



# Franklin Growth Allocation Fund—Class A, C

Target Risk  
Multi-Asset  
September 30, 2020

## Product Profile

### Product Details<sup>1</sup>

Fund Assets	\$1,264,381,266.87
Fund Inception Date	12/31/1996
Number of Holdings	23
Investment Style	Target Risk
Benchmark	Linked Franklin Growth Allocation Fund Benchmark-NR Bloomberg Barclays Multiverse Index
Lipper Classification	Mixed-Asset Trgt Alloc Growth Funds
Morningstar Category™	Allocation—70% to 85% Equity
Dividend Frequency	Quarterly

#### Inception Date

Class A	12/31/1996
Class C	12/31/1996

#### CUSIP NASDAQ Symbol

Class A	354 72P 505	FGTIX
Class C	354 72P 604	FTGTIX

#### Maximum Sales Charges

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

#### Total Annual Operating Expenses With Waiver Without Waiver

Class A	0.94%	0.94%
Class C	1.69%	1.69%

### Third-Party Fund Data

#### Overall Morningstar Rating™—Class A<sup>2</sup>



As of 09/30/2020 the fund's Class A shares received a 4 star overall Morningstar Rating™, measuring risk-adjusted returns against 310, 279 and 190 U.S.-domiciled Allocation—70% to 85% Equity mutual funds and exchange traded funds over the 3-, 5- and 10- year periods, respectively. A fund's overall rating is derived from a weighted average of the performance figures associated with its 3-, 5- and 10-year (if applicable) rating metrics.

### Fund Description

The fund seeks the highest level of long-term total return consistent with an acceptable level of risk.<sup>3</sup> The manager allocates assets among broad asset classes by investing primarily in a distinctly weighted combination of other mutual funds, predominantly Franklin Templeton funds, and approximately 80% equity and 20% fixed income funds.<sup>4</sup> The fund is designed for investors seeking a higher level of risk with a longer investment horizon.

### Performance Data<sup>5,6,7</sup>

#### Average Annual Total Returns<sup>8,9</sup> (%)

	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	20 Yrs	Since Inception
Class A - With Sales Charges	1.10	-1.56	4.43	5.25	7.87	7.36	4.77	6.48
Class A - Without Sales Charges	6.98	4.19	10.52	7.25	9.10	7.96	5.07	6.73
Class C - With Sales Charges	5.74	2.62	8.72	6.44	8.28	7.15	4.28	5.94
Class C - Without Sales Charges	6.74	3.62	9.69	6.44	8.28	7.15	4.28	5.94
Linked Franklin Growth Allocation Fund Benchmark-NR	7.07	2.44	9.87	6.69	9.19	8.86	5.24	6.78
Bloomberg Barclays Multiverse Index	2.71	5.31	5.99	3.99	4.08	2.50	4.89	-

1. All holdings are subject to change.

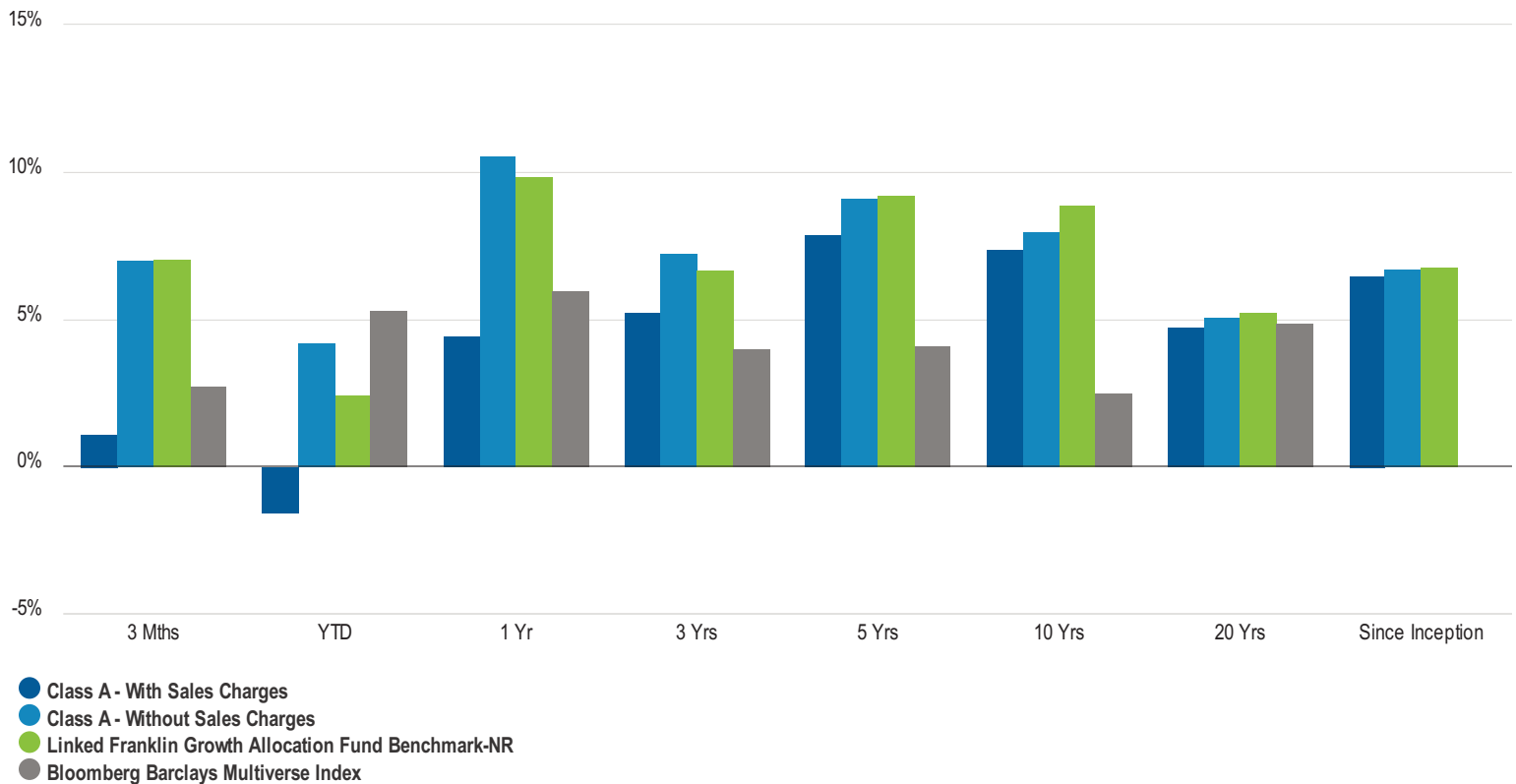
5. Effective 05/01/1994, the fund implemented a Rule 12b-1 plan, which affects subsequent performance. Class A: Prior to 9/10/18, these shares were offered at a higher initial sales charge of 5.75%; thus actual returns would have differed. Total returns with sales charges have been restated to reflect the current maximum initial sales charge of 5.50%. Class C: Prior to 01/01/2004, these shares were offered with an initial sales charge; thus actual returns may differ. The fund offers other share classes subject to different fees and expenses, which will affect their performance. Please see the prospectus for details.

6. The Blended Benchmark is the Linked Franklin Growth Allocation Fund Benchmark-NR, which reflects the performance of 56% S&P 500 Index, 24% MSCI EAFE Index, 15% Bloomberg Barclays U.S. Aggregate Index and 5% Payden & Rygel 90 Day U.S. T-Bill Index from fund inception to 12/31/2000; 56% S&P 500 Index, 24% MSCI EAFE Index-NR, 15% Bloomberg Barclays U.S. Aggregate Index and 5% Payden & Rygel 90 Day U.S. T-Bill Index from 1/1/2001 to 12/31/2012; 56% S&P 500 Index, 24% MSCI EAFE Index-NR and 20% Bloomberg Barclays U.S. Aggregate Index from 1/1/2013 to 12/31/14; and 80% MSCI AC World Index-NR and 20% Bloomberg Barclays Multiverse Index thereafter. Such a change can impact performance. Net Returns (NR) include income net of tax withholding when dividends are paid.

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

8. Periods shorter than one year are shown as cumulative total returns.

9. Since inception return for the benchmark is calculated to the fund inception date.



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

The fund has an expense reduction contractually guaranteed through 04/30/2021. Fund investment results reflect the expense reduction; without this reduction, the results would have been lower.

#### Calendar Year Returns (% Without Sales Charges)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Class A	21.90	-6.45	19.45	5.36	-1.66	4.95	20.98	10.52	-3.15	14.31
Class C	20.95	-7.13	18.56	4.59	-2.41	4.21	20.04	9.71	-3.91	13.44
Linked Franklin Growth Allocation Fund Benchmark-NR	22.62	-7.72	20.55	6.95	-2.42	7.50	22.61	13.84	-0.52	11.65
Bloomberg Barclays Multiverse Index	7.13	-1.36	7.69	2.84	-3.29	0.47	-2.19	4.84	5.55	5.84

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

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Portfolio Manager Insight<sup>10</sup>

## Performance Review

## QUARTERLY KEY PERFORMANCE DRIVERS

HELPED	Cross-asset allocation contributed to relative performance, as our underweight to fixed income helped during a “risk-on” period.
	Regional positioning also contributed, with our overweight to U.S. investments proving particularly beneficial, as U.S. markets generally outperformed non-U.S. markets during the quarter.
	Strong fund selection within U.S. equity lifted relative returns. Notable contributors included Franklin Growth Fund, which added value as a result of its growth style, as large cap growth stocks outperformed large cap value stocks by 7.68% over the quarter. Additionally, stock selection in the Franklin International Growth Fund contributed to relative results, allowing the fund to continue its outperformance versus both the MSCI EAFE Index and MSCI EAFE Growth Index in the third quarter by nearly 5% and 1%, respectively.
HURT	With the U.S. dollar weakening by 3.6% over the quarter, our overweight to U.S. fixed income and a U.S. dollar-hedged international fixed income position were strong detractors when measured against the fund’s unhedged benchmark.
	Templeton Global Total Return Fund underperformed due to a highly defensive stance, high cash levels, and safe-haven exposures, which kept it from participating in the rebound. Short positions in the Euro and Australian Dollar and an overweight to the Argentine Peso detracted from performance.
	Our position in the U.S. Core Equity Fund detracted as the strategy saw some reversion of its strong stock selection performance in the first and second quarter.

## Outlook &amp; Strategy

- We remain cautious on global equities, given increasingly stretched valuations and the intensity of political uncertainty in the U.S. A new package of fiscal stimulus is likely to be approved by the Congress, but its timing is clouded by the upcoming election, while the factors that initially informed our reduced conviction remain. We retain longer-term optimism toward equities, although greater certainty and clarity is needed around the global economic recovery before increasing our exposure.
- Regionally, we retain a preference for U.S. stocks but will likely lessen exposure as the global recovery progresses, and we prefer China over other emerging markets with less policy flexibility. We are also more positive on the eurozone and Japan, influenced by improving global trade, but less optimistic on U.K. equities as this market continues to be adversely affected by a heavy weighting toward energy stocks.
- We believe ongoing economic headwinds will continue to dampen inflation, despite dovish policy from the U.S. Federal Reserve. Rising government debt and ongoing stimulus measures are contributors to an inflationary environment, but this is currently insufficient to offset high unemployment, in our view. Long-duration Treasuries are becoming more attractive to us as short-term rates remain at very low levels, while inflation-linked bonds and commodities continue to offer a slight tail-risk hedge should inflation increase.
- Elsewhere, we are optimistic on eurozone government bonds, particularly due to the uneven nature of economic recovery. Heightened volatility favors the defensive qualities of German Bunds, while peripheral issues from countries such as Italy will benefit from periods of market stability, in our view. The European Union’s new recovery fund increases the fiscal strength of the region, meaning the extra yield from peripheral bonds compensates more than sufficiently for underlying risk.
- Non-yielding assets such as cash and gold are proving to be useful diversifiers in a market where yield is difficult to find.

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

## Portfolio Diversification

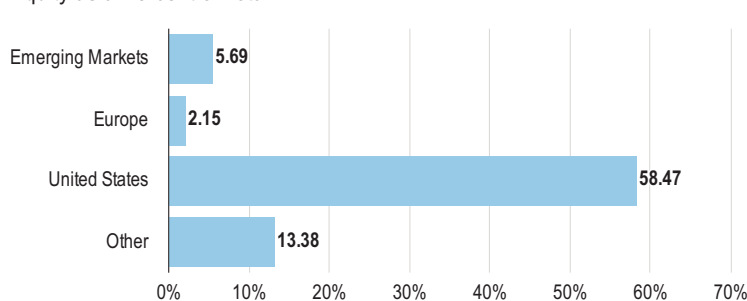
### Top Ten Holdings<sup>11</sup>

Percent of Total

Top Holdings	%
Franklin Growth Fund, Class R6	17.60
Franklin U.S. Core Equity (IU) Fund	16.30
Franklin LibertyQ U.S. Equity ETF	10.03
Franklin Rising Dividends Fund, Class R6	8.84
Franklin Liberty U.S. Core Bond ETF	8.25
Franklin International Core Equity (IU) Fund	6.97
Invesco QQQ Trust Series 1 ETF	5.76
Franklin Emerging Market Core Equity (IU) Fund	3.40
Templeton Foreign Fund, Class R6	3.09
Templeton Developing Markets Trust, Class R6	2.30

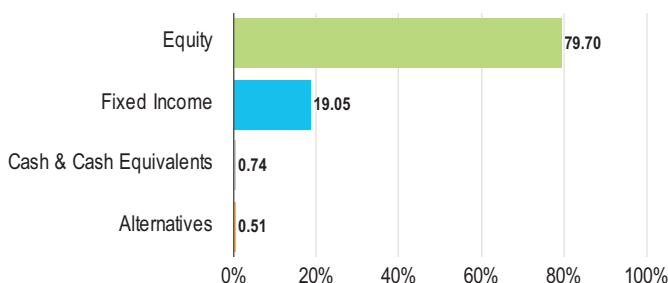
### Geographic Allocation<sup>12</sup>

Equity as a Percent of Total



### Asset Allocation<sup>13,14</sup>

Percent of Total



## Supplemental Performance Statistics

### Supplemental Risk Statistics<sup>15,16</sup>

Class A

	3 Yrs	5 Yrs	10 Yrs
Standard Deviation (%)	13.48	11.53	10.63
Tracking Error (%)	3.72	3.28	3.75
Beta	0.80	0.80	0.77
Sharpe Ratio	0.42	0.69	0.69

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## Investment Strategy and Process

- **Top Down/Bottom Up:** Leveraging a wide range of current market and economic insights from across the Franklin Templeton complex, timely investment themes are formed into asset allocation recommendations. These are then partnered with a short list of Franklin Templeton funds identified through intensive research by our dedicated fund research team.

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

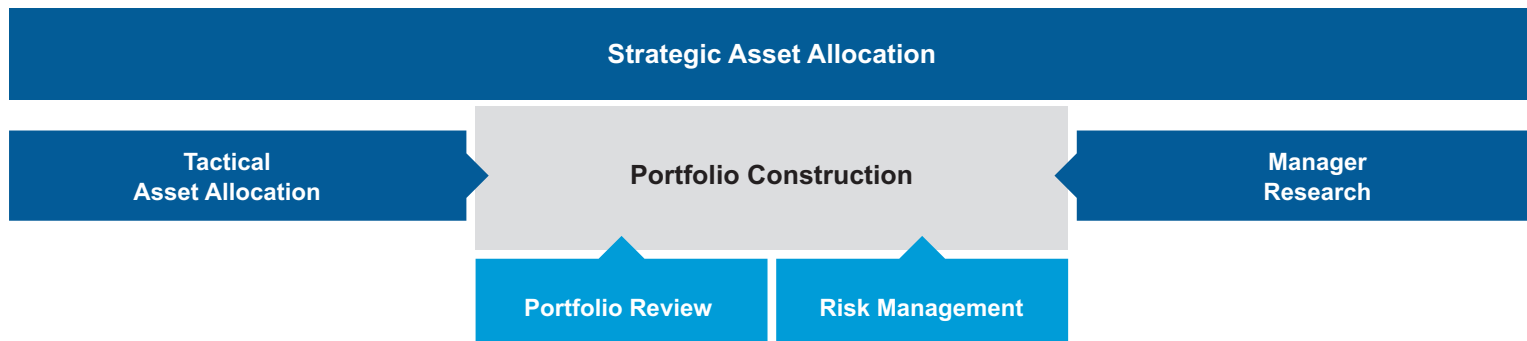
12,14. Percentage may not equal 100% due to rounding. All holdings are subject to change.

13. The asset class of each underlying fund is based on its predominant investments under normal market conditions. Alternatives Funds refers to the fund's investments in underlying Franklin commodities and hedge funds.

15. Beta and Tracking Error information are displayed for the product versus the Linked Franklin Growth Allocation Fund Benchmark-NR.

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

- **Diversification:** Few companies can match the depth and breadth of investment expertise Franklin Templeton target-risk and target-date funds can offer with access to a wide range of funds, covering nearly all asset classes. A diverse group of underlying investments provides the flexibility to gain exposure to varied sectors of the market.
- **Active Asset Allocation:** The funds seek to balance strategic allocation with active diversification as a method of providing superior long-term returns with lower overall volatility.
- **Focused on Long-Term Results:** Long-term strategic allocations utilize models that are determined to possess the most attractive risk/reward characteristics. This focus on achieving attractive long-term, risk-adjusted performance offers you the potential for competitive relative returns in a variety of market conditions.



### Investment Team

Portfolio Manager	Years with Firm	Years Experience
Thomas Nelson, CFA	12	29
May Tong, CFA	2	19

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

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

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

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

**What Are The Risks?**

All investments involve risks, including possible loss of principal. Because this fund invests in underlying funds, it is subject to the same risks, and indirectly bears the fees and expenses, of the underlying funds. Stock prices fluctuate, sometimes rapidly and dramatically, due to factors affecting individual companies, particular industries or sectors, or general market conditions. Bond prices generally move in the opposite direction of interest rates. Thus, as the prices of bonds in a fund adjust to a rise in interest rates, that fund's share price may decline. 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 many 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. These risks are described in the fund's prospectus. Investors should consult their financial professional for help selecting the appropriate fund of funds, or fund combination, based on an evaluation of their investment objectives and risk tolerance.

**Important Legal Information**

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

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2. Source: Morningstar®, 09/30/2020. For each mutual fund and exchange traded fund with at least a 3-year history, Morningstar calculates a Morningstar Rating™ based on how a fund ranks on a Morningstar Risk-Adjusted Return measure against other funds in the same category. This measure takes into account variations in a fund's monthly performance, and does not take into account the effects of sales charges and loads, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. The weights are: 100% 3-year rating for 36-59 months of total returns, 60% 5-year rating/40% 3-year rating for 60-119 months of total returns, and 50% 10-year rating/30% 5-year rating/20% 3-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent 3-year period actually has the greatest impact because it is included in all three rating periods. The Fund's Class A shares received a Morningstar Rating of 4, 4 and 3 star(s) for the 3-, 5- and 10-year periods, respectively. Morningstar Rating™ is for the named share class only; other classes may have different performance characteristics. **Past performance is not an indicator or a guarantee of future performance.**

3. The risk/reward potential is based on the fund's goal and level of risk. It is not indicative of the fund's actual or implied performance or portfolio composition, which may change on a continuous basis.

4. On January 1, 2013, the Franklin Growth Allocation Fund implemented changes to its target allocations; short-term investment allocations were combined into the fixed-income fund target allocation. Formerly, the Fund's target allocation was 80% equity funds, 15% fixed income funds and 5% short-term investments. The Fund's investment goal remains the same.



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