



**FRANKLIN
TEMPLETON**

INVESTING IN INNOVATION: FRANKLIN DYNATECH FUND (FDYZX)

Franklin DynaTech Fund is a diversified growth fund which has focused on investing in innovation since 1968. The investment team researches, investigates, explores, studies and scrutinizes the greatest innovations of our time, looking for the best potential investments. They seek to identify those companies and industries with compelling products, new processes, strong management and disruptive technologies. Our investment team is headquartered near the heart of Silicon Valley, allowing the managers and analysts firsthand access to research and the opportunity to build relationships with companies at the forefront of innovation today.

The heart of the investment philosophy is the belief that innovation drives long-term wealth creation. Importantly, the team views the world today through an investment lens that spans decades of history.

Innovation Is Accelerating

We are living in a period of unprecedented economic change, often referred to as the fourth industrial revolution.¹ This affords us with a compelling backdrop in which to invest, as new companies, technologies, and ideas are brought into the marketplace.

Innovation Demands Active Management

In our view, innovation is one of the most misunderstood parts of the market and demands active management. New technologies, products and processes can impact our daily lives; however, their prospects as investments may vary significantly as the expectations of market participants change over time. Some innovations may be great investments today, or far in the future, or never at all.

Innovation Is Everywhere

Innovation today is pervasive; it is not confined to any singular niche of the economy. The Franklin DynaTech investment team expects five platforms of growth, spanning myriad sectors and industries, to generate considerable economic value over the next five to ten years. We highlight some examples below.

FRANKLIN DYNATECH: PLATFORMS OF GROWTH²

GLOBAL E-COMMERCE



- General Commerce
- Media
- The Sharing Economy
- Verticals: Travel, Autos, Real Estate, etc.
- Transport & Logistics

GENETIC BREAKTHROUGHS



- Sequencers & Equipment
- Diagnostics
- Gene Silencing or Muting
- Gene Editing
- Agriculture

INTELLIGENT MACHINES



- Robotics
- 3D Printing
- Internet of Things
- Automated Driving
- Drones
- Healthcare Implantables

NEW FINANCE



- ePayments
- Exchanges
- Blockchain
- Virtual Currencies
- Distributed Lending
- Alternative Data

EXPONENTIAL DATA



- Artificial Intelligence & Machine Learning
- Cloud Computing
- Edge Computing
- Data Analysis
- Augmented & Virtual Reality

1. Source: Schwab, Klaus. The Fourth Industrial Revolution. Currency, 2017. Print.

2. This commentary reflects the analysis and opinions of the Franklin DynaTech investment team as of August 2021, and may differ from the opinions of other portfolio managers, investment teams or platforms at Franklin Templeton. Because market and economic conditions are subject to rapid change, the analysis and opinions provided may change without notice. The commentary does not provide a complete analysis of every material fact regarding any country, market, industry or security. An assessment of a particular country, market, security, investment or strategy is not intended as an investment recommendation nor does it constitute investment advice. Statements of fact are from sources considered reliable, but no representation or warranty is made as to their completeness or accuracy.

Not FDIC Insured | May Lose Value | No Bank Guarantee



As of July 31, 2021, the fund's Advisor Class shares received a 5-star overall Morningstar Rating™, measuring risk-adjusted returns against 1,133, 1,019 and 763 U.S.-domiciled Large Growth 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.³

PERFORMANCE HIGHLIGHTS

	CUMULATIVE TOTAL RETURNS		AVERAGE ANNUAL TOTAL RETURNS		
	As of 6/30/21		For Periods Ended 6/30/21		
	YTD	1-Year	5-Year	10-Year	Since Inception (1/1/1968)
Advisor Class (FDYZX) ⁴	10.55%	43.42%	29.33%	19.62%	10.59%
Class A (FKDNX) (without sales charge)	10.41%	43.07%	29.00%	19.32%	10.53%
Class A (FKDNX) (with sales charge) ⁵	4.34%	35.20%	27.55%	18.64%	10.41%

Sales charges: Advisor Class: none, Class A: maximum 5.50% initial sales charge.

Total annual operating expense⁶:With waiver: Advisor Class: 0.60%, Class A: 0.85%, Without waiver: Advisor Class: 0.61%, Class A: 0.86%.

Performance data represents past performance, which does not guarantee future results. Current performance may differ from figures shown. The fund's investment returns and principal values 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.

Advisor Class shares do not have sales charges or 12b-1 fees and are offered only to certain eligible investors as stated in the prospectus. The fund offers other share classes subject to different fees and expenses, which will affect their performance. Please see the prospectus for details.

WHAT ARE THE RISKS?

All investments involve risks, including possible loss of principal. Stocks historically have outperformed other asset classes over the long term, but tend to fluctuate more dramatically over the short term. Investments in fast-growing industries like the technology and healthcare sectors (which have historically been volatile) could result in increased price fluctuation, especially over the short term, due to the rapid pace of product change and development and changes in government regulation of companies emphasizing scientific or technological advancement or regulatory approval for new drugs and medical instruments. The fund may also invest in small- and mid-capitalization companies, which can be particularly sensitive to changing economic conditions, and their prospects for growth are less certain than those of larger, more established companies. These and other risks are described more fully in the fund's prospectus.

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. Please carefully read a prospectus before you invest or send money.

3. Source: Morningstar®, 7/31/21. For each mutual fund and ETF 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 Advisor Class shares received a Morningstar Rating of 5, 5 and 5 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.** Source: © Morningstar. Important data provider notices and terms available at www.franklintempletondatasources.com. © 2021 Morningstar. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

4. Effective 5/15/08, the fund began offering Advisor Class shares. For periods prior to the fund's Advisor Class inception date, a restated figure is used based on the fund's oldest share class, Class A performance, excluding the effect of Class A's maximum initial sales charge but reflecting the effect of the Class A Rule 12b-1 fees; and for periods after the fund's Advisor Class inception date, actual Advisor Class performance is used, reflecting all charges and fees applicable to that class.

5. 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%. Effective 5/1/94, the fund implemented a Rule 12b-1 plan, which affects subsequent performance.

6. The fund has a fee waiver associated with any investment it makes in a Franklin Templeton money fund and/or other Franklin Templeton fund, contractually guaranteed through 1/31/22. Fund investment results reflect the fee reduction; without this reduction, the results would have been lower. Please see the prospectus for additional information.



(800) 342-5236
franklintempleton.com