

SEMIANNUAL REPORT AND SHAREHOLDER LETTER

FRANKLIN FUND ALLOCATOR SERIES

June 30, 2019



FRANKLIN
TEMPLETON

Franklin Conservative Allocation Fund

Franklin Moderate Allocation Fund

Franklin Growth Allocation Fund

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If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. If you have not signed up for electronic delivery, we would encourage you to join fellow shareholders who have. You may elect to receive shareholder reports and other communications electronically from the Fund by calling (800) 632-2301 or by contacting your financial intermediary.

You may elect to continue to receive paper copies of all your future shareholder reports free of charge by contacting your financial intermediary or, if you invest directly with a Fund, calling (800) 632-2301 to let the Fund know of your request. Your election to receive reports in paper will apply to all funds held in your account.

FRANKLIN TEMPLETON

Successful investing begins with ambition. And achievement only comes when you reach for it. That's why we continually strive to deliver better outcomes for investors. No matter what your goals are, our deep, global investment expertise allows us to offer solutions that can help.

During our more than 70 years of experience, we've managed through all kinds of markets—up, down and those in between. We're always preparing for what may come next. It's because of this, combined with our strength as one of the world's largest asset managers that we've earned the trust of millions of investors around the world.

Dear Shareholder:

The U.S. economy, after moderating for two consecutive quarters, grew faster during the six months ended June 30, 2019, and the unemployment rate declined. In the first half of 2019, the U.S. Federal Reserve (Fed) held its federal funds rate unchanged at 2.50%, but in June, the Fed indicated increased uncertainties around its views on economic activity and the labor market and hinted at potential future rate cuts. After the reporting period, in an effort to support ongoing economic growth, the Fed implemented a much anticipated 25 basis-point reduction at its July 31 meeting.

In this environment, the prices of U.S. stocks, as measured by the Standard & Poor's® 500 Index (S&P 500®), rose 17.35%, (the index increasing from 2,506.85 to 2,941.76).^{1,3} The prices of stocks in global developed markets, as measured by the MSCI World Index, rose 15.63% (the index increasing from 1,883.901 to 2,178.347).^{2,3} Investment-grade bonds, as measured by the Bloomberg Barclays U.S. Aggregate Bond Index (Bloomberg Index), posted a +6.11% total return (an index increase from 2,046.60 to 2,171.71), which includes reinvestment of income and distributions.⁴

We are committed to our long-term perspective and disciplined investment approach as we conduct a rigorous, fundamental analysis of securities with a regular emphasis on investment risk management.

We believe active, professional investment management serves investors well. We also recognize the important role of financial advisors 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. Please remember all securities markets fluctuate, as do mutual fund share prices.

We thank you for investing with Franklin Templeton, welcome your questions and comments, and look forward to serving your future investment needs.

1. Source: Copyright © 2019, 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 +18.54% (index total return resulting in an increase from 4,984.22 to 5,908.25) and MSCI World Index +17.38% (index total return resulting in an increase from 7,771.710 to 9,122.090).

4. Sources: Morningstar and Bloomberg Barclays Indices. 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.

Not FDIC Insured | May Lose Value | No Bank Guarantee

Sincerely,



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

This letter reflects our analysis and opinions as of June 30, 2019, 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.

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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

The global economy expanded during the six months ended June 30, 2019, despite weakness in certain regions. Global developed and emerging market stocks were aided by upbeat economic data in some regions, encouraging corporate earnings reports and periods of optimism about a potential U.S.-China trade deal. Further supporting markets were the U.S. Federal Reserve's (Fed's) patient approach to its monetary policy in 2019 and recent indication it will act as appropriate to sustain U.S. economic expansion.

However, markets reflected concerns about political uncertainties in the U.S. and the European Union, geopolitical risks in certain regions, and the impact of U.S. trade disputes with China and other trading partners on global growth and corporate earnings. In this environment, global developed and emerging market stocks, as measured by the MSCI All Country World Index, posted a +16.60% total return for the six-month period.¹

The U.S. economy grew during the six months ended June 30, 2019. After moderating for two consecutive quarters, the economy grew significantly faster in 2019's first quarter, driven by growth in consumer spending, inventory investment, exports, business investment, and state and local government spending. However, the economy moderated again in the second quarter, due to weakness in inventory investment, exports, business investment and housing investment. The unemployment rate decreased from 3.9% in December 2018 to 3.7% at period-end.² The annual inflation rate, as measured by the Consumer Price Index, decreased from 1.9% in December 2018 to 1.6% at period-end.²

The Fed held its target range for the federal funds rate unchanged, at 2.25%–2.50%, during the reporting period. In March, the Fed mentioned it would end its balance sheet normalization program by the end of September 2019. In June, the Fed indicated increased uncertainties around its views on economic activity and the labor market. With market-based inflation measures remaining low recently, the market has interpreted the Fed's recent statements to mean it will likely cut rates in 2019's second half to foster continued economic growth while attempting to achieve its inflation objective.

In Europe, the U.K.'s quarterly gross domestic product (GDP) growth accelerated in 2019's first quarter. The

Bank of England left its key policy rate unchanged during the period. The eurozone's quarterly GDP accelerated in 2019's first quarter. However, the bloc's annual inflation rate decreased during the period. The European Central Bank (ECB) kept its benchmark interest rate unchanged for the same time. In June, the ECB mentioned it would leave interest rates unchanged through the first half of 2020, provided details of its new stimulus, and indicated its openness to cut rates or increase stimulus.

In Asia, Japan's quarterly GDP growth accelerated in 2019's first quarter. In June, the Bank of Japan also left its benchmark interest rate unchanged, while continuing its stimulus measures, and expressed its openness to cut interest rates or increase stimulus.

In larger emerging markets, Brazil's quarterly GDP growth contracted in 2019's first quarter. The Central Bank of Brazil left its benchmark interest rate unchanged during the period. Russia's annual GDP growth moderated in 2019's first quarter. The Bank of Russia cut its key rate once during the period. China's annual GDP growth rate stabilized in 2019's first quarter. The People's Bank of China left its benchmark interest rate unchanged, but it took measures to improve financial liquidity to mitigate the effects of the U.S.-China trade dispute and support economic growth. Overall, global emerging market stocks, as measured by the MSCI Emerging Markets Index, posted a +10.78% total return during the six-month period.¹

The foregoing information reflects our analysis and opinions as of June 30, 2019. 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.

2. Source: U.S. Bureau of Labor Statistics.

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

Franklin Conservative Allocation Fund

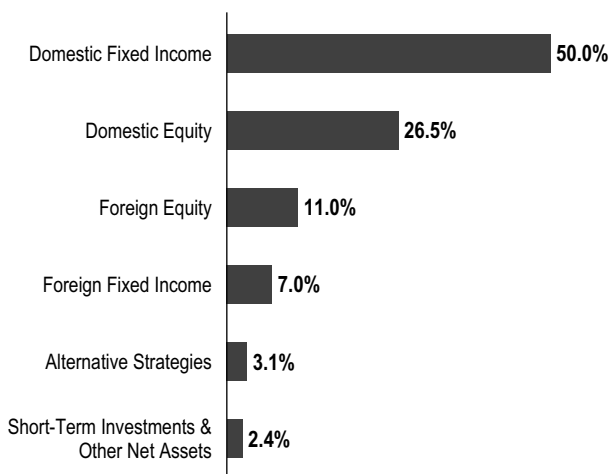
This semiannual report for Franklin Conservative Allocation Fund covers the period ended June 30, 2019.

Your Fund's Goal and Main Investments

The Fund seeks the highest level of long-term total return consistent with an acceptable level of risk.¹

Asset Allocation*

Based on Total Net Assets as of 6/30/19



*The asset allocation is based on the Statement of Investments (SOI), which classifies each underlying fund and other fund investments into a broad asset class based on its predominant investments under normal market conditions.

Performance Overview

The Fund's Class A shares posted a +9.37% cumulative total return for the six months under review. In comparison, the Custom Franklin Conservative Allocation Fund Index (Blended Benchmark) posted a +10.14% cumulative total return.² The Fund's equity benchmark, the MSCI All Country World Index (ACWI), which measures equity market performance in global developed and emerging markets, posted a +16.60% total return.³ The Fund's fixed income benchmark, the Bloomberg Barclays Multiverse Index, a

broad-based measure of the global fixed income bond market, posted a +5.78% total return.³ You can find the Fund's long-term performance data in the Performance Summary beginning on page 6.

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

Whenever possible, we attempt to hold the same underlying Franklin Templeton funds and other fund investments (collectively, "fund investments") in each Allocation Fund's portfolio and will vary the allocation percentages of the fund investments based upon each Allocation Fund's risk/return level. Maintaining similarity of the fund investments across the Conservative, Moderate and Growth Allocation Funds is intended to increase the consistency of their results relative to one another. We allocate the Fund's assets among the broad asset classes of equity and fixed-income investments by investing primarily in a distinctly-weighted combination of underlying funds, based on each underlying fund's predominant asset class. When selecting equity funds, we consider the fund investments' foreign and domestic exposure, market capitalization ranges and investment styles (growth versus value). When selecting fixed income funds, we focus primarily on maximizing income appropriate to the Fund's risk profile.

Manager's Discussion

The Fund's performance can be attributed to its allocation among equity and fixed income securities and to the actual performance of the fund investments.

At period-end, Franklin Conservative Allocation Fund allocated 57.0% of total net assets to fixed income, 37.5% to

1. 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.

2. Source: FactSet. The Fund's Blended Benchmark was calculated internally. Effective January 1, 2015, the Blended Benchmark changed to 40% MSCI ACWI and 60% Bloomberg Barclays Multiverse Index. From January 1, 2013 to December 31, 2014, the Blended Benchmark was composed of 28% Standard & Poor's 500 Index (S&P 500), 12% MSCI Europe, Australasia, Far East (EAFE) Index and 60% Bloomberg Barclays U.S. Aggregate Bond Index. Prior to January 1, 2013, the Blended Benchmark was composed of 28% S&P 500, 12% MSCI EAFE Index, 40% Bloomberg Barclays U.S. Aggregate Bond Index and 20% Payden and Rygel 90 Day T-Bill Index.

3. Source: Morningstar.

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.

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 SOI which begins on page 24.

Top 10 Fund Holdings

6/30/19

	% of Total Net Assets
Franklin Low Duration Total Return Fund – Class R6	18.5%
Franklin U.S. Government Securities Fund – Class R6	17.6%
iShares Core U.S. Aggregate Bond ETF	8.4%
Franklin Growth Fund – Class R6	8.0%
Franklin LibertyQ U.S. Equity ETF	7.4%
Templeton Global Total Return Fund – Class R6	7.0%
Franklin Strategic Income Fund – Class R6	5.5%
Franklin Rising Dividends Fund – Class R6	4.1%
Franklin DynaTech Fund – Class R6	3.9%
Franklin LibertyQ Emerging Markets ETF	3.6%

equity and 3.1% to alternative strategies. Domestic fixed income exposure was 87.7% of the total fixed income weighting, with the balance represented by foreign fixed income. Franklin Low Duration Total Return Fund – Class R6, represented 18.5% of the Fund's total net assets, and was our largest fixed income fund weighting at period-end. On the equity side, domestic exposure was 70.7% of the Fund's total equity weighting, with the balance represented by foreign equity. The Portfolio was diversified across capitalization sizes and investment styles, and on June 30, 2019, we held shares in large-, mid- and small-capitalization equity funds, representing both growth and value styles. Franklin Growth Fund – Class R6 was our largest equity fund weighting at 8.0% of total net assets.

During the six-month reporting period, our largest domestic growth fund holding, Franklin Growth Fund – Class R6, and our largest domestic value fund holding, Franklin LibertyQ U.S. Equity ETF, outperformed the MSCI ACWI. Our largest foreign equity fund holding, Franklin LibertyQ Emerging Markets ETF, underperformed the MSCI ACWI. On the fixed income side, Franklin Low Duration Total Return Fund – Class R6 and Templeton Global Total Return Fund – Class R6 underperformed the Bloomberg Barclays Multiverse Index.

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



Thomas A. Nelson, CFA
Co-Lead Portfolio Manager



May Tong, CFA
Co-Lead Portfolio Manager

The foregoing information reflects our analysis, opinions and portfolio holdings as of June 30, 2019, 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, 2019

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 6/30/19¹

*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	+9.37%	+3.33%
1-Year	+5.46%	-0.32%
5-Year	+18.73%	+2.33%
10-Year	+79.66%	+5.43%
Advisor		
6-Month	+9.50%	+9.50%
1-Year	+5.73%	+5.73%
5-Year	+20.29%	+3.76%
10-Year	+84.31%	+6.31%

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 7 for Performance Summary footnotes.

Distributions (1/1/19–6/30/19)

Share Class	Net Investment Income	Short-Term Capital Gain	Long-Term Capital Gain	Total
A	\$0.1302	\$0.0004	\$0.0171	\$0.1477
C	\$0.0806	\$0.0004	\$0.0171	\$0.0981
R	\$0.1136	\$0.0004	\$0.0171	\$0.1311
R6	\$0.1523	\$0.0004	\$0.0171	\$0.1698
Advisor	\$0.1467	\$0.0004	\$0.0171	\$0.1642

Total Annual Operating Expenses⁵

Share Class	
A	1.13%
Advisor	0.88%

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 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. Foreign investing carries additional risks such as currency and market volatility and political or social instability, risks which are heightened in developing countries. Investors should consult their financial advisor for help selecting the appropriate fund of funds, or fund combination, based on an evaluation of their investment objectives and risk tolerance. The Fund's prospectus also includes a description of the main investment risks.

1. As of 1/1/13, the Fund changed its target allocation, with short-term investments (formerly a targeted allocation of 20%) combined into the fixed income allocations; such a change can impact performance.
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, including the effect of acquired fund fees and expenses, 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.

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 1/1/19	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio ²
		Ending Account Value 6/30/19	Expenses Paid During Period 1/1/19–6/30/19 ^{1, 2}	Ending Account Value 6/30/19	Expenses Paid During Period 1/1/19–6/30/19 ^{1, 2}	
A	\$1,000	\$1,093.70	\$3.27	\$1,021.67	\$3.16	0.63%
C	\$1,000	\$1,089.50	\$7.15	\$1,017.95	\$6.90	1.38%
R	\$1,000	\$1,092.10	\$4.56	\$1,020.43	\$4.41	0.88%
R6	\$1,000	\$1,095.60	\$1.51	\$1,023.36	\$1.45	0.29%
Advisor	\$1,000	\$1,095.00	\$1.97	\$1,022.91	\$1.91	0.38%

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, for Class R6. Does not include acquired fund fees and expenses.

Franklin Moderate Allocation Fund

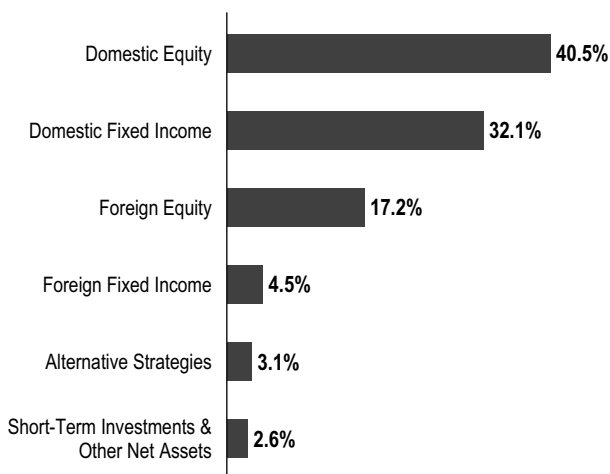
This semiannual report for Franklin Moderate Allocation Fund covers the period ended June 30, 2019.

Your Fund's Goal and Main Investments

The Fund seeks the highest level of long-term total return consistent with an acceptable level of risk.¹

Asset Allocation*

Based on Total Net Assets as of 6/30/19



*The asset allocation is based on the Statement of Investments (SOI), which classifies each underlying fund and other fund investments into a broad asset class based on its predominant investments under normal market conditions.

Performance Overview

The Fund's Class A shares posted a +11.98% cumulative total return for the six months under review. In comparison, the Custom Franklin Moderate Allocation Fund Index (Blended Benchmark) posted a +12.30% cumulative total return.² The Fund's equity benchmark, the MSCI All Country World Index (ACWI), which measures equity market performance in global developed and emerging markets, posted a +16.60% total return.³ The Fund's fixed income benchmark, the Bloomberg Barclays Multiverse Index, a

broad-based measure of the global fixed income bond market, posted a +5.78% total return.³ You can find the Fund's long-term performance data in the Performance Summary beginning on page 11.

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

Whenever possible, we attempt to hold the same underlying Franklin Templeton funds and other fund investments (collectively, "fund investments") in each Allocation Fund's portfolio and will vary the allocation percentages of the fund investments based upon each Allocation Fund's risk/return level. Maintaining similarity of the fund investments across the Conservative, Moderate and Growth Allocation Funds is intended to increase the consistency of their results relative to one another. We allocate the Fund's assets among the broad asset classes of equity and fixed-income investments by investing primarily in a distinctly-weighted combination of underlying funds, based on each underlying fund's predominant asset class. When selecting equity funds, we consider the fund investments' foreign and domestic exposure, market capitalization ranges and investment styles (growth versus value). When selecting fixed income funds, we focus primarily on maximizing income appropriate to the Fund's risk profile.

Manager's Discussion

The Fund's performance can be attributed to its allocation among equity and fixed income securities and to the actual performance of the fund investments.

At period-end, Franklin Moderate Allocation Fund allocated 57.7% of total net assets to equity, 36.6% to fixed income

1. 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.

2. Source: FactSet. The Fund's Blended Benchmark was calculated internally. Effective January 1, 2015, the Blended Benchmark changed to 60% MSCI ACWI and 40% Bloomberg Barclays Multiverse Index. From January 1, 2013 to December 31, 2014, the Blended Benchmark was composed of 38.5% Standard & Poor's 500 Index (S&P 500), 16.5% MSCI Europe, Australasia, Far East (EAFE) Index and 45% Bloomberg Barclays U.S. Aggregate Bond Index. Prior to January 1, 2013, the Blended Benchmark was composed of 38.5% S&P 500, 16.5% MSCI EAFE Index, 35% Bloomberg Barclays U.S. Aggregate Bond Index and 10% Payden & Rygel 90 Day T-Bill Index.

3. Source: Morningstar.

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.

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 SOI, which begins on page 30.

Top 10 Fund Holdings

6/30/19

	% of Total Net Assets
Franklin Growth Fund – Class R6	12.3%
Franklin Low Duration Total Return Fund – Class R6	11.9%
Franklin LibertyQ U.S. Equity ETF	11.3%
Franklin U.S. Government Securities Fund – Class R6	10.9%
Franklin Rising Dividends Fund – Class R6	6.2%
Franklin DynaTech Fund – Class R6	6.0%
iShares Core U.S. Aggregate Bond ETF	5.8%
Franklin LibertyQ Emerging Markets ETF	5.4%
Templeton Global Total Return Fund – Class R6	4.5%
Franklin Strategic Income Fund – Class R6	3.6%

and 3.1% to alternative strategies. Domestic equity exposure was 70.2% of the total equity weighting, with the balance represented by foreign equity. The Portfolio was diversified across capitalization sizes and investment styles, and on June 30, 2019, we held shares in large-, mid- and small-capitalization equity funds, representing both growth and value styles. Franklin Growth Fund – Class R6 was our largest equity fund weighting at 12.3% of total net assets. On the fixed income side, domestic exposure was 87.7% of the Fund's total fixed income weighting, with the balance represented by foreign fixed income. Franklin Low Duration Total Return Fund – Class R6 was our largest fixed income fund weighting at 11.9% of total net assets.

During the six-month reporting period, our largest domestic growth fund holding, Franklin Growth Fund – Class R6, and our largest domestic value fund holding, Franklin LibertyQ U.S. Equity ETF, outperformed the MSCI ACWI. Our largest foreign equity fund holding, Franklin LibertyQ Emerging Markets ETF, underperformed the MSCI ACWI. On the fixed income side, Franklin Low Duration Total Return Fund – Class R6 and Templeton Global Total Return Fund – Class R6 underperformed the Bloomberg Barclays Multiverse Index.

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



Thomas A. Nelson, CFA
Co-Lead Portfolio Manager



May Tong, CFA
Co-Lead Portfolio Manager

The foregoing information reflects our analysis, opinions and portfolio holdings as of June 30, 2019, 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, 2019

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 6/30/19¹

*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	+11.98%	+5.81%
1-Year	+6.06%	+0.24%
5-Year	+26.03%	+3.56%
10-Year	+108.65%	+7.03%
Advisor		
6-Month	+12.10%	+12.10%
1-Year	+6.25%	+6.25%
5-Year	+27.66%	+5.01%
10-Year	+113.95%	+7.90%

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 12 for Performance Summary footnotes.

Distributions (1/1/19–6/30/19)

Share Class	Net Investment Income	Short-Term Capital Gain	Long-Term Capital Gain	Total
A	\$0.0982	\$0.0067	\$0.0474	\$0.1523
C	\$0.0458	\$0.0067	\$0.0474	\$0.0999
R	\$0.0802	\$0.0067	\$0.0474	\$0.1343
R6	\$0.1227	\$0.0067	\$0.0474	\$0.1768
Advisor	\$0.1158	\$0.0067	\$0.0474	\$0.1699

Total Annual Operating Expenses⁵

Share Class	
A	1.14%
Advisor	0.89%

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 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. Foreign investing carries additional risks such as currency and market volatility and political or social instability, risks which are heightened in developing countries. Investors should consult their financial advisor for help selecting the appropriate fund of funds, or fund combination, based on an evaluation of their investment objectives and risk tolerance. The Fund's prospectus also includes a description of the main investment risks.

1. As of 1/1/13, the Fund changed its target allocation, with short-term investments (formerly a targeted allocation of 20%) combined into the fixed income allocations; such a change can impact performance.
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, including the effect of acquired fund fees and expenses, 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.

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 1/1/19	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio ²
		Ending Account Value 6/30/19	Expenses Paid During Period 1/1/19–6/30/19 ^{1, 2}	Ending Account Value 6/30/19	Expenses Paid During Period 1/1/19–6/30/19 ^{1, 2}	
A	\$1,000	\$1,119.80	\$3.36	\$1,021.62	\$3.21	0.64%
C	\$1,000	\$1,115.10	\$7.29	\$1,017.90	\$6.95	1.39%
R	\$1,000	\$1,117.90	\$4.67	\$1,020.38	\$4.46	0.89%
R6	\$1,000	\$1,120.90	\$1.53	\$1,023.36	\$1.45	0.29%
Advisor	\$1,000	\$1,121.00	\$2.05	\$1,022.86	\$1.96	0.39%

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, for Class R6. Does not include acquired fund fees and expenses.

Franklin Growth Allocation Fund

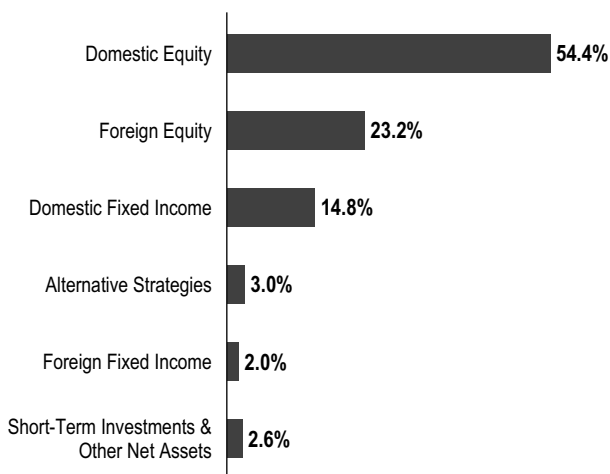
This semiannual report for Franklin Growth Allocation Fund covers the period ended June 30, 2019.

Your Fund's Goal and Main Investments

The Fund seeks the highest level of long-term total return consistent with an acceptable level of risk.¹

Asset Allocation*

Based on Total Net Assets as of 6/30/19



*The asset allocation is based on the Statement of Investments (SOI), which classifies each underlying fund and other fund investments into a broad asset class based on its predominant investments under normal market conditions.

Performance Overview

The Fund's Class A shares posted a +14.62% cumulative total return for the six months under review. In comparison, the Custom Franklin Growth Allocation Fund Index (Blended Benchmark) posted a +14.46% cumulative total return.² The Fund's equity benchmark, the MSCI All Country World Index (ACWI), which measures equity market performance in global developed and emerging markets, posted a +16.60% total return.³ The Fund's fixed income benchmark, the Bloomberg Barclays Multiverse Index, a broad-based

measure of the global fixed income bond market, posted a +5.78% total return.³ You can find the Fund's long-term performance data in the Performance Summary beginning on page 56.

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

Whenever possible, we attempt to hold the same underlying Franklin Templeton funds and other fund investments (collectively, "fund investments") in each Allocation Fund's portfolio and will vary the allocation percentages of the fund investments based upon each Allocation Fund's risk/return level. Maintaining similarity of the fund investments across the Conservative, Moderate and Growth Allocation Funds is intended to increase the consistency of their results relative to one another. We allocate the Fund's assets among the broad asset classes of equity and fixed-income investments by investing primarily in a distinctly-weighted combination of underlying funds, based on each underlying fund's predominant asset class. When selecting equity funds, we consider the fund investments' foreign and domestic exposure, market capitalization ranges and investment styles (growth versus value). When selecting fixed income funds, we focus primarily on maximizing income appropriate to the Fund's risk profile.

Manager's Discussion

The Fund's performance can be attributed to its allocation among equity and fixed income securities and to the actual performance of the fund investments.

At period-end, Franklin Growth Allocation Fund allocated 77.6% of total net assets to equity, 16.8% to fixed income

1. 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.

2. Source: FactSet. The Fund's Blended Benchmark was calculated internally. Effective January 1, 2015, the Blended Benchmark changed to 80% MSCI ACWI and 20% Bloomberg Barclays Multiverse Index. From January 1, 2013 to December 31, 2014, the Blended Benchmark was composed of 56% Standard & Poor's Index (S&P 500), 24% MSCI Europe, Australasia, Far East (EAFE) Index and 20% Bloomberg Barclays U.S. Aggregate Bond Index. Prior to January 1, 2013, the Blended Benchmark was composed of 56% S&P 500, 24% MSCI EAFE Index, 15% Bloomberg Barclays U.S. Aggregate Bond Index and 5% Payden & Rygel 90 Day T-Bill Index.

3. Source: Morningstar.

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.

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 SOI which begins on page 37.

Top 10 Fund Holdings

6/30/19

	% of Total Net Assets
Franklin Growth Fund – Class R6	16.4%
Franklin LibertyQ U.S. Equity ETF	15.2%
Franklin Rising Dividends Fund – Class R6	8.3%
Franklin DynaTech Fund – Class R6	8.2%
Franklin LibertyQ Emerging Markets ETF	7.2%
Franklin Low Duration Total Return Fund – Class R6	5.5%
Franklin U.S. Government Securities Fund – Class R6	5.0%
Franklin International Small Cap Fund – Class R6	4.6%
Templeton Foreign Fund – Class R6	4.0%
Franklin Mutual European Fund – Class R6	3.4%

and 3.0% to alternative strategies. Domestic equity exposure was 70.1% of the total equity weighting, with the balance represented by foreign equity. The portfolio was diversified across capitalization sizes and investment styles, and on June 30, 2019, we held shares in large-, mid- and small-capitalization equity funds, representing both growth and value styles. Franklin Growth Fund – Class R6 was our largest equity fund weighting at 16.4% of total net assets. On the fixed income side, domestic exposure was 88.1% of the Fund's total fixed income weighting, with the balance represented by foreign fixed income. Franklin Low Duration Total Return Fund – Class R6 was our largest fixed income fund weighting at 5.5% of total net assets.

During the six-month reporting period, our largest domestic growth fund holding, Franklin Growth Fund – Class R6, and our largest domestic value fund holding, Franklin LibertyQ U.S. Equity ETF, outperformed the MSCI ACWI. Our largest foreign equity fund holding, Franklin LibertyQ Emerging Markets ETF, underperformed the MSCI ACWI. On the fixed income side, Franklin Low Duration Total Return Fund – Class R6 and Templeton Global Total Return Fund – Class R6 underperformed the Bloomberg Barclays Multiverse Index.

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



Thomas A. Nelson, CFA
Co-Lead Portfolio Manager



May Tong, CFA
Co-Lead Portfolio Manager

The foregoing information reflects our analysis, opinions and portfolio holdings as of June 30, 2019, 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, 2019

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 6/30/19¹

*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	+14.62%	+8.33%
1-Year	+6.33%	+0.48%
5-Year	+33.03%	+4.69%
10-Year	+146.69%	+8.83%
Advisor		
6-Month	+14.74%	+14.74%
1-Year	+6.59%	+6.59%
5-Year	+34.65%	+6.13%
10-Year	+153.11%	+9.73%

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 17 for Performance Summary footnotes.

Distributions (1/1/19–6/30/19)

Share Class	Net Investment Income	Short-Term Capital Gain	Long-Term Capital Gain	Total
A	\$0.0137	\$0.0098	\$0.1131	\$0.1366
C	\$0.0137	\$0.0098	\$0.1131	\$0.1366
R	\$0.0137	\$0.0098	\$0.1131	\$0.1366
R6	\$0.0137	\$0.0098	\$0.1131	\$0.1366
Advisor	\$0.0137	\$0.0098	\$0.1131	\$0.1366

Total Annual Operating Expenses⁵

Share Class	With Fee Waiver	Without Fee Waiver
A	1.18%	1.21%
Advisor	0.93%	0.96%

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 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. Foreign investing carries additional risks such as currency and market volatility and political or social instability, risks which are heightened in developing countries. Investors should consult their financial advisor for help selecting the appropriate fund of funds, or fund combination, based on an evaluation of their investment objectives and risk tolerance. The Fund's prospectus also includes a description of the main investment risks.

1. The Fund has an expense reduction contractually guaranteed through 4/30/20. Fund investment results reflect the expense reduction; without this reduction, the results would have been lower. As of 1/1/13, the Fund changed its target allocation, with short-term investments (formerly a targeted allocation of 20%) combined into the fixed income allocations; such a change can impact performance.
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, including the effect of acquired fund fees and expenses, 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.

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 1/1/19	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio ²
		Ending Account Value 6/30/19	Expenses Paid During Period 1/1/19–6/30/19 ^{1, 2}	Ending Account Value 6/30/19	Expenses Paid During Period 1/1/19–6/30/19 ^{1, 2}	
A	\$1,000	\$1,146.20	\$3.41	\$1,021.62	\$3.21	0.64%
C	\$1,000	\$1,141.30	\$7.38	\$1,017.90	\$6.95	1.39%
R	\$1,000	\$1,144.30	\$4.73	\$1,020.38	\$4.46	0.89%
R6	\$1,000	\$1,147.50	\$1.49	\$1,023.41	\$1.40	0.28%
Advisor	\$1,000	\$1,147.40	\$2.08	\$1,022.86	\$1.96	0.39%

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 Conservative Allocation Fund

	Six Months Ended June 30, 2019 (unaudited)	Year Ended December 31,				
		2018	2017	2016	2015	2014
Class A						
Per share operating performance (for a share outstanding throughout the period)						
Net asset value, beginning of period	\$13.33	\$14.86	\$13.74	\$13.40	\$14.53	\$14.65
Income from investment operations ^a :						
Net investment income ^{b,c}	0.13	0.39	0.20	0.14	0.28	0.40
Net realized and unrealized gains (losses)	1.12	(0.90)	1.25	0.45	(0.60)	0.09
Total from investment operations	1.25	(0.51)	1.45	0.59	(0.32)	0.49
Less distributions from:						
Net investment income and short term gains received from Underlying Funds and exchange traded funds	(0.13)	(0.38)	(0.24)	(0.15)	(0.28)	(0.42)
Net realized gains	(0.02)	(0.64)	(0.09)	(0.10)	(0.53)	(0.19)
Total distributions	(0.15)	(1.02)	(0.33)	(0.25)	(0.81)	(0.61)
Net asset value, end of period	\$14.43	\$13.33	\$14.86	\$13.74	\$13.40	\$14.53
Total return ^d	9.37%	(3.44)%	10.58%	4.39%	(2.26)%	3.35%
Ratios to average net assets^e						
Expenses ^{f,g}	0.63% ^h	0.63% ^h	0.63%	0.63%	0.62%	0.63%
Net investment income ^c	1.85%	2.57%	1.37%	1.01%	1.97%	2.67%
Supplemental data						
Net assets, end of period (000's)	\$819,131	\$778,221	\$800,141	\$809,039	\$905,537	\$910,523
Portfolio turnover rate	21.43%	30.70%	17.99%	34.83%	17.69%	16.67%

^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 and exchange traded 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 and exchange traded funds in which the Fund invests. The weighted average indirect expenses of the Underlying Funds and exchange traded funds was 0.43% for the period ended June 30, 2019.

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

^hBenefit of expense reduction rounds to less than 0.01%.

Franklin Conservative Allocation Fund (continued)

	Six Months Ended	Year Ended December 31,				
	June 30, 2019 (unaudited)	2018	2017	2016	2015	2014
Class C						
Per share operating performance (for a share outstanding throughout the period)						
Net asset value, beginning of period	\$13.06	\$14.57	\$13.47	\$13.15	\$14.27	\$14.40
Income from investment operations ^a :						
Net investment income ^{b,c}	0.08	0.24	0.09	0.04	0.17	0.28
Net realized and unrealized gains (losses)	1.09	(0.84)	1.23	0.43	(0.58)	0.09
Total from investment operations	1.17	(0.60)	1.32	0.47	(0.41)	0.37
Less distributions from:						
Net investment income and short term gains received from Underlying Funds and exchange traded funds	(0.08)	(0.27)	(0.13)	(0.05)	(0.18)	(0.31)
Net realized gains	(0.02)	(0.64)	(0.09)	(0.10)	(0.53)	(0.19)
Total distributions	(0.10)	(0.91)	(0.22)	(0.15)	(0.71)	(0.50)
Net asset value, end of period	\$14.13	\$13.06	\$14.57	\$13.47	\$13.15	\$14.27
Total return ^d	8.95%	(4.14)%	9.80%	3.55%	(2.96)%	2.58%
Ratios to average net assets^e						
Expenses ^{f,g}	1.38% ^h	1.38% ^h	1.38%	1.37%	1.37%	1.38%
Net investment income ^c	1.10%	1.82%	0.62%	0.27%	1.22%	1.92%
Supplemental data						
Net assets, end of period (000's)	\$274,669	\$285,547	\$423,890	\$470,582	\$536,548	\$549,222
Portfolio turnover rate	21.43%	30.70%	17.99%	34.83%	17.69%	16.67%

^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 and exchange traded 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 and exchange traded funds in which the Fund invests. The weighted average indirect expenses of the Underlying Funds and exchange traded funds was 0.43% for the period ended June 30, 2019.

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

^hBenefit of expense reduction rounds to less than 0.01%.

Franklin Conservative Allocation Fund (continued)

	Six Months Ended June 30, 2019 (unaudited)	Year Ended December 31,				
		2018	2017	2016	2015	2014
Class R						
Per share operating performance (for a share outstanding throughout the period)						
Net asset value, beginning of period	\$13.28	\$14.80	\$13.69	\$13.35	\$14.48	\$14.60
Income from investment operations ^a :						
Net investment income ^{b,c}	0.11	0.33	0.16	0.10	0.24	0.35
Net realized and unrealized gains (losses)	1.11	(0.87)	1.24	0.45	(0.59)	0.10
Total from investment operations	1.22	(0.54)	1.40	0.55	(0.35)	0.45
Less distributions from:						
Net investment income and short term gains received from Underlying Funds and exchange traded funds	(0.11)	(0.34)	(0.20)	(0.11)	(0.25)	(0.38)
Net realized gains	(0.02)	(0.64)	(0.09)	(0.10)	(0.53)	(0.19)
Total distributions	(0.13)	(0.98)	(0.29)	(0.21)	(0.78)	(0.57)
Net asset value, end of period	\$14.37	\$13.28	\$14.80	\$13.69	\$13.35	\$14.48
Total return ^d	9.21%	(3.64)%	10.25%	4.15%	(2.52)%	3.10%
Ratios to average net assets^e						
Expenses ^{f,g}	0.88% ^h	0.88% ^h	0.88%	0.88%	0.87%	0.88%
Net investment income ^c	1.60%	2.32%	1.12%	0.76%	1.72%	2.42%
Supplemental data						
Net assets, end of period (000's)	\$75,233	\$80,338	\$103,629	\$124,018	\$139,592	\$159,897
Portfolio turnover rate	21.43%	30.70%	17.99%	34.83%	17.69%	16.67%

^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 and exchange traded 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 and exchange traded funds in which the Fund invests. The weighted average indirect expenses of the Underlying Funds and exchange traded funds was 0.43% for the period ended June 30, 2019.

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

^hBenefit of expense reduction rounds to less than 0.01%.

Franklin Conservative Allocation Fund (continued)

	Six Months Ended	Year Ended December 31,				
	June 30, 2019 (unaudited)	2018	2017	2016	2015	2014
Class R6						
Per share operating performance (for a share outstanding throughout the period)						
Net asset value, beginning of period	\$13.31	\$14.84	\$13.72	\$13.39	\$14.52	\$14.63
Income from investment operations ^a :						
Net investment income ^{b,c}	0.15	0.44	0.25	0.18	0.36	0.33
Net realized and unrealized gains (losses)	1.12	(0.90)	1.25	0.44	(0.63)	0.22
Total from investment operations	1.27	(0.46)	1.50	0.62	(0.27)	0.55
Less distributions from:						
Net investment income and short term gains received from Underlying Funds and exchange traded funds	(0.15)	(0.43)	(0.29)	(0.19)	(0.33)	(0.47)
Net realized gains	(0.02)	(0.64)	(0.09)	(0.10)	(0.53)	(0.19)
Total distributions	(0.17)	(1.07)	(0.38)	(0.29)	(0.86)	(0.66)
Net asset value, end of period	\$14.41	\$13.31	\$14.84	\$13.72	\$13.39	\$14.52
Total return ^d	9.56%	(3.11)%	10.99%	4.69%	(1.93)%	3.79%
Ratios to average net assets^e						
Expenses before waiver and payments by affiliates ^f	0.40%	0.40%	0.32%	0.30%	0.29%	0.28%
Expenses net of waiver and payments by affiliates ^f	0.29% ^g	0.29% ^g	0.28%	0.28%	0.28%	0.28% ^h
Net investment income ^c	2.19%	2.91%	1.72%	1.36%	2.31%	3.02%
Supplemental data						
Net assets, end of period (000's)	\$2,584	\$2,253	\$2,149	\$2,197	\$2,282	\$1,654
Portfolio turnover rate	21.43%	30.70%	17.99%	34.83%	17.69%	16.67%

^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 and exchange traded 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 and exchange traded funds in which the Fund invests. The weighted average indirect expenses of the Underlying Funds and exchange traded funds was 0.43% for the period ended June 30, 2019.

^gBenefit of expense reduction rounds to less than 0.01%.

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

Franklin Conservative Allocation Fund (continued)

	Six Months Ended June 30, 2019 (unaudited)	Year Ended December 31,				
		2018	2017	2016	2015	2014
Advisor Class						
Per share operating performance (for a share outstanding throughout the period)						
Net asset value, beginning of period	\$13.33	\$14.86	\$13.74	\$13.39	\$14.52	\$14.64
Income from investment operations ^a :						
Net investment income ^{b,c}	0.15	0.43	0.25	0.17	0.32	0.41
Net realized and unrealized gains (losses)	1.12	(0.90)	1.24	0.45	(0.60)	0.11
Total from investment operations	1.27	(0.47)	1.49	0.62	(0.28)	0.52
Less distributions from:						
Net investment income and short term gains received from Underlying Funds and exchange traded funds	(0.15)	(0.42)	(0.28)	(0.17)	(0.32)	(0.45)
Net realized gains	(0.02)	(0.64)	(0.09)	(0.10)	(0.53)	(0.19)
Total distributions	(0.17)	(1.06)	(0.37)	(0.27)	(0.85)	(0.64)
Net asset value, end of period	\$14.43	\$13.33	\$14.86	\$13.74	\$13.39	\$14.52
Total return ^d	9.50%	(3.19)%	10.88%	4.69%	(2.02)%	3.61%
Ratios to average net assets^e						
Expenses ^{f,g}	0.38% ^h	0.38% ^h	0.38%	0.38%	0.37%	0.38%
Net investment income ^c	2.10%	2.82%	1.62%	1.26%	2.22%	2.92%
Supplemental data						
Net assets, end of period (000's)	\$41,999	\$38,031	\$38,934	\$27,578	\$82,234	\$90,263
Portfolio turnover rate	21.43%	30.70%	17.99%	34.83%	17.69%	16.67%

^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 and exchange traded 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 and exchange traded funds in which the Fund invests. The weighted average indirect expenses of the Underlying Funds and exchange traded funds was 0.43% for the period ended June 30, 2019.

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

^hBenefit of expense reduction rounds to less than 0.01%.

Statement of Investments, June 30, 2019 (unaudited)

Franklin Conservative Allocation Fund

	Shares	Value
Investments in Underlying Funds and Exchange Traded Funds 97.6%		
Alternative Strategies 3.1%		
^a Franklin Pelagos Commodities Strategy Fund, Class R6	6,776,884	\$ 37,679,477
Domestic Equity 26.5%		
Financial Select Sector SPDR ETF	694,453	19,166,902
^{a,b} Franklin DynaTech Fund, Class R6	530,020	47,033,989
^a Franklin Growth Fund, Class R6	885,067	97,206,904
^a Franklin LibertyQ U.S. Equity ETF	2,791,038	89,927,244
^a Franklin Rising Dividends Fund, Class R6	735,851	49,000,302
^a Franklin Utilities Fund, Class R6	891,506	18,837,532
		<u>321,172,873</u>
Domestic Fixed Income 50.0%		
^a Franklin Low Duration Total Return Fund, Class R6	22,925,172	223,749,680
^a Franklin Strategic Income Fund, Class R6	6,914,022	67,066,010
^a Franklin U.S. Government Securities Fund, Class R6	35,312,167	213,638,609
iShares Core U.S. Aggregate Bond ETF	917,875	102,205,381
		<u>606,659,680</u>
Foreign Equity 11.0%		
^a Franklin FTSE Europe ETF	697,955	16,681,125
^a Franklin FTSE Japan ETF	267,057	6,414,709
^a Franklin International Small Cap Fund, Class R6	1,555,023	26,746,392
^a Franklin LibertyQ Emerging Markets ETF	1,456,949	43,612,748
^a Franklin Mutual European Fund, Class R6	982,489	19,679,262
^a Templeton Foreign Fund, Class R6	2,858,399	20,008,791
		<u>133,143,027</u>
Foreign Fixed Income 7.0%		
^a Templeton Global Total Return Fund, Class R6	7,316,120	85,232,802
		<u>85,232,802</u>
Total Investments in Underlying Funds and Exchange Traded Funds before Short Term Investments (Cost \$1,031,821,521)		<u>1,183,887,859</u>
Short Term Investments (Cost \$33,124,615) 2.7%		
Money Market Funds 2.7%		
^{a,c} Institutional Fiduciary Trust Money Market Portfolio, 2.05%	33,124,615	33,124,615
		<u>33,124,615</u>
Total Investments in Underlying Funds and Exchange Traded Funds (Cost \$1,064,946,136) 100.3%		<u>1,217,012,474</u>
Other Assets, less Liabilities (0.3)%		<u>(3,396,051)</u>
Net Assets 100.0%		<u>\$1,213,616,423</u>

See Abbreviations on page 56.

^aSee Note 3(f) regarding investments in FT Underlying Funds.^bNon-income producing.^cThe rate shown is the annualized seven-day effective yield at period end.

Financial Highlights

Franklin Moderate Allocation Fund

	Six Months Ended June 30, 2019 (unaudited)	Year Ended December 31,				
		2018	2017	2016	2015	2014
Class A						
Per share operating performance (for a share outstanding throughout the period)						
Net asset value, beginning of period	\$14.06	\$16.11	\$14.86	\$14.49	\$15.71	\$15.78
Income from investment operations ^a :						
Net investment income ^{b,c}	0.09	0.34	0.20	0.14	0.24	0.34
Net realized and unrealized gains (losses)	1.59	(1.11)	2.01	0.56	(0.51)	0.32
Total from investment operations	1.68	(0.77)	2.21	0.70	(0.27)	0.66
Less distributions from:						
Net investment income and short term gains received from Underlying Funds and exchange traded funds	(0.10)	(0.33)	(0.29)	(0.12)	(0.25)	(0.37)
Net realized gains	(0.05)	(0.95)	(0.67)	(0.21)	(0.70)	(0.36)
Total distributions	(0.15)	(1.28)	(0.96)	(0.33)	(0.95)	(0.73)
Net asset value, end of period	\$15.59	\$14.06	\$16.11	\$14.86	\$14.49	\$15.71
Total return ^d	11.98%	(4.82)%	14.98%	4.94%	(1.89)%	4.07%
Ratios to average net assets^e						
Expenses before waiver and payments by affiliates ^f	0.64%	0.63%	0.66%	0.63%	0.63%	0.65%
Expenses net of waiver and payments by affiliates ^f	0.64% ^{g,h}	0.63% ^h	0.65%	0.63% ^h	0.63% ^h	0.65% ^h
Net investment income ^c	1.23%	2.02%	1.23%	0.93%	1.52%	2.08%
Supplemental data						
Net assets, end of period (000's)	\$1,429,131	\$1,318,198	\$1,407,956	\$1,416,532	\$1,594,882	\$1,667,201
Portfolio turnover rate	19.45%	33.65%	16.86%	29.22%	22.08%	17.95%

^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 and exchange traded 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 and exchange traded funds in which the Fund invests. The weighted average indirect expenses of the Underlying Funds and exchange traded funds was 0.45% for the period ended June 30, 2019.

^gBenefit of expense reduction rounds to less than 0.01%.

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

Franklin Moderate Allocation Fund (continued)

	Six Months Ended	Year Ended December 31,				
	June 30, 2019 (unaudited)	2018	2017	2016	2015	2014
Class C						
Per share operating performance (for a share outstanding throughout the period)						
Net asset value, beginning of period	\$13.65	\$15.66	\$14.48	\$14.12	\$15.33	\$15.42
Income from investment operations ^a :						
Net investment income ^{b,c}	0.03	0.17	0.07	0.03	0.12	0.21
Net realized and unrealized gains (losses)	1.54	(1.02)	1.94	0.55	(0.49)	0.31
Total from investment operations	1.57	(0.85)	2.01	0.58	(0.37)	0.52
Less distributions from:						
Net investment income and short term gains received from Underlying Funds and exchange traded funds	(0.05)	(0.21)	(0.16)	(0.01)	(0.14)	(0.25)
Net realized gains	(0.05)	(0.95)	(0.67)	(0.21)	(0.70)	(0.36)
Total distributions	(0.10)	(1.16)	(0.83)	(0.22)	(0.84)	(0.61)
Net asset value, end of period	\$15.12	\$13.65	\$15.66	\$14.48	\$14.12	\$15.33
Total return ^d	11.51%	(5.54)%	14.10%	4.25%	(2.68)%	3.35%
Ratios to average net assets^e						
Expenses before waiver and payments by affiliates ^f	1.39%	1.38%	1.41%	1.37%	1.38%	1.40%
Expenses net of waiver and payments by affiliates ^f	1.39% ^{g,h}	1.38% ^h	1.40%	1.37% ^h	1.38% ^h	1.40% ^h
Net investment income ^c	0.48%	1.27%	0.48%	0.19%	0.77%	1.33%
Supplemental data						
Net assets, end of period (000's)	\$370,544	\$375,494	\$568,280	\$595,911	\$692,872	\$716,712
Portfolio turnover rate	19.45%	33.65%	16.86%	29.22%	22.08%	17.95%

^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 and exchange traded 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 and exchange traded funds in which the Fund invests. The weighted average indirect expenses of the Underlying Funds and exchange traded funds was 0.45% for the period ended June 30, 2019.

^gBenefit of expense reduction rounds to less than 0.01%.

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

Franklin Moderate Allocation Fund (continued)

	Six Months Ended June 30, 2019 (unaudited)	Year Ended December 31,				
		2018	2017	2016	2015	2014
Class R						
Per share operating performance (for a share outstanding throughout the period)						
Net asset value, beginning of period	\$14.04	\$16.08	\$14.82	\$14.44	\$15.66	\$15.73
Income from investment operations ^a :						
Net investment income ^{b,c}	0.07	0.27	0.14	0.10	0.19	0.28
Net realized and unrealized gains (losses)	1.58	(1.07)	2.02	0.57	(0.51)	0.34
Total from investment operations	1.65	(0.80)	2.16	0.67	(0.32)	0.62
Less distributions from:						
Net investment income and short term gains received from Underlying Funds and exchange traded funds	(0.08)	(0.29)	(0.23)	(0.08)	(0.20)	(0.33)
Net realized gains	(0.05)	(0.95)	(0.67)	(0.21)	(0.70)	(0.36)
Total distributions	(0.13)	(1.24)	(0.90)	(0.29)	(0.90)	(0.69)
Net asset value, end of period	\$15.56	\$14.04	\$16.08	\$14.82	\$14.44	\$15.66
Total return ^d	11.79%	(5.04)%	14.69%	4.71%	(2.18)%	3.89%
Ratios to average net assets^e						
Expenses before waiver and payments by affiliates ^f	0.89%	0.88%	0.91%	0.88%	0.88%	0.90%
Expenses net of waiver and payments by affiliates ^f	0.89% ^{g,h}	0.88% ^h	0.90%	0.88% ^h	0.88% ^h	0.90% ^h
Net investment income ^c	0.98%	1.77%	0.98%	0.68%	1.27%	1.83%
Supplemental data						
Net assets, end of period (000's)	\$88,512	\$87,277	\$119,920	\$158,192	\$202,854	\$263,864
Portfolio turnover rate	19.45%	33.65%	16.86%	29.22%	22.08%	17.95%

^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 and exchange traded 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 and exchange traded funds in which the Fund invests. The weighted average indirect expenses of the Underlying Funds and exchange traded funds was 0.45% for the period ended June 30, 2019.

^gBenefit of expense reduction rounds to less than 0.01%.

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

Franklin Moderate Allocation Fund (continued)

	Six Months Ended June 30, 2019 (unaudited)	Year Ended December 31,				
		2018	2017	2016	2015	2014
Class R6						
Per share operating performance (for a share outstanding throughout the period)						
Net asset value, beginning of period	\$14.06	\$16.11	\$14.86	\$14.49	\$15.72	\$15.79
Income from investment operations ^a :						
Net investment income ^{b,c}	0.12	0.41	0.26	0.19	0.31	0.25
Net realized and unrealized gains (losses)	1.57	(1.12)	2.01	0.57	(0.54)	0.47
Total from investment operations	1.69	(0.71)	2.27	0.76	(0.23)	0.72
Less distributions from:						
Net investment income and short term gains received from Underlying Funds and exchange traded funds	(0.12)	(0.39)	(0.35)	(0.18)	(0.30)	(0.43)
Net realized gains	(0.05)	(0.95)	(0.67)	(0.21)	(0.70)	(0.36)
Total distributions	(0.17)	(1.34)	(1.02)	(0.39)	(1.00)	(0.79)
Net asset value, end of period	\$15.58	\$14.06	\$16.11	\$14.86	\$14.49	\$15.72
Total return ^d	12.09%	(4.49)%	15.40%	5.34%	(1.59)%	4.52%
Ratios to average net assets^e						
Expenses before waiver and payments by affiliates ^f	0.35%	0.35%	0.30%	0.28%	0.28%	0.27%
Expenses net of waiver and payments by affiliates ^f	0.29% ^g	0.29%	0.28%	0.28% ^h	0.28% ^h	0.27% ^h
Net investment income ^c	1.58%	2.36%	1.60%	1.28%	1.87%	2.46%
Supplemental data						
Net assets, end of period (000's)	\$6,108	\$5,141	\$4,492	\$5,106	\$4,779	\$4,205
Portfolio turnover rate	19.45%	33.65%	16.86%	29.22%	22.08%	17.95%

^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 and exchange traded 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 and exchange traded funds in which the Fund invests. The weighted average indirect expenses of the Underlying Funds and exchange traded funds was 0.45% for the period ended June 30, 2019.

^gBenefit of expense reduction rounds to less than 0.01%.

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

Franklin Moderate Allocation Fund (continued)

	Six Months Ended June 30, 2019 (unaudited)	Year Ended December 31,				
		2018	2017	2016	2015	2014
Advisor Class						
Per share operating performance (for a share outstanding throughout the period)						
Net asset value, beginning of period	\$14.07	\$16.12	\$14.88	\$14.50	\$15.72	\$15.79
Income from investment operations ^a :						
Net investment income ^{b,c}	0.11	0.39	0.26	0.17	0.25	0.33
Net realized and unrealized gains (losses)	1.59	(1.11)	1.98	0.58	(0.49)	0.37
Total from investment operations	1.70	(0.72)	2.24	0.75	(0.24)	0.70
Less distributions from:						
Net investment income and short term gains received from Underlying Funds and exchange traded funds	(0.12)	(0.38)	(0.33)	(0.16)	(0.28)	(0.41)
Net realized gains	(0.05)	(0.95)	(0.67)	(0.21)	(0.70)	(0.36)
Total distributions	(0.17)	(1.33)	(1.00)	(0.37)	(0.98)	(0.77)
Net asset value, end of period	\$15.60	\$14.07	\$16.12	\$14.88	\$14.50	\$15.72
Total return ^d	12.10%	(4.57)%	15.20%	5.26%	(1.66)%	4.39%
Ratios to average net assets^e						
Expenses before waiver and payments by affiliates ^f	0.39%	0.38%	0.41%	0.38%	0.38%	0.40%
Expenses net of waiver and payments by affiliates ^f	0.39% ^{g,h}	0.38% ^h	0.40%	0.38% ^h	0.38% ^h	0.40% ^h
Net investment income ^c	1.48%	2.27%	1.48%	1.18%	1.77%	2.33%
Supplemental data						
Net assets, end of period (000's)	\$61,422	\$55,052	\$52,575	\$39,052	\$52,975	\$87,612
Portfolio turnover rate	19.45%	33.65%	16.86%	29.22%	22.08%	17.95%

^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 and exchange traded 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 and exchange traded funds in which the Fund invests. The weighted average indirect expenses of the Underlying Funds and exchange traded funds was 0.45% for the period ended June 30, 2019.

^gBenefit of expense reduction rounds to less than 0.01%.

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

Statement of Investments, June 30, 2019 (unaudited)

Franklin Moderate Allocation Fund

	Shares	Value
Investments in Underlying Funds and Exchange Traded Funds 97.4%		
Alternative Strategies 3.1%		
^a Franklin Pelagos Commodities Strategy Fund, Class R6	10,811,286	\$ 60,110,751
Domestic Equity 40.5%		
Financial Select Sector SPDR ETF	1,704,360	47,040,336
^{a,b} Franklin DynaTech Fund, Class R6	1,313,850	116,591,015
^a Franklin Growth Fund, Class R6	2,196,180	241,206,435
^a Franklin LibertyQ U.S. Equity ETF	6,850,029	220,707,934
^a Franklin Rising Dividends Fund, Class R6	1,805,901	120,254,985
^a Franklin Utilities Fund, Class R6	2,187,924	46,230,834
		<u>792,031,539</u>
Domestic Fixed Income 32.1%		
^a Franklin Low Duration Total Return Fund, Class R6	23,771,735	232,012,139
^a Franklin Strategic Income Fund, Class R6	7,169,284	69,542,055
^a Franklin U.S. Government Securities Fund, Class R6	35,367,607	213,974,022
iShares Core U.S. Aggregate Bond ETF	1,019,700	113,543,595
		<u>629,071,811</u>
Foreign Equity 17.2%		
^a Franklin FTSE Europe ETF	1,736,912	41,512,197
^a Franklin FTSE Japan ETF	664,627	15,964,340
^a Franklin International Small Cap Fund, Class R6	3,869,675	66,558,405
^a Franklin LibertyQ Emerging Markets ETF	3,519,465	105,352,721
^a Franklin Mutual European Fund, Class R6	2,445,140	48,976,152
^a Templeton Foreign Fund, Class R6	8,352,424	58,466,970
		<u>336,830,785</u>
Foreign Fixed Income 4.5%		
^a Templeton Global Total Return Fund, Class R6	7,502,783	87,407,420
		<u>87,407,420</u>
Total Investments in Underlying Funds and Exchange Traded Funds before Short Term Investments (Cost \$1,533,140,903)		
		<u>1,905,452,306</u>
Short Term Investments 2.9%		
Money Market Funds (Cost \$54,544,026) 2.8%		
^{a,c} Institutional Fiduciary Trust Money Market Portfolio, 2.05%	54,544,026	54,544,026

Franklin Moderate Allocation Fund (continued)

	Principal Amount	Value
Short Term Investments (continued)		
Repurchase Agreements (Cost \$1,097,494) 0.1%		
^d Joint Repurchase Agreement, 2.451%, 7/01/19 (Maturity Value \$1,097,718)		
BNP Paribas Securities Corp. (Maturity Value \$816,219)		
Deutsche Bank Securities Inc. (Maturity Value \$240,686)		
HSBC Securities (USA) Inc. (Maturity Value \$40,813)		
Collateralized by U.S. Government Agency Securities, 4.00% - 4.50%, 7/15/40 - 3/20/49; U.S. Treasury Bonds, 8.00%, 11/15/21; U.S. Treasury Notes, 1.50% - 3.125%, 5/15/21 - 8/15/26; U.S. Treasury Notes, Index Linked, 0.875%, 1/15/29; and U.S. Treasury Strips, 8/15/22 - 6/15/35 (valued at \$1,124,505)	\$1,097,494	\$ 1,097,494
Total Investments (Cost \$1,588,782,423) 100.3%		1,961,093,826
Other Assets, less Liabilities (0.3)%		(5,376,840)
Net Assets 100.0%		<u>\$1,955,716,986</u>

See Abbreviations on page 56.

^aSee Note 3(f) regarding investments in FT Underlying Funds.

^bNon-income producing.

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

^dSee Note 1(b) regarding joint repurchase agreement.

Financial Highlights

Franklin Growth Allocation Fund

	Six Months Ended	Year Ended December 31,				
	June 30, 2019 (unaudited)	2018	2017	2016	2015	2014
Class A						
Per share operating performance (for a share outstanding throughout the period)						
Net asset value, beginning of period	\$16.54	\$19.34	\$17.43	\$17.01	\$18.57	\$18.40
Income from investment operations ^a :						
Net investment income ^{b,c}	0.05	0.30	0.22	0.14	0.21	0.24
Net realized and unrealized gains (losses)	2.36	(1.54)	3.12	0.75	(0.48)	0.67
Total from investment operations	2.41	(1.24)	3.34	0.89	(0.27)	0.91
Less distributions from:						
Net investment income and short term gains received from Underlying Funds and exchange traded funds	(0.01)	(0.30)	(0.32)	(0.14)	(0.21)	(0.29)
Net realized gains	(0.12)	(1.26)	(1.11)	(0.33)	(1.08)	(0.45)
Total distributions	(0.13)	(1.56)	(1.43)	(0.47)	(1.29)	(0.74)
Net asset value, end of period	\$18.82	\$16.54	\$19.34	\$17.43	\$17.01	\$18.57
Total return ^d	14.62%	(6.45)%	19.45%	5.36%	(1.66)%	4.95%
Ratios to average net assets^e						
Expenses before waiver and payments by affiliates ^f	0.68%	0.67%	0.70%	0.69%	0.67%	0.68%
Expenses net of waiver and payments by affiliates ^f	0.64% ^g	0.65% ^g	0.65% ^g	0.65%	0.65%	0.63%
Net investment income ^c	0.61%	1.48%	1.14%	0.83%	1.10%	1.25%
Supplemental data						
Net assets, end of period (000's)	\$940,120	\$837,327	\$873,011	\$822,833	\$888,096	\$887,856
Portfolio turnover rate	17.59%	30.79%	16.90%	30.19%	20.40%	17.55%

^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 and exchange traded 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 and exchange traded funds in which the Fund invests. The weighted average indirect expenses of the Underlying Funds and exchange traded funds was 0.47% for the period ended June 30, 2019.

^gBenefit of expense reduction rounds to less than 0.01%.

Franklin Growth Allocation Fund (continued)

	Six Months Ended	Year Ended December 31,				
	June 30, 2019 (unaudited)	2018	2017	2016	2015	2014
Class C						
Per share operating performance (for a share outstanding throughout the period)						
Net asset value, beginning of period	\$16.12	\$18.81	\$16.99	\$16.59	\$18.15	\$18.00
Income from investment operations ^a :						
Net investment income (loss) ^{b,c}	(0.01)	0.10	0.07	0.02	0.07	0.09
Net realized and unrealized gains (losses)	2.28	(1.43)	3.04	0.72	(0.47)	0.67
Total from investment operations	2.27	(1.33)	3.11	0.74	(0.40)	0.76
Less distributions from:						
Net investment income and short term gains received from Underlying Funds and exchange traded funds	(0.01)	(0.10)	(0.18)	(0.01)	(0.08)	(0.16)
Net realized gains	(0.12)	(1.26)	(1.11)	(0.33)	(1.08)	(0.45)
Total distributions	(0.13)	(1.36)	(1.29)	(0.34)	(1.16)	(0.61)
Net asset value, end of period	\$18.26	\$16.12	\$18.81	\$16.99	\$16.59	\$18.15
Total return ^d	14.13%	(7.13)%	18.56%	4.59%	(2.41)%	4.21%
Ratios to average net assets^e						
Expenses before waiver and payments by affiliates ^f	1.43%	1.42%	1.45%	1.43%	1.42%	1.43%
Expenses net of waiver and payments by affiliates ^f	1.39% ^g	1.40% ^g	1.40% ^g	1.39%	1.40%	1.38%
Net investment income (loss) ^c	(0.14)%	0.73%	0.39%	0.09%	0.35%	0.50%
Supplemental data						
Net assets, end of period (000's)	\$214,728	\$206,933	\$311,640	\$308,736	\$336,557	\$336,213
Portfolio turnover rate	17.59%	30.79%	16.90%	30.19%	20.40%	17.55%

^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 and exchange traded 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 and exchange traded funds in which the Fund invests. The weighted average indirect expenses of the Underlying Funds and exchange traded funds was 0.47% for the period ended June 30, 2019.

^gBenefit of expense reduction rounds to less than 0.01%.

Franklin Growth Allocation Fund (continued)

	Six Months Ended June 30, 2019 (unaudited)		Year Ended December 31,			
	2018	2017	2016	2015	2014	
Class R						
Per share operating performance (for a share outstanding throughout the period)						
Net asset value, beginning of period	\$16.34	\$19.10	\$17.22	\$16.80	\$18.34	\$18.18
Income from investment operations ^a :						
Net investment income ^{b,c}	0.03	0.22	0.15	0.09	0.14	0.17
Net realized and unrealized gains (losses)	2.32	(1.49)	3.11	0.75	(0.44)	0.68
Total from investment operations	2.35	(1.27)	3.26	0.84	(0.30)	0.85
Less distributions from:						
Net investment income and short term gains received from Underlying Funds and exchange traded funds	(0.01)	(0.23)	(0.27)	(0.09)	(0.16)	(0.24)
Net realized gains	(0.12)	(1.26)	(1.11)	(0.33)	(1.08)	(0.45)
Total distributions	(0.13)	(1.49)	(1.38)	(0.42)	(1.24)	(0.69)
Net asset value, end of period	\$18.56	\$16.34	\$19.10	\$17.22	\$16.80	\$18.34
Total return ^d	14.43%	(6.68)%	19.17%	5.12%	(1.93)%	4.72%
Ratios to average net assets^e						
Expenses before waiver and payments by affiliates ^f	0.93%	0.92%	0.95%	0.94%	0.92%	0.93%
Expenses net of waiver and payments by affiliates ^f	0.89% ^g	0.90% ^g	0.90% ^g	0.90%	0.90%	0.88%
Net investment income ^c	0.36%	1.23%	0.89%	0.58%	0.85%	1.00%
Supplemental data						
Net assets, end of period (000's)	\$69,725	\$72,100	\$100,258	\$112,272	\$147,426	\$182,211
Portfolio turnover rate	17.59%	30.79%	16.90%	30.19%	20.40%	17.55%

^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 and exchange traded 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 and exchange traded funds in which the Fund invests. The weighted average indirect expenses of the Underlying Funds and exchange traded funds was 0.47% for the period ended June 30, 2019.

^gBenefit of expense reduction rounds to less than 0.01%.

Franklin Growth Allocation Fund (continued)

	Six Months Ended June 30, 2019 (unaudited)	Year Ended December 31,				
		2018	2017	2016	2015	2014
Class R6						
Per share operating performance (for a share outstanding throughout the period)						
Net asset value, beginning of period	\$16.60	\$19.40	\$17.48	\$17.06	\$18.61	\$18.44
Income from investment operations ^a :						
Net investment income ^{b,c}	0.09	0.40	0.31	0.22	0.32	0.15
Net realized and unrealized gains (losses)	2.35	(1.57)	3.12	0.74	(0.51)	0.83
Total from investment operations	2.44	(1.17)	3.43	0.96	(0.19)	0.98
Less distributions from:						
Net investment income and short term gains received from Underlying Funds and exchange traded funds	(0.01)	(0.37)	(0.40)	(0.21)	(0.28)	(0.36)
Net realized gains	(0.12)	(1.26)	(1.11)	(0.33)	(1.08)	(0.45)
Total distributions	(0.13)	(1.63)	(1.51)	(0.54)	(1.36)	(0.81)
Net asset value, end of period	\$18.91	\$16.60	\$19.40	\$17.48	\$17.06	\$18.61
Total return ^d	14.75%	(6.07)%	19.90%	5.77%	(1.27)%	5.38%
Ratios to average net assets^e						
Expenses before waiver and payments by affiliates ^f	0.36%	0.36%	0.31%	0.30%	0.29%	0.28%
Expenses net of waiver and payments by affiliates ^f	0.28% ^g	0.28% ^g	0.25% ^g	0.26%	0.26%	0.23%
Net investment income ^c	0.97%	1.85%	1.54%	1.22%	1.49%	1.65%
Supplemental data						
Net assets, end of period (000's)	\$4,669	\$4,224	\$3,364	\$2,822	\$2,549	\$1,755
Portfolio turnover rate	17.59%	30.79%	16.90%	30.19%	20.40%	17.55%

^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 and exchange traded 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 and exchange traded funds in which the Fund invests. The weighted average indirect expenses of the Underlying Funds and exchange traded funds was 0.47% for the period ended June 30, 2019.

^gBenefit of expense reduction rounds to less than 0.01%.

Franklin Growth Allocation Fund (continued)

	Six Months Ended June 30, 2019 (unaudited)		Year Ended December 31,			
	2018	2017	2016	2015	2014	
Advisor Class						
Per share operating performance (for a share outstanding throughout the period)						
Net asset value, beginning of period	\$16.61	\$19.42	\$17.49	\$17.06	\$18.62	\$18.45
Income from investment operations ^a :						
Net investment income ^{b,c}	0.08	0.36	0.26	0.18	0.25	0.27
Net realized and unrealized gains (losses)	2.36	(1.56)	3.15	0.76	(0.47)	0.68
Total from investment operations	2.44	(1.20)	3.41	0.94	(0.22)	0.95
Less distributions from:						
Net investment income and short term gains received from Underlying Funds and exchange traded funds	(0.01)	(0.35)	(0.37)	(0.18)	(0.26)	(0.33)
Net realized gains	(0.12)	(1.26)	(1.11)	(0.33)	(1.08)	(0.45)
Total distributions	(0.13)	(1.61)	(1.48)	(0.51)	(1.34)	(0.78)
Net asset value, end of period	\$18.92	\$16.61	\$19.42	\$17.49	\$17.06	\$18.62
Total return ^d	14.74%	(6.23)%	19.77%	5.60%	(1.41)%	5.23%
Ratios to average net assets^e						
Expenses before waiver and payments by affiliates ^f	0.43%	0.42%	0.45%	0.44%	0.42%	0.43%
Expenses net of waiver and payments by affiliates ^f	0.39% ^g	0.40% ^g	0.40% ^g	0.40%	0.40%	0.38%
Net investment income ^c	0.86%	1.73%	1.39%	1.08%	1.35%	1.50%
Supplemental data						
Net assets, end of period (000's)	\$43,811	\$38,685	\$38,912	\$39,211	\$49,634	\$52,250
Portfolio turnover rate	17.59%	30.79%	16.90%	30.19%	20.40%	17.55%

^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 and exchange traded 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 and exchange traded funds in which the Fund invests. The weighted average indirect expenses of the Underlying Funds and exchange traded funds was 0.47% for the period ended June 30, 2019.

^gBenefit of expense reduction rounds to less than 0.01%.

Statement of Investments, June 30, 2019 (unaudited)

Franklin Growth Allocation Fund

	Shares	Value
Investments in Underlying Funds and Exchange Traded Funds 97.4%		
Alternative Strategies 3.0%		
^a Franklin Pelagos Commodities Strategy Fund, Class R6	7,000,928	\$ 38,925,161
Domestic Equity 54.4%		
Financial Select Sector SPDR ETF	1,489,925	41,121,930
^{a,b} Franklin DynaTech Fund, Class R6	1,169,379	103,770,669
^a Franklin Growth Fund, Class R6	1,906,015	209,337,671
^a Franklin LibertyQ U.S. Equity ETF	5,988,106	192,936,775
^a Franklin Rising Dividends Fund, Class R6	1,578,670	105,123,601
^a Franklin Utilities Fund, Class R6	1,912,621	40,413,684
		<u>692,704,330</u>
Domestic Fixed Income 14.8%		
^a Franklin Low Duration Total Return Fund, Class R6	7,104,563	69,340,536
^a Franklin Strategic Income Fund, Class R6	2,142,624	20,783,458
^a Franklin U.S. Government Securities Fund, Class R6	10,570,024	63,948,645
iShares Core U.S. Aggregate Bond ETF	304,725	33,931,129
		<u>188,003,768</u>
Foreign Equity 23.2%		
^a Franklin FTSE Europe ETF	1,528,450	36,529,955
^a Franklin FTSE Japan ETF	584,800	14,046,896
^a Franklin International Small Cap Fund, Class R6	3,405,196	58,569,371
^a Franklin LibertyQ Emerging Markets ETF	3,053,030	91,390,316
^a Franklin Mutual European Fund, Class R6	2,151,710	43,098,745
^a Templeton Foreign Fund, Class R6	7,349,883	51,449,182
		<u>295,084,465</u>
Foreign Fixed Income 2.0%		
^a Templeton Global Total Return Fund, Class R6	2,159,223	25,154,950
		<u>25,154,950</u>
Total Investments in Underlying Funds and Exchange Traded Funds before Short Term Investments (Cost \$919,529,135)		
		<u>1,239,872,674</u>
Short Term Investments 2.9%		
Money Market Funds (Cost \$36,288,465) 2.8%		
^{a,c} Institutional Fiduciary Trust Money Market Portfolio, 2.05%	36,288,465	36,288,465

Franklin Growth Allocation Fund (continued)

	Principal Amount	Value
Short Term Investments (continued)		
Repurchase Agreements (Cost \$690,902) 0.1%		
^d Joint Repurchase Agreement, 2.451%, 7/01/19 (Maturity Value \$691,043)		
BNP Paribas Securities Corp. (Maturity Value \$513,832)		
Deutsche Bank Securities Inc. (Maturity Value \$151,518)		
HSBC Securities (USA) Inc. (Maturity Value \$25,693)		
Collateralized by U.S. Government Agency Securities, 4.00% - 4.50%, 7/15/40 - 3/20/49; U.S. Treasury Bonds, 8.00%, 11/15/21; U.S. Treasury Notes, 1.50% - 3.125%, 5/15/21 - 8/15/26; U.S. Treasury Notes, Index Linked, 0.875%, 1/15/29; and U.S. Treasury Strips, 8/15/22 - 6/15/35 (valued at \$707,906)	\$690,902	\$ 690,902
Total Investments (Cost \$956,508,502) 100.3%		1,276,852,041
Other Assets, less Liabilities (0.3)%		(3,799,058)
Net Assets 100.0%		<u>\$1,273,052,983</u>

See Abbreviations on page 56.

^aSee Note 3(f) regarding investments in FT Underlying Funds.

^bNon-income producing.

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

^dSee Note 1(b) regarding joint repurchase agreement.

Statements of Assets and Liabilities

June 30, 2019 (unaudited)

	Franklin Conservative Allocation Fund	Franklin Moderate Allocation Fund	Franklin Growth Allocation Fund
Assets:			
Investments in securities:			
Cost - Unaffiliated issuers	\$ 114,348,278	\$ 149,104,754	\$ 67,860,395
Cost - Controlled affiliates (Note 3f)	—	208,068,712	122,536,236
Cost - Non-controlled affiliates (Note 3f)	950,597,858	1,230,511,463	765,420,969
Cost - Unaffiliated repurchase agreements	—	1,097,494	690,902
Value - Unaffiliated issuers	\$ 121,372,283	\$ 160,583,931	\$ 75,053,059
Value - Controlled affiliates (Note 3f)	—	206,975,669	127,920,271
Value - Non-controlled affiliates (Note 3f)	1,095,640,191	1,592,436,732	1,073,187,809
Value - Unaffiliated repurchase agreements	—	1,097,494	690,902
Receivables:			
Investment securities sold	3,485,712	—	—
Capital shares sold	1,090,888	869,572	528,287
Other assets	860	1,357	867
Total assets	1,221,589,934	1,961,964,755	1,277,381,195
Liabilities:			
Payables:			
Capital shares redeemed	6,537,601	4,177,270	3,082,005
Asset allocation fees	242,562	388,003	220,704
Distribution fees	867,182	1,281,733	801,304
Transfer agent fees	266,424	383,617	161,631
Trustees' fees and expenses	1,029	1,309	903
Accrued expenses and other liabilities	58,713	15,837	61,665
Total liabilities	7,973,511	6,247,769	4,328,212
Net assets, at value	\$1,213,616,423	\$1,955,716,986	\$1,273,052,983
Net assets consist of:			
Paid-in capital	\$1,050,272,154	\$1,543,687,608	\$ 921,438,783
Total distributable earnings (loss)	163,344,269	412,029,378	351,614,200
Net assets, at value	\$1,213,616,423	\$1,955,716,986	\$1,273,052,983

Statements of Assets and Liabilities (continued)

June 30, 2019 (unaudited)

	Franklin Conservative Allocation Fund	Franklin Moderate Allocation Fund	Franklin Growth Allocation Fund
Class A:			
Net assets, at value	\$819,131,330	\$1,429,130,801	\$940,120,177
Shares outstanding	56,776,405	91,696,534	49,963,575
Net asset value per share ^a	\$14.43	\$15.59	\$18.82
Maximum offering price per share (net asset value per share ÷ 94.50%)	\$15.27	\$16.50	\$19.92
Class C:			
Net assets, at value	\$274,669,380	\$ 370,544,486	\$214,727,637
Shares outstanding	19,441,933	24,506,265	11,756,357
Net asset value and maximum offering price per share ^a	\$14.13	\$15.12	\$18.26
Class R:			
Net assets, at value	\$ 75,232,974	\$ 88,511,894	\$ 69,724,677
Shares outstanding	5,236,106	5,689,586	3,757,005
Net asset value and maximum offering price per share	\$14.37	\$15.56	\$18.56
Class R6:			
Net assets, at value	\$ 2,583,627	\$ 6,107,700	\$ 4,669,386
Shares outstanding	179,313	391,898	246,882
Net asset value and maximum offering price per share	\$14.41	\$15.58	\$18.91
Advisor Class:			
Net assets, at value	\$ 41,999,112	\$ 61,422,105	\$ 43,811,106
Shares outstanding	2,910,904	3,937,447	2,315,479
Net asset value and maximum offering price per share	\$14.43	\$15.60	\$18.92

^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, 2019 (unaudited)

	Franklin Conservative Allocation Fund	Franklin Moderate Allocation Fund	Franklin Growth Allocation Fund
Investment income:			
Dividends:			
Unaffiliated issuers	\$ 1,449,188	\$ 1,801,416	\$ 793,048
Controlled affiliates (Note 3f)	—	1,607,779	1,402,154
Non-controlled affiliates (Note 3f)	13,540,998	14,483,567	5,538,291
Interest:			
Unaffiliated issuers	36,407	48,656	25,256
Total investment income	15,026,593	17,941,418	7,758,749
Expenses:			
Asset allocation fees (Note 3a)	1,499,075	2,397,193	1,545,430
Distribution fees: (Note 3c)			
Class A	1,004,039	1,735,176	1,129,518
Class C	1,406,543	1,873,201	1,069,656
Class R	198,437	220,537	179,409
Transfer agent fees: (Note 3e)			
Class A	468,440	894,507	741,488
Class C	164,211	241,796	175,646
Class R	46,358	56,965	59,067
Class R6	1,792	2,421	2,021
Advisor Class	23,512	38,238	34,192
Custodian fees (Note 4)	124	257	189
Reports to shareholders	39,269	74,871	57,238
Registration and filing fees	54,190	59,250	58,506
Professional fees	28,601	36,300	27,561
Trustees' fees and expenses	6,880	10,518	6,818
Other	11,025	14,994	12,423
Total expenses	4,952,496	7,656,224	5,099,162
Expense reductions (Note 4)	(31)	(59)	(43)
Expenses waived/paid by affiliates (Note 3f and 3g)	(40,877)	(63,968)	(251,227)
Net expenses	4,911,588	7,592,197	4,847,892
Net investment income	10,115,005	10,349,221	2,910,857
Realized and unrealized gains (losses):			
Net realized gain (loss) from:			
Sale of investments:			
Unaffiliated issuers	527,201	761,674	518,788
Controlled affiliates (Note 3f)	—	(10,877,097)	(182,658)
Non-controlled affiliates (Note 3f)	26,021,804	66,259,206	35,819,269
Net realized gain (loss)	26,549,005	56,143,783	36,155,399
Net change in unrealized appreciation (depreciation) on:			
Investments:			
Unaffiliated issuers	6,893,728	11,179,802	7,076,019
Controlled affiliates (Note 3f)	—	22,278,481	7,392,296
Non-controlled affiliates (Note 3f)	63,461,527	114,486,559	112,493,585
Net change in unrealized appreciation (depreciation)	70,355,255	147,944,842	126,961,900
Net realized and unrealized gain (loss)	96,904,260	204,088,625	163,117,299
Net increase (decrease) in net assets resulting from operations	\$107,019,265	\$214,437,846	\$166,028,156

Statements of Changes in Net Assets

	Franklin Conservative Allocation Fund		Franklin Moderate Allocation Fund	
	Six Months Ended June 30, 2019 (unaudited)	Year Ended December 31, 2018	Six Months Ended June 30, 2019 (unaudited)	Year Ended December 31, 2018
Increase (decrease) in net assets:				
Operations:				
Net investment income	\$ 10,115,005	\$ 30,777,503	\$ 10,349,221	\$ 37,968,817
Net realized gain (loss)	26,549,005	46,558,045	56,143,783	109,263,916
Net change in unrealized appreciation (depreciation)	70,355,255	(121,175,670)	147,944,842	(241,567,079)
Net increase (decrease) in net assets resulting from operations . .	107,019,265	(43,840,122)	214,437,846	(94,334,346)
Distributions to shareholders:				
Class A	(8,404,540)	(56,229,864)	(13,936,315)	(111,971,367)
Class C	(1,939,853)	(20,364,459)	(2,454,453)	(31,437,636)
Class R	(734,060)	(5,844,031)	(771,314)	(7,566,500)
Class R6	(30,949)	(170,442)	(68,318)	(448,472)
Advisor Class	(476,603)	(2,956,605)	(672,116)	(4,817,371)
Total distributions to shareholders	(11,586,005)	(85,565,401)	(17,902,516)	(156,241,346)
Capital share transactions: (Note 2)				
Class A	(22,408,569)	61,562,778	(30,905,786)	87,813,396
Class C	(33,375,544)	(105,523,223)	(43,949,161)	(139,902,883)
Class R	(11,405,303)	(14,649,675)	(7,920,978)	(20,646,406)
Class R6	133,654	349,050	411,110	1,363,772
Advisor Class	848,905	3,314,119	384,055	9,886,472
Total capital share transactions	(66,206,857)	(54,946,951)	(81,980,760)	(61,485,649)
Net increase (decrease) in net assets	29,226,403	(184,352,474)	114,554,570	(312,061,341)
Net assets:				
Beginning of period	1,184,390,020	1,368,742,494	1,841,162,416	2,153,223,757
End of period	\$1,213,616,423	\$1,184,390,020	\$1,955,716,986	\$1,841,162,416

Statements of Changes in Net Assets (continued)

	Franklin Growth Allocation Fund	
	Six Months Ended June 30, 2019 (unaudited)	Year Ended December 31, 2018
Increase (decrease) in net assets:		
Operations:		
Net investment income	\$ 2,910,857	\$ 17,070,481
Net realized gain (loss)	36,155,399	77,837,338
Net change in unrealized appreciation (depreciation)	126,961,900	(176,409,620)
Net increase (decrease) in net assets resulting from operations	166,028,156	(81,501,801)
Distributions to shareholders:		
Class A	(6,806,702)	(72,770,211)
Class C	(1,602,583)	(17,489,220)
Class R	(518,766)	(6,388,754)
Class R6	(33,432)	(373,760)
Advisor Class	(314,943)	(3,455,507)
Total distributions to shareholders	(9,276,426)	(100,477,452)
Capital share transactions: (Note 2)		
Class A	(11,874,095)	94,771,993
Class C	(19,022,609)	(71,389,287)
Class R	(11,725,187)	(16,759,033)
Class R6	(138,696)	1,538,700
Advisor Class	(208,310)	5,901,218
Total capital share transactions	(42,968,897)	14,063,591
Net increase (decrease) in net assets	113,782,833	(167,915,662)
Net assets:		
Beginning of period	1,159,270,150	1,327,185,812
End of period	\$1,273,052,983	\$1,159,270,150

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-two separate funds, three 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 primarily in mutual funds (Underlying Funds) and exchange traded funds (ETFs), including affiliated funds managed by Franklin Templeton (FT 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, 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.

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.

Investments in the Underlying Funds are valued at their closing NAV each trading day. ETFs 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.

Investments in repurchase agreements are valued at cost, which approximates fair value.

b. Joint Repurchase Agreement

Certain or all Funds enter into a joint repurchase agreement whereby their uninvested cash balance is deposited into a joint cash account with other funds managed by the investment manager or an affiliate of the investment manager and is used to invest in one or more repurchase agreements. The value and face amount of the joint repurchase agreement are allocated to the funds based on their pro-rata interest. A repurchase agreement is accounted for as a loan by the Fund to the seller, collateralized by securities which are delivered to the Funds' custodian. The fair value, including accrued interest, of the initial collateralization is required to be at least 102% of the dollar amount invested by the funds, with the value of the underlying securities marked to market daily to maintain coverage of at least 100%. Repurchase agreements are subject to the terms of Master Repurchase Agreements (MRAs) with approved counterparties (sellers). The MRAs contain various provisions, including but not limited to events of default and maintenance of collateral for repurchase agreements. In the event of default by either the seller or the Funds, certain MRAs may permit the non-defaulting party to net and close-out all transactions, if any, traded under such agreements. The Funds may sell securities it holds as collateral and apply the proceeds towards the repurchase price and any other amounts owed by the seller to the Funds in the event of default by the seller. This could involve costs or delays in addition to a loss on the securities if their value falls below the repurchase price owed by the seller. The joint repurchase agreement held by the Funds at period end, as indicated in the Statements of Investments, had been entered into on June 28, 2019.

c. 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.

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, 2019, each Fund has determined that no tax liability is required in its 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.

d. 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. Interest income and estimated expenses are accrued daily. Dividend income and realized gain distributions by Underlying Funds and ETFs 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 and ETFs. Since the Underlying Funds and ETFs have varied expense levels and the Funds may own different proportions of the Underlying Funds and ETFs 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.

e. 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.

f. 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, 2019, there were an unlimited number of shares authorized (without par value). Transactions in the Funds' shares were as follows:

	Franklin Conservative Allocation Fund		Franklin Moderate Allocation Fund	
	Shares	Amount	Shares	Amount
Class A Shares:				
Six Months ended June 30, 2019				
Shares sold ^a	3,993,363	\$ 56,367,761	5,713,448	\$ 86,592,490
Shares issued in reinvestment of distributions	574,629	8,208,213	890,921	13,734,137
Shares redeemed	(6,159,309)	(86,984,543)	(8,655,273)	(131,232,413)
Net increase (decrease)	(1,591,317)	\$ (22,408,569)	(2,050,904)	\$ (30,905,786)
Year ended December 31, 2018				
Shares sold ^a	12,081,764	\$ 177,443,374	15,523,200	\$ 248,179,398
Shares issued in reinvestment of distributions	4,034,542	55,016,697	7,649,537	110,163,010
Shares redeemed	(11,598,052)	(170,897,293)	(16,830,686)	(270,529,012)
Net increase (decrease)	4,518,254	\$ 61,562,778	6,342,051	\$ 87,813,396
Class C Shares:				
Six Months ended June 30, 2019				
Shares sold	1,188,782	\$ 16,451,492	1,340,922	\$ 19,787,423
Shares issued in reinvestment of distributions	134,694	1,884,153	160,936	2,410,602
Shares redeemed ^a	(3,743,283)	(51,711,189)	(4,506,746)	(66,147,186)
Net increase (decrease)	(2,419,807)	\$ (33,375,544)	(3,004,888)	\$ (43,949,161)
Year ended December 31, 2018				
Shares sold	2,785,956	\$ 40,367,570	4,101,280	\$ 64,134,250
Shares issued in reinvestment of distributions	1,481,552	19,810,147	2,206,819	30,776,943
Shares redeemed ^a	(11,501,386)	(165,700,940)	(15,077,289)	(234,814,076)
Net increase (decrease)	(7,233,878)	\$(105,523,223)	(8,769,190)	\$(139,902,883)
Class R Shares:				
Six Months ended June 30, 2019				
Shares sold	329,196	\$ 4,634,423	347,922	\$ 5,256,178
Shares issued in reinvestment of distributions	48,650	691,994	49,212	757,813
Shares redeemed	(1,191,313)	(16,731,720)	(925,457)	(13,934,969)
Net increase (decrease)	(813,467)	\$ (11,405,303)	(528,323)	\$ (7,920,978)
Year ended December 31, 2018				
Shares sold	765,914	\$ 11,297,144	749,501	\$ 12,083,262
Shares issued in reinvestment of distributions	407,765	5,547,093	515,960	7,427,656
Shares redeemed	(2,125,473)	(31,493,912)	(2,507,518)	(40,157,324)
Net increase (decrease)	(951,794)	\$ (14,649,675)	(1,242,057)	\$ (20,646,406)

	Franklin Conservative Allocation Fund		Franklin Moderate Allocation Fund	
	Shares	Amount	Shares	Amount
Class R6 Shares:				
Six Months ended June 30, 2019				
Shares sold	28,225	\$ 388,892	58,941	\$ 909,444
Shares issued in reinvestment of distributions	2,170	30,949	4,432	68,318
Shares redeemed	(20,283)	(286,187)	(37,139)	(566,652)
Net increase (decrease)	10,112	\$ 133,654	26,234	\$ 411,110
Year ended December 31, 2018				
Shares sold	44,331	\$ 662,423	82,180	\$ 1,341,854
Shares issued in reinvestment of distributions	12,483	170,442	31,050	448,472
Shares redeemed	(32,381)	(483,815)	(26,491)	(426,554)
Net increase (decrease)	24,433	\$ 349,050	86,739	\$ 1,363,772
Advisor Class Shares:				
Six Months ended June 30, 2019				
Shares sold	601,715	\$ 8,487,747	774,929	\$ 11,819,441
Shares issued in reinvestment of distributions	29,518	421,623	38,708	597,180
Shares redeemed	(572,858)	(8,060,465)	(788,278)	(12,032,566)
Net increase (decrease)	58,375	\$ 848,905	25,359	\$ 384,055
Year ended December 31, 2018				
Shares sold	1,351,389	\$ 19,964,830	2,127,729	\$ 34,069,063
Shares issued in reinvestment of distributions	187,101	2,560,700	294,731	4,257,371
Shares redeemed	(1,306,194)	(19,211,411)	(1,771,687)	(28,439,962)
Net increase (decrease)	232,296	\$ 3,314,119	650,773	\$ 9,886,472
Franklin Growth Allocation Fund				
	Shares	Amount		
Class A Shares:				
Six Months ended June 30, 2019				
Shares sold ^a	3,304,296	\$ 59,864,193		
Shares issued in reinvestment of distributions	360,749	6,722,417		
Shares redeemed	(4,323,859)	(78,460,705)		
Net increase (decrease)	(658,814)	\$ (11,874,095)		
Year ended December 31, 2018				
Shares sold ^a	9,411,831	\$ 181,419,633		
Shares issued in reinvestment of distributions	4,261,084	71,799,771		
Shares redeemed	(8,184,666)	(158,447,411)		
Net increase (decrease)	5,488,249	\$ 94,771,993		

2. Shares of Beneficial Interest (continued)

	Franklin Growth Allocation Fund	
	Shares	Amount
Class C Shares:		
Six Months ended June 30, 2019		
Shares sold	757,927	\$ 13,380,184
Shares issued in reinvestment of distributions	87,721	1,586,210
Shares redeemed ^a	(1,926,972)	(33,989,003)
Net increase (decrease)	(1,081,324)	\$ (19,022,609)
Year ended December 31, 2018		
Shares sold	2,290,945	\$ 43,225,242
Shares issued in reinvestment of distributions	1,040,994	17,275,116
Shares redeemed ^a	(7,057,658)	(131,889,645)
Net increase (decrease)	(3,725,719)	\$ (71,389,287)
Class R Shares:		
Six Months ended June 30, 2019		
Shares sold	200,180	\$ 3,600,326
Shares issued in reinvestment of distributions	27,966	513,844
Shares redeemed	(884,615)	(15,839,357)
Net increase (decrease)	(656,469)	\$ (11,725,187)
Year ended December 31, 2018		
Shares sold	469,006	\$ 9,011,111
Shares issued in reinvestment of distributions	372,999	6,239,723
Shares redeemed	(1,677,731)	(32,009,867)
Net increase (decrease)	(835,726)	\$ (16,759,033)
Class R6 Shares:		
Six Months ended June 30, 2019		
Shares sold	14,951	\$ 272,319
Shares issued in reinvestment of distributions	1,785	33,432
Shares redeemed	(24,373)	(444,447)
Net increase (decrease)	(7,637)	\$ (138,696)
Year ended December 31, 2018		
Shares sold	71,669	\$ 1,412,310
Shares issued in reinvestment of distributions	22,158	373,761
Shares redeemed	(12,701)	(247,371)
Net increase (decrease)	81,126	\$ 1,538,700

	Franklin Growth Allocation Fund	
	Shares	Amount
Advisor Class Shares:		
Six Months ended June 30, 2019		
Shares sold	244,751	\$ 4,485,034
Shares issued in reinvestment of distributions	13,948	261,298
Shares redeemed	(271,996)	(4,954,642)
Net increase (decrease)	(13,297)	\$ (208,310)
Year ended December 31, 2018		
Shares sold	665,107	\$ 12,993,054
Shares issued in reinvestment of distributions	169,710	2,869,802
Shares redeemed	(509,652)	(9,961,638)
Net increase (decrease)	325,165	\$ 5,901,218

^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 FT Underlying Funds and of the following subsidiaries:

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

a. Asset Allocation Fees

The Funds pay an asset allocation fee to Advisers of 0.25% per year of the average daily net assets of each of the Funds for investment advisory services, consisting principally of determining the allocation of assets of the Funds among the Underlying Funds and ETFs.

b. Administrative Fees

Under an agreement with Advisers, FT Services provides administrative services to the Funds and is not paid by the Funds for the services.

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. 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

3. Transactions with Affiliates (continued)

c. Distribution Fees (continued)

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	0.25%
Class C	1.00%
Class R	0.50%

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:

	Franklin Conservative Allocation Fund	Franklin Moderate Allocation Fund	Franklin Growth Allocation Fund
Sales charges retained net of commissions paid to unaffiliated brokers/dealers	\$66,096	\$116,039	\$116,572
CDSC retained.	\$ 8,528	\$ 12,888	\$ 7,960

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, 2019, the Funds paid transfer agent fees as noted in the Statements of Operations of which the following amounts were retained by Investor Services:

	Franklin Conservative Allocation Fund	Franklin Moderate Allocation Fund	Franklin Growth Allocation Fund
Transfer agent fees.	\$350,211	\$663,200	\$606,993

f. Investments in FT Underlying Funds

The Funds invest primarily in FT Underlying Funds which are managed by Advisers (or by an affiliate of Advisers). The Funds do not invest in FT Underlying Funds for the purpose of exercising a controlling influence over the management or policies. Asset allocation 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 administrative fees paid directly or indirectly by the Sweep Money Fund.

Investments in FT Underlying Funds for the ended June 30, 2019, 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 Conservative Allocation Fund								
Non-Controlled Affiliates								
Franklin DynaTech Fund, Class R6	\$ 56,915,523	\$ 290,786	\$ (24,922,545)	\$ 10,181,937	\$ 4,568,288	\$ 47,033,989	530,020	\$ —
Franklin Emerging Market Debt Opportunities Fund . . .	37,597,752	11,711	(37,967,811)	(3,544,417)	3,902,765	— ^a	—	—
Franklin Floating Rate Daily Access Fund, Class R6	41,605,935	1,296,080	(43,492,018)	(1,527,178)	2,117,181	— ^a	—	148,346
Franklin FTSE Europe ETF . . .	10,800,877	6,176,471	(1,864,393)	(215,578)	1,783,748	16,681,125	697,955	239,442
Franklin FTSE Japan ETF	11,525,783	59,088	(5,955,755)	(1,088,580)	1,874,173	6,414,709	267,057	78,460
Franklin Growth Fund, Class R6	119,464,184	610,221	(45,196,128)	18,803,648	3,524,979	97,206,904	885,067	—
Franklin International Small Cap Fund, Class R6	25,613,745	2,793,031	(4,554,223)	77,970	2,815,869	26,746,392	1,555,023	—
Franklin LibertyQ Emerging Markets ETF	33,210,679	11,749,529	(3,374,905)	83,827	1,943,618	43,612,748	1,456,949	418,899
Franklin LibertyQ U.S. Equity ETF	62,074,238	26,534,659	(9,970,704)	(341,489)	11,630,540	89,927,244	2,791,038	418,201
Franklin Low Duration Total Return Fund, Class R6	182,843,581	42,166,318	(4,710,641)	(225,582)	3,676,004	223,749,680	22,925,172	3,869,070
Franklin Mutual European Fund, Class R6	20,039,889	679,507	(3,358,662)	191,939	2,126,589	19,679,262	982,489	—
Franklin Pelagos Commodities Strategy Fund, Class R6	58,924,603	2,844,220	(26,063,475)	(5,404,920)	7,379,049	37,679,477	6,776,884	—
Franklin Rising Dividends Fund, Class R6	64,774,725	496,647	(27,218,877)	6,973,395	3,974,412	49,000,302	735,851	166,219
Franklin Strategic Income Fund, Class R6	117,609,696	4,569,723	(59,145,417)	(574,546)	4,606,554	67,066,010	6,914,022	1,558,383
Franklin U.S. Government Securities Fund, Class R6 . . .	164,661,149	54,999,545	(10,697,183)	(738,296)	5,413,394	213,638,609	35,312,167	3,307,688
Franklin Utilities Fund, Class R6	22,357,316	375,533	(6,992,373)	2,232,895	864,161	18,837,532	891,506	262,392
Institutional Fiduciary Trust Money Market Portfolio, 2.05%	35,798	115,449,755	(82,360,938)	—	—	33,124,615	33,124,615	330,155
Templeton Foreign Fund, Class R6	35,923,843	253,258	(18,469,993)	1,161,509	1,140,174	20,008,791	2,858,399	—
Templeton Global Total Return Fund, Class R6	81,260,291	6,983,965	(3,106,753)	(24,730)	120,029	85,232,802	7,316,120	2,743,743
Total Affiliated Securities	\$1,147,239,607	\$278,340,047	\$ (419,422,794)	\$ 26,021,804	\$ 63,461,527	\$ 1,095,640,191		\$ 13,540,998
Franklin Moderate Allocation Fund								
Controlled Affiliates								
Franklin FTSE Europe ETF . . .	\$ 25,439,836	\$ 15,470,372	\$ (3,170,148)	\$ (356,646)	\$ 4,128,783	\$ 41,512,197	1,736,912	\$ 595,869

3. Transactions with Affiliates (continued)

f. Investments in FT 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 Moderate Allocation Fund (continued)								
Controlled Affiliates (continued)								
Franklin LibertyQ Emerging Markets ETF	\$ 74,846,213	\$ 30,272,651	\$ (4,403,833)	\$ 126,257	\$ 4,511,433	\$ 105,352,721	3,519,465	\$ 1,011,910
Franklin Pelagos Commodities Strategy Fund, Class R6	91,248,228	4,882,965	(39,011,999)	(10,646,708)	13,638,265	60,110,751	10,811,286	—
Total Controlled Affiliates	\$ 191,534,277	\$ 50,625,988	\$ (46,585,980)	\$(10,877,097)	\$ 22,278,481	\$ 206,975,669		\$ 1,607,779
Non-Controlled Affiliates								
Franklin DynaTech Fund, Class R6	131,830,259	516,430	(50,711,566)	16,288,872	18,667,020	116,591,015	1,313,850	—
Franklin Emerging Market Debt Opportunities Fund	37,608,902	—	(37,969,117)	(3,475,206)	3,835,421	— ^a	—	—
Franklin Floating Rate Daily Access Fund, Class R6	38,683,399	1,838,069	(41,068,817)	(1,380,650)	1,927,999	— ^a	—	138,809
Franklin FTSE Japan ETF	27,611,482	113,622	(13,639,277)	(2,494,750)	4,373,263	15,964,340	664,627	195,265
Franklin Growth Fund, Class R6	278,927,077	1,096,173	(92,098,483)	39,301,491	13,980,177	241,206,435	2,196,180	—
Franklin International Small Cap Fund, Class R6	59,120,152	7,583,513	(6,886,752)	133,170	6,608,322	66,558,405	3,869,675	—
Franklin LibertyQ U.S. Equity ETF	143,550,227	67,933,189	(17,658,236)	(488,969)	27,371,723	220,707,934	6,850,029	1,020,129
Franklin Low Duration Total Return Fund, Class R6	178,021,586	58,251,613	(7,709,369)	(316,568)	3,764,877	232,012,139	23,771,735	3,900,130
Franklin Mutual European Fund, Class R6	47,971,953	519,608	(5,153,807)	378,348	5,260,050	48,976,152	2,445,140	—
Franklin Rising Dividends Fund, Class R6	148,089,939	986,525	(54,652,163)	13,640,899	12,189,785	120,254,985	1,805,901	403,605
Franklin Strategic Income Fund, Class R6	111,626,569	7,701,607	(53,698,332)	(519,245)	4,431,456	69,542,055	7,169,284	1,574,469
Franklin U.S. Government Securities Fund, Class R6	159,143,007	56,995,917	(6,834,450)	(491,661)	5,161,209	213,974,022	35,367,607	3,316,742
Franklin Utilities Fund, Class R6	50,426,474	1,163,105	(12,640,345)	4,791,398	2,490,202	46,230,834	2,187,924	634,483
Institutional Fiduciary Trust Money Market Portfolio, 2.05%	56,065	170,307,406	(115,819,445)	—	—	54,544,026	54,544,026	522,156
Templeton Foreign Fund, Class R6	82,834,369	1,036,950	(30,697,118)	924,925	4,367,844	58,466,970	8,352,424	—

	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 Moderate Allocation Fund (continued)								
Non-Controlled Affiliates (continued)								
Templeton Global Total Return Fund, Class R6	\$ 79,180,477	\$ 10,480,884	\$ (2,278,304)	\$ (32,848)	\$ 57,211	\$ 87,407,420	7,502,783	\$ 2,777,779
Total Non-Controlled Affiliates	\$1,574,681,937	\$386,524,611	\$ (549,515,581)	\$ 66,259,206	\$ 114,486,559	\$ 1,592,436,732		\$ 14,483,567
Total Affiliated Securities	\$1,766,216,214	\$437,150,599	\$ (596,101,561)	\$ 55,382,109	\$ 136,765,040	\$ 1,799,412,401		\$ 16,091,346
Franklin Growth Allocation Fund								
Controlled Affiliates								
Franklin FTSE Europe ETF	\$ 21,922,080	\$ 13,495,775	\$ (2,174,339)	\$ (229,832)	\$ 3,516,271	\$ 36,529,955	1,528,450	\$ 524,353
Franklin LibertyQ Emerging Markets ETF	62,311,312	27,665,311	(2,509,506)	47,174	3,876,025	91,390,316	3,053,030	877,801
Total Controlled Affiliates	\$ 84,233,392	\$ 41,161,086	\$ (4,683,845)	\$ (182,658)	\$ 7,392,296	\$ 127,920,271		\$ 1,402,154
Non-Controlled Affiliates								
Franklin DynaTech Fund, Class R6	109,789,861	308,723	(36,183,829)	11,214,093	18,641,821	103,770,669	1,169,379	—
Franklin Emerging Market Debt Opportunities Fund	8,968,255	—	(9,055,121)	(791,173)	878,039	— ^a	—	—
Franklin Floating Rate Daily Access Fund, Class R6	10,049,028	990,476	(11,180,602)	(312,751)	453,849	— ^a	—	36,727
Franklin FTSE Japan ETF	22,716,000	60,500	(10,307,981)	(1,844,775)	3,423,152	14,046,896	584,800	171,812
Franklin Growth Fund, Class R6	231,954,267	653,513	(68,689,563)	20,117,651	25,301,803	209,337,671	1,906,015	—
Franklin International Small Cap Fund, Class R6	49,599,678	6,966,668	(3,687,731)	40,596	5,650,160	58,569,371	3,405,196	—
Franklin LibertyQ U.S. Equity ETF	119,744,604	61,728,393	(11,555,037)	(152,131)	23,170,946	192,936,775	5,988,106	890,129
Franklin Low Duration Total Return Fund, Class R6	45,152,022	26,230,480	(2,970,891)	(62,763)	991,688	69,340,536	7,104,563	1,077,340
Franklin Mutual European Fund, Class R6	40,510,549	519,795	(2,763,585)	199,482	4,632,504	43,098,745	2,151,710	—
Franklin Pelagos Commodities Strategy Fund, Class R6	56,835,748	2,930,414	(22,656,170)	(4,628,705)	6,443,874	38,925,161	7,000,928	—
Franklin Rising Dividends Fund, Class R6	123,494,926	699,007	(41,141,778)	8,594,943	13,476,503	105,123,601	1,578,670	351,360
Franklin Strategic Income Fund, Class R6	26,754,417	4,325,290	(11,286,279)	(118,082)	1,108,112	20,783,458	2,142,624	438,187
Franklin U.S. Government Securities Fund, Class R6	39,210,505	26,182,620	(2,753,029)	(190,042)	1,498,591	63,948,645	10,570,024	916,975
Franklin Utilities Fund, Class R6	41,286,615	1,165,323	(8,215,695)	3,017,699	3,159,742	40,413,684	1,912,621	550,477
Institutional Fiduciary Trust Money Market Portfolio, 2.05%	36,422	105,565,035	(69,312,992)	—	—	36,288,465	36,288,465	344,161

3. Transactions with Affiliates (continued)

f. Investments in FT 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 Growth Allocation Fund (continued)								
Non-Controlled Affiliates (continued)								
Templeton Foreign Fund, Class R6	\$ 69,665,758	\$ 1,158,504	\$ (23,840,197)	\$ 746,163	\$ 3,718,954	\$ 51,449,182	7,349,883	\$ —
Templeton Global Total Return Fund, Class R6	18,800,160	7,399,704	(977,825)	(10,936)	(56,153)	25,154,950	2,159,223	761,123
Total Non-Controlled Affiliates	\$1,014,568,815	\$246,884,445	\$ (336,578,305)	\$ 35,819,269	\$112,493,585	\$ 1,073,187,809		\$ 5,538,291
Total Affiliated Securities	\$1,098,802,207	\$288,045,531	\$ (341,262,150)	\$ 35,636,611	\$119,885,881	\$ 1,201,108,080		\$ 6,940,445

^aAs of June 30, 2019, no longer held by the fund.

g. Waiver and Expense Reimbursements

Advisers and Investor Services have contractually agreed in advance to waive or limit their respective fees and to assume as their own expense certain expenses otherwise payable by Franklin Growth Allocation Fund so that the expenses (excluding distribution fees, and acquired fund fees and expenses and certain non-routine expenses or costs, including those relating to litigation, indemnification, reorganizations, and liquidations) for Class A, Class C, Class R, Advisor Class and for Class R6 of the Fund do not exceed 0.40% and 0.27% respectively, based on the average net assets of each class until April 30, 2020. Total expenses waived or paid are not subject to recapture subsequent to the Funds' fiscal year end.

Prior to May 1, 2019, expenses (excluding certain fees and expenses as previously disclosed) for Franklin Growth Allocation Fund for Class A, Class C, Class R and Advisor Class were limited to 0.40%, and expenses for Class R6 were limited to 0.28% based on the average net assets of each class.

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, 2020.

4. Expense Offset Arrangement

The Funds have entered into an arrangement with their custodian whereby credits realized as a result of uninvested cash balances are used to reduce a portion of the Funds' custodian expenses. During the period ended June 30, 2019, the custodian fees were reduced as noted in the Statements of Operations.

5. Income Taxes

At June 30, 2019, the cost of investments and net unrealized appreciation (depreciation) for income tax purposes were as follows:

	Franklin Conservative Allocation Fund	Franklin Moderate Allocation Fund	Franklin Growth Allocation Fund
Cost of investments	\$1,079,674,819	\$1,604,662,304	\$963,986,308
Unrealized appreciation	\$ 162,970,845	\$ 386,418,076	\$328,807,436
Unrealized depreciation	(25,633,190)	(29,986,554)	(15,941,703)
Net unrealized appreciation (depreciation)	\$ 137,337,655	\$ 356,431,522	\$312,865,733

Differences between income and/or capital gains as determined on a book basis and a tax basis are primarily due to differing treatment of wash sales.

6. Investment Transactions

Purchases and sales of Underlying Funds and ETFs (excluding short term securities) for the period ended June 30, 2019, were as follows:

	Franklin Conservative Allocation Fund	Franklin Moderate Allocation Fund	Franklin Growth Allocation Fund
Purchases	\$253,242,109	\$364,990,031	\$212,460,380
Sales	\$346,561,941	\$491,111,073	\$279,505,685

7. 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 billion (Global Credit Facility) which matures on February 7, 2020. 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, 2019, the Funds did not use the Global Credit Facility.

8. 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

8. Fair Value Measurements (continued)

- 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, 2019, in valuing the Funds' assets carried at fair value, is as follows:

	Level 1	Level 2	Level 3	Total
Franklin Conservative Allocation Fund				
Assets:				
Investments in Securities: ^a				
Underlying Funds and Exchange Traded Funds	\$ 1,183,887,859	\$ —	\$ —	\$ 1,183,887,859
Short Term Investments	33,124,615	—	—	33,124,615
Total Investments in Securities	\$ 1,217,012,474	\$ —	\$ —	\$ 1,217,012,474
Franklin Moderate Allocation Fund				
Assets:				
Investments in Securities: ^a				
Underlying Funds and Exchange Traded Funds	\$ 1,905,452,306	\$ —	\$ —	\$ 1,905,452,306
Short Term Investments	54,544,026	1,097,494	—	55,641,520
Total Investments in Securities	\$ 1,959,996,332	\$ 1,097,494	\$ —	\$ 1,961,093,826
Franklin Growth Allocation Fund				
Assets:				
Investments in Securities: ^a				
Underlying Funds and Exchange Traded Funds	\$ 1,239,872,674	\$ —	\$ —	\$ 1,239,872,674
Short Term Investments	36,288,465	690,902	—	36,979,367
Total Investments in Securities	\$ 1,276,161,139	\$ 690,902	\$ —	\$ 1,276,852,041

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

9. 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.

Abbreviations

Selected Portfolio

ETF	Exchange Traded Fund
FTSE	Financial Times Stock Exchange
SPDR	S&P Depository Receipt

Shareholder Information

Board Approval of Investment Management Agreements

FRANKLIN FUND ALLOCATOR SERIES

Franklin Moderate Allocation Fund

Franklin Conservative Allocation Fund

Franklin Growth Allocation Fund

(each a Fund)

At an in-person meeting held on February 26, 2019 (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 each Fund (each a Management Agreement) for an additional one-year period. The Independent Trustees received advice from and met separately with Independent Trustee counsel in considering whether to approve the continuation of each Management Agreement. Although the Management Agreements for the Funds were considered at the same Board meeting, the Board considered the information provided to it about the Funds together and with respect to each Fund separately as the Board deemed appropriate.

In considering the continuation of each 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. The Board reviewed and considered all of the factors it deemed relevant in approving the continuance of each 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 each Fund; (iii) the costs of the services provided and profits realized by the Manager and its affiliates from the relationship with each Fund; (iv) the extent to which economies of scale are realized as each Fund grows; and (v) whether fee levels reflect these economies of scale for the benefit of Fund investors.

In approving the continuance of each 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 interests of the applicable 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 Funds and their shareholders. This information included, among other things, the qualifications, background and experience of the senior management and investment personnel of the Manager; the structure of investment personnel compensation; oversight of third-party service providers; investment performance reports and related financial information for each Fund; reports on expenses, shareholder services, marketing support payments made to financial intermediaries and third party servicing arrangements; 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 Investments (FTI) or the Funds to financial intermediaries, as well as a memorandum relating to third-party servicing arrangements in response to a guidance update in 2016 from the US Securities and Exchange Commission (SEC) relating to mutual fund distribution and sub-accounting fees. 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 and liquidity risk management. The Board also recognized management’s commitment to facilitating Board oversight of liquidity through the designation of a liquidity/risk administrator and the development of reports that highlight the amount of illiquid investments for each Fund.

The Board also reviewed and considered the benefits provided to Fund shareholders of investing in a fund that is part of the Franklin Templeton 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 continued introduction of new funds, reassessment of the fund offerings in response to the market environment and project initiatives and capital investments relating to the services provided to the Funds by the FTI organization.

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 Funds and their shareholders.

Fund Performance

The Board reviewed and considered the performance results of each Fund over various time periods ended December 31, 2018. The Board considered the performance returns for each Fund in comparison to the performance returns of mutual funds deemed comparable to the Fund included in a universe (Performance Universe) selected by Broadridge Financial Solutions, Inc. (Broadridge), an independent provider of investment company data. The Board received a description of the methodology used by Broadridge to select the mutual funds included in a Performance Universe. The Board also reviewed and considered Fund performance reports provided and discussions that occurred with portfolio managers at Board meetings throughout the year. A summary of each Fund's performance results is below.

Franklin Moderate Allocation Fund – The Performance Universe for the Fund included the Fund and all retail and institutional mixed-asset target allocation moderate funds. The Board noted that the Fund's annualized total return for the one-, three- and five-year periods was above the median of its Performance Universe, but for the 10-year period was below the median of its Performance Universe. The Board concluded that the Fund's performance was satisfactory. In doing so, the Board noted that the Fund's annualized total return for the 10-year period, while below the median, exceeded 7%.

Franklin Conservative Allocation Fund – The Performance Universe for the Fund included the Fund and all retail and institutional mixed-asset target allocation conservative funds. The Board noted that the Fund's annualized total return for the one- and three-year periods was above the median and in the second quintile of its Performance Universe, but for the five- and 10-year periods was below the median of its Performance Universe. The Board concluded that the Fund's performance was satisfactory. In doing so, the Board noted that the Fund's annualized total return for the five-year period

and 10-year period, while below the median, exceeded 2% and 5%, respectively.

Franklin Growth Allocation Fund – The Performance Universe for the Fund included the Fund and all retail and institutional mixed-asset target allocation growth funds. The Board noted that the Fund's annualized total return for the one-, three- and 10-year periods was above the median of its Performance Universe, but for the five-year period was below the median of its Performance Universe. The Board concluded that the Fund's performance was satisfactory. In doing so, the Board noted that the Fund's annualized total return for the five-year period, while below the median, was almost 4%.

Comparative Fees and Expenses

The Board reviewed and considered information regarding each Fund's actual total expense ratio and its various components, including, as applicable, management fees; transfer agent expenses; underlying fund expenses; Rule 12b-1 and non-Rule 12b-1 service fees; and other non-management fees. The Board also noted the quarterly and annual reports it receives on all marketing support payments made by FTI to financial intermediaries. The Board considered the actual total expense ratio and, separately, the contractual management fee rate, without the effect of fee waivers, if any (Management Rate) of each Fund in comparison to the median expense ratio and median Management Rate, respectively, of other mutual funds deemed comparable to and with a similar expense structure to the Fund selected by Broadridge (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 Broadridge Management Rate includes administrative charges, and the actual total expense ratio, for comparative consistency, was shown for: (i) Class A shares for the Franklin Conservative Allocation Fund and for Class A shares and Class T shares for the other funds in the Expense Group with multiple classes of shares; (ii) Class A shares for the Franklin Moderate Allocation Fund and for Class A shares for the other funds in the Expense Group with multiple classes of shares; and (iii) Class A shares for the Franklin Growth

Allocation Fund and for Class A shares and Investor Class shares for the other funds in the Expense Group with multiple classes of shares. The Board received a description of the methodology used by Broadridge to select the mutual funds included in an Expense Group.

The Expense Group for the Franklin Conservative Allocation Fund included the Fund and 10 other mixed-asset target allocation conservative funds. The Expense Group for the Franklin Moderate Allocation Fund included the Fund and 11 other mixed-asset target allocation moderate funds. The Expense Group for the Franklin Growth Allocation Fund included the Fund and 12 other mixed-asset target allocation growth funds. The Board noted that the Management Rates for the Funds were above the medians of their respective Expense Groups and the actual total expense ratios for the Funds were above the medians and in the fifth quintile (most expensive) of their respective Expense Groups. The Board noted that the Management Rate paid by each Fund is solely for asset allocation services as the Fund invests substantially all of its assets in underlying funds. The Board concluded that the Management Rate charged to each Fund is reasonable in light of the fee waiver from management on the Fund's actual total expense ratio.

Profitability

The Board reviewed and considered information regarding the profits realized by the Manager and its affiliates in connection with the operation of each Fund. In this respect, the Board considered the Fund profitability analysis provided by the Manager that addresses the overall profitability of FTI'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, 2018, 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 Funds' profitability report presentations from prior years. Additionally, PricewaterhouseCoopers LLP, auditor to FRI and certain Franklin Templeton funds, has been engaged by the Manager to periodically review and assess the allocation methodologies to be used solely by the Funds' 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 each 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. The Board also noted management's expenditures in improving shareholder services provided to the Funds, as well as the need to implement systems and meet additional regulatory and compliance requirements resulting from recent SEC 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 each Fund was not excessive in view of the nature, extent and quality of services provided to each Fund.

Economies of Scale

The Board reviewed and considered the extent to which the Manager may realize economies of scale, if any, as each Fund grows larger and whether each Fund's management fee structure reflects any economies of scale for the benefit of shareholders. 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 Franklin Templeton family of funds as a whole. The Board noted that, due to the use of the Management Rate for allocation services, the Funds would not likely experience economies of scale.

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 each Management Agreement for an additional one-year period.

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. 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.

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.



Semiannual Report and Shareholder Letter
Franklin Fund Allocator Series

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