

SEMIANNUAL REPORT AND SHAREHOLDER LETTER

FRANKLIN FUND ALLOCATOR SERIES

June 30, 2019



FRANKLIN
TEMPLETON

Franklin Corefolio Allocation Fund

Franklin Founding Funds Allocation Fund

Sign up for electronic delivery at franklintempleton.com/edelivery

Internet Delivery of Fund Reports Unless You Request Paper Copies: Effective January 1, 2021, as permitted by the SEC, paper copies of the Fund's shareholder reports will no longer be sent by mail, unless you specifically request them from the Fund or your financial intermediary. Instead, the reports will be made available on a website, and you will be notified by mail each time a report is posted and provided with a website link to access the report.

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.

Contents

Semiannual Report

| | |
|--|----|
| Economic and Market Overview | 3 |
| Franklin Corefolio Allocation Fund | 4 |
| Franklin Founding Funds Allocation Fund | 9 |
| Financial Highlights and Statements of Investments | 14 |
| Financial Statements | 26 |
| Notes to Financial Statements | 30 |
| Shareholder Information | 38 |

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 Corefolio Allocation Fund

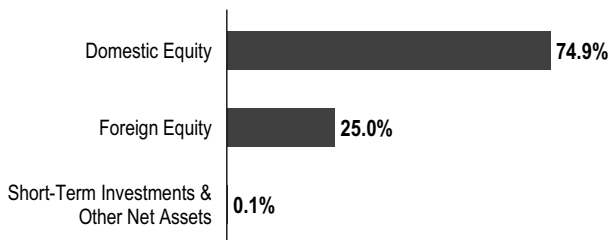
This semiannual report for Franklin Corefolio Allocation Fund covers the period ended June 30, 2019.

Your Fund's Goal and Main Investments

The Fund seeks capital appreciation through investments in a combination of Franklin Growth Fund, Franklin Growth Opportunities Fund, Franklin Mutual Shares Fund and Templeton Growth Fund.

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 into a broad asset class.

Performance Overview

The Fund's Class A shares posted a +17.22% cumulative total return for the six months under review. In comparison, the Fund's benchmarks, the Standard & Poor's® 500 Index (S&P 500®), which is a broad measure of U.S. stock performance, posted a +18.54% cumulative total return, and the MSCI World Index, which tracks equity performance in global developed markets, posted a +17.38% total return.¹ 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

The Fund invests its assets allocated approximately 25% each in Franklin Growth Fund, Franklin Growth Opportunities Fund, Franklin Mutual Shares Fund and Templeton Growth Fund. These underlying funds, in turn, invest primarily in U.S. and foreign equity securities and, to a lesser extent, fixed income and money market securities. As market conditions affect the underlying funds, we rebalance the Fund's allocations to maintain the predetermined weightings in each underlying fund whenever the actual allocations exceed plus or minus 3% of the fixed allocation percentages.

Portfolio Review

The Fund's performance can be attributed largely to maintaining a relatively static allocation among domestic and foreign equities, fixed income securities, and short-term investments and other net assets, and to the actual performance of the selected underlying funds.

During the period under review, Franklin Growth Fund – Class R6 and Franklin Growth Opportunities Fund – Class R6 outperformed the S&P 500, while Franklin Mutual Shares Fund – Class R6 underperformed the index. Templeton Growth Fund – Class R6 underperformed the MSCI World Index.

1. Source: Morningstar.

The indexes are unmanaged and include reinvestment of any income distributions. It does 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 19.

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



A handwritten signature in black ink that reads "T. A. Nelson".

Thomas A. Nelson, CFA
Co-Lead Portfolio Manager



A handwritten signature in black ink that reads "May Tong".

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 6/30/19

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 ¹ | Average Annual Total Return ² |
|----------------------|--------------------------------------|--|
| A³ | | |
| 6-Month | +17.22% | +10.76% |
| 1-Year | +5.43% | -0.38% |
| 5-Year | +39.39% | +5.67% |
| 10-Year | +205.37% | +11.18% |
| Advisor | | |
| 6-Month | +17.36% | +17.36% |
| 1-Year | +5.70% | +5.70% |
| 5-Year | +41.21% | +7.14% |
| 10-Year | +213.76% | +12.11% |

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.

See page 7 for Performance Summary footnotes.

Distributions (1/1/19–6/30/19)

| Share Class | Net Investment Income | Long-Term Capital Gain | Total |
|-------------|--------------------------|---------------------------|----------|
| A | \$0.0138 | \$1.0257 | \$1.0395 |
| C | \$0.0138 | \$1.0257 | \$1.0395 |
| R | \$0.0138 | \$1.0257 | \$1.0395 |
| R6 | \$0.0138 | \$1.0257 | \$1.0395 |
| Advisor | \$0.0138 | \$1.0257 | \$1.0395 |

Total Annual Operating Expenses⁴

| Share Class | |
|-------------|-------|
| A | 1.04% |
| Advisor | 0.79% |

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 the Fund invests in underlying funds that may engage in a variety of investment strategies involving certain risks, this fund of funds may be subject to those same risks. Stock prices fluctuate, sometimes rapidly and dramatically, due to factors affecting individual companies, particular industries or sectors, or general market conditions. Growth stock prices reflect projections of future earnings or revenues, and can therefore fall dramatically if the company fails to meet those projections. Value securities may not increase in price as anticipated or may decline further in value. Foreign investing carries additional risks such as currency and market volatility, and political or social instability; risks that are heightened in developing countries. The Fund includes investments in specialized industry sectors such as the technology sector, which has been among the most volatile in the market. The Fund's prospectus also includes a description of the main investment risks.

1. Cumulative total return represents the change in value of an investment over the periods indicated.
2. 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.
3. 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%.
4. Figures are as stated in the Fund's current prospectus 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 | \$1,172.20 | \$2.37 | \$1,022.61 | \$2.21 | 0.44% |
| C | \$1,000 | \$1,167.40 | \$6.40 | \$1,018.89 | \$5.96 | 1.19% |
| R | \$1,000 | \$1,170.20 | \$3.61 | \$1,021.47 | \$3.36 | 0.67% |
| R6 | \$1,000 | \$1,174.30 | \$0.49 | \$1,024.35 | \$0.45 | 0.09% |
| Advisor | \$1,000 | \$1,173.60 | \$1.02 | \$1,023.85 | \$0.95 | 0.19% |

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.

Franklin Founding Funds Allocation Fund

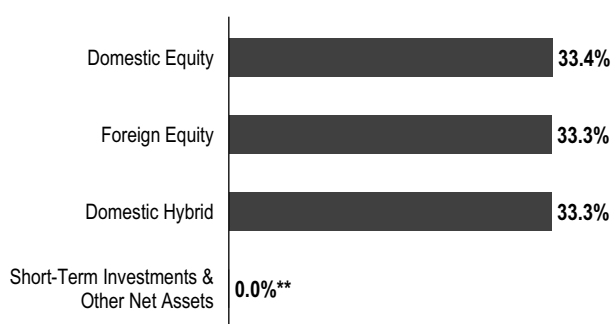
This semiannual report for Franklin Founding Funds Allocation Fund covers the period ended June 30, 2019.

Your Fund's Goal and Main Investments

The Fund's principal investment goal is capital appreciation, with a secondary goal of income. The Fund invests in an equally weighted combination of Franklin Income Fund, Franklin Mutual Shares Fund and Templeton Growth Fund.

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 into a broad asset class.

**Rounds to less than 0.1% of net assets.

Performance Overview

The Fund's Class A shares posted a +11.02% cumulative total return for the six months under review. In comparison, the Fund's benchmarks, the Standard & Poor's 500 Index (S&P 500), which is a broad measure of U.S. stock performance, posted a +18.54% total return and the MSCI World Index, which tracks equity performance in global developed markets, posted a +17.38% total return.¹ You can find the Fund's long-term performance data in the Performance Summary beginning on page 11.

1. Source: Morningstar.

The indexes are unmanaged and include reinvestment of any income or distributions. It does 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.

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

The Fund invests its assets in an equally weighted combination of Franklin Income Fund, Franklin Mutual Shares Fund and Templeton Growth Fund. These underlying funds, in turn, invest primarily in U.S. and foreign equity securities and, to a lesser extent, fixed income and money market securities. As market conditions affect the underlying funds, we rebalance the Fund's allocations to maintain the predetermined equal weightings of approximately 33% of total net assets in each underlying fund whenever the actual allocations exceed plus or minus 3% of the fixed allocation percentages.

Portfolio Review

The Fund's performance can be attributed largely to maintaining a relatively static allocation among domestic and foreign equities, fixed income securities, and short-term investments and other net assets, and to the actual performance of the selected underlying funds.

During the period under review, Franklin Income Fund – Class R6 and Franklin Mutual Shares Fund – Class R6 underperformed the S&P 500. Templeton Growth Fund – Class R6 underperformed the MSCI World Index.

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 25.

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



A handwritten signature in black ink that reads "T. A. Nelson".

Thomas A. Nelson, CFA
Co-Lead Portfolio Manager



A handwritten signature in black ink that reads "May Tong".

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 6/30/19

*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 ¹ | Average Annual Total Return ² |
|----------------------|--------------------------------------|--|
| A³ | | |
| 6-Month | +11.02% | +4.88% |
| 1-Year | +1.36% | -4.22% |
| 5-Year | +13.59% | +1.43% |
| 10-Year | +132.75% | +8.20% |
| Advisor | | |
| 6-Month | +11.16% | +11.16% |
| 1-Year | +1.67% | +1.67% |
| 5-Year | +15.12% | +2.86% |
| 10-Year | +138.74% | +9.09% |

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 |
|-------------|--------------------------|
| A | \$0.1806 |
| C | \$0.1287 |
| R | \$0.1655 |
| R6 | \$0.2039 |
| Advisor | \$0.1967 |

Total Annual Operating Expenses⁴

| Share Class | |
|-------------|-------|
| A | 0.99% |
| Advisor | 0.74% |

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 the Fund invests in underlying funds that may engage in a variety of investment strategies involving certain risks, the Fund is subject to these same risks. Stock prices fluctuate, sometimes rapidly and dramatically, due to factors affecting individual companies, particular industries or sectors, or general market conditions. Bonds are affected by changes in interest rates and the creditworthiness of their issuers. Bond prices generally move in the opposite direction of interest rates. Thus, as the prices of bonds adjust to a rise in interest rates, the Fund's share price may decline. Higher-yielding, lower-rated corporate bonds entail a greater degree of credit risk compared to investment-grade securities. Value securities may not increase in price as anticipated or may decline further in value. Foreign investing carries additional risks such as currency and market volatility and political or social instability, risks that are heightened in developing countries. To the extent the Fund focuses on particular countries, regions, industries, sectors or types of investments from time to time, it may be subject to greater risks of adverse developments in such areas of focus than a fund that invests in a wider variety of countries, regions, industries, sectors or investments. The Fund's prospectus also includes a description of the main investment risks.

1. Cumulative total return represents the change in value of an investment over the periods indicated.
2. 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.
3. 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%.
4. Figures are as stated in the Fund's current prospectus 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 | \$1,110.20 | \$2.20 | \$1,022.71 | \$2.11 | 0.42% |
| C | \$1,000 | \$1,106.10 | \$6.11 | \$1,018.99 | \$5.86 | 1.17% |
| R | \$1,000 | \$1,108.60 | \$3.50 | \$1,021.47 | \$3.36 | 0.67% |
| R6 | \$1,000 | \$1,112.30 | \$0.42 | \$1,024.40 | \$0.40 | 0.08% |
| Advisor | \$1,000 | \$1,111.60 | \$0.89 | \$1,023.95 | \$0.85 | 0.17% |

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 Corefolio 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 | \$17.32 | \$19.68 | \$17.06 | \$16.80 | \$18.00 | \$17.61 |
| Income from investment operations ^a : | | | | | | |
| Net investment income (loss) ^{b,c} | (0.04) | 0.17 | 0.17 | 0.14 | 0.14 | 0.23 |
| Net realized and unrealized gains (losses) | 3.01 | (1.51) | 3.23 | 1.07 | (0.32) | 0.91 |
| Total from investment operations | 2.97 | (1.34) | 3.40 | 1.21 | (0.18) | 1.14 |
| Less distributions from: | | | | | | |
| Net investment income and short term gains received from Underlying Funds | (0.01) | (0.15) | (0.18) | (0.17) | (0.16) | (0.29) |
| Net realized gains | (1.03) | (0.87) | (0.60) | (0.78) | (0.86) | (0.46) |
| Total distributions | (1.04) | (1.02) | (0.78) | (0.95) | (1.02) | (0.75) |
| Net asset value, end of period | \$19.25 | \$17.32 | \$19.68 | \$17.06 | \$16.80 | \$18.00 |
| Total return ^d | 17.22% | (7.10)% | 20.07% | 7.64% | (1.20)% | 6.48% |
| Ratios to average net assets^e | | | | | | |
| Expenses ^{f,g} | 0.44% | 0.41% | 0.47% | 0.45% | 0.47% | 0.48% |
| Net investment income (loss) ^c | (0.44)% | 0.76% | 0.90% | 0.83% | 0.80% | 1.27% |
| Supplemental data | | | | | | |
| Net assets, end of period (000's) | \$682,870 | \$593,983 | \$579,707 | \$507,530 | \$523,540 | \$558,862 |
| Portfolio turnover rate | 2.16% | 3.94% | 0.71% | 0.40% | 0.53% | 5.77% |

^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 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.

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

^gDoes not include expenses of the Underlying Funds in which the Fund invests. The weighted average indirect expenses of the Underlying Funds was 0.62% for the period ended June 30, 2019.

Franklin Corefolio Allocation Fund (continued)

| | Six Months Ended June 30, 2019 (unaudited) | Year Ended December 31, | | | | |
|---|--|-------------------------|-----------|-----------|-----------|-----------|
| | | 2018 | 2017 | 2016 | 2015 | 2014 |
| Class C | | | | | | |
| Per share operating performance (for a share outstanding throughout the period) | | | | | | |
| Net asset value, beginning of period | \$17.10 | \$19.43 | \$16.85 | \$16.61 | \$17.81 | \$17.44 |
| Income from investment operations ^a : | | | | | | |
| Net investment income (loss) ^{b,c} | (0.11) | (0.10) | 0.02 | 0.01 | 0.02 | 0.10 |
| Net realized and unrealized gains (losses) | 2.96 | (1.35) | 3.19 | 1.05 | (0.33) | 0.89 |
| Total from investment operations | 2.85 | (1.45) | 3.21 | 1.06 | (0.31) | 0.99 |
| Less distributions from: | | | | | | |
| Net investment income and short term gains received from Underlying Funds | (0.01) | (0.01) | (0.03) | (0.04) | (0.03) | (0.16) |
| Net realized gains | (1.03) | (0.87) | (0.60) | (0.78) | (0.86) | (0.46) |
| Total distributions | (1.04) | (0.88) | (0.63) | (0.82) | (0.89) | (0.62) |
| Net asset value, end of period | \$18.91 | \$17.10 | \$19.43 | \$16.85 | \$16.61 | \$17.81 |
| Total return ^d | 16.74% | (7.76)% | 19.20% | 6.82% | (1.92)% | 5.69% |
| Ratios to average net assets^e | | | | | | |
| Expenses ^{f,g} | 1.19% | 1.16% | 1.22% | 1.20% | 1.19% | 1.19% |
| Net investment income (loss) ^c | (1.19)% | 0.01% | 0.15% | 0.08% | 0.08% | 0.56% |
| Supplemental data | | | | | | |
| Net assets, end of period (000's) | \$77,694 | \$72,124 | \$170,218 | \$160,729 | \$172,116 | \$176,680 |
| Portfolio turnover rate | 2.16% | 3.94% | 0.71% | 0.40% | 0.53% | 5.77% |

^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 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.

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

^gDoes not include expenses of the Underlying Funds in which the Fund invests. The weighted average indirect expenses of the Underlying Funds was 0.62% for the period ended June 30, 2019.

Franklin Corefolio 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 | \$17.34 | \$19.68 | \$17.06 | \$16.81 | \$18.01 | \$17.60 |
| Income from investment operations ^a : | | | | | | |
| Net investment income (loss) ^{b,c} | (0.06) | 0.10 | 0.12 | 0.10 | 0.10 | 0.16 |
| Net realized and unrealized gains (losses) | 3.00 | (1.48) | 3.23 | 1.06 | (0.32) | 0.95 |
| Total from investment operations | 2.94 | (1.38) | 3.35 | 1.16 | (0.22) | 1.11 |
| Less distributions from: | | | | | | |
| Net investment income and short term gains received from Underlying Funds | (0.01) | (0.09) | (0.13) | (0.13) | (0.12) | (0.24) |
| Net realized gains | (1.03) | (0.87) | (0.60) | (0.78) | (0.86) | (0.46) |
| Total distributions | (1.04) | (0.96) | (0.73) | (0.91) | (0.98) | (0.70) |
| Net asset value, end of period | \$19.24 | \$17.34 | \$19.68 | \$17.06 | \$16.81 | \$18.01 |
| Total return ^d | 17.02% | (7.30)% | 19.79% | 7.33% | (1.43)% | 6.30% |
| Ratios to average net assets^e | | | | | | |
| Expenses ^{f,g} | 0.67% | 0.65% | 0.72% | 0.70% | 0.69% | 0.69% |
| Net investment income (loss) ^c | (0.67)% | 0.52% | 0.65% | 0.58% | 0.58% | 1.06% |
| Supplemental data | | | | | | |
| Net assets, end of period (000's) | \$1,388 | \$1,412 | \$1,629 | \$1,461 | \$1,423 | \$1,545 |
| Portfolio turnover rate | 2.16% | 3.94% | 0.71% | 0.40% | 0.53% | 5.77% |

^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 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.

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

^gDoes not include expenses of the Underlying Funds in which the Fund invests. The weighted average indirect expenses of the Underlying Funds was 0.62% for the period ended June 30, 2019.

Franklin Corefolio Allocation Fund (continued)

| | Six Months Ended June 30, 2019 (unaudited) | Year Ended December 31, | |
|---|---|--------------------------------|-------------------------|
| | | 2018 | 2017^a |
| Class R6 | | | |
| Per share operating performance (for a share outstanding throughout the period) | | | |
| Net asset value, beginning of period | \$17.34 | \$19.67 | \$19.18 |
| Income from investment operations ^b : | | | |
| Net investment income (loss) ^{c,d} | (0.01) | 0.27 | 0.26 |
| Net realized and unrealized gains (losses) | 3.02 | (1.52) | 0.73 |
| Total from investment operations | 3.01 | (1.25) | 0.99 |
| Less distributions from: | | | |
| Net investment income | (0.01) | (0.21) | (0.25) |
| Net realized gains | (1.03) | (0.87) | (0.25) |
| Total distributions | (1.04) | (1.08) | (0.50) |
| Net asset value, end of period | \$19.31 | \$17.34 | \$19.67 |
| | | | |
| Total return ^e | 17.43% | (6.78)% | 5.28% |
| | | | |
| Ratios to average net assets^f | | | |
| Expenses before waiver and payments by affiliates ^g | 0.12% | 0.23% | 3.47% |
| Expenses net of waiver and payments by affiliates ^g | 0.09% | 0.09% | 0.08% |
| Net investment income (loss) ^d | (0.09)% | 1.08% | 1.29% |
| | | | |
| Supplemental data | | | |
| Net assets, end of period (000's) | \$1,050 | \$75 | \$5 |
| Portfolio turnover rate | 2.16% | 3.94% | 0.71% |

^aFor the period August 1, 2017 (effective date) to December 31, 2017.

^bThe 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.

^cBased on average daily shares outstanding.

^dRecognition of net investment income by the Fund is affected by the timing of declaration of dividends by the Underlying Funds in which the Fund invests.

^eTotal return is not annualized for periods less than one year.

^fRatios are annualized for periods less than one year.

^gDoes not include expenses of the Underlying Funds in which the Fund invests. The weighted average indirect expenses of the Underlying Funds was 0.62% for the period ended June 30, 2019.

Franklin Corefolio 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 | \$17.35 | \$19.71 | \$17.08 | \$16.82 | \$18.03 | \$17.64 |
| Income from investment operations ^a : | | | | | | |
| Net investment income (loss) ^{b,c} | (0.02) | 0.24 | 0.25 | 0.21 | 0.21 | 0.32 |
| Net realized and unrealized gains (losses) | 3.02 | (1.53) | 3.21 | 1.04 | (0.35) | 0.88 |
| Total from investment operations | 3.00 | (1.29) | 3.46 | 1.25 | (0.14) | 1.20 |
| Less distributions from: | | | | | | |
| Net investment income and short term gains received from Underlying Funds | (0.01) | (0.20) | (0.23) | (0.21) | (0.21) | (0.35) |
| Net realized gains | (1.03) | (0.87) | (0.60) | (0.78) | (0.86) | (0.46) |
| Total distributions | (1.04) | (1.07) | (0.83) | (0.99) | (1.07) | (0.81) |
| Net asset value, end of period | \$19.31 | \$17.35 | \$19.71 | \$17.08 | \$16.82 | \$18.03 |
| Total return ^d | 17.36% | (6.85)% | 20.40% | 7.90% | (0.96)% | 6.79% |
| Ratios to average net assets^e | | | | | | |
| Expenses ^{f,g} | 0.19% | 0.16% | 0.22% | 0.20% | 0.19% | 0.19% |
| Net investment income (loss) ^c | (0.19)% | 1.01% | 1.15% | 1.08% | 1.08% | 1.56% |
| Supplemental data | | | | | | |
| Net assets, end of period (000's) | \$45,664 | \$40,399 | \$33,607 | \$22,721 | \$19,396 | \$18,918 |
| Portfolio turnover rate | 2.16% | 3.94% | 0.71% | 0.40% | 0.53% | 5.77% |

^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 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.

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

^gDoes not include expenses of the Underlying Funds in which the Fund invests. The weighted average indirect expenses of the Underlying Funds was 0.62% for the period ended June 30, 2019.

Statement of Investments, June 30, 2019 (unaudited)

Franklin Corefolio Allocation Fund

| | Shares | Value |
|---|-----------|----------------------|
| Investments in Underlying Funds 99.9% | | |
| Domestic Equity 74.9% | | |
| ^a Franklin Growth Fund, Class R6 | 1,840,156 | \$202,104,332 |
| ^{a,b} Franklin Growth Opportunities Fund, Class R6 | 4,600,256 | 202,411,275 |
| ^a Franklin Mutual Shares Fund, Class R6 | 7,295,905 | 201,221,070 |
| | | <u>605,736,677</u> |
| Foreign Equity 25.0% | | |
| ^a Templeton Growth Fund Inc., Class R6 | 9,063,270 | 202,201,545 |
| Total Investments in Underlying Funds before Short Term Investments (Cost \$555,597,105) | | <u>807,938,222</u> |
| Short Term Investments (Cost \$204) 0.0%[†] | | |
| Money Market Funds 0.0%[†] | | |
| ^{a,c} Institutional Fiduciary Trust Money Market Portfolio, 2.05% | 204 | 204 |
| Total Investments in Underlying Funds (Cost \$555,597,309) 99.9% | | 807,938,426 |
| Other Assets, less Liabilities 0.1% | | <u>726,580</u> |
| Net Assets 100.0% | | <u>\$808,665,006</u> |

[†]Rounds to less than 0.1% of net assets.

^aSee Note 3(e) 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 Founding Funds 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 | \$12.63 | \$14.54 | \$13.47 | \$12.14 | \$13.31 | \$13.37 |
| Income from investment operations ^a : | | | | | | |
| Net investment income ^{b,c} | 0.10 | 0.41 | 0.40 | 0.36 | 0.35 | 0.46 |
| Net realized and unrealized gains (losses) | 1.29 | (1.82) | 1.10 | 1.26 | (1.16) | (0.06) |
| Total from investment operations | 1.39 | (1.41) | 1.50 | 1.62 | (0.81) | 0.40 |
| Less distributions from: | | | | | | |
| Net investment income | (0.18) | (0.50) | (0.43) | (0.29) | (0.36) | (0.46) |
| Net asset value, end of period | \$13.84 | \$12.63 | \$14.54 | \$13.47 | \$12.14 | \$13.31 |
| Total return ^d | 11.02% | (9.82)% | 11.20% | 13.52% | (6.18)% | 2.92% |
| Ratios to average net assets^e | | | | | | |
| Expenses ^{f,g} | 0.42% | 0.39% | 0.43% | 0.42% | 0.41% | 0.41% |
| Net investment income ^c | 1.42% | 2.66% | 2.81% | 2.87% | 2.65% | 3.35% |
| Supplemental data | | | | | | |
| Net assets, end of period (000's) | \$3,386,201 | \$3,209,751 | \$3,300,005 | \$3,310,397 | \$3,346,192 | \$3,958,706 |
| Portfolio turnover rate | 0.28% | 0.73% | 0.48% | 0.06% | —% | 3.79% |

^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 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.

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

^gDoes not include expenses of the Underlying Funds in which the Fund invests. The weighted average indirect expenses of the Underlying Funds was 0.60% for the period ended June 30, 2019.

Franklin Founding Funds Allocation Fund (continued)

| | Six Months Ended June 30, 2019 (unaudited) | Year Ended December 31, | | | | |
|---|--|-------------------------|-------------|-------------|-------------|-------------|
| | | 2018 | 2017 | 2016 | 2015 | 2014 |
| Class C | | | | | | |
| Per share operating performance (for a share outstanding throughout the period) | | | | | | |
| Net asset value, beginning of period | \$12.54 | \$14.33 | \$13.27 | \$11.96 | \$13.11 | \$13.18 |
| Income from investment operations ^a : | | | | | | |
| Net investment income ^{b,c} | 0.05 | 0.18 | 0.28 | 0.26 | 0.25 | 0.35 |
| Net realized and unrealized gains (losses) | 1.28 | (1.67) | 1.10 | 1.25 | (1.14) | (0.07) |
| Total from investment operations | 1.33 | (1.49) | 1.38 | 1.51 | (0.89) | 0.28 |
| Less distributions from: | | | | | | |
| Net investment income | (0.13) | (0.30) | (0.32) | (0.20) | (0.26) | (0.35) |
| Net asset value, end of period | \$13.74 | \$12.54 | \$14.33 | \$13.27 | \$11.96 | \$13.11 |
| Total return ^d | 10.61% | (10.54)% | 10.43% | 12.71% | (6.85)% | 2.12% |
| Ratios to average net assets^e | | | | | | |
| Expenses ^{f,g} | 1.17% | 1.14% | 1.18% | 1.17% | 1.16% | 1.16% |
| Net investment income ^c | 0.67% | 1.91% | 2.06% | 2.12% | 1.90% | 2.60% |
| Supplemental data | | | | | | |
| Net assets, end of period (000's) | \$343,031 | \$362,833 | \$1,261,997 | \$1,402,623 | \$1,458,281 | \$1,745,766 |
| Portfolio turnover rate | 0.28% | 0.73% | 0.48% | 0.06% | —% | 3.79% |

^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 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.

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

^gDoes not include expenses of the Underlying Funds in which the Fund invests. The weighted average indirect expenses of the Underlying Funds was 0.60% for the period ended June 30, 2019.

Franklin Founding Funds 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 | \$12.68 | \$14.58 | \$13.49 | \$12.16 | \$13.33 | \$13.39 |
| Income from investment operations ^a : | | | | | | |
| Net investment income ^{b,c} | 0.08 | 0.34 | 0.34 | 0.33 | 0.32 | 0.44 |
| Net realized and unrealized gains (losses) | 1.30 | (1.78) | 1.13 | 1.26 | (1.16) | (0.08) |
| Total from investment operations | 1.38 | (1.44) | 1.47 | 1.59 | (0.84) | 0.36 |
| Less distributions from: | | | | | | |
| Net investment income | (0.17) | (0.46) | (0.38) | (0.26) | (0.33) | (0.42) |
| Net asset value, end of period | \$13.89 | \$12.68 | \$14.58 | \$13.49 | \$12.16 | \$13.33 |
| Total return ^d | 10.86% | (10.01)% | 10.97% | 13.22% | (6.40)% | 2.68% |
| Ratios to average net assets^e | | | | | | |
| Expenses ^{f,g} | 0.67% | 0.64% | 0.68% | 0.67% | 0.66% | 0.66% |
| Net investment income ^c | 1.17% | 2.41% | 2.56% | 2.62% | 2.40% | 3.10% |
| Supplemental data | | | | | | |
| Net assets, end of period (000's) | \$6,014 | \$5,513 | \$7,843 | \$10,776 | \$10,724 | \$11,619 |
| Portfolio turnover rate | 0.28% | 0.73% | 0.48% | 0.06% | —% | 3.79% |

^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 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.

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

^gDoes not include expenses of the Underlying Funds in which the Fund invests. The weighted average indirect expenses of the Underlying Funds was 0.60% for the period ended June 30, 2019.

Franklin Founding Funds Allocation Fund (continued)

| | Six Months Ended June 30, 2019 (unaudited) | Year Ended December 31, 2018 2017 ^a | |
|--|--|--|-----------|
| Class R6 | | | |
| Per share operating performance (for a share outstanding throughout the period) | | | |
| Net asset value, beginning of period | \$12.95 | \$14.62 | \$14.46 |
| Income from investment operations ^b : | | | |
| Net investment income ^{c,d} | 0.11 | 0.37 | 0.30 |
| Net realized and unrealized gains (losses) | 1.35 | (1.75) | 0.06 |
| Total from investment operations | 1.46 | (1.38) | 0.36 |
| Less distributions from: | | | |
| Net investment income | (0.20) | (0.29) | (0.20) |
| Net asset value, end of period | \$14.21 | \$12.95 | \$14.62 |
| Total return ^e | 11.23% | (9.57)% | 2.56% |
| Ratios to average net assets^f | | | |
| Expenses before waiver and payments by affiliates and expense reduction ^g | 13.90% | 0.08% | 4.28% |
| Expenses net of waiver and payments by affiliates and expense reduction ^g | 0.08% | 0.07% | 0.06% |
| Net investment income ^d | 1.76% | 2.98% | 3.18% |
| Supplemental data | | | |
| Net assets, end of period (000's) | \$11 | \$4 | \$5 |
| Portfolio turnover rate | 0.28% | 0.73% | 0.48% |

^aFor the period August 1, 2017 (effective date) to December 31, 2017.

^bThe 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.

^cBased on average daily shares outstanding.

^dRecognition of net investment income by the Fund is affected by the timing of declaration of dividends by the Underlying Funds in which the Fund invests.

^eTotal return is not annualized for periods less than one year.

^fRatios are annualized for periods less than one year.

^gDoes not include expenses of the Underlying Funds in which the Fund invests. The weighted average indirect expenses of the Underlying Funds was 0.60% for the period ended June 30, 2019.

Franklin Founding Funds 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 | \$12.71 | \$14.63 | \$13.54 | \$12.20 | \$13.38 | \$13.44 |
| Income from investment operations ^a : | | | | | | |
| Net investment income ^{b,c} | 0.11 | 0.43 | 0.46 | 0.40 | 0.39 | 0.53 |
| Net realized and unrealized gains (losses) | 1.31 | (1.81) | 1.10 | 1.26 | (1.18) | (0.10) |
| Total from investment operations | 1.42 | (1.38) | 1.56 | 1.66 | (0.79) | 0.43 |
| Less distributions from: | | | | | | |
| Net investment income | (0.20) | (0.54) | (0.47) | (0.32) | (0.39) | (0.49) |
| Net asset value, end of period | \$13.93 | \$12.71 | \$14.63 | \$13.54 | \$12.20 | \$13.38 |
| Total return ^d | 11.16% | (9.60)% | 11.58% | 13.82% | (5.98)% | 3.17% |
| Ratios to average net assets^e | | | | | | |
| Expenses ^{f,g} | 0.17% | 0.14% | 0.18% | 0.17% | 0.16% | 0.16% |
| Net investment income ^c | 1.67% | 2.91% | 3.06% | 3.12% | 2.90% | 3.60% |
| Supplemental data | | | | | | |
| Net assets, end of period (000's) | \$153,963 | \$145,522 | \$174,219 | \$131,368 | \$123,966 | \$141,932 |
| Portfolio turnover rate | 0.28% | 0.73% | 0.48% | 0.06% | —% | 3.79% |

^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 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.

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

^gDoes not include expenses of the Underlying Funds in which the Fund invests. The weighted average indirect expenses of the Underlying Funds was 0.60% for the period ended June 30, 2019.

Statement of Investments, June 30, 2019 (unaudited)

Franklin Founding Funds Allocation Fund

| | Shares | Value |
|---|-------------|------------------------|
| Investments in Underlying Funds 100.0% | | |
| Domestic Equity 33.4% | | |
| ^a Franklin Mutual Shares Fund, Class R6 | 47,120,498 | \$1,299,583,327 |
| Domestic Hybrid 33.3% | | |
| ^a Franklin Income Fund, Class R6 | 560,115,221 | 1,293,866,160 |
| Foreign Equity 33.3% | | |
| ^a Templeton Growth Fund Inc., Class R6 | 58,103,595 | 1,296,291,208 |
| Total Investments in Underlying Funds before Short Term Investments (Cost \$3,907,200,264) | | <u>3,889,740,695</u> |
| Short Term Investments (Cost \$8) 0.0%[†] | | |
| Money Market Funds 0.0%[†] | | |
| ^{a,b} Institutional Fiduciary Trust Money Market Portfolio, 2.05% | 8 | 8 |
| Total Investments in Underlying Funds (Cost \$3,907,200,272) 100.0% | | 3,889,740,703 |
| Other Assets, less Liabilities (0.0)%[†] | | <u>(519,964)</u> |
| Net Assets 100.0% | | <u>\$3,889,220,739</u> |

[†]Rounds to less than 0.1% of net assets.

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

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

Statements of Assets and Liabilities

June 30, 2019 (unaudited)

| | Franklin Corefolio Allocation Fund | Franklin Founding Funds Allocation Fund |
|---|--|---|
| Assets: | | |
| Investments in securities: | | |
| Cost - Non-controlled affiliates (Note 3e) | \$555,597,309 | \$3,907,200,272 |
| Value - Non-controlled affiliates (Note 3e) | \$807,938,426 | \$3,889,740,703 |
| Receivables: | | |
| Investment securities sold | 1,301,876 | 3,774,426 |
| Capital shares sold | 846,273 | 2,854,984 |
| Other assets | 541 | 2,787 |
| Total assets | 810,087,116 | 3,896,372,900 |
| Liabilities: | | |
| Payables: | | |
| Capital shares redeemed | 356,820 | 3,778,519 |
| Administrative fees | 19,540 | 94,586 |
| Distribution fees | 410,019 | 1,989,230 |
| Transfer agent fees | 113,492 | 733,045 |
| Trustees' fees and expenses | 413 | 3,976 |
| Funds advanced by custodian | 467,177 | 302,460 |
| Accrued expenses and other liabilities | 54,649 | 250,345 |
| Total liabilities | 1,422,110 | 7,152,161 |
| Net assets, at value | \$808,665,006 | \$3,889,220,739 |
| Net assets consist of: | | |
| Paid-in capital | \$553,885,694 | \$3,922,319,244 |
| Total distributable earnings (loss) | 254,779,312 | (33,098,505) |
| Net assets, at value | \$808,665,006 | \$3,889,220,739 |

Statements of Assets and Liabilities (continued)

June 30, 2019 (unaudited)

| | Franklin Corefolio Allocation Fund | Franklin Founding Funds Allocation Fund |
|---|--|---|
| Class A: | | |
| Net assets, at value | \$682,870,068 | \$3,386,201,347 |
| Shares outstanding | 35,481,943 | 244,652,828 |
| Net asset value per share ^a | \$19.25 | \$13.84 |
| Maximum offering price per share (net asset value per share ÷ 94.50%) | \$20.37 | \$14.65 |
| Class C: | | |
| Net assets, at value | \$ 77,693,802 | \$ 343,030,736 |
| Shares outstanding | 4,108,448 | 24,966,119 |
| Net asset value and maximum offering price per share ^a | \$18.91 | \$13.74 |
| Class R: | | |
| Net assets, at value | \$ 1,387,932 | \$ 6,013,861 |
| Shares outstanding | 72,130 | 433,083 |
| Net asset value and maximum offering price per share | \$19.24 | \$13.89 |
| Class R6: | | |
| Net assets, at value | \$ 1,049,673 | \$ 11,300 |
| Shares outstanding | 54,372 | 795 |
| Net asset value and maximum offering price per share | \$19.31 | \$14.21 |
| Advisor Class: | | |
| Net assets, at value | \$ 45,663,531 | \$ 153,963,495 |
| Shares outstanding | 2,365,197 | 11,056,206 |
| Net asset value and maximum offering price per share | \$19.31 | \$13.93 |

^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 Corefolio Allocation Fund | Franklin Founding Funds Allocation Fund |
|---|--|---|
| Investment income: | | |
| Dividends: | | |
| Non-controlled affiliates (Note 3e) | \$ 4,127 | \$ 35,755,615 |
| Expenses: | | |
| Administrative fees (Note 3a) | 116,501 | 583,858 |
| Distribution fees: (Note 3b) | | |
| Class A | 817,336 | 4,214,365 |
| Class C | 383,905 | 1,802,894 |
| Class R | 3,444 | 14,524 |
| Transfer agent fees: (Note 3d) | | |
| Class A | 440,862 | 2,062,232 |
| Class C | 51,767 | 220,941 |
| Class R | 963 | 3,571 |
| Class R6 | 199 | 455 |
| Advisor Class | 29,724 | 93,636 |
| Reports to shareholders | 29,132 | 177,100 |
| Registration and filing fees | 47,556 | 71,058 |
| Professional fees | 17,823 | 33,409 |
| Trustees' fees and expenses | 4,116 | 23,021 |
| Other | 7,383 | 21,499 |
| Total expenses | 1,950,711 | 9,322,563 |
| Expenses waived/paid by affiliates (Note 3e and 3f) | (164) | (519) |
| Net expenses | 1,950,547 | 9,322,044 |
| Net investment income (loss) | (1,946,420) | 26,433,571 |
| Realized and unrealized gains (losses): | | |
| Net realized gain (loss) from: | | |
| Sale of investments: | | |
| Non-controlled affiliates (Note 3e) | 8,956,796 | 13,172,695 |
| Net change in unrealized appreciation (depreciation) on: | | |
| Investments: | | |
| Non-controlled affiliates (Note 3e) | 113,457,441 | 363,230,901 |
| Net realized and unrealized gain (loss) | 122,414,237 | 376,403,596 |
| Net increase (decrease) in net assets resulting from operations | \$120,467,817 | \$402,837,167 |

Statements of Changes in Net Assets

| | Franklin Corefolio Allocation Fund | | Franklin Founding Funds 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 (loss) | \$ (1,946,420) | \$ 4,964,970 | \$ 26,433,571 | \$ 109,824,974 |
| Net realized gain (loss) | 8,956,796 | 56,299,785 | 13,172,695 | 237,245,597 |
| Net change in unrealized appreciation (depreciation) | 113,457,441 | (115,422,185) | 363,230,901 | (765,133,150) |
| Net increase (decrease) in net assets resulting from operations | 120,467,817 | (54,157,430) | 402,837,167 | (418,062,579) |
| Distributions to shareholders: | | | | |
| Class A | (35,067,661) | (31,429,597) | (43,719,674) | (116,621,060) |
| Class C | (4,056,780) | (6,261,482) | (3,192,988) | (19,814,740) |
| Class R | (71,092) | (76,122) | (70,795) | (206,016) |
| Class R6 | (53,320) | (4,072) | (161) | (300,471) |
| Advisor Class | (2,365,261) | (2,113,981) | (2,145,681) | (5,943,055) |
| Total distributions to shareholders | (41,614,114) | (39,885,254) | (49,129,299) | (142,885,342) |
| Capital share transactions: (Note 2) | | | | |
| Class A | 22,393,193 | 92,218,327 | (128,890,161) | 368,804,104 |
| Class C | (2,145,634) | (87,999,400) | (53,754,025) | (821,039,175) |
| Class R | (178,801) | (27,449) | (19,905) | (1,509,563) |
| Class R6 | 985,228 | 83,314 | 6,306 | 1,869,543 |
| Advisor Class | 764,352 | 12,594,513 | (5,452,561) | (7,623,342) |
| Total capital share transactions | 21,818,338 | 16,869,305 | (188,110,346) | (459,498,433) |
| Net increase (decrease) in net assets | 100,672,041 | (77,173,379) | 165,597,522 | (1,020,446,354) |
| Net assets: | | | | |
| Beginning of period | 707,992,965 | 785,166,344 | 3,723,623,217 | 4,744,069,571 |
| End of period | \$808,665,006 | \$ 707,992,965 | \$3,889,220,739 | \$ 3,723,623,217 |

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, two 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 in affiliated mutual funds managed by Franklin Templeton (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 Fund's 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.

b. 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.

c. 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. Estimated expenses are accrued daily. Dividend income and capital gain distributions by Underlying Funds 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. Since the Underlying Funds have varied expense levels and the Funds may own

different proportions of the Underlying Funds 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.

d. 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.

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 Corefolio Allocation Fund | | Franklin Founding Funds Allocation Fund | |
|--|------------------------------------|----------------|---|-----------------|
| | Shares | Amount | Shares | Amount |
| Class A Shares: | | | | |
| Six Months ended June 30, 2019 | | | | |
| Shares sold ^a | 1,920,470 | \$ 37,245,653 | 6,486,085 | \$ 89,046,822 |
| Shares issued in reinvestment of distributions | 1,809,182 | 34,392,479 | 3,055,672 | 41,893,271 |
| Shares redeemed | (2,540,015) | (49,244,939) | (18,935,439) | (259,830,254) |
| Net increase (decrease) | 1,189,637 | \$ 22,393,193 | (9,393,682) | \$(128,890,161) |
| Year ended December 31, 2018 | | | | |
| Shares sold ^a | 7,627,736 | \$ 150,603,231 | 56,210,520 | \$ 790,491,720 |
| Shares issued in reinvestment of distributions | 1,661,540 | 30,730,226 | 8,380,784 | 111,330,439 |
| Shares redeemed | (4,456,618) | (89,115,130) | (37,436,285) | (533,018,055) |
| Net increase (decrease) | 4,832,658 | \$ 92,218,327 | 27,155,019 | \$ 368,804,104 |

e. 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 (continued)

| | Franklin Corefolio Allocation Fund | | Franklin Founding Funds Allocation Fund | |
|--|---------------------------------------|-----------------|--|------------------|
| | Shares | Amount | Shares | Amount |
| Class C Shares: | | | | |
| Six Months ended June 30, 2019 | | | | |
| Shares sold | 324,012 | \$ 6,164,195 | 1,158,593 | \$ 15,766,291 |
| Shares issued in reinvestment of distributions | 212,042 | 3,963,059 | 227,237 | 3,092,692 |
| Shares redeemed ^a | (645,724) | (12,272,888) | (5,347,691) | (72,613,008) |
| Net increase (decrease) | (109,670) | \$ (2,145,634) | (3,961,861) | \$ (53,754,025) |
| Year ended December 31, 2018 | | | | |
| Shares sold | 1,105,173 | \$ 21,834,828 | 4,059,067 | \$ 56,982,121 |
| Shares issued in reinvestment of distributions | 327,572 | 6,166,942 | 1,422,319 | 19,460,023 |
| Shares redeemed ^a | (5,975,628) | (116,001,170) | (64,640,423) | (897,481,319) |
| Net increase (decrease) | (4,542,883) | \$ (87,999,400) | (59,159,037) | \$ (821,039,175) |
| Class R Shares: | | | | |
| Six Months ended June 30, 2019 | | | | |
| Shares sold | 945 | \$ 18,381 | 17,108 | \$ 237,017 |
| Shares issued in reinvestment of distributions | 3,740 | 71,092 | 5,090 | 70,039 |
| Shares redeemed | (14,001) | (268,274) | (24,020) | (326,961) |
| Net increase (decrease) | (9,316) | \$ (178,801) | (1,822) | \$ (19,905) |
| Year ended December 31, 2018 | | | | |
| Shares sold | 6,220 | \$ 121,209 | 36,015 | \$ 515,730 |
| Shares issued in reinvestment of distributions | 4,080 | 76,122 | 15,217 | 204,363 |
| Shares redeemed | (11,641) | (224,780) | (154,224) | (2,229,656) |
| Net increase (decrease) | (1,341) | \$ (27,449) | (102,992) | \$ (1,509,563) |
| Class R6 Shares: | | | | |
| Six Months ended June 30, 2019 | | | | |
| Shares sold | 48,245 | \$ 952,018 | 443 | \$ 6,216 |
| Shares issued in reinvestment of distributions | 2,782 | 53,048 | 6 | 90 |
| Shares redeemed | (990) | (19,838) | — | — |
| Net increase (decrease) | 50,037 | \$ 985,228 | 449 | \$ 6,306 |
| Year ended December 31, 2018 | | | | |
| Shares sold | 3,868 | \$ 79,523 | 1,264,813 | \$ 18,906,774 |
| Shares issued in reinvestment of distributions | 206 | 3,791 | 21,242 | 300,369 |
| Shares redeemed | — | — | (1,286,055) | (17,337,600) |
| Net increase (decrease) | 4,074 | \$ 83,314 | — | \$ 1,869,543 |

| | Franklin Corefolio Allocation Fund | | Franklin Founding Funds Allocation Fund | |
|--|---------------------------------------|---------------|--|----------------|
| | Shares | Amount | Shares | Amount |
| Advisor Class Shares: | | | | |
| Six Months ended June 30, 2019 | | | | |
| Shares sold | 268,030 | \$ 5,167,871 | 1,228,449 | \$ 16,953,229 |
| Shares issued in reinvestment of distributions | 108,391 | 2,067,030 | 137,962 | 1,903,876 |
| Shares redeemed | (339,465) | (6,470,549) | (1,759,915) | (24,309,666) |
| Net increase (decrease) | 36,956 | \$ 764,352 | (393,504) | \$ (5,452,561) |
| Year ended December 31, 2018 | | | | |
| Shares sold | 1,258,647 | \$ 25,392,315 | 3,576,234 | \$ 51,468,103 |
| Shares issued in reinvestment of distributions | 97,110 | 1,785,709 | 390,538 | 5,230,657 |
| Shares redeemed | (732,501) | (14,583,511) | (4,427,603) | (64,322,102) |
| Net increase (decrease) | 623,256 | \$ 12,594,513 | (460,831) | \$ (7,623,342) |

^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 Underlying Funds and of the following subsidiaries:

| Subsidiary | Affiliation |
|---|------------------------|
| 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. Administrative Fees

The Funds pay an administrative fee to FT Services of 0.03% per year of the average daily net assets of each of the Funds for administrative services including monitoring and rebalancing the percentage of each Fund's investment in the Underlying Funds.

b. 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 for each class. 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 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.

3. Transactions with Affiliates (continued)

b. Distribution Fees (continued)

The maximum annual plan rates, based on the average daily net assets, for each class, are as follows:

| | |
|-------------------|-------|
| Class A | 0.35% |
| Class C | 1.00% |
| Class R | 0.50% |

The Board has set the current rate at 0.25% per year for Class A shares until further notice and approval by the Board.

c. 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 Corefolio Allocation Fund | Franklin Founding Funds Allocation Fund |
|--|--|---|
| Sales charges retained net of commissions paid to unaffiliated brokers/dealers | \$59,382 | \$112,798 |
| CDSC retained | \$ (1,762) | \$ 11,776 |

d. 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 Corefolio Allocation Fund | Franklin Founding Funds Allocation Fund |
|-------------------------------|--|---|
| Transfer agent fees | \$343,778 | \$1,052,639 |

e. Investments in Underlying Funds

The Funds invest in Underlying Funds which are managed by Franklin Advisers, Inc. (Advisers), an affiliate of FT Services or an affiliate of Advisers. The Funds do not invest in Underlying Funds for the purpose of exercising a controlling influence over the management or policies. Administrative 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 Underlying Funds for the period 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 Corefolio Allocation Fund | | | | | | | | |
| Non-Controlled Affiliates | | | | | | | | |
| Franklin Growth Fund, Class R6 | \$ 176,634,458 | \$ 600,000 | \$ (13,307,318) | \$ 7,206,799 | \$ 30,970,393 | \$ 202,104,332 | 1,840,156 | \$ — |
| Franklin Growth Opportunities Fund, Class R6 | 177,449,161 | — | (20,221,767) | 2,679,807 | 42,504,074 | 202,411,275 | 4,600,256 | — |
| Franklin Mutual Shares Fund, Class R6 | 176,217,841 | 602,774 | — | — | 24,400,455 | 201,221,070 | 7,295,905 | — |
| Institutional Fiduciary Trust Money Market Portfolio, 2.05% | 1,566 | 12,224,203 | (12,225,565) | — | — | 204 | 204 | 4,127 |
| Templeton Growth Fund Inc., Class R6 | 175,974,947 | 15,586,195 | (4,012,306) | (929,810) | 15,582,519 | 202,201,545 | 9,063,270 | — |
| Total Affiliated Securities | \$ 706,277,973 | \$ 29,013,172 | \$ (49,766,956) | \$ 8,956,796 | \$ 113,457,441 | \$ 807,938,426 | | \$ 4,127 |
| Franklin Founding Funds Allocation Fund | | | | | | | | |
| Non-Controlled Affiliates | | | | | | | | |
| Franklin Income Fund, Class R6 | \$ 1,237,646,875 | \$ 35,751,254 | \$ (90,479,117) | \$ (1,546,311) | \$ 112,493,459 | \$ 1,293,866,160 | 560,115,221 | \$ 35,751,253 |
| Franklin Mutual Shares Fund, Class R6 | 1,248,713,107 | — | (117,967,755) | 13,547,458 | 155,290,517 | 1,299,583,327 | 47,120,498 | — |
| Institutional Fiduciary Trust Money Market Portfolio, 2.05% | 4,344 | 21,185,196 | (21,189,532) | — | — | 8 | 8 | 4,362 |
| Templeton Growth Fund Inc., Class R6 | 1,242,448,619 | 11,000,000 | (53,775,884) | 1,171,548 | 95,446,925 | 1,296,291,208 | 58,103,595 | — |
| Total Affiliated Securities | \$ 3,728,812,945 | \$ 67,936,450 | \$ (283,412,288) | \$ 13,172,695 | \$ 363,230,901 | \$ 3,889,740,703 | | \$ 35,755,615 |

f. Waiver and Expense Reimbursements

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. Income Taxes

For tax purposes, the Funds may elect to defer any portion of post-October capital loss or late-year ordinary loss to the first day of the following fiscal year. At December 31, 2018, Franklin Corefolio Allocation Fund deferred post-October capital losses of \$62,428.

4. Income Taxes (continued)

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

| | Franklin Corefolio Allocation Fund | Franklin Founding Funds Allocation Fund |
|--|--|---|
| Cost of investments | \$560,104,239 | \$3,935,331,292 |
| Unrealized appreciation | \$252,341,117 | \$ 101,779,744 |
| Unrealized depreciation | (4,506,930) | (147,370,333) |
| Net unrealized appreciation (depreciation) | \$247,834,187 | \$ (45,590,589) |

Differences between income and/or capital gains as determined on a book basis and a tax basis are primarily due to differing treatments of short term capital gains distributions from Underlying Funds and wash sales.

5. Investment Transactions

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

| | Franklin Corefolio Allocation Fund | Franklin Founding Funds Allocation Fund |
|---------------------|--|---|
| Purchases | \$16,788,968 | \$ 11,000,000 |
| Sales | \$37,541,389 | \$262,222,756 |

6. 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.

7. 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

- 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.

At June 30, 2019, all of the Funds' investments in financial instruments carried at fair value were valued using Level 1 inputs. For detailed categories, see the accompanying Statements of Investments.

8. 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.

Shareholder Information

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.

This page intentionally left blank.

This page intentionally left blank.

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

Fund Administrator
Franklin Templeton
Services, LLC

Distributor
Franklin Templeton Distributors, Inc.
(800) DIAL BEN® / 342-5236
franklintempleton.com

Shareholder Services
(800) 632-2301