

Franklin Growth Opportunities Fund

Advisor Class: FRAAX Class A: FGRAX

Commentary | as of September 30, 2025

Key Takeaways

- Markets: US equities delivered strong performance over the third quarter of 2025, buoyed, in part, by easing trade
 tensions and optimism surrounding artificial intelligence (AI). The US Federal Reserve'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: Stock selection and an overweight in the industrials sector; stock selection in the communication services sector; and stock selection and an underweight in the information technology (IT) sector were the top detractors from performance relative to the Russell 3000 Growth Index benchmark.
- Contributors: Stock selection in the real estate sector offered a small relative contribution along with leading relative contributors at the stock level.
- Outlook: While headline risks continue to influence market sentiment, we think the bigger story for investors is technological innovations, particularly in artificial intelligence (AI). Advances in AI and related technologies are transforming industries and, in our view, creating growth potential for long-term investors. Innovative companies in sectors and industries across the economy are harnessing AI in their efforts to expand profit margins and drive revenue growth. We are seeing this in industries that deliver health care, manage logistics and more.

Top Equity Issuers (% of Total)

Holding	Fund
NVIDIA CORP	9.39
META PLATFORMS INC	6.83
MICROSOFT CORP	6.80
BROADCOM INC	5.47
APPLE INC	4.91
AMAZON.COM INC	4.62
MASTERCARD INC	3.10
ALPHABET INC	3.07
NETFLIX INC	2.76
AXON ENTERPRISE INC	2.09

Performance Review

- The fund (Advisor Class without sales charges) underperformed the Russell 3000 Growth Index benchmark in the third quarter of 2025. In the industrials sector, shares of law enforcement technology company Axon Enterprise were pressured by investor concerns about its \$900 million acquisition of AI firm Prepared (not held by the fund). Despite Axon's strong stock performance over the past year, many investors reacted negatively to the acquisition and potential integration risks, leading to a double-digit-percentage stock decline during the quarter. Nonetheless, we view Axon as a beneficiary of AI and a key component to the digitalization of law enforcement and emergency services.
- In the IT sector, an underweight in technology giant Apple was a relative detractor, but the position was a contributor in
 absolute terms. Apple has struggled to demonstrate how generative AI will be integrated into its ecosystem, but its share
 price rallied following a positive outcome from the Department of Justice on Apple's relationship with Google (a subsidiary of
 fund holding Alphabet) and after the company announced plans to build a US manufacturing plant to help reduce its
 dependence on China and secure lower tariffs.
- Conversely, the IT sector benefited from a position in mobile marketing platform operator AppLovin, whose stock rose sharply
 in September, driven by strong growth and its inclusion in the S&P 500. We believe the company can continue delivering
 attractive growth, supported by improved self-service tools and growing demand for its Al-powered advertising technology.
- Elsewhere, a leading relative contributor at the stock level was Roblox in the communication services sector. The online
 gaming platform operator reported strong bookings year-over-year in the second quarter, helped by improved algorithmic
 discovery and virality of games. We continue to have high conviction in the long-term growth prospects of Roblox and its
 ability to increase its market share in the global gaming market.

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 secular tailwinds that potentially support US market leadership in the years ahead. Generative AI 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.

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

			Without Sales Charge						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	CDSC	Date
Advisor Class	354713729	FRAAX	4.01	9.96	11.86	24.92	9.99	13.99	10.67	4.01	9.96	11.86	24.92	9.99	13.99	10.67	0.64	0.64	_	_	6/23/1999
Class A	354713687	FGRAX	3.96	9.76	11.60	24.60	9.71	13.70	10.36	-1.77	3.72	5.47	22.28	8.48	13.07	10.13	0.89	0.89	5.50	-	6/23/1999
Benchmark 1	_	_	10.41	16.82	24.79	30.75	17.04	18.26	_	10.41	16.82	24.79	30.75	17.04	18.26	_	_	_	_	_	_
Benchmark 2	_	_	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(s)

Benchmark 1=Russell 3000 Growth Index

Benchmark 2=S&P 500 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 6/23/1999. Performance quotations have been calculated as follows: (a) for Advisor Class periods prior to 6/23/1999, 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.

The total annual operating expenses are as of the fund's prospectus available at the time of publication. Actual expenses may be higher and may impact portfolio returns.

What are the Risks?

All investments involve risks, including possible loss of principal. The investment style may become out of favor, which may have a negative impact on performance. 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 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.

Nasdaq 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: Nasdaq OMX.

Important Information

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 3000 Growth Index** measures the performance of those Russell 3000 Index companies with higher price-to-book ratios and higher forecasted growth values. Source: FTSE. The **S&P 500 Index** features 500 leading U.S. publicly traded companies, with a primary emphasis on market capitalization. Source: © S&P Dow Jones Indices LLC. All rights reserved.

Important data provider notices and terms available at www.franklintempletondatasources.com. All data is subject to change.

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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.

