net change in unrealized appreciation (depreciation) on:		
Investments:		
Unaffiliated issuers	—	181,884,558
Non-controlled affiliates (Note 3f)	116,371,745	84,865,915
Translation of other assets and liabilities denominated in foreign currencies	—	(52,861)
Forward exchange contracts	—	10,490,503
Net change in unrealized appreciation (depreciation)	116,371,745	277,188,115
Net realized and unrealized gain (loss)	116,727,398	194,258,966
Net increase (decrease) in net assets resulting from operations	\$114,558,377	\$218,034,148

Statements of Changes in Net Assets

	Franklin Corefolio Allocation Fund		Franklin Global Allocation Fund	
	Six Months Ended June 30, 2021 (unaudited)	Year Ended December 31, 2020	Six Months Ended June 30, 2021 (unaudited)	Year Ended December 31, 2020
Increase (decrease) in net assets:				
Operations:				
Net investment income (loss)	\$(2,169,021)	\$4,838,645	\$23,775,182	\$85,361,860
Net realized gain (loss)	355,653	55,657,000	(82,929,149)	(23,951,127)
Net change in unrealized appreciation (depreciation)	116,371,745	83,876,068	277,188,115	(80,637,415)
Net increase (decrease) in net assets resulting from operations.	114,558,377	144,371,713	218,034,148	(19,226,682)
Distributions to shareholders:				
Class A.	(24,448,148)	(55,174,587)	(24,497,459)	(220,704,366)
Class C.	(2,139,471)	(4,778,679)	(862,058)	(15,403,864)
Class R.	(43,850)	(100,418)	(36,557)	(353,284)
Class R6.	(137,854)	(305,025)	(4,892)	(13,071)
Advisor Class	(1,813,360)	(4,203,401)	(1,127,709)	(10,088,728)
Total distributions to shareholders	(28,582,683)	(64,562,110)	(26,528,675)	(246,563,313)
Capital share transactions: (Note 2)				
Class A.	16,119,434	25,347,265	(158,966,419)	(218,056,745)
Class C.	(2,370,217)	(7,617,338)	(28,793,470)	(74,351,275)
Class R.	(6,743)	(25,515)	(148,261)	(332,749)
Class R6.	301,291	614,285	(149,707)	615,942
Advisor Class	(81,319)	3,855,066	(9,461,850)	(19,978,078)
Total capital share transactions	13,962,446	22,173,763	(197,519,707)	(312,102,905)
Net increase (decrease) in net assets	99,938,140	101,983,366	(6,014,234)	(577,892,900)
Net assets:				
Beginning of period	952,819,530	850,836,164	3,282,448,000	3,860,340,900
End of period	\$1,052,757,670	\$952,819,530	\$3,276,433,766	\$3,282,448,000

Notes to Financial Statements (unaudited)

1. Organization and Significant Accounting Policies

Franklin Fund Allocator Series (Trust) is registered under the Investment Company Act of 1940 (1940 Act) as an open-end management investment company, consisting of twenty-one separate funds, two of which are included in this report (Funds) and applies the specialized accounting and reporting guidance in U.S. Generally Accepted Accounting Principles (U.S. GAAP). The Funds invest in affiliated mutual funds managed by Franklin Templeton (Underlying Funds). The Funds offer five classes of shares: Class A, Class C, Class R, Class R6 and Advisor Class. 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 accounting policies of the Underlying Funds are outlined in their respective shareholder reports. A copy of the Underlying Funds' shareholder reports shareholder reports, in which each Fund invests, is available on the U.S. Securities and Exchange Commission (SEC) website at sec.gov. The Underlying Funds' shareholder reports are not covered by this report.

Effective February 1, 2021, the Franklin Global Allocation Fund (Fund) repositioned to a direct investment fund with an actively managed global multi-asset strategy, which involved modifying the Fund's principal investment strategies and changing the name of the Fund from Franklin Founding Funds Allocation Fund to Franklin Global Allocation Fund.

The following summarizes the Funds' significant accounting policies.

a. Financial Instrument Valuation

The Funds' 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 Funds calculate 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 Trust's Board of Trustees (the Board), the Funds' administrator has responsibility for oversight of valuation, including leading the cross-functional Valuation Committee (VC). The Funds

may utilize independent pricing services, quotations from securities and financial instrument dealers, and other market sources to determine fair value.

Equity securities, exchange traded funds and derivative financial instruments 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.

Debt securities generally trade in the OTC market rather than on a securities exchange. The Funds' pricing services use multiple valuation techniques to determine fair value. In instances where sufficient market activity exists, the pricing services may utilize a market-based approach through which quotes from market makers are used to determine fair value. In instances where sufficient market activity may not exist or is limited, the pricing services also utilize proprietary valuation models which may consider market characteristics such as benchmark yield curves, credit spreads, estimated default rates, anticipated market interest rate volatility, coupon rates, anticipated timing of principal repayments, underlying collateral, and other unique security features in order to estimate the relevant cash flows, which are then discounted to calculate the fair value. Securities denominated in a foreign currency are converted into their U.S. dollar equivalent at the foreign exchange rate in effect at 4 p.m. Eastern time on the date that the values of the foreign debt securities are determined.

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

Certain derivative financial instruments trade in the OTC market. The Funds' pricing services use various techniques including industry standard option pricing models and proprietary discounted cash flow models to determine the

1. Organization and Significant Accounting Policies

(continued)

a. Financial Instrument Valuation (continued)

fair value of those instruments. The Funds' net benefit or obligation under the derivative contract, as measured by the fair value of the contract, is included in net assets.

The Funds have procedures to determine the fair value of financial instruments for which market prices are not reliable or readily available. Under these procedures, the Funds primarily employ 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 Funds' business day. Events can 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 Funds' 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, an independent pricing service may be used to adjust the value of the Funds' portfolio securities to the latest indications of fair value at 4 p.m. Eastern time. At June 30, 2021, certain securities may have been fair valued using these procedures, in which case the securities were categorized as Level 2 inputs within the fair value hierarchy (referred to as "market level fair value"). See the Fair Value Measurements note for more information.

When the last day of the reporting period is a non-business day, certain foreign markets may be open on those days that the Funds' NAV is not calculated, which could result in differences between the value of the Funds' portfolio

securities on the last business day and the last calendar day of the reporting period. Any security valuation changes due to an open foreign market are adjusted and reflected by the Funds 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 Funds 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 Funds do 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 Statements 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. Derivative Financial Instruments

Certain or all Funds invested in derivative financial instruments in order to manage risk or gain exposure to various other investments or markets. Derivatives are financial contracts based on an underlying or notional amount, require no initial investment or an initial net

1. Organization and Significant Accounting Policies

(continued)

c. Derivative Financial Instruments (continued)

investment that is smaller than would normally be required to have a similar response to changes in market factors, and require or permit net settlement. Derivatives contain various risks including the potential inability of the counterparty to fulfill their obligations under the terms of the contract, the potential for an illiquid secondary market, and/or the potential for market movements which expose the Fund to gains or losses in excess of the amounts shown in the Statements of Assets and Liabilities. Realized gain and loss and unrealized appreciation and depreciation on these contracts for the period are included in the Statements of Operations.

Derivative counterparty credit risk is managed through a formal evaluation of the creditworthiness of all potential counterparties. Certain or all Funds attempt to reduce their exposure to counterparty credit risk on OTC derivatives, whenever possible, by entering into International Swaps and Derivatives Association (ISDA) master agreements with certain counterparties. These agreements contain various provisions, including but not limited to collateral requirements, events of default, or early termination. Termination events applicable to the counterparty include certain deteriorations in the credit quality of the counterparty. Termination events applicable to the Funds include failure of the Funds to maintain certain net asset levels and/or limit the decline in net assets over various periods of time. In the event of default or early termination, the ISDA master agreement gives the non-defaulting party the right to net and close-out all transactions traded, whether or not arising under the ISDA agreement, to one net amount payable by one counterparty to the other. However, absent an event of default or early termination, OTC derivative assets and liabilities are presented gross and not offset in the Statements of Assets and Liabilities. Early termination by the counterparty may result in an immediate payment by the Funds of any net liability owed to that counterparty under the ISDA agreement.

Collateral requirements differ by type of derivative. Collateral terms are contract specific for OTC derivatives. For OTC derivatives traded under an ISDA master agreement, posting of collateral is required by either the Fund or the applicable counterparty if the total net exposure of all OTC derivatives with the applicable counterparty exceeds the minimum transfer amount, which typically ranges from \$100,000 to

\$250,000, and can vary depending on the counterparty and the type of the agreement. Generally, collateral is determined at the close of Fund business each day and any additional collateral required due to changes in derivative values may be delivered by the Fund or the counterparty the next business day, or within a few business days. Collateral pledged and/or received by the Fund, if any, is held in segregated accounts with the Fund's custodian/counterparty broker and can be in the form of cash and/or securities. Unrestricted cash may be invested according to the Funds' investment objectives. To the extent that the amounts due to the Fund from its counterparties are not subject to collateralization or are not fully collateralized, the Fund bears the risk of loss from counterparty non-performance.

Certain or all Funds entered into OTC forward exchange contracts primarily to manage and/or gain exposure to certain foreign currencies. A forward exchange contract is an agreement between the Fund and a counterparty to buy or sell a foreign currency at a specific exchange rate on a future date.

See Note 7 regarding other derivative information.

d. Income Taxes

It is each Fund's policy to qualify as a regulated investment company under the Internal Revenue Code. Each 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 Funds 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 the Funds invest. Foreign taxes, if any, are recorded based on the tax regulations and rates that exist in the foreign markets in which the Funds invest. When a capital gain tax is determined to apply, certain or all Funds record an estimated deferred tax liability in an amount that would be payable if the securities were disposed of on the valuation date.

Each 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 June 30, 2021, each Fund has determined that no tax liability is required in its

1. Organization and Significant Accounting Policies

(continued)

d. Income Taxes (continued)

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.

e. 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 and capital gain distributions by Underlying Funds are recorded on the ex-dividend date. 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 have no impact on net assets or the results of operations. Temporary differences are not reclassified, as they may reverse in subsequent periods.

Common expenses incurred by the Trust are allocated among the Funds based on the ratio of net assets of each Fund to the combined net assets of the Trust or based on the ratio of number of shareholders of each Fund to the combined number of shareholders of the Trust. Fund specific expenses are charged directly to the Fund that incurred the expense.

The Funds indirectly bear their proportionate share of expenses from the Underlying Funds. Since the Underlying Funds have varied expense levels and the Funds may own different proportions of the Underlying Funds at different times, the amount of expenses incurred indirectly by the Funds will vary.

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.

f. 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.

g. Guarantees and Indemnifications

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

2. Shares of Beneficial Interest

At June 30, 2021, there were an unlimited number of shares authorized (without par value). Transactions in the Funds' shares were as follows:

	Franklin Corefolio Allocation Fund		Franklin Global Allocation Fund	
	Shares	Amount	Shares	Amount
Class A Shares:				
Six Months ended June 30, 2021				
Shares sold ^a	2,160,125	\$49,782,899	4,682,823	\$65,287,371
Shares issued in reinvestment of distributions	1,001,971	23,967,138	1,637,745	23,452,574
Shares redeemed	(2,506,992)	(57,630,603)	(17,827,342)	(247,706,364)
Net increase (decrease)	655,104	\$16,119,434	(11,506,774)	\$(158,966,419)
Year ended December 31, 2020				
Shares sold ^a	4,288,799	\$83,034,614	10,964,979	\$137,069,304
Shares issued in reinvestment of distributions	2,771,931	54,092,044	17,872,044	211,606,921
Shares redeemed	(5,827,065)	(111,779,393)	(45,445,000)	(566,732,970)
Net increase (decrease)	1,233,665	\$25,347,265	(16,607,977)	\$(218,056,745)
Class C Shares:				
Six Months ended June 30, 2021				
Shares sold	322,060	\$7,268,780	648,220	\$8,926,877
Shares issued in reinvestment of distributions	90,601	2,123,692	60,094	854,542
Shares redeemed ^a	(518,626)	(11,762,689)	(2,794,226)	(38,574,889)
Net increase (decrease)	(105,965)	\$(2,370,217)	(2,085,912)	\$(28,793,470)
Year ended December 31, 2020				
Shares sold	622,774	\$11,752,863	1,642,788	\$20,362,129
Shares issued in reinvestment of distributions	248,589	4,702,959	1,288,035	15,022,129
Shares redeemed ^a	(1,296,579)	(24,073,160)	(8,878,491)	(109,735,533)
Net increase (decrease)	(425,216)	\$(7,617,338)	(5,947,668)	\$(74,351,275)
Class R Shares:				
Six Months ended June 30, 2021				
Shares sold	8,714	\$200,706	14,560	\$202,788
Shares issued in reinvestment of distributions	1,833	43,850	2,536	36,440
Shares redeemed	(11,052)	(251,299)	(28,080)	(387,489)
Net increase (decrease)	(505)	\$(6,743)	(10,984)	\$(148,261)
Year ended December 31, 2020				
Shares sold	6,017	\$113,110	29,462	\$373,841
Shares issued in reinvestment of distributions	5,167	100,418	29,366	348,927
Shares redeemed	(12,069)	(239,043)	(85,098)	(1,055,517)
Net increase (decrease)	(885)	\$(25,515)	(26,270)	\$(332,749)

2. Shares of Beneficial Interest (continued)

	Franklin Corefolio Allocation Fund		Franklin Global Allocation Fund	
	Shares	Amount	Shares	Amount
Class R6 Shares:				
Six Months ended June 30, 2021				
Shares sold	10,543	\$247,610	442	\$6,192
Shares issued in reinvestment of distributions	5,577	133,917	273	4,033
Shares redeemed	(3,430)	(80,236)	(11,045)	(159,932)
Net increase (decrease)	12,690	\$301,291	(10,330)	\$(149,707)
Year ended December 31, 2020				
Shares sold	44,395	\$864,832	46,224	\$629,554
Shares issued in reinvestment of distributions	15,272	300,242	798	11,049
Shares redeemed	(28,364)	(550,789)	(1,922)	(24,661)
Net increase (decrease)	31,303	\$614,285	45,100	\$615,942
Advisor Class Shares:				
Six Months ended June 30, 2021				
Shares sold	246,915	\$5,688,489	665,557	\$9,331,476
Shares issued in reinvestment of distributions	67,760	1,627,603	70,480	1,016,321
Shares redeemed	(320,506)	(7,397,411)	(1,420,990)	(19,809,647)
Net increase (decrease)	(5,831)	\$(81,319)	(684,953)	\$(9,461,850)
Year ended December 31, 2020				
Shares sold	652,582	\$12,962,590	2,270,973	\$30,048,973
Shares issued in reinvestment of distributions	187,893	3,699,087	757,696	9,024,083
Shares redeemed	(672,367)	(12,806,611)	(4,732,163)	(59,051,134)
Net increase (decrease)	168,108	\$3,855,066	(1,703,494)	\$(19,978,078)

^aMay include a portion of Class C shares that were automatically converted to Class A.

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 Funds are also officers, and/or directors trustees of certain of the Underlying Funds and of the following subsidiaries:

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

3. Transactions with Affiliates (continued)

a. Management Fees

Effective February 1, 2021, the Franklin Global Allocation 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
0.600%	Up to and including \$1 billion
0.570%	Over \$1 billion, up to and including \$5 billion
0.550%	In excess of \$5 billion

For the period ended June 30, 2021, the annualized gross effective investment management fee rate was 0.479% of the Fund's average daily net assets.

b. Administrative Fees

Effective February 1, 2021, under an agreement with Advisers, FT Services provides administrative services to Franklin Global Allocation 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.

Prior to February 1, 2021, Franklin Global Allocation Fund paid FT Services for administrative services. The fund paid administrative fees of 0.03% per year of the average daily net assets of the fund.

Franklin Corefolio Allocation Fund pays an administrative fee to FT Services of 0.03% per year of the average daily net assets of each of the funds for administrative services including monitoring and rebalancing the percentage of each fund's investment in the Underlying Funds.

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 Funds' Class A reimbursement distribution plans, the Funds reimburse Distributors for costs incurred in connection with the servicing, sale and distribution of each Fund's shares up to the maximum annual plan rate for each class. Under the Class A reimbursement distribution plans, costs exceeding the maximum for the current plan year cannot be reimbursed in subsequent periods. In addition, under the Funds' Class C and R compensation distribution plans, the Funds pay Distributors for costs incurred in connection with the servicing, sale and distribution of each 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 for each Fund.

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

Class A	0.35%
Class C	1.00%
Class R	0.50%

The Board has set the current rate at 0.25% per year for Class A shares until further notice and approval by the Board.

d. Sales Charges/Underwriting Agreements

Front-end sales charges and contingent deferred sales charges (CDSC) do not represent expenses of the Funds. 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 Funds of the following commission transactions related to the sales and redemptions of the Funds' shares for the period:

3. Transactions with Affiliates (continued)

d. Sales Charges/Underwriting Agreements (continued)

	Franklin Corefolio Allocation Fund	Franklin Global Allocation Fund
Sales charges retained net of commissions paid to unaffiliated brokers/dealers	\$73,324	\$72,352
CDSC retained	\$3,204	\$6,114

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 June 30, 2021, the Funds paid transfer agent fees as noted in the Statements of Operations of which the following amounts were retained by Investor Services:

	Franklin Corefolio Allocation Fund	Franklin Global Allocation Fund
Transfer agent fees	\$313,389	\$785,082

f. Investments in Underlying Funds

The Funds invest in Underlying Funds which are managed by Advisers, an affiliate of FT Services or by an affiliate of Advisers. As defined in the 1940 Act, an investment is deemed to be a "Controlled Affiliate" of a fund when a fund owns, either directly or indirectly, 25% or more of the Underlying Fund's outstanding shares or has the power to exercise control over management or policies of such Underlying Fund. The Funds do not invest in Underlying Funds for the purpose of exercising a controlling influence over the management or policies. Administrative fees paid by the Funds are waived on assets invested in Institutional Fiduciary Trust Money Market Portfolio (Sweep Money Fund), as noted in the Statements of Operations, in an amount not to exceed the management and administration fees paid directly or indirectly by the Sweep Money Fund.

Investments in FT Underlying Funds for the period ended June 30, 2021, were as follows:

	Value at Beginning of Period	Purchases	Sales	Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Value at End of Period	Number of Shares Held at End of Period	Dividend Income
Franklin Corefolio Allocation Fund								
Non-Controlled Affiliates								
Franklin Growth Fund, Class R6	\$240,674,595	\$—	\$(2,698,479)	\$109,300	\$27,754,004	\$265,839,420	1,753,790	\$—
Franklin Growth Opportunities Fund, Class R6	240,066,441	—	(3,831,563)	421,010	31,593,872	268,249,760	3,943,689	—
Franklin Mutual Shares Fund, Class R6	234,889,839	—	(10,133,107)	(109,806)	39,515,635	264,162,561	8,918,385	—
Institutional Fiduciary Trust - Money Market Portfolio, 0.01%	—	9,836,617	(9,836,613)	—	—	4	4	16

3. Transactions with Affiliates (continued)

f. Investments in Underlying Funds (continued)

	Value at Beginning of Period	Purchases	Sales	Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Value at End of Period	Number of Shares Held at End of Period	Dividend Income
Franklin Corefolio Allocation Fund (continued)								
Non-Controlled Affiliates (continued)								
Templeton Growth Fund, Inc., Class R6	\$237,214,959	\$—	\$(616,721)	\$(64,851)	\$17,508,234	\$254,041,621	10,021,366	\$—
Total Non-Controlled Affiliates	\$952,845,834	\$9,836,617	\$(27,116,483)	\$355,653	\$116,371,745	\$1,052,293,366		\$16
Total Affiliated Securities	\$952,845,834	\$9,836,617	\$(27,116,483)	\$355,653	\$116,371,745	\$1,052,293,366		\$16
Franklin Global Allocation Fund								
Non-Controlled Affiliates								
Franklin Income Fund, Class R6.	1,087,143,048	4,911,217	(1,082,679,346)	(76,752,826)	67,377,907	— ^a	—	4,911,216
Franklin Mutual Shares Fund, Class R6	1,103,704,998	—	(1,104,695,326) ^b	(21,788,732)	22,779,060	— ^a	—	—
Institutional Fiduciary Trust - Money Market Portfolio, 0.01%	—	896,316,356	(767,321,271)	—	—	128,995,085	128,995,085	4,587
Templeton Global Bond Fund, Class R6	—	127,854,567	—	—	(5,099,969)	122,754,598	13,256,436	2,845,898
Templeton Growth Fund, Inc., Class R6	1,093,315,104	—	(1,065,286,816) ^b	(27,837,205)	(191,083)	— ^a	—	—
Total Non-Controlled Affiliates	\$3,284,163,150	\$1,029,082,140	\$(4,019,982,759)	\$(126,378,763)	\$84,865,915	\$251,749,683		\$7,761,701
Total Affiliated Securities	\$3,284,163,150	\$1,029,082,140	\$(4,019,982,759)	\$(126,378,763)	\$84,865,915	\$251,749,683		\$7,761,701

^a As of June 30, 2021, no longer held by the fund.

^b The fund sold shares of the affiliate through an in-kind transfer of common stocks, corporate bonds and cash. See Note 8.

g. Waiver and Expense Reimbursements

Effective February 1, 2021, Advisers has contractually agreed in advance to waive or limit its fees and to assume as its own expense certain expenses otherwise payable by the Franklin Global Allocation Fund so that the operating expenses (excluding distribution fees and certain non-routine expenses or costs, including those relating to litigation, indemnification, reorganizations, and liquidations) and acquired fund fees and expenses for each class of the Fund do not exceed 0.73%, based on the average net assets until April 30, 2022. Total expenses waived or paid are not subject to recapture subsequent to the Fund's fiscal year end.

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 April 30, 2022.

4. Income Taxes

For tax purposes, capital losses may be carried over to offset future capital gains.

At December 31, 2020, the capital loss carryforwards were as follows:

	Franklin Corefolio Allocation Fund	Franklin Global Allocation Fund
Capital loss carryforwards not subject to expiration:		
Short term	\$—	\$10,685,693
Long term	—	15,988,532
Total capital loss carryforwards	\$—	\$26,674,225

At June 30, 2021, the cost of investments and net unrealized appreciation (depreciation) capital gains for income tax purposes were as follows:

	Franklin Corefolio Allocation Fund	Franklin Global Allocation Fund
Cost of investments	\$603,800,215	\$3,097,430,917
Unrealized appreciation	\$454,517,259	\$245,172,633
Unrealized depreciation	(6,024,108)	(68,168,665)
Net unrealized appreciation (depreciation)	\$448,493,151	\$177,003,968

Differences between income and/or capital gains as determined on a book basis and a tax basis are primarily due to differing treatments of short term capital gains distributions from Underlying Funds and wash sales.

5. Investment Transactions

Purchases and sales of investments (excluding short term securities and in-kind transactions) for the period ended June 30, 2021, were as follows:

	Franklin Corefolio Allocation Fund	Franklin Global Allocation Fund
Purchases	\$—	\$2,674,131,315
Sales	\$17,279,870	\$4,861,435,693

Purchases and sales of investments for the Franklin Global Allocation Fund exclude in-kind transactions of \$1,831,484,282 and \$—, respectively.

6. Novel Coronavirus Pandemic

The global outbreak of the novel coronavirus disease, known as COVID-19, has caused adverse effects on many companies, sectors, nations, regions and the markets in general, and may continue for an unpredictable duration. The effects of this pandemic may materially impact the value and performance of the Funds, their ability to buy and sell fund investments at appropriate valuations and their ability to achieve their investment objectives.

7. Other Derivative Information

At June 30, 2021, the Fund's investments in derivative contracts are reflected in the Statements of Assets and Liabilities as follows:

Derivative Contracts Not Accounted for as Hedging Instruments	Asset Derivatives		Liability Derivatives	
	Statement of Assets and Liabilities Location	Fair Value	Statement of Assets and Liabilities Location	Fair Value
Franklin Global Allocation Fund				
Foreign exchange contracts . . .				
	Unrealized appreciation on OTC forward exchange contracts	\$10,490,503	Unrealized depreciation on OTC forward exchange contracts	\$—
Total		<u>\$10,490,503</u>		<u>\$—</u>

For the period ended June 30, 2021, the effect of derivative contracts in the Statements of Operations was as follows:

Derivative Contracts Not Accounted for as Hedging Instruments	Statement of Operations Location	Net Realized Gain (Loss) for the Period	Statement of Operations Location	Net Change in Unrealized Appreciation (Depreciation) for the Period
Franklin Global Allocation Fund				
	Net realized gain (loss) from:		Net change in unrealized appreciation (depreciation) on:	
Foreign exchange contracts				
	Forward exchange contracts	<u>\$(2,077,795)</u>	Forward exchange contracts	<u>\$10,490,503</u>
Total		<u>\$(2,077,795)</u>		<u>\$10,490,503</u>

For the period ended June 30, 2021, the average month end contract value of forward exchange contracts was \$357,992,209.

See Note 1(c) regarding derivative financial instruments.

8. Transfer In-Kind

During the period ended June 30, 2021, the Franklin Global Allocation Fund realized \$52,973,042 of net losses resulting from in-kind transactions in which the Fund redeemed shares of the Templeton Growth Fund, Inc. and Franklin Mutual Shares Fund for securities held by the underlying funds rather than for cash.

9. Credit Facility

The Funds, 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 \$2.675 billion (Global Credit Facility) which matures on February 4, 2022. 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.

Under the terms of the Global Credit Facility, the Funds shall, in addition to interest charged on any borrowings made by the Funds and other costs incurred by the Funds, pay their share of fees and expenses incurred in connection with the implementation and maintenance of the Global Credit Facility, based upon their 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 Statements of Operations. During the period ended June 30, 2021, the Funds did not use the Global Credit Facility.

10. Fair Value Measurements

The Funds follow a fair value hierarchy that distinguishes between market data obtained from independent sources (observable inputs) and the Funds' own market assumptions (unobservable inputs). These inputs are used in determining the value of the Funds' 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 Funds' 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.

A summary of inputs used as of June 30, 2021, in valuing the Funds' assets carried at fair value, is as follows:

	Level 1	Level 2	Level 3	Total
Franklin Corefolio Allocation Fund				
Assets:				
Investments in Securities: ^a				
Investments in Underlying Funds	\$1,052,293,362	\$—	\$—	\$1,052,293,362
Short Term Investments	4	—	—	4
Total Investments in Securities	\$1,052,293,366	\$—	\$—	\$1,052,293,366

	Level 1	Level 2	Level 3	Total
Franklin Global Allocation Fund				
Assets:				
Investments in Securities:				
Common Stocks:				
Aerospace & Defense	\$26,616,720	\$—	\$—	\$26,616,720
Air Freight & Logistics	13,434,862	17,708,720	—	31,143,582
Automobiles	—	36,591,229	—	36,591,229
Banks	118,067,507	44,043,280	—	162,110,787
Beverages	48,886,633	—	—	48,886,633
Biotechnology	30,638,080	—	—	30,638,080
Building Products	15,651,900	—	—	15,651,900
Capital Markets	46,941,465	4,881,410	—	51,822,875
Chemicals	12,720,400	13,973,518	—	26,693,918
Communications Equipment	12,852,500	—	—	12,852,500
Diversified Telecommunication Services	11,234,015	—	—	11,234,015
Electric Utilities	46,474,000	12,683,514	—	59,157,514
Electrical Equipment	—	16,443,705	—	16,443,705
Electronic Equipment, Instruments & Components	12,574,530	—	—	12,574,530
Entertainment	12,513,210	25,932,856	—	38,446,066
Equity Real Estate Investment Trusts (REITs)	36,266,760	—	—	36,266,760
Food & Staples Retailing	19,771,004	—	—	19,771,004
Food Products	15,610,000	17,156,549	—	32,766,549
Health Care Equipment & Supplies	24,509,300	—	—	24,509,300
Health Care Providers & Services	51,543,380	—	—	51,543,380
Hotels, Restaurants & Leisure	12,242,470	—	—	12,242,470
Household Durables	—	18,619,391	—	18,619,391
Household Products	28,065,440	—	—	28,065,440
Industrial Conglomerates	24,238,175	31,472,639	—	55,710,814
Insurance	29,401,377	37,068,939	—	66,470,316

10. Fair Value Measurements (continued)

	Level 1	Level 2	Level 3	Total
Franklin Global Allocation Fund (continued)				
Assets: (continued)				
Investments in Securities:				
Common Stocks:				
Interactive Media & Services	\$78,953,971	\$17,317,166	\$—	\$96,271,137
Internet & Direct Marketing Retail	75,468,043	—	—	75,468,043
IT Services	55,713,312	20,021,390	—	75,734,702
Life Sciences Tools & Services	13,723,090	—	—	13,723,090
Machinery	36,926,967	11,809,547	—	48,736,514
Marine	—	16,281,922	—	16,281,922
Media	12,413,254	—	—	12,413,254
Metals & Mining	26,640,999	52,911,390	—	79,552,389
Multiline Retail	26,507,270	—	—	26,507,270
Multi-Utilities	11,035,500	9,971,571	—	21,007,071
Oil, Gas & Consumable Fuels	54,159,856	41,131,559	—	95,291,415
Personal Products	—	10,927,871	—	10,927,871
Pharmaceuticals	52,171,656	79,475,057	—	131,646,713
Road & Rail	37,774,615	—	—	37,774,615
Semiconductors & Semiconductor Equipment	142,059,930	20,540,107	—	162,600,037
Software	168,081,840	—	—	168,081,840
Specialty Retail	94,424,684	—	—	94,424,684
Technology Hardware, Storage & Peripherals	41,088,000	—	—	41,088,000
Textiles, Apparel & Luxury Goods	25,336,360	—	—	25,336,360
Trading Companies & Distributors	—	18,053,128	—	18,053,128
Wireless Telecommunication Services	—	25,185,693	—	25,185,693
Management Investment Companies	299,035,698	—	—	299,035,698
Corporate Bonds	—	133,426,852	—	133,426,852
Foreign Government and Agency Securities	—	263,419,971	—	263,419,971
U.S. Government and Agency Securities	—	151,270,856	—	151,270,856
Mortgage-Backed Securities	—	84,860,694	—	84,860,694
Short Term Investments	128,995,085	—	—	128,995,085
Total Investments in Securities	\$2,030,763,858	\$1,233,180,524 ^b	\$—	\$3,263,944,382
Other Financial Instruments:				
Forward exchange contracts	\$—	\$10,490,503	\$—	\$10,490,503
Total Other Financial Instruments	\$—	\$10,490,503	\$—	\$10,490,503

^aFor detailed categories, see the accompanying Statement of Investments.

^bIncludes foreign securities valued at \$600,202,151, which were categorized as Level 2 as a result of the application of market level fair value procedures. See the Financial Instrument Valuation note for more information.

11. New Accounting Pronouncements

In March 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2020-04, Reference Rate Reform (Topic 848) – Facilitation of the Effects of Reference Rate Reform on Financial Reporting. In January 2021, the FASB issued ASU No. 2021-01, with further amendments to Topic 848. The amendments in the ASUs provide optional temporary accounting recognition and financial reporting relief from the effect of certain types of contract modifications due to the planned discontinuation of the London Interbank Offered Rate (LIBOR) and other interbank-offered based reference rates as of the end of 2021 and 2023. The ASUs are effective for certain reference rate-related contract modifications that occur during the period March 12, 2020 through December 31, 2022. Management has reviewed the requirements and believes the adoption of these ASUs will not have a material impact on the financial statements.

12. Subsequent Events

The Funds have evaluated subsequent events through the issuance of the financial statements and determined that no events have occurred that require disclosure, except for the following:

On July 14, 2021, the Board approved a change to the automatic conversion feature for Class C that will convert shareholders' Class C shares into Class A shares after they have been held for 8 years. The change will become effective August 2, 2021. Further details are disclosed in the Funds' Prospectus.

Abbreviations

Counterparty

BZWS	Barclays Bank plc
HSBK	HSBC Bank plc
JPHQ	JPMorgan Chase Bank NA

Currency

AUD	Australian Dollar
CAD	Canadian Dollar
EUR	Euro
GBP	British Pound
JPY	Japanese Yen

Selected Portfolio

ADR	American Depositary Receipt
ETF	Exchange-Traded Fund
FRN	Floating Rate Note
GNMA	Government National Mortgage Association

Shareholder Information

Board Approval of Investment Management Agreements

FRANKLIN FUND ALLOCATOR SERIES

Franklin Global Allocation Fund

(formerly, Franklin Founding Funds Allocation Fund)

(Fund)

At a meeting held on February 23, 2021 (Meeting), the Board of Trustees (Board) of Franklin Fund Allocator Series (Trust), including a majority of the trustees who are not “interested persons” as defined in the Investment Company Act of 1940 (Independent Trustees), reviewed and approved the continuance of the investment management agreement between Franklin Advisers, Inc. (Manager) and the Trust, on behalf of the Fund (Management Agreement) through April 30, 2022. The Independent Trustees received advice from and met separately with Independent Trustee counsel in considering whether to approve the continuation of the Management Agreement.

In considering the continuation of the Management Agreement, the Board reviewed and considered information provided by the Manager at the Meeting and throughout the year at meetings of the Board and its committees. The Board also reviewed and considered information provided in response to a detailed set of requests for information submitted to the Manager by Independent Trustee counsel on behalf of the Independent Trustees in connection with the annual contract renewal process. In addition, prior to the Meeting, the Independent Trustees held a telephonic contract renewal meeting at which the Independent Trustees conferred amongst themselves and Independent Trustee counsel about contract renewal matters and, in some cases, requested additional information from the Manager relating to the contract. The Board reviewed and considered all of the factors it deemed relevant in approving the continuance of the Management Agreement, including, but not limited to: (i) the nature, extent and quality of the services provided by the Manager; (ii) the investment performance of the Fund; (iii) the costs of the services provided and profits realized by the Manager and its affiliates from the relationship with the Fund; (iv) the extent to which economies of scale are realized as the Fund grows; and (v) whether fee levels reflect these economies of scale for the benefit of Fund investors. The Board noted that it initially approved the Management Agreement for the Fund at its May 13, 2020 Board meeting in connection with management’s proposal to reposition the Fund from a fund-of-funds with a static allocation to three actively managed underlying funds, to a direct investment

fund with an actively managed global multi-asset strategy (Repositioning). The Board further noted that, while the Management Agreement first became effective on February 1, 2021 for an initial two-year period in connection with the implementation of the Repositioning and is not technically required to be reapproved at this time, management proposed that the Board approve the continuance of the Management Agreement at this time through April 30, 2022 in order to align the approval cycle of the Management Agreement with the cycle for the investment management agreements of the other series of the Trust.

In approving the continuance of the Management Agreement, the Board, including a majority of the Independent Trustees, determined that the terms of the Management Agreement are fair and reasonable and that the continuance of such Management Agreement is in the best interests of the Fund and its shareholders. While attention was given to all information furnished, the following discusses some primary factors relevant to the Board’s determination.

Nature, Extent and Quality of Services

The Board reviewed and considered information regarding the nature, extent and quality of investment management services provided by the Manager and its affiliates to the Fund and its shareholders. This information included, among other things, the qualifications, background and experience of the senior management and investment personnel of the Manager, as well as information on succession planning where appropriate; the structure of investment personnel compensation; oversight of third-party service providers; investment performance reports and related financial information for the Fund; reports on expenses and shareholder services; legal and compliance matters; risk controls; pricing and other services provided by the Manager and its affiliates; and management fees charged by the Manager and its affiliates to US funds and other accounts, including management’s explanation of differences among accounts where relevant. The Board also reviewed and considered an annual report on payments made by Franklin Templeton (FT) or the Fund to financial intermediaries, as well as a memorandum relating to third-party servicing arrangements, which included discussion of the changing distribution landscape for the Fund. The Board noted management’s continuing efforts and expenditures in establishing effective business continuity plans and

developing strategies to address areas of heightened concern in the mutual fund industry, such as cybersecurity in the current work-from-home environment and liquidity risk management.

The Board also reviewed and considered the benefits provided to Fund shareholders of investing in a fund that is part of the FT family of funds. The Board noted the financial position of Franklin Resources, Inc. (FRI), the Manager's parent, and its commitment to the mutual fund business as evidenced by its reassessment of the fund offerings in response to the market environment and project initiatives and capital investments relating to the services provided to the Fund by the FT organization. The Board specifically noted FT's commitment to enhancing services and controlling costs, as reflected in its outsourcing of certain administrative functions, and growth opportunities, as evidenced by its recent acquisition of the Legg Mason companies. The Board also noted FT's attention focused on expanding the distribution opportunities for all funds in the FT family of funds.

Following consideration of such information, the Board was satisfied with the nature, extent and quality of services provided by the Manager and its affiliates to the Fund and its shareholders.

Fund Performance

While the Board noted that it had received at the Meeting the performance results of the Fund compared to peers over various time periods ended November 30, 2020, the Board concluded that it did not consider such performance of the Fund to be a material factor in its consideration of the Management Agreement given the Repositioning of the Fund occurred after November 30, 2020.

Comparative Fees and Expenses

The Board reviewed and considered the information provided to it at its May 13, 2020 Board meeting regarding the Fund's total expense ratio and, separately, the contractual management fee rate, without the effect of fee waivers (Management Rate), of the Fund in comparison to the expense ratios and Management Rates, respectively, of other mutual funds deemed comparable to and with a similar expense structure as the Fund selected by Broadridge Financial Solutions, Inc. (Expense Group). Broadridge fee and expense data is based upon information taken from each fund's most recent annual report, which reflects historical asset levels that may be quite different from those currently existing, particularly in a period of market volatility. While recognizing such inherent limitation and the fact that expense ratios and Management Rates generally increase

as assets decline and decrease as assets grow, the Board believed the independent analysis conducted by Broadridge to be an appropriate measure of comparative fees and expenses.

The Expense Group for the Fund included the Fund and nine other mixed-asset target allocation moderate funds. The Board noted that the Fund's Management Rate was above and total expense ratio was in line with the median of its Expense Group. The Board further noted that the Fund's total expense ratio reflected a fee waiver from management and management's representation that the Fund's gross and net annual Fund operating expenses are expected to slightly decrease because the Fund is no longer primarily invested in underlying funds, which is expected to result in a decrease in the underlying fund fees and expenses paid by the Fund. The Board concluded that the Management Rate to be charged to the Fund is reasonable.

Profitability

The Board reviewed and considered information regarding the profits realized by the Manager and its affiliates in connection with the operation of the Fund. In this respect, the Board considered the Fund profitability analysis provided by the Manager that addresses the overall profitability of FT's US fund business, as well as its profits in providing investment management and other services to each of the individual funds during the 12-month period ended September 30, 2020, being the most recent fiscal year-end for FRI. The Board noted that although management continually makes refinements to its methodologies used in calculating profitability in response to organizational and product-related changes, the overall methodology has remained consistent with that used in the Fund's profitability report presentations from prior years. The Board further noted management's representation that the profitability analysis excluded the impact of the recent acquisition of the Legg Mason companies and that management expects to incorporate the legacy Legg Mason companies into the profitability analysis beginning next year. The Board also noted that PricewaterhouseCoopers LLP, auditor to FRI and certain FT funds, has been engaged by the Manager to periodically review and assess the allocation methodologies to be used solely by the Fund's Board with respect to the profitability analysis.

The Board noted management's belief that costs incurred in establishing the infrastructure necessary for the type of mutual fund operations conducted by the Manager and its affiliates may not be fully reflected in the expenses allocated to the Fund in determining its profitability, as well as the fact that the level of profits, to a certain extent, reflected operational cost savings and efficiencies initiated

by management. As part of this evaluation, the Board considered management's outsourcing of certain operations, which effort has required considerable up-front expenditures by the Manager but, over the long run is expected to result in greater efficiencies. The Board also noted management's expenditures in improving shareholder services provided to the Fund, as well as the need to implement systems and meet additional regulatory and compliance requirements resulting from recent US Securities and Exchange Commission and other regulatory requirements.

The Board also considered the extent to which the Manager and its affiliates might derive ancillary benefits from fund operations, including revenues generated from transfer agent services, potential benefits resulting from personnel and systems enhancements necessitated by fund growth, as well as increased leverage with service providers and counterparties. Based upon its consideration of all these factors, the Board concluded that the level of profits realized by the Manager and its affiliates from providing services to the Fund was not excessive in view of the nature, extent and quality of services provided to the Fund.

Economies of Scale

The Board reviewed and considered the extent to which the Manager may realize economies of scale, if any, as the Fund grows larger and whether the Fund's management fee structure reflects any economies of scale for the benefit of shareholders. With respect to possible economies of scale, the Board noted the existence of management fee breakpoints, which operate generally to share any economies of scale with the Fund's shareholders by reducing the Fund's effective management fees as the Fund grows in size. The Board considered the Manager's view that any analyses of potential economies of scale in managing a particular fund are inherently limited in light of the joint and common costs and investments the Manager incurs across the FT family of funds as a whole. The Board concluded that to the extent economies of scale may be realized by the Manager and its affiliates, the Fund's management fee structure provided a sharing of benefits with the Fund and its shareholders as the Fund grows.

Conclusion

Based on its review, consideration and evaluation of all factors it believed relevant, including the above-described factors and conclusions, the Board unanimously approved the continuation of the Management Agreement through April 30, 2022.

Liquidity Risk Management Program- Funds no HLIM

Each Fund has adopted and implemented a written Liquidity Risk Management Program (the "LRMP") as required by Rule 22e-4 under the Investment Company Act of 1940 (the "Liquidity Rule"). The LRMP is designed to assess and manage each Fund's liquidity risk, which is defined as the risk that the Fund could not meet requests to redeem shares issued by the Fund without significant dilution of remaining investors' interests in the Fund. In accordance with the Liquidity Rule, the LRMP includes policies and procedures that provide for: (1) assessment, management, and review (no less frequently than annually) of each Fund's liquidity risk; (2) classification of each Fund's portfolio holdings into one of four liquidity categories (Highly Liquid, Moderately Liquid, Less Liquid, and Illiquid); (3) for Funds that do not primarily hold assets that are Highly Liquid, establishing and maintaining a minimum percentage of the Fund's net assets in Highly Liquid investments (called a "Highly Liquid Investment Minimum" or "HLIM"); and (4) prohibiting the Fund's acquisition of Illiquid investments that would result in the Fund holding more than 15% of its net assets in Illiquid assets. The LRMP also requires reporting to the Securities and Exchange Commission ("SEC") (on a non-public basis) and to the Board if the Fund's holdings of Illiquid assets exceed 15% of the Fund's net assets. Funds with HLIMs must have procedures for addressing HLIM shortfalls, including reporting to the Board and, with respect to HLIM shortfalls lasting more than seven consecutive calendar days, reporting to the SEC (on a non-public basis).

The Director of Liquidity Risk within the Investment Risk Management Group (the "IRMG") is the appointed Administrator of the LRMP. The IRMG maintains the Investment Liquidity Committee (the "ILC") to provide oversight and administration of policies and procedures governing liquidity risk management for FT products and portfolios. The ILC includes representatives from Franklin Templeton's Risk, Trading, Global Compliance, Investment Compliance, Investment Operations, Valuation Committee, Product Management and Global Product Strategy.

In assessing and managing each Fund's liquidity risk, the ILC considers, as relevant, a variety of factors, including the Fund's investment strategy and the liquidity of its portfolio investments during both normal and reasonably foreseeable stressed conditions; its short and long-term cash flow projections; and its cash holdings and access to other funding sources including the Funds' interfund lending facility and line of credit. Classification of the Fund's portfolio holdings in the four liquidity categories is based on the number of days it is reasonably expected to take to convert

the investment to cash (for Highly Liquid and Moderately Liquid holdings) or sell or dispose of the investment (for Less Liquid and Illiquid investments), in current market conditions without significantly changing the investment's market value.

Each Fund primarily holds liquid assets that are defined under the Liquidity Rule as "Highly Liquid Investments," and therefore is not required to establish an HLIM. Highly Liquid Investments are defined as cash and any investment reasonably expected to be convertible to cash in current market conditions in three business days or less without the conversion to cash significantly changing the market value of the investment.

At meetings of the Funds' Board of Trustees held in May 2021, the Program Administrator provided a written report to the Board addressing the adequacy and effectiveness of the program for the year ended December 31, 2020. The Program Administrator report concluded that (i.) the LRMP, as adopted and implemented, remains reasonably designed to assess and manage each Fund's liquidity risk; (ii.) the LRMP, including the Highly Liquid Investment Minimum ("HLIM") where applicable, was implemented and operated effectively to achieve the goal of assessing and managing each Fund's liquidity risk; and (iii.) each Fund was able to meet requests for redemption without significant dilution of remaining investors' interests in the Fund.

Proxy Voting Policies and Procedures

The Trust's investment manager has established Proxy Voting Policies and Procedures (Policies) that the Trust uses to determine how to vote proxies relating to portfolio securities. Shareholders may view the Trust's complete Policies online at 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 Trust's proxy voting records are also made available online at franklintempleton.com and posted on the U.S. Securities and Exchange Commission's website at sec.gov and reflect the most recent 12-month period ended June 30.

Quarterly Statement of Investments

The Trust 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.

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.

Householding of Reports and Prospectuses

You will receive, or receive notice of the availability of, the Fund's financial reports every six months. In addition, you will receive as an annual updated summary prospectus (detail prospectus available upon request). To reduce Fund expenses, we try to identify related shareholders in a household and send only one copy of the financial reports (to the extent received by mail) and summary prospectus. This process, called "householding," will continue indefinitely unless you instruct us otherwise. If you prefer not to have these documents househanded, please call us at (800) 632-2301. At any time you may view current prospectuses/summary prospectuses and financial reports on our website. If you choose, you may receive these documents through electronic delivery.

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.



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