

Franklin Growth Fund

Advisor Class: FCGAX Class A: FKGRX

Commentary | as of September 30, 2025

Key Takeaways

- Markets: US equities delivered strong performance over the third quarter, buoyed, in part, by easing trade tensions and
 optimism surrounding artificial intelligence (AI). The US Federal Reserve's (Fed's) interest-rate cut in September also
 supported market sentiment, as did generally robust corporate earnings. Both the S&P 500 Index and the NASDAQ
 Composite Index ended the quarter at new record highs, while returns for the Dow Jones Industrial Average were more
 muted. In this environment, growth investing surpassed value in the large-capitalization tier, while it was the reverse in
 the mid- and small-capitalization segments, with small-cap stocks overall performing better than their large- and midcap counterparts.
- Detractors: The fund's (Advisor Class without sales charges) return lagged the S&P 500 Index benchmark as stock
 selection decisions worked against us, while allocation effects were mildly supportive. Stock selection in the consumer
 discretionary sector weighed most on relative performance, followed by stock selection in the information technology
 (IT) and financials sectors and stock selection and an overweight in the health care sector.
- Contributors: Relative performance was helped by an underweight and stock selection in the consumer staples sector
 and, to a lesser extent, stock selection in the communication services sector and an underweight in the real estate
 sector
- Outlook: While headline risks continue to influence market sentiment, we think the bigger story for investors is
 technological innovations, particularly in artificial intelligence (Al). Advances in Al and related technologies are
 transforming many industries and, in our view, are creating growth potential for long-term investors. While optimistic
 about these technological innovations, we are carefully watching consumer spending trends and the cumulative effect
 of tariffs. We are also monitoring overall equity market valuations and maintaining our focus on areas where we see
 greater opportunity.

Performance Review

- The fund (Advisor Class without sales charges) underperformed the S&P 500 Index benchmark in the third quarter. In the
 health care sector, shares of robotic surgery company Intuitive Surgical declined due to investor concerns that the potential
 use of third-party remanufactured surgical instruments would displace some of its new product sales, pushing its share price
 to a 52-week low.
- In the IT sector, an underweight in Apple was a relative detractor, but a contributor to absolute returns. The technology
 giant's shares rallied after President Donald Trump suggested there would be no tariffs on certain electronic components for
 companies investing in the United States. Apple also benefited from a ruling in the Department of Justice's antitrust case
 against Google. The ruling allowed Google (a subsidiary of fund holding Alphabet) to continue paying Apple an estimated
 \$20 billion annually to be a non-exclusive search provider for Apple devices.
- Several IT sector holdings contributed positively to relative performance. Among them, TE Connectivity issued solid fiscal
 third-quarter 2025 financial results that rallied its stock. The electronic components manufacturer reported robust growth
 across most of its business lines, especially the industrial solutions and transportation segments. The company is a global
 leader in connector systems and sensors and is driving innovation in electric vehicles.

Outlook

- While headlines have focused on trade tensions, elevated interest rates and fiscal uncertainty, both historical precedent and
 current market performance reinforce our core thesis that the enduring strength of US businesses and capital markets
 should help drive global economic growth into the next decade. We believe US companies and the broader economy
 continue to be powered by structural advantages and secular growth drivers.
- In broad terms, US companies have pioneered breakthroughs that have reshaped industries—ranging from the internet and semiconductors to genomics and defense technologies. In our view, US companies are positioned at the forefront of generative AI, semiconductors, biotechnology and space exploration, creating powerful long-term tailwinds for investors seeking exposure to the world's leading growth companies.
- We see powerful secular tailwinds that potentially support US market leadership in the years ahead. Generative Al and
 automation can unlock productivity and cost savings across sectors. Pro-business policies—such as infrastructure
 investment, deregulation and tax incentives—continue to foster domestic growth. Onshoring and supply-chain
 diversification are reviving domestic manufacturing and boosting output, particularly in the advanced industrial and energy
 markets.
- In our view, economic conditions remain constructive for risk assets, with resilient growth, moderate inflation and broadly supportive monetary and fiscal policy. Corporate fundamentals also appear healthy, in our view, amid improved earnings revisions. Our strategy maintains a diversified approach designed to help us participate in ongoing market strength while remaining adaptable to shifts in market leadership.
- The fund is a conservatively managed, diversified portfolio with a long-time horizon. As a conservative growth fund, we seek
 to reduce downside participation while remaining positioned to participate in upside market moves. We focus on what we
 consider to be high-quality companies with defensible moats, strong pricing power, solid balance sheets and the potential to
 grow sustainably over multiple business cycles. We believe uncertain environments can present opportunities for long-term
 investors.

Top Equity Issuers (% of Total)

Fund
8.45
7.40
4.33
4.04
3.29
3.03
2.69
2.39
2.09
1.85

Franklin Growth Fund as of September 30, 2025

Average annual total returns and fund expenses (%) - as of September 30, 2025

					Witho	ut Sale	s Cha	rge	With Maximum Sales Charge								Expenses		Sales Charges		Inception
Class	CUSIP	Ticker	3-Mo	YTD	1-Yr	3-Yr	5-Yr	10-Yr	Inception	3-Mo	YTD	1-Yr	3-Yr	5-Yr	10-Yr	Inception	Gross	Net	Initial Charge CDS	SC	Date
Advisor Class	353496839	FCGAX	6.09	13.69	12.82	22.52	12.23	14.44	10.73	6.09	13.69	12.82	22.52	12.23	14.44	10.73	0.54	0.54	_	_	3/31/1948
Class A	353496508	FKGRX	6.02	13.47	12.53	22.22	11.95	14.15	10.62	0.19	7.23	6.34	19.93	10.69	13.51	10.54	0.79	0.79	5.50	_	3/31/1948
Benchmark 1	_	_	8.12	14.83	17.60	24.93	16.47	15.30	_	8.12	14.83	17.60	24.93	16.47	15.30	_	_	_	_	_	_
Benchmark 2	_	_	10.51	17.24	25.53	31.60	17.58	18.83	_	10.51	17.24	25.53	31.60	17.58	18.83	_	_	_	_	_	_

Benchmark(s)

Benchmark 1=S&P 500 Index

Benchmark 2=Russell 1000 Growth Index

Performance data quoted represents past performance, which does not guarantee future results. Current performance may be lower or higher than the figures shown. Principal value and investment returns will fluctuate, and investors' shares, when redeemed, may be worth more or less than the original cost. Performance would have been lower if fees had not been waived in various periods. Total returns assume the reinvestment of all distributions and the deduction of all fund expenses. Returns with sales charge reflect a deduction of the stated maximum sales charge. An investor cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses or sales charges. Returns for periods of less than one year are not annualized. All classes of shares may not be available to all investors or through all distribution channels. For current month-end performance, please visit franklintempleton.com.

The fund began offering Advisor Class shares on 12/31/1996. Performance quotations have been calculated as follows: (a) for Advisor Class periods prior to 12/31/1996, a restated figure is used based on the fund's Class A performance. The performance was adjusted to take into account differences in class-specific operating expenses and maximum sales charges applicable to that class.

Gross expenses are the fund's total annual operating expenses as of the fund's prospectus available at the time of publication. Net expenses are capped under a contractual agreement, which cannot be terminated prior to 01/31/2026 without Board consent. Actual expenses may be higher and may impact portfolio returns.

What are the Risks?

All investments involve risks, including possible loss of principal. To the extent the portfolio invests in a concentration of certain securities, regions or industries, it is subject to increased volatility. Small- and mid-cap stocks involve greater risks and volatility than large-cap stocks. The investment style may become out of favor, which may have a negative impact on performance. International investments are subject to special risks, including currency fluctuations and social, economic and political uncertainties, which could increase volatility. These risks are magnified in emerging markets. The manager may consider environmental, social and governance (ESG) criteria in the research or investment process; however, ESG considerations may not be a determinative factor in security selection. In addition, the manager may not assess every investment for ESG criteria, and not every ESG factor may be identified or evaluated. These and other risks are discussed in the fund's prospectus.

Glossary

Dow Jones Industrial Average (DJIA) is an unmanaged index composed of 30 blue-chip stocks, each with annual sales exceeding \$7 billion. The DJIA is price-weighted, reflects large-cap companies representative of U.S. industry, and historically has moved in tandem with other major market indexes such as the S&P 500. Source: © S&P Dow Jones Indices LLC.

Moat is an advantage a company has which allows it to protect its market share and profitability.

Nasdag Composite Index is a market-capitalization-weighted index that is designed to represent the performance of NASDAQ securities and includes over 3,000 stocks. Source: Nasdag OMX.

Important Information

Effective February 1, 2023, the Russell 1000 Growth Index was added as an additional benchmark for the fund.

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.

The Russell 1000 Growth Index measures the performance of the large-cap growth segment of the U.S. equity universe. Source: FTSE. The **\$&P 500 Index** features 500 leading U.S. publicly traded companies, with a primary emphasis on market capitalization. Source: © \$&P Dow Jones Indices LLC. All rights reserved.

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Before investing, carefully consider a fund's investment objectives, risks, charges and expenses. You can find this and other information in each prospectus, or summary prospectus, if available, at www.franklintempleton.com. Please read it carefully.

