

ANNUAL REPORT AND SHAREHOLDER LETTER

FRANKLIN STRATEGIC SERIES

April 30, 2023



FRANKLIN
TEMPLETON

Franklin Growth Opportunities Fund

Franklin Small Cap Growth Fund

Franklin Small-Mid Cap Growth Fund

SHAREHOLDER LETTER

Dear Shareholder:

During the 12 months ended April 30, 2023, the U.S. economy recovered from the contraction in the second quarter of 2022 and expanded moderately in the subsequent three quarters. Resilient consumer spending and improved exports amid cooling inflation led to moderate economic growth. However, higher interest rates meant higher borrowing costs for individuals and businesses, which dampened economic activity.

In its aggressive fight against high inflation, the U.S. Federal Reserve (Fed) raised the federal funds target rate eight times during the period, bringing it to a range of 4.75%-5.00%, the highest level since 2007. At its March 2023 meeting, the Fed said it would continue to reduce its bond holdings but softened its firm outlook on future rate hikes. Additionally, Fed Chair Jerome Powell said the central bank most likely would not cut rates in 2023.

U.S. equities, as measured by the Standard & Poor's® 500 Index, posted a +2.66% total return for the 12-month reporting period ended April 30, 2023.¹ High inflation, rising interest rates and geopolitical instability contributed to a sharp decline in equity prices during the first half of the reporting period, though equities rebounded in the second half. Consumer spending continued to rise but deteriorating financial conditions, including regional banking stress in March and April, and investors' expectations for slower growth intermittently pressured equity markets.

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 professionals 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 Strategic Series' annual report includes more detail about prevailing conditions and a discussion about investment decisions during the period. 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.

Sincerely,



Edward Perks, CFA
President and Chief Executive Officer –
Investment Management
Franklin Strategic Series

This letter reflects our analysis and opinions as of April 30, 2023, unless otherwise indicated. The information is not a complete analysis of every aspect of any market, country, industry, security or fund. Statements of fact are from sources considered reliable.

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1. Source: Morningstar.
See www.franklintempletondatasources.com for additional data provider information.

Not FDIC Insured	May Lose Value	No Bank Guarantee
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Contents

Annual Report

Economic and Market Overview.....3

Franklin Growth Opportunities Fund.....4

Franklin Small Cap Growth Fund10

Franklin Small-Mid Cap Growth Fund16

Financial Highlights and Schedules of Investments22

Financial Statements52

Notes to Financial Statements.....57

Report of Independent Registered
Public Accounting Firm82

Tax Information83

Board Members and Officers.....84

Shareholder Information89

Visit **franklintempleton.com** for fund updates, to access your account, or to find helpful financial planning tools.

ANNUAL REPORT

Economic and Market Overview

U.S. equities, as measured by the Standard & Poor's® 500 Index, posted a +2.66% total return for the 12 months ended April 30, 2023.¹ High inflation, rising interest rates and geopolitical instability contributed to a sharp decline in equity prices during the first half of the reporting period, though equities subsequently rebounded. Consumer spending continued to rise but deteriorating financial conditions, including regional banking stress in March and April, and investors' expectations for slower growth pressured equity markets.

Continued supply-chain disruptions, strong consumer demand and volatile energy prices drove inflation. Oil and commodity prices rose following Russia's invasion of Ukraine in February 2022, before gradually receding. Inflation peaked at 9.1% in June 2022, the highest annual rate since 1981, before sliding to 5.0% in March 2023. The labor market remained strong amid a high level of nominal growth, which sent the U.S. unemployment rate down to a historic 54-year low of 3.4% in January 2023 before rising marginally to 3.5% in March.

U.S. gross domestic product recovered from the contraction in the second quarter of 2022 and grew at a 3.2% annualized rate in the third quarter of 2022, eventually slowing to 1.1% in the first quarter of 2023. Rising consumer spending and increased exports amid cooling inflation led to moderate economic growth over the period. However, rising interest rates translated to higher borrowing costs for individuals and businesses, which dampened economic activity, especially in the housing and financial markets.

In an effort to control inflation, the U.S. Federal Reserve (Fed) rapidly restricted monetary policy during the period. The Fed raised the federal funds target rate eight times to end the period at a range of 4.75%–5.00%, pushing borrowing costs to their highest levels since 2007. The interest-rate hikes included four successive 75-basis-point increases at its June, July, September and November 2022 meetings and smaller increases at its remaining meetings during the period. At its March 2023 meeting, the Fed said it would continue to reduce bond holdings but departed from previous statements by softening its firm outlook on future rate hikes. Additionally, Fed Chair Jerome Powell said the central bank most likely would not cut rates in 2023.

The foregoing information reflects our analysis and opinions as of April 30, 2023. 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.
See www.franklintempletondatasources.com for additional data provider information.

Franklin Growth Opportunities Fund

This annual report for Franklin Growth Opportunities Fund covers the fiscal year ended April 30, 2023.

Your Fund's Goal and Main Investments

The Fund seeks capital appreciation. Under normal conditions, the Fund invests predominantly in equity securities of companies demonstrating accelerating growth, increasing profitability, or above-average growth or growth potential as compared with the overall economy.

Performance Overview

The Fund's Class A shares posted a -4.98% cumulative total return for the 12 months under review. In comparison, the Fund's narrow benchmark, the Russell 3000® Growth Index, which measures the performance of those Russell 3000® Index companies with relatively higher price-to-book ratios and higher forecasted growth rates, posted a +2.25% cumulative total return.¹ The Fund's broad benchmark, the Standard & Poor's 500 Index (S&P 500®), which tracks the broad U.S. stock market, posted a +2.66% cumulative 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

We use fundamental, bottom-up research to seek companies meeting our criteria of growth potential, quality and valuation. In seeking sustainable growth characteristics, we look for companies we believe can produce sustainable earnings and cash flow growth, evaluating the long-term market opportunity and competitive structure of an industry. We define quality companies as those with strong and improving competitive positions in attractive markets. We also believe important attributes of quality are experienced and talented management teams as well as financial strength reflected in the capital structure, gross and operating margins, free cash flow generation and returns on capital employed. Our

valuation analysis includes a range of potential outcomes based on an assessment of multiple scenarios. In assessing value, we consider whether security prices fully reflect the balance of the sustainable growth opportunities relative to business and financial risks.

Portfolio Composition

4/30/23

	% of Total Net Assets
Software	19.6%
Financial Services	8.5%
Interactive Media & Services	6.8%
Semiconductors & Semiconductor Equipment	6.5%
Technology Hardware, Storage & Peripherals	5.7%
Broadline Retail	5.3%
Capital Markets	4.8%
Life Sciences Tools & Services	4.6%
Pharmaceuticals	3.8%
Health Care Providers & Services	3.6%
Health Care Equipment & Supplies	2.8%
Beverages	2.6%
Specialized REITs	2.6%
Hotels, Restaurants & Leisure	2.4%
Other*	18.0%
Short-Term Investments & Other Net Assets	2.4%

*Categories within the Other category are listed in full in the Fund's Schedule of Investments (SOI), which can be found later in this report.

Manager's Discussion

For the one year under review, Franklin Growth Opportunities Fund underperformed its benchmark as rising interest rates disproportionately hurt rate-sensitive growth stocks and took a toll on the information technology (IT) sector, which was the Fund's largest sector exposure over the period. A position in payment solutions provider BILL Holdings (formerly, Bill.com Holdings) weighed on performance. Additionally, our underweight positioning in strongly performing technology companies Microsoft and Apple detracted from relative returns. Conversely, software firm Synopsys was a leading contributor in the IT sector. The company is closely tied to the ongoing digital transformation investments being made by enterprises and is seeing strong growth in key end markets of artificial intelligence, machine

1. Source: Morningstar.

Frank Russell Company is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Frank Russell Company.

The indexes are unmanaged and include reinvestment of any income or distributions. They do not reflect any fees, expenses or sales charges. One cannot invest directly in an index, and an index is not representative of the Fund's portfolio.

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

The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Schedule of Investments (SOI).

The SOI begins on page 27.

learning, high-performance computing, cloud security solutions, 5G processors and automotive safety.

Top 10 Holdings

4/30/23

Company Industry	% of Total Net Assets
Microsoft Corp. Software	6.3%
Mastercard, Inc. Financial Services	5.8%
Apple, Inc. Technology Hardware, Storage & Peripherals	5.7%
Amazon.com, Inc. Broadline Retail	5.2%
Meta Platforms, Inc. Interactive Media & Services	3.4%
Alphabet, Inc. Interactive Media & Services	3.4%
UnitedHealth Group, Inc. Health Care Providers & Services	2.9%
NVIDIA Corp. Semiconductors & Semiconductor Equipment	2.8%
ServiceNow, Inc. Software	2.8%
Visa, Inc. Financial Services	2.7%

Stock selection in the health care sector also pressured relative returns, led lower by FIGS, as supply-chain challenges and inventory constraints weighed on the health care apparel company. Elsewhere, leading relative detractors included tower operator SBA Communications in the real estate sector and healthy-food restaurant chain Sweetgreen in the consumer discretionary sector. However, the consumer discretionary sector included two of the five top relative contributors for the period. An underweight in Tesla proved positive as negative headlines about the company combined with investor concerns about consumer demand weighed on the electric carmaker's stock. Also in the sector, reaccelerating traffic trends driven by a strong consumer value proposition boosted the shares of restaurant chain Chipotle Mexican Grill.

Keeping with contributors, the Fund benefited from stock selection in the communication services sector and a position in Meta Platforms. Aggressive cost cutting and an increased focus toward artificial intelligence has led to a substantial rebound in the interactive media company's stock. In the financials sector, index and analytics provider MSCI saw strong growth of its index business over the period resulting from expansion into new geographies, client types and use cases for its data.

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

Grant Bowers
Lead Portfolio Manager

Sara Araghi, CFA
Portfolio Manager

The foregoing information reflects our analysis, opinions and portfolio holdings as of April 30, 2023, 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 April 30, 2023

The performance table and graphs do 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 4/30/23¹

*Cumulative total return excludes sales charges. Average annual total return includes maximum sales charges. Sales charges will vary depending on the size of the investment and the class of share purchased. The maximum is 5.50% and the minimum is 0%. **Class A:** 5.50% maximum initial sales charge; **Advisor Class:** no sales charges. For other share classes, visit franklintempleton.com.*

Share Class	Cumulative Total Return ²	Average Annual Total Return ³
A⁴		
1-Year	-4.98%	-10.20%
5-Year	+50.73%	+7.33%
10-Year	+184.02%	+10.38%
Advisor		
1-Year	-4.71%	-4.71%
5-Year	+52.65%	+8.83%
10-Year	+191.51%	+11.29%

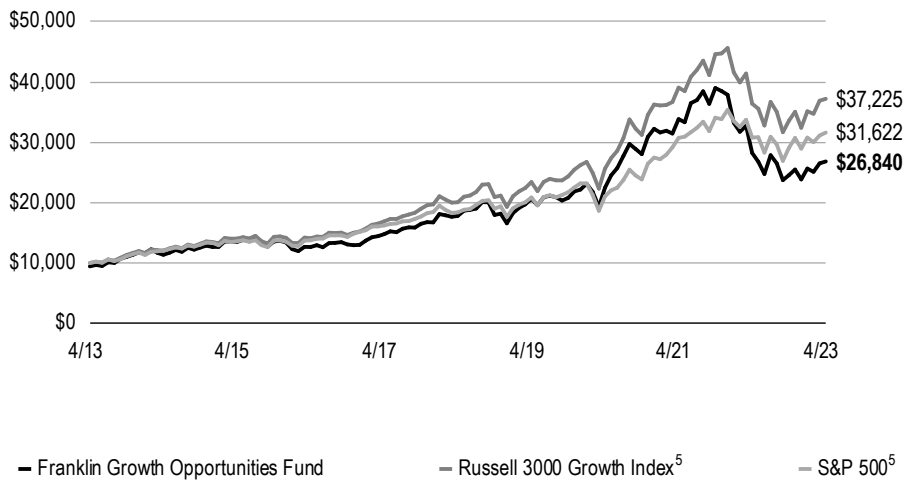
Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to franklintempleton.com or call (800) 342-5236.

See page 8 for Performance Summary footnotes.

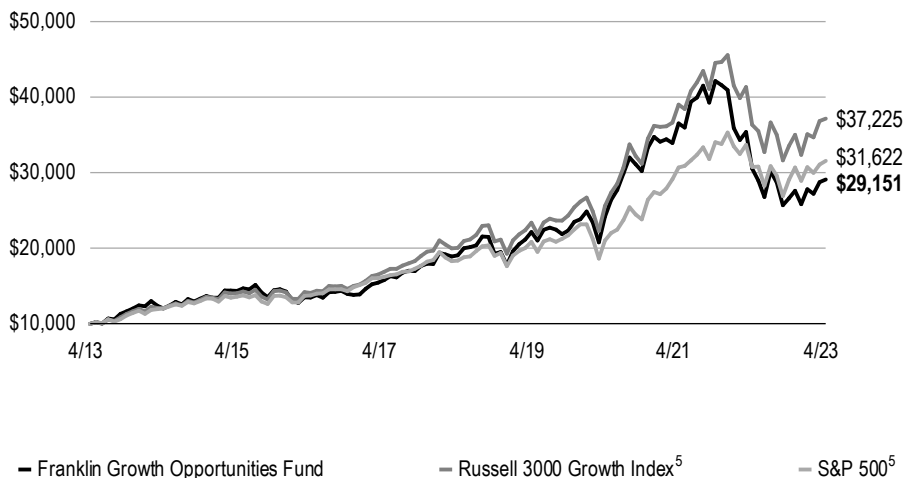
Total Return Index Comparison for a Hypothetical \$10,000 Investment

Total return represents the change in value of an investment over the periods shown. It includes any applicable maximum sales charge, Fund expenses, account fees and reinvested distributions. The unmanaged indexes include reinvestment of any income or distributions. They differ from the Fund in composition and do not pay management fees or expenses. One cannot invest directly in an index.

Class A (4/30/13–4/30/23)



Advisor Class (4/30/13–4/30/23)



See page 8 for Performance Summary footnotes.

Distributions (5/1/22–4/30/23)

Share Class	Long-Term Capital Gain
A	\$1.6818
C	\$1.6818
R	\$1.6818
R6	\$1.6818
Advisor	\$1.6818

Total Annual Operating Expenses⁶

Share Class	
A	0.90%
Advisor	0.65%

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. Growth stock prices reflect projections of future earnings or revenues, and can, therefore, fall dramatically if the company fails to meet those projections. To the extent the Fund focuses on particular countries, regions, industries, sectors or types of investment 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. Smaller, mid-sized and relatively new or unseasoned companies can be particularly sensitive to changing economic conditions, and their prospects for growth are less certain than those of larger, more established companies. Historically, these securities have experienced more price volatility than larger-company stocks, especially over the short term. Events such as the spread of deadly diseases, disasters, and financial, political or social disruptions, may heighten risks and adversely affect performance. The Fund's prospectus also includes a description of the main investment risks.

1. The total annual operating expenses are sourced from the Fund's prospectus available at the time of publication. Actual expenses may be higher and may impact portfolio returns.
2. Cumulative total return represents the change in value of an investment over the periods indicated.
3. Average annual total return represents the average annual change in value of an investment over the periods indicated. Return for less than one year, if any, has not been annualized.
4. Prior to 9/10/18, these shares were offered at a higher initial sales charge of 5.75%, thus actual returns (with sales charges) would have differed. Average annual total returns (with sales charges) have been restated to reflect the current maximum initial sales charge of 5.50%.
5. Source: FactSet. The Russell 3000 Growth Index is market capitalization weighted and measures performance of those Russell 3000 Index companies with relatively higher price-to-book ratios and higher forecasted growth values. The S&P 500 is a market capitalization-weighted index of 500 stocks designed to measure total U.S. equity market performance.
6. 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. See www.franklintempletondatasources.com for additional data provider information.

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 11/1/22	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio ²
		Ending Account Value 4/30/23	Expenses Paid During Period 11/1/22–4/30/23 ^{1,2}	Ending Account Value 4/30/23	Expenses Paid During Period 11/1/22–4/30/23 ^{1,2}	
A	\$1,000	\$1,092.00	\$4.93	\$1,020.08	\$4.76	0.95%
C	\$1,000	\$1,087.80	\$8.80	\$1,016.37	\$8.50	1.70%
R	\$1,000	\$1,090.80	\$6.22	\$1,018.85	\$6.00	1.20%
R6	\$1,000	\$1,094.10	\$3.03	\$1,021.90	\$2.92	0.58%
Advisor	\$1,000	\$1,093.50	\$3.59	\$1,021.37	\$3.46	0.69%

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 Small Cap Growth Fund

This annual report for Franklin Small Cap Growth Fund covers the fiscal year ended April 30, 2023.

Your Fund's Goal and Main Investments

The Fund seeks long-term capital growth. Under normal market conditions, the Fund invests at least 80% of its net assets in the equity securities of small-cap companies. For this Fund, small-cap companies are those with market capitalizations not exceeding \$1.5 billion or the highest market capitalization in the Russell 2000® Index, whichever is greater, at the time of purchase.¹

Performance Overview

The Fund's Class A shares posted a -2.73% cumulative total return for the 12 months under review. In comparison, the Russell 2000® Growth Index, which measures the performance of small-cap companies with relatively higher price-to-book ratios and higher forecasted growth rates, posted a +0.72% cumulative total return.² The Standard & Poor's 500 Index (S&P 500), which tracks the broad U.S. stock market, posted a +2.66% cumulative total return.² You can find the Fund's long-term performance data in the Performance Summary beginning on page 12.

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

We use fundamental, bottom-up research to seek companies meeting our criteria of growth potential, quality and valuation. In seeking sustainable growth characteristics, we look for companies we believe can produce sustainable earnings and cash flow growth, evaluating the long-term market opportunity and competitive structure of an industry. We define quality companies as those with strong and improving competitive positions in attractive markets. We also believe important attributes of quality are experienced and talented management teams as well as financial strength reflected in the capital structure, gross and operating margins, free

cash flow generation and returns on capital employed. Our valuation analysis includes a range of potential outcomes based on an assessment of multiple scenarios. In assessing value, we consider whether security prices fully reflect the balance of the sustainable growth opportunities relative to business and financial risks.

Portfolio Composition

4/30/23

	% of Total Net Assets
Software	7.9%
Biotechnology	7.8%
Health Care Equipment & Supplies	6.7%
Hotels, Restaurants & Leisure	5.6%
Aerospace & Defense	5.3%
Specialty Retail	5.3%
Semiconductors & Semiconductor Equipment	5.0%
Financial Services	4.5%
Food Products	4.2%
Health Care Providers & Services	4.2%
Household Durables	3.7%
Pharmaceuticals	3.4%
Capital Markets	3.2%
Construction & Engineering	3.0%
Other*	28.8%
Short-Term Investments & Other Net Assets	1.4%

*Categories within the Other category are listed in full in the Fund's Schedule of Investments (SOI), which can be found later in this report.

Manager's Discussion

For the one year under review, the Fund's longer-duration growth positioning was a headwind to performance as inflation spiked and interest rates moved significantly higher. Higher rates disproportionately hurt rate-sensitive growth stocks and took a toll on the information technology (IT) sector, which was a leading detractor from relative returns. A position in CS Disco underperformed on lowered guidance that dampened the shares of the legal technology services company. Conversely, robust demand for programmable chips led to a strong revenue growth for Lattice Semiconductor, which was a top contributor for the period.

1. The Russell 2000® Index is market capitalization weighted and measures performance of the 2,000 smallest companies in the Russell 3000® Index, which represent a small amount of the total market capitalization of the Russell 3000® Index.

2. Source: Morningstar.

The indexes are unmanaged and include reinvestment of any income or distributions. They do not reflect any fees, expenses or sales charges. One cannot invest directly in an index, and an index is not representative of the Fund's portfolio.

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

The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Schedule of Investments (SOI). The SOI begins on page 36.

Negative relative performance also resulted from positioning in the financials sector, which was impacted by GICS (global industry classification standard) reclassification that shifted payment companies from IT to financials. Electronic bill payment vendor Paymentus Holdings was a meaningful detractor in this space along with an off-index position in Western Alliance Bancorp, which was pressured by panic selling following the collapse of two regional banks.

Top 10 Holdings

4/30/23

Company Industry	% of Total Net Assets
BWX Technologies, Inc. Aerospace & Defense	2.0%
Performance Food Group Co. Consumer Staples Distribution & Retail	1.9%
Allegiant Travel Co. Passenger Airlines	1.9%
Arcosa, Inc. Construction & Engineering	1.8%
Lattice Semiconductor Corp. Semiconductors & Semiconductor Equipment	1.8%
Inspire Medical Systems, Inc. Health Care Equipment & Supplies	1.8%
Red Rock Resorts, Inc. Hotels, Restaurants & Leisure	1.8%
AAR Corp. Aerospace & Defense	1.7%
Texas Roadhouse, Inc. Hotels, Restaurants & Leisure	1.7%
BellRing Brands, Inc. Personal Care Products	1.7%

We remain overweight in the consumer discretionary sector, which was hindered by Petco Health & Wellness. The pet retailer faced slowing sales driven by macroeconomic pressures. In contrast, a pullback in mortgage rates during the period's second half improved traffic and orders for new homes for M/I Homes, which was a consumer discretionary top contributor. The industrials sector was also a source of negative relative performance. Within the sector, competitive pressures were to blame, in part, for the pullback of shares of electric bus maker Proterra. In contrast, the shares of law enforcement technology company Axon Enterprises rose to all-time price highs in March, which helped industrials sector results. Accelerating sales of hardware devices and software subscriptions was a revenue driver for the company.

The communication services and health care sectors were top contributors to annual relative performance. The communications sector was helped by a lack of exposure to the diversified telecommunication services industry, while the health care sector was boosted by Revance Therapeutics and PTC Therapeutics, with Revance reporting positive clinical trials for a cosmetic filler and PTC announcing positive trials for a muscular dystrophy treatment.

We have seen some market turnaround since mid-October 2022 as investor sentiment about inflation, interest rates and recession shifted to a more positive outlook. This has led us to increase the quality of the portfolio and reduce some duration.

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

Michael P. McCarthy, CFA
Lead Portfolio Manager

Bradley T. Carris, CFA
Portfolio Manager

The foregoing information reflects our analysis, opinions and portfolio holdings as of April 30, 2023, 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 April 30, 2023

The performance table and graphs do 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 4/30/23¹

*Cumulative total return excludes sales charges. Average annual total return includes maximum sales charges. Sales charges will vary depending on the size of the investment and the class of share purchased. The maximum is 5.50% and the minimum is 0%. **Class A:** 5.50% maximum initial sales charge; **Advisor Class:** no sales charges. For other share classes, visit franklintempleton.com.*

Share Class	Cumulative Total Return ²	Average Annual Total Return ³
A⁴		
1-Year	-2.73%	-8.06%
5-Year	+31.57%	+4.45%
10-Year	+139.86%	+8.53%
Advisor		
1-Year	-2.50%	-2.50%
5-Year	+33.20%	+5.90%
10-Year	+146.26%	+9.43%

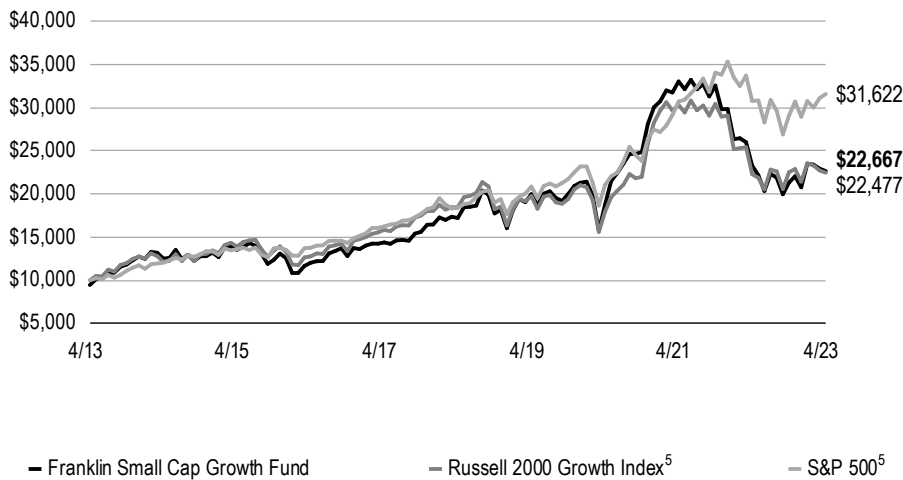
Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to franklintempleton.com or call (800) 342-5236.

See page 14 for Performance Summary footnotes.

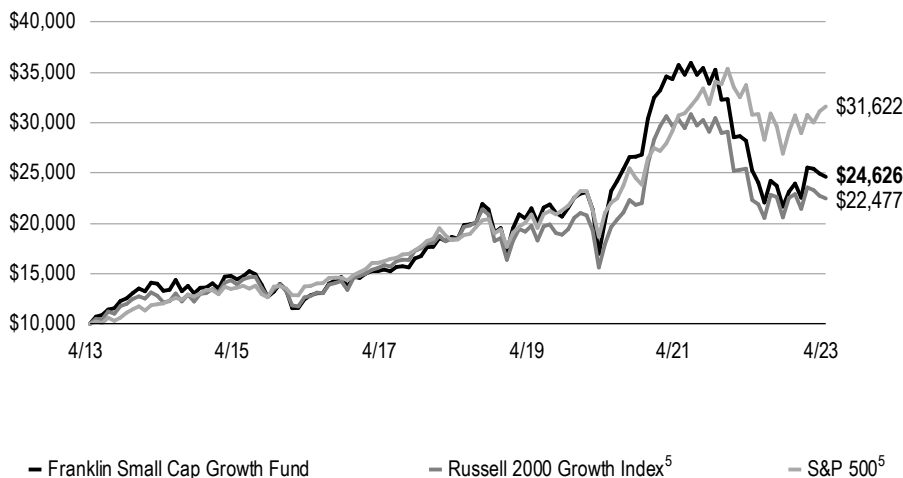
Total Return Index Comparison for a Hypothetical \$10,000 Investment¹

Total return represents the change in value of an investment over the periods shown. It includes any applicable maximum sales charge, Fund expenses, account fees and reinvested distributions. The unmanaged indexes include reinvestment of any income or distributions. They differ from the Fund in composition and do not pay management fees or expenses. One cannot invest directly in an index.

Class A (4/30/13–4/30/23)



Advisor Class (4/30/13–4/30/23)



See page 14 for Performance Summary footnotes.

Distributions (5/1/22–4/30/23)

Share Class	Long-Term Capital Gain
A	\$0.0971
C	\$0.0971
R	\$0.0971
R6	\$0.0971
Advisor	\$0.0971

Total Annual Operating Expenses⁶

Share Class	
A	1.03%
Advisor	0.78%

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. Smaller, mid-sized and relatively new or unseasoned companies can be particularly sensitive to changing economic conditions, and their prospects for growth are less certain than those of larger, more established companies. Historically, these securities have experienced more price volatility than larger-company stocks, especially over the short term. Growth stock prices reflect projections of future earnings or revenues, and can, therefore, fall dramatically if the company fails to meet those projections. To the extent the Fund focuses on particular countries, regions, industries, sectors or types of investment 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. From time to time, the trading market for a particular security or type of security in which the Fund invests may become less liquid or even illiquid. Events such as the spread of deadly diseases, disasters, and financial, political or social disruptions, may heighten risks and adversely affect performance. The Fund's prospectus also includes a description of the main investment risks.

1. The total annual operating expenses are sourced from the Fund's prospectus available at the time of publication. Actual expenses may be higher and may impact portfolio returns.
2. Cumulative total return represents the change in value of an investment over the periods indicated.
3. Average annual total return represents the average annual change in value of an investment over the periods indicated. Return for less than one year, if any, has not been annualized.
4. Prior to 9/10/18, these shares were offered at a higher initial sales charge of 5.75%, thus actual returns (with sales charges) would have differed. Average annual total returns (with sales charges) have been restated to reflect the current maximum initial sales charge of 5.50%.
5. Source: FactSet. The Russell 2000 Growth Index is market capitalization weighted and measures performance of those Russell 2000 Index companies with relatively higher price-to-book ratios and higher forecasted growth values. The S&P 500 is a market capitalization-weighted index of 500 stocks designed to measure total U.S. equity market performance.
6. 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. See www.franklintempletondatasources.com for additional data provider information.

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 11/1/22	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio ²
		Ending Account Value 4/30/23	Expenses Paid During Period 11/1/22–4/30/23 ^{1,2}	Ending Account Value 4/30/23	Expenses Paid During Period 11/1/22–4/30/23 ^{1,2}	
A	\$1,000	\$1,062.30	\$5.53	\$1,019.44	\$5.41	1.08%
C	\$1,000	\$1,058.90	\$9.34	\$1,015.73	\$9.14	1.83%
R	\$1,000	\$1,061.40	\$6.80	\$1,018.20	\$6.66	1.33%
R6	\$1,000	\$1,064.90	\$3.41	\$1,021.49	\$3.34	0.67%
Advisor	\$1,000	\$1,064.00	\$4.25	\$1,020.68	\$4.16	0.83%

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 Small-Mid Cap Growth Fund

This annual report for Franklin Small-Mid Cap Growth Fund covers the fiscal year ended April 30, 2023.

Your Fund's Goal and Main Investments

The Fund seeks long-term capital growth. Under normal market conditions, the Fund invests at least 80% of its net assets in the equity securities of small-capitalization (small-cap) and mid-capitalization (mid-cap) companies. For this Fund, small-cap companies are companies within the market capitalization range of companies in the Russell 2500™ Index, at the time of purchase, and mid-cap companies are companies within the market capitalization range of companies in the Russell Midcap® Index, at the time of purchase.¹

Performance Overview

The Fund's Class A shares posted a -4.07% cumulative total return for the 12 months under review. In comparison, the Russell Midcap® Growth Index, which measures the performance of those Russell Midcap® Index companies with relatively higher price-to-book ratios and higher forecasted growth rates, posted a +1.60% cumulative total return.² Also in comparison, the Standard & Poor's 500 Index (S&P 500), which tracks the broad U.S. stock market, posted a +2.66% cumulative total return.² You can find the Fund's long-term performance data in the Performance Summary beginning on page 18.

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

We use fundamental, bottom-up research to seek companies meeting our criteria of growth potential, quality and valuation. In seeking sustainable growth characteristics, we look for companies we believe can produce sustainable earnings and cash flow growth, evaluating the long-term market opportunity and competitive structure of an industry. We define quality companies as those with strong and improving

competitive positions in attractive markets. We also believe important attributes of quality are experienced and talented management teams as well as financial strength reflected in the capital structure, gross and operating margins, free cash flow generation and returns on capital employed. Our valuation analysis includes a range of potential outcomes based on an assessment of multiple scenarios. In assessing value, we consider whether security prices fully reflect the balance of the sustainable growth opportunities relative to business and financial risks.

Portfolio Composition

4/30/23

	% of Total Net Assets
Software	11.2%
Hotels, Restaurants & Leisure	7.2%
Health Care Equipment & Supplies	6.2%
Specialty Retail	6.0%
Life Sciences Tools & Services	5.3%
Capital Markets	5.1%
Professional Services	4.8%
Semiconductors & Semiconductor Equipment	4.5%
Biotechnology	2.9%
Oil, Gas & Consumable Fuels	2.8%
Textiles, Apparel & Luxury Goods	2.5%
IT Services	2.3%
Communications Equipment	2.0%
Trading Companies & Distributors	1.9%
Other*	29.1%
Short-Term Investments & Other Net Assets	6.2%

*Categories within the Other category are listed in full in the Fund's Schedule of Investments (SOI), which can be found later in this report.

Manager's Discussion

For the one year under review, negative relative performance for Franklin Small-Mid Cap Growth Fund was driven mainly by stock selection in the information technology (IT), industrials and financials sectors. In contrast, stock selection and an overweight in the consumer discretionary sector added to relative returns.

1. The Russell 2500™ Index is market capitalization weighted and measures performance of the 2,500 smallest companies in the Russell 3000® Index, which represent a modest amount of the Russell 3000® Index's total market capitalization. The Russell Midcap® Index is market capitalization weighted and measures the performance of the approximately 800 smallest companies in the Russell 1000® Index, which represent a modest amount of the Russell 1000® Index's total market capitalization.

2. Source: Morningstar.

The indexes are unmanaged and include reinvestment of any income or distributions. They do not reflect any fees, expenses or sales charges. One cannot invest directly in an index, and an index is not representative of the Fund's portfolio.

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

The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Schedule of Investments (SOI).

The SOI begins on page 46.

Top 10 Holdings

4/30/23

Company Industry	% of Total Net Assets
Synopsys, Inc. Software	3.0%
Chipotle Mexican Grill, Inc. Hotels, Restaurants & Leisure	2.8%
Lululemon Athletica, Inc. Textiles, Apparel & Luxury Goods	2.4%
Dexcom, Inc. Health Care Equipment & Supplies	2.0%
Arista Networks, Inc. Communications Equipment	2.0%
Fastenal Co. Trading Companies & Distributors	1.9%
Mettler-Toledo International, Inc. Life Sciences Tools & Services	1.8%
MSCI, Inc. Capital Markets	1.8%
Tractor Supply Co. Specialty Retail	1.7%
IDEXX Laboratories, Inc. Health Care Equipment & Supplies	1.7%

Rising interest rates disproportionately hurt interest-rate-sensitive growth stocks and took a toll on many companies in the information technology (IT) sector. Stock selection in the software industry resulted in weak performers that included AI (artificial intelligence) computing platform Blaize and payment solutions provider BILL Holdings (formerly Bill.com Holdings). Conversely, chip designer Lattice Semiconductor and electronic design automation company Synopsys were leading contributors in the IT sector.

Lower profit guidance due to an increase in driver incentives pressured the shares of ride-sharing company Lyft in the industrials sector. In addition to driver retention, other headwinds included higher gas prices and a spike in COVID cases earlier in the period impacting rider volumes. Conversely, real estate data and analytics company CoStar Group was a top contributor in the industrials sector, helped by a strong rental market.

In the financials sector, we held shares of failed regional banks SVB Financial Group (former holding company for Silicon Valley Bank) and First Republic Bank, which we exited over the period. Elsewhere, several consumer-oriented companies added to annual relative performance. Demand trends continue to be strong for nutrition products company BellRing Brands in the consumer staples sector, while reaccelerating traffic trends and price increases to offset inflationary pressures boosted the shares of restaurant chain Chipotle Mexican Grill in the consumer discretionary sector.

Thank you for your continued participation in Franklin Small-Mid Cap Growth Fund. We look forward to serving your future investment needs.

John P. Scandalios, CFA
Lead Portfolio Manager

Michael McCarthy, CFA
Portfolio Manager

The foregoing information reflects our analysis, opinions and portfolio holdings as of April 30, 2023, 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 April 30, 2023

The performance table and graphs do 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 4/30/23¹

*Cumulative total return excludes sales charges. Average annual total return includes maximum sales charges. Sales charges will vary depending on the size of the investment and the class of share purchased. The maximum is 5.50% and the minimum is 0%. **Class A:** 5.50% maximum initial sales charge; **Advisor Class:** no sales charges. For other share classes, visit franklintempleton.com.*

Share Class	Cumulative Total Return ²	Average Annual Total Return ³
A⁴		
1-Year	-4.07%	-9.36%
5-Year	+50.70%	+7.33%
10-Year	+154.51%	+9.17%
Advisor		
1-Year	-3.81%	-3.81%
5-Year	+52.56%	+8.82%
10-Year	+160.96%	+10.07%

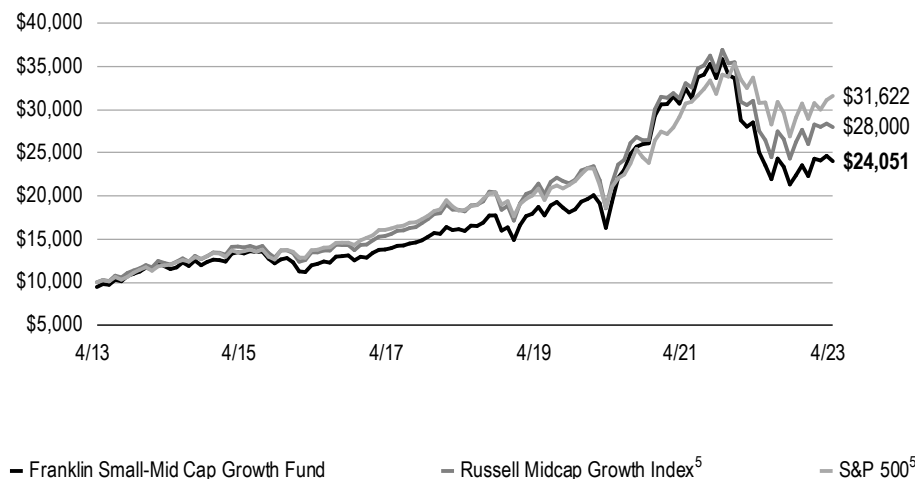
Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to franklintempleton.com or call (800) 342-5236.

See page 20 for Performance Summary footnotes.

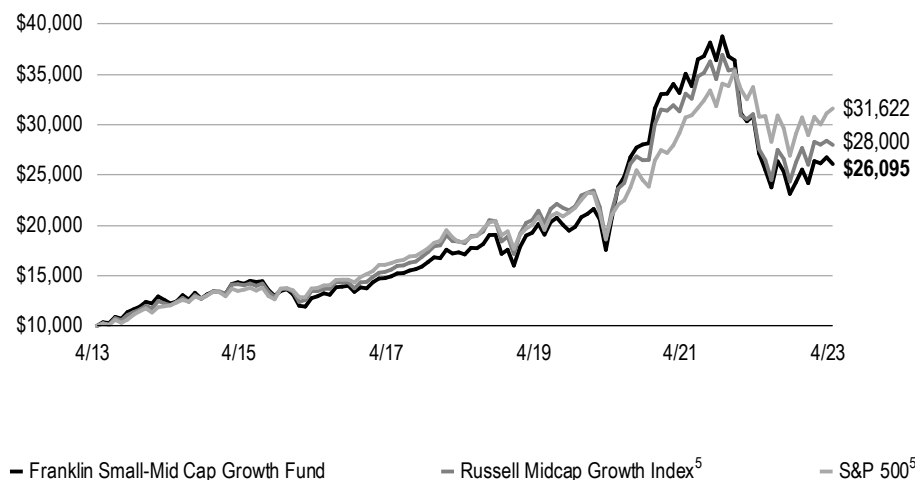
Total Return Index Comparison for a Hypothetical \$10,000 Investment¹

Total return represents the change in value of an investment over the periods shown. It includes any applicable maximum sales charge, Fund expenses, account fees and reinvested distributions. The unmanaged indexes include reinvestment of any income or distributions. They differ from the Fund in composition and do not pay management fees or expenses. One cannot invest directly in an index.

Class A (4/30/13–4/30/23)



Advisor Class (4/30/13–4/30/23)



See page 20 for Performance Summary footnotes.

Distributions (5/1/22–4/30/23)

Share Class	Long-Term Capital Gain
A	\$1.8770
C	\$1.8770
R	\$1.8770
R6	\$1.8770
Advisor	\$1.8770

Total Annual Operating Expenses⁶

Share Class	
A	0.85%
Advisor	0.60%

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. Growth stock prices reflect projections of future earnings or revenues, and can, therefore, fall dramatically if the company fails to meet those projections. Smaller, mid-sized and relatively new or unseasoned companies can be particularly sensitive to changing economic conditions, and their prospects for growth are less certain than those of larger, more established companies. Historically, these securities have experienced more price volatility than larger-company stocks, especially over the short term. To the extent the Fund focuses on particular countries, regions, industries, sectors or types of investment 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. From time to time, the trading market for a particular security or type of security in which the Fund invests may become less liquid or even illiquid. Events such as the spread of deadly diseases, disasters, and financial, political or social disruptions, may heighten risks and adversely affect performance. The Fund's prospectus also includes a description of the main investment risks.

1. The total annual operating expenses are sourced from the Fund's prospectus available at the time of publication. Actual expenses may be higher and may impact portfolio returns.
2. Cumulative total return represents the change in value of an investment over the periods indicated.
3. Average annual total return represents the average annual change in value of an investment over the periods indicated. Return for less than one year, if any, has not been annualized.
4. Prior to 9/10/18, these shares were offered at a higher initial sales charge of 5.75%, thus actual returns (with sales charges) would have differed. Average annual total returns (with sales charges) have been restated to reflect the current maximum initial sales charge of 5.50%.
5. Source: FactSet. The Russell Midcap Growth Index is market capitalization weighted and measures performance of those Russell Midcap Index companies with relatively higher price-to-book ratios and higher forecasted growth values. The S&P 500 is a market capitalization-weighted index of 500 stocks designed to measure total U.S. equity market performance.
6. 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. See www.franklintempletondatasources.com for additional data provider information.

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 11/1/22	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio ²
		Ending Account Value 4/30/23	Expenses Paid During Period 11/1/22–4/30/23 ^{1,2}	Ending Account Value 4/30/23	Expenses Paid During Period 11/1/22–4/30/23 ^{1,2}	
A	\$1,000	\$1,072.80	\$4.52	\$1,020.43	\$4.41	0.88%
C	\$1,000	\$1,069.20	\$8.37	\$1,016.71	\$8.16	1.63%
R	\$1,000	\$1,071.30	\$5.81	\$1,019.19	\$5.66	1.13%
R6	\$1,000	\$1,075.00	\$2.50	\$1,022.38	\$2.44	0.49%
Advisor	\$1,000	\$1,074.40	\$3.24	\$1,021.67	\$3.16	0.63%

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 Growth Opportunities Fund

	Year Ended April 30,				
	2023	2022	2021	2020	2019
Class A					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$43.14	\$56.25	\$39.60	\$39.57	\$38.58
Income from investment operations ^a :					
Net investment (loss) ^b	(0.12)	(0.28)	(0.26)	(0.14)	(0.13)
Net realized and unrealized gains (losses)	(2.19)	(7.76)	20.03	3.59	5.29
Total from investment operations	(2.31)	(8.04)	19.77	3.45	5.16
Less distributions from:					
Net realized gains	(1.68)	(5.07)	(3.12)	(3.42)	(4.17)
Net asset value, end of year	\$39.15	\$43.14	\$56.25	\$39.60	\$39.57
Total return ^c	(4.98)%	(16.57)%	50.64%	8.90%	15.91%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	0.95%	0.90%	0.91%	0.95%	0.94%
Expenses net of waiver and payments by affiliates ^d	0.94%	0.89%	0.91% ^e	0.95% ^e	0.94% ^e
Net investment (loss)	(0.30)%	(0.49)%	(0.51)%	(0.35)%	(0.32)%
Supplemental data					
Net assets, end of year (000's)	\$2,765,017	\$3,215,834	\$4,203,693	\$2,883,392	\$2,819,007
Portfolio turnover rate	16.52% ^f	17.20%	17.54%	19.47%	24.21%

^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.

^cTotal return does not reflect sales commissions or contingent deferred sales charges, if applicable.

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

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

^fExcludes the value of portfolio activity as a result of in-kind transactions. See Note 3(h).

Franklin Growth Opportunities Fund (continued)

	Year Ended April 30,				
	2023	2022	2021	2020	2019
Class C					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$32.55	\$43.87	\$31.61	\$32.47	\$32.67
Income from investment operations ^a :					
Net investment (loss) ^b	(0.30)	(0.54)	(0.50)	(0.35)	(0.35)
Net realized and unrealized gains (losses)	(1.71)	(5.71)	15.88	2.91	4.32
Total from investment operations	(2.01)	(6.25)	15.38	2.56	3.97
Less distributions from:					
Net realized gains	(1.68)	(5.07)	(3.12)	(3.42)	(4.17)
Net asset value, end of year	\$28.86	\$32.55	\$43.87	\$31.61	\$32.47
Total return ^c	(5.69)%	(17.20)%	49.47%	8.10%	15.10%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	1.70%	1.65%	1.66%	1.70%	1.69%
Expenses net of waiver and payments by affiliates ^d	1.69%	1.64%	1.66% ^e	1.70% ^e	1.69% ^e
Net investment (loss)	(1.05)%	(1.23)%	(1.26)%	(1.10)%	(1.07)%
Supplemental data					
Net assets, end of year (000's)	\$119,070	\$158,895	\$278,804	\$216,757	\$244,574
Portfolio turnover rate	16.52% ^f	17.20%	17.54%	19.47%	24.21%

^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.

^cTotal return does not reflect sales commissions or contingent deferred sales charges, if applicable.

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

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

^fExcludes the value of portfolio activity as a result of in-kind transactions. See Note 3(h).

Franklin Growth Opportunities Fund (continued)

	Year Ended April 30,				
	2023	2022	2021	2020	2019
Class R					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$40.06	\$52.69	\$37.32	\$37.57	\$36.93
Income from investment operations ^a :					
Net investment (loss) ^b	(0.20)	(0.39)	(0.36)	(0.22)	(0.21)
Net realized and unrealized gains (losses)	(2.05)	(7.17)	18.85	3.39	5.02
Total from investment operations	(2.25)	(7.56)	18.49	3.17	4.81
Less distributions from:					
Net realized gains	(1.68)	(5.07)	(3.12)	(3.42)	(4.17)
Net asset value, end of year	\$36.13	\$40.06	\$52.69	\$37.32	\$37.57
Total return	(5.21)%	(16.79)%	50.26%	8.64%	15.66%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	1.20%	1.15%	1.15%	1.20%	1.19%
Expenses net of waiver and payments by affiliates ^c	1.19%	1.14%	1.15% ^d	1.20% ^d	1.19% ^d
Net investment (loss)	(0.55)%	(0.73)%	(0.75)%	(0.60)%	(0.57)%
Supplemental data					
Net assets, end of year (000's)	\$22,664	\$27,009	\$40,396	\$31,060	\$37,105
Portfolio turnover rate	16.52% ^e	17.20%	17.54%	19.47%	24.21%

^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.

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

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

^eExcludes the value of portfolio activity as a result of in-kind transactions. See Note 3(h).

Franklin Growth Opportunities Fund (continued)

	Year Ended April 30,				
	2023	2022	2021	2020	2019
Class R6					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$48.98	\$63.06	\$43.97	\$43.42	\$41.78
Income from investment operations ^a :					
Net investment income (loss) ^b	0.02	(0.10)	(0.10)	0.01	0.01
Net realized and unrealized gains (losses)	(2.45)	(8.91)	22.31	3.96	5.80
Total from investment operations	(2.43)	(9.01)	22.21	3.97	5.81
Less distributions from:					
Net realized gains	(1.68)	(5.07)	(3.12)	(3.42)	(4.17)
Net asset value, end of year	\$44.87	\$48.98	\$63.06	\$43.97	\$43.42
Total return	(4.62)%	(16.32)%	51.13%	9.34%	16.26%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	0.59%	0.57%	0.57%	0.59%	0.59%
Expenses net of waiver and payments by affiliates ^c	0.58%	0.57% ^d	0.57% ^d	0.59% ^d	0.58%
Net investment income (loss)	0.05%	(0.16)%	(0.17)%	0.01%	0.04%
Supplemental data					
Net assets, end of year (000's)	\$449,119	\$461,475	\$563,918	\$383,208	\$418,174
Portfolio turnover rate	16.52% ^e	17.20%	17.54%	19.47%	24.21%

^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.

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

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

^eExcludes the value of portfolio activity as a result of in-kind transactions. See Note 3(h).

Franklin Growth Opportunities Fund (continued)

	Year Ended April 30,				
	2023	2022	2021	2020	2019
Advisor Class					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$48.07	\$62.01	\$43.31	\$42.87	\$41.34
Income from investment operations ^a :					
Net investment (loss) ^b	(0.02)	(0.15)	(0.14)	(0.04)	(0.03)
Net realized and unrealized gains (losses)	(2.41)	(8.72)	21.96	3.90	5.73
Total from investment operations	(2.43)	(8.87)	21.82	3.86	5.70
Less distributions from:					
Net realized gains	(1.68)	(5.07)	(3.12)	(3.42)	(4.17)
Net asset value, end of year	\$43.96	\$48.07	\$62.01	\$43.31	\$42.87
Total return	(4.71)%	(16.37)%	51.01%	9.20%	16.16%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	0.69%	0.65%	0.66%	0.70%	0.69%
Expenses net of waiver and payments by affiliates ^c	0.68%	0.64%	0.66% ^d	0.70% ^d	0.69% ^d
Net investment (loss)	(0.05)%	(0.24)%	(0.26)%	(0.10)%	(0.07)%
Supplemental data					
Net assets, end of year (000's)	\$325,234	\$636,524	\$643,449	\$467,727	\$506,964
Portfolio turnover rate	16.52% ^e	17.20%	17.54%	19.47%	24.21%

^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.

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

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

^eExcludes the value of portfolio activity as a result of in-kind transactions. See Note 3(h).

Schedule of Investments, April 30, 2023

Franklin Growth Opportunities Fund

	Country	Shares	Value
Common Stocks 95.5%			
Aerospace & Defense 1.2%			
^a Axon Enterprise, Inc.	United States	150,118	\$31,631,364
^{a,b,c} Space Exploration Technologies Corp., A.	United States	142,857	10,999,989
			42,631,353
Automobiles 0.6%			
^a Tesla, Inc.	United States	128,015	21,034,145
Beverages 2.6%			
Constellation Brands, Inc., A	United States	95,374	21,885,472
^a Monster Beverage Corp.	United States	1,316,200	73,707,200
			95,592,672
Biotechnology 0.0%[†]			
^a Heron Therapeutics, Inc.	United States	551,293	1,317,590
Broadline Retail 5.3%			
^a Amazon.com, Inc.	United States	1,832,386	193,225,104
Capital Markets 4.8%			
Ares Management Corp.	United States	246,436	21,585,330
Intercontinental Exchange, Inc.	United States	250,211	27,255,484
MSCI, Inc.	United States	134,700	64,986,015
S&P Global, Inc.	United States	174,352	63,216,548
			177,043,377
Chemicals 1.9%			
Linde plc.	United States	185,449	68,514,133
Commercial Services & Supplies 1.5%			
^{a,b,c} Celonis SE	Germany	4,619	1,079,626
^{a,b,c} Celonis SE, D.	Germany	25,571	5,976,862
Republic Services, Inc.	United States	325,579	47,085,235
			54,141,723
Electric Utilities 1.0%			
NextEra Energy, Inc.	United States	462,062	35,407,811
Financial Services 8.5%			
Mastercard, Inc., A	United States	562,080	213,607,263
Visa, Inc., A.	United States	430,262	100,134,875
			313,742,138
Food Products 1.1%			
^a Freshpet, Inc.	United States	192,209	13,256,655
Lamb Weston Holdings, Inc.	United States	258,420	28,893,940
			42,150,595
Ground Transportation 1.9%			
^a Uber Technologies, Inc.	United States	1,192,859	37,038,272
Union Pacific Corp.	United States	170,118	33,292,093
			70,330,365
Health Care Equipment & Supplies 2.8%			
^a Figs, Inc., A.	United States	1,208,624	8,702,093
^a IDEXX Laboratories, Inc.	United States	52,443	25,810,347
^{a,b,c} IL MAKIAGE Cosmetics (2013) Ltd.	Israel	37,734	16,934,771
^a Intuitive Surgical, Inc.	United States	172,399	51,930,027
			103,377,238
Health Care Providers & Services 3.1%			
^a Guardant Health, Inc.	United States	253,022	5,708,176

Franklin Growth Opportunities Fund (continued)

	Country	Shares	Value
Common Stocks (continued)			
Health Care Providers & Services (continued)			
UnitedHealth Group, Inc.	United States	217,301	\$106,931,649
			112,639,825
Health Care Technology 0.5%			
^a Veeva Systems, Inc., A	United States	109,736	19,651,523
Hotels, Restaurants & Leisure 2.4%			
^a Chipotle Mexican Grill, Inc.	United States	39,696	82,076,243
^{a,d} Dutch Bros, Inc., A	United States	232,972	7,257,078
			89,333,321
Industrial Conglomerates 1.0%			
Honeywell International, Inc.	United States	178,869	35,745,181
Interactive Media & Services 6.8%			
^a Alphabet, Inc., C	United States	1,144,821	123,892,528
^a Meta Platforms, Inc., A	United States	520,968	125,199,030
			249,091,558
IT Services 0.5%			
^{a,b,c} Canva, Inc.	Australia	11,829	9,178,870
^a Snowflake, Inc., A	United States	71,533	10,592,607
			19,771,477
Leisure Products 1.9%			
^{a,b,c} Fanatics Holdings, Inc.	United States	1,029,939	71,332,234
Life Sciences Tools & Services 4.6%			
Danaher Corp.	United States	292,404	69,273,432
Thermo Fisher Scientific, Inc.	United States	85,567	47,481,128
West Pharmaceutical Services, Inc.	United States	141,335	51,055,855
			167,810,415
Machinery 0.1%			
^a Proterra, Inc.	United States	2,480,674	2,902,389
Pharmaceuticals 3.8%			
AstraZeneca plc, ADR.	United Kingdom	863,148	63,199,696
Eli Lilly & Co.	United States	198,153	78,440,847
			141,640,543
Professional Services 2.2%			
^a CoStar Group, Inc.	United States	663,403	51,048,861
^a Paycom Software, Inc.	United States	43,500	12,631,095
TransUnion	United States	267,816	18,428,419
			82,108,375
Semiconductors & Semiconductor Equipment 6.5%			
Analog Devices, Inc.	United States	231,566	41,654,092
ASML Holding NV, NYRS	Netherlands	14,607	9,302,614
^{a,d} GLOBALFOUNDRIES, Inc.	United States	270,998	15,934,682
Monolithic Power Systems, Inc.	United States	150,900	69,711,273
NVIDIA Corp.	United States	376,046	104,349,005
			240,951,666
Software 18.2%			
^a Adobe, Inc.	United States	91,607	34,587,139
^a Atlassian Corp., A	United States	92,783	13,700,338
^a BILL Holdings, Inc.	United States	169,882	13,048,636
^{a,b,c} ClearMotion, Inc.	United States	6,309,366	732,694

Franklin Growth Opportunities Fund (continued)

	Country	Shares	Value
Common Stocks (continued)			
Software (continued)			
^a Confluent, Inc., A	United States	299,634	\$6,591,948
^a CrowdStrike Holdings, Inc., A	United States	141,200	16,951,060
Intuit, Inc.	United States	135,624	60,210,275
Microsoft Corp.	United States	749,290	230,226,845
^a Monday.com Ltd.	United States	42,563	5,189,281
Oracle Corp.	United States	190,822	18,074,660
Roper Technologies, Inc.	United States	103,989	47,292,117
^a Salesforce, Inc.	United States	83,997	16,662,485
^a ServiceNow, Inc.	United States	222,123	102,047,749
^a Synopsys, Inc.	United States	155,992	57,922,949
^a Tyler Technologies, Inc.	United States	53,843	20,408,112
^a Workday, Inc., A	United States	149,619	27,850,081
			671,496,369
Specialized REITs 2.6%			
SBA Communications Corp.	United States	360,486	94,047,193
Specialty Retail 1.6%			
^a AutoZone, Inc.	United States	10,586	28,193,800
^a Burlington Stores, Inc.	United States	157,278	30,324,771
			58,518,571
Technology Hardware, Storage & Peripherals 5.7%			
Apple, Inc.	United States	1,238,359	210,124,755
Textiles, Apparel & Luxury Goods 0.8%			
NIKE, Inc., B.	United States	240,502	30,476,413
Total Common Stocks (Cost \$1,513,777,960)			3,516,150,052
Convertible Preferred Stocks 1.0%			
Software 1.0%			
^{a,b,c} Databricks, Inc., G	United States	338,280	17,159,867
^{a,b,c} Lacework, Inc., D	United States	810,440	13,042,937
^{a,b,c} OneTrust LLC, C.	United States	517,056	5,218,729
			35,421,533
Total Convertible Preferred Stocks (Cost \$50,470,099)			35,421,533
Preferred Stocks 1.1%			
Commercial Services & Supplies 0.2%			
^{a,b,c,e} Optoro, Inc., E	United States	556,026	8,167,495
Health Care Providers & Services 0.5%			
^{a,b,c} Tempus Labs, Inc., F.	United States	504,854	15,164,614
^{a,b,c} Tempus Labs, Inc., G	United States	126,131	3,788,676
			18,953,290
Software 0.4%			
^{a,b,c} ClearMotion, Inc., A-3	United States	417,667	60,443
^{a,b,c} ClearMotion, Inc., A-4	United States	2,606,463	355,706
^{a,b,c,e} Talkdesk, Inc., C	United States	1,753,060	9,955,707
^{a,b,c} Tanium, Inc., G	United States	805,800	4,860,798
			15,232,654
Total Preferred Stocks (Cost \$44,049,689)			42,353,439

Franklin Growth Opportunities Fund (continued)

	Country	Shares	Value
Escrows and Litigation Trusts 0.0%			
^{a,b} Proterra, Inc., Escrow Account	United States	382,355	\$—
^{a,b} Wheels Up Experience, Inc., Escrow Account	United States	102,780	—
Total Escrows and Litigation Trusts (Cost \$—)			—
Total Long Term Investments (Cost \$1,608,297,748)			3,593,925,024
Short Term Investments 3.0%			
	Country	Shares	Value
Money Market Funds 2.3%			
^{f,g} Institutional Fiduciary Trust - Money Market Portfolio, 4.483%	United States	84,915,861	84,915,861
Total Money Market Funds (Cost \$84,915,861)			84,915,861
^hInvestments from Cash Collateral Received for Loaned Securities 0.7%			
Money Market Funds 0.7%			
^{f,g} Institutional Fiduciary Trust - Money Market Portfolio, 4.483%	United States	24,476,348	24,476,348
Total Investments from Cash Collateral Received for Loaned Securities (Cost \$24,476,348)			24,476,348
Total Short Term Investments (Cost \$109,392,209)			109,392,209
Total Investments (Cost \$1,717,689,957) 100.6%			\$3,703,317,233
Other Assets, less Liabilities (0.6)%			(22,214,138)
Net Assets 100.0%			\$3,681,103,095

See Abbreviations on page 81.

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

^aNon-income producing.

^bFair valued using significant unobservable inputs. See Note 10 regarding fair value measurements.

^cSee Note 7 regarding restricted securities.

^dA portion or all of the security is on loan at April 30, 2023. See Note 1(d).

^eSee Note 8 regarding holdings of 5% voting securities.

^fSee Note 3(f) regarding investments in affiliated management investment companies.

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

^hSee Note 1(d) regarding securities on loan.

Financial Highlights

Franklin Small Cap Growth Fund

	Year Ended April 30,				
	2023	2022	2021	2020	2019
Class A					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$17.78	\$30.08	\$18.85	\$21.46	\$23.01
Income from investment operations ^a :					
Net investment (loss) ^b	(0.09)	(0.14)	(0.18)	(0.11)	(0.15)
Net realized and unrealized gains (losses)	(0.40)	(7.89)	14.24	(1.07)	2.86
Total from investment operations	(0.49)	(8.03)	14.06	(1.18)	2.71
Less distributions from:					
Net realized gains	(0.10)	(4.27)	(2.83)	(1.43)	(4.26)
Net asset value, end of year	\$17.19	\$17.78	\$30.08	\$18.85	\$21.46
Total return ^c	(2.73)%	(29.53)%	76.43%	(6.25)%	16.06%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	1.11%	1.03%	1.03%	1.07%	1.07%
Expenses net of waiver and payments by affiliates ^d	1.10%	1.03% ^e	1.02%	1.06%	1.06%
Net investment (loss)	(0.54)%	(0.54)%	(0.69)%	(0.51)%	(0.68)%
Supplemental data					
Net assets, end of year (000's)	\$763,871	\$860,536	\$1,244,591	\$686,791	\$713,442
Portfolio turnover rate	16.86%	30.88%	47.80%	35.29%	42.10%

^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.

^cTotal return does not reflect sales commissions or contingent deferred sales charges, if applicable.

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

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

Franklin Small Cap Growth Fund (continued)

	Year Ended April 30,				
	2023	2022	2021	2020	2019
Class C					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$12.37	\$22.57	\$14.69	\$17.15	\$19.41
Income from investment operations ^a :					
Net investment (loss) ^b	(0.15)	(0.25)	(0.29)	(0.21)	(0.28)
Net realized and unrealized gains (losses)	(0.28)	(5.68)	11.00	(0.82)	2.28
Total from investment operations	(0.43)	(5.93)	10.71	(1.03)	2.00
Less distributions from:					
Net realized gains	(0.10)	(4.27)	(2.83)	(1.43)	(4.26)
Net asset value, end of year	\$11.84	\$12.37	\$22.57	\$14.69	\$17.15
Total return ^c	(3.44)%	(30.07)%	75.13%	(6.97)%	15.31%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	1.86%	1.78%	1.78%	1.82%	1.82%
Expenses net of waiver and payments by affiliates ^d	1.84%	1.78% ^e	1.77%	1.81%	1.81%
Net investment (loss)	(1.28)%	(1.31)%	(1.43)%	(1.26)%	(1.43)%
Supplemental data					
Net assets, end of year (000's)	\$20,551	\$32,755	\$86,394	\$66,269	\$90,513
Portfolio turnover rate	16.86%	30.88%	47.80%	35.29%	42.10%

^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.

^cTotal return does not reflect sales commissions or contingent deferred sales charges, if applicable.

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

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

Franklin Small Cap Growth Fund (continued)

	Year Ended April 30,				
	2023	2022	2021	2020	2019
Class R					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$16.10	\$27.76	\$17.58	\$20.15	\$21.93
Income from investment operations ^a :					
Net investment (loss) ^b	(0.12)	(0.19)	(0.23)	(0.15)	(0.20)
Net realized and unrealized gains (losses)	(0.36)	(7.20)	13.24	(0.99)	2.68
Total from investment operations	(0.48)	(7.39)	13.01	(1.14)	2.48
Less distributions from:					
Net realized gains	(0.10)	(4.27)	(2.83)	(1.43)	(4.26)
Net asset value, end of year	\$15.52	\$16.10	\$27.76	\$17.58	\$20.15
Total return	(2.95)%	(29.71)%	75.96%	(6.47)%	15.78%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	1.36%	1.28%	1.28%	1.32%	1.32%
Expenses net of waiver and payments by affiliates ^c	1.35%	1.28% ^d	1.27%	1.31%	1.31%
Net investment (loss)	(0.79)%	(0.79)%	(0.93)%	(0.76)%	(0.93)%
Supplemental data					
Net assets, end of year (000's)	\$39,777	\$50,324	\$79,314	\$54,369	\$74,634
Portfolio turnover rate	16.86%	30.88%	47.80%	35.29%	42.10%

^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.

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

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

Franklin Small Cap Growth Fund (continued)

	Year Ended April 30,				
	2023	2022	2021	2020	2019
Class R6					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$20.73	\$34.14	\$21.07	\$23.73	\$24.88
Income from investment operations ^a :					
Net investment (loss) ^b	(0.02)	(0.04)	(0.09)	(0.02)	(0.07)
Net realized and unrealized gains (losses)	(0.46)	(9.10)	15.99	(1.21)	3.18
Total from investment operations	(0.48)	(9.14)	15.90	(1.23)	3.11
Less distributions from:					
Net realized gains	(0.10)	(4.27)	(2.83)	(1.43)	(4.26)
Net asset value, end of year	\$20.15	\$20.73	\$34.14	\$21.07	\$23.73
Total return	(2.29)%	(29.26)%	77.13%	(5.86)%	16.50%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	0.68%	0.65%	0.65%	0.67%	0.67%
Expenses net of waiver and payments by affiliates ^c	0.66%	0.64%	0.64%	0.64%	0.64%
Net investment (loss)	(0.10)%	(0.15)%	(0.31)%	(0.09)%	(0.26)%
Supplemental data					
Net assets, end of year (000's)	\$1,345,064	\$1,529,170	\$2,149,795	\$1,136,759	\$1,084,442
Portfolio turnover rate	16.86%	30.88%	47.80%	35.29%	42.10%

^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.

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

Franklin Small Cap Growth Fund (continued)

	Year Ended April 30,				
	2023	2022	2021	2020	2019
Advisor Class					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$20.19	\$33.43	\$20.70	\$23.37	\$24.61
Income from investment operations ^a :					
Net investment (loss) ^b	(0.05)	(0.08)	(0.13)	(0.06)	(0.10)
Net realized and unrealized gains (losses)	(0.45)	(8.89)	15.69	(1.18)	3.12
Total from investment operations	(0.50)	(8.97)	15.56	(1.24)	3.02
Less distributions from:					
Net realized gains	(0.10)	(4.27)	(2.83)	(1.43)	(4.26)
Net asset value, end of year	\$19.59	\$20.19	\$33.43	\$20.70	\$23.37
Total return	(2.50)%	(29.34)%	76.86%	(5.99)%	16.30%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	0.86%	0.78%	0.78%	0.82%	0.82%
Expenses net of waiver and payments by affiliates ^c	0.85%	0.77%	0.77%	0.81%	0.81%
Net investment (loss)	(0.29)%	(0.29)%	(0.44)%	(0.26)%	(0.43)%
Supplemental data					
Net assets, end of year (000's)	\$341,973	\$433,191	\$739,985	\$428,155	\$725,622
Portfolio turnover rate	16.86%	30.88%	47.80%	35.29%	42.10%

^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.

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

Schedule of Investments, April 30, 2023

Franklin Small Cap Growth Fund

	Country	Shares	Value
Common Stocks 95.8%			
Aerospace & Defense 5.3%			
^a AAR Corp.	United States	815,100	\$43,020,978
^a Axon Enterprise, Inc.	United States	92,200	19,427,462
BWX Technologies, Inc.	United States	782,100	50,508,019
^a Kratos Defense & Security Solutions, Inc.	United States	1,582,464	20,413,786
			133,370,245
Banks 1.6%			
Pinnacle Financial Partners, Inc.	United States	429,904	23,313,694
^b Western Alliance Bancorp.	United States	460,400	17,090,048
			40,403,742
Biotechnology 7.8%			
^a Alector, Inc.	United States	581,300	3,836,580
^a Arcutis Biotherapeutics, Inc.	United States	358,400	4,960,256
^a Ascendis Pharma A/S, ADR	Denmark	217,200	15,195,312
^a Chinook Therapeutics, Inc.	United States	410,500	8,214,105
^a Cullinan Oncology, Inc.	United States	427,500	4,159,575
^a Cytokinetics, Inc.	United States	321,000	12,005,400
^a Day One Biopharmaceuticals, Inc.	United States	885,622	10,981,713
^a Dyne Therapeutics, Inc.	United States	736,500	7,630,140
^a Heron Therapeutics, Inc.	United States	1,797,608	4,296,283
^a Insmed, Inc.	United States	1,099,600	21,442,200
^a VERIC bio, Inc.	United States	383,600	12,616,604
^a Karuna Therapeutics, Inc.	United States	71,700	14,228,148
^a Kura Oncology, Inc.	United States	571,700	5,568,358
^a Merus NV	Netherlands	312,800	5,999,504
^a Mirati Therapeutics, Inc.	United States	214,900	9,522,219
^a PTC Therapeutics, Inc.	United States	735,500	40,555,470
^a Sutro Biopharma, Inc.	United States	968,449	4,125,592
^a Twist Bioscience Corp.	United States	119,862	1,495,878
^a Vaxcyte, Inc.	United States	204,100	8,741,603
			195,574,940
Building Products 1.1%			
^a Masonite International Corp.	United States	300,200	27,441,282
Capital Markets 3.2%			
Bridge Investment Group Holdings, Inc., A.	United States	1,410,600	14,091,894
Evercore, Inc., A	United States	239,800	27,353,986
Houlihan Lokey, Inc.	United States	435,600	39,805,128
			81,251,008
Communications Equipment 0.7%			
^a Viavi Solutions, Inc.	United States	1,924,500	17,243,520
Construction & Engineering 3.0%			
Arcosa, Inc.	United States	685,200	46,278,408
Granite Construction, Inc.	United States	772,843	29,468,504
			75,746,912
Consumer Staples Distribution & Retail 1.9%			
^a Performance Food Group Co.	United States	764,400	47,920,236
Diversified Consumer Services 0.6%			
^a Nerdy, Inc.	United States	3,825,800	15,188,426
Electronic Equipment, Instruments & Components 1.2%			
Vontier Corp.	United States	1,091,200	29,604,256

Franklin Small Cap Growth Fund (continued)

	Country	Shares	Value
Common Stocks (continued)			
Energy Equipment & Services 1.4%			
Liberty Energy, Inc., A	United States	2,822,200	\$36,152,382
Financial Services 4.5%			
^a Flywire Corp.	United States	1,431,010	41,742,562
^a Marqeta, Inc., A	United States	949,403	3,845,082
^{a,c} Paymentus Holdings, Inc., A	United States	2,195,300	18,067,319
^a Repay Holdings Corp.	United States	1,395,637	8,750,644
^a Shift4 Payments, Inc., A	United States	587,900	39,841,983
			112,247,590
Food Products 4.2%			
^a Freshpet, Inc.	United States	414,800	28,608,756
^a Hostess Brands, Inc.	United States	784,174	20,200,322
^a Nomad Foods Ltd.	United Kingdom	942,100	17,711,480
^a Simply Good Foods Co. (The)	United States	1,055,300	38,381,261
			104,901,819
Health Care Equipment & Supplies 6.7%			
^a Figs, Inc., A	United States	957,700	6,895,440
^a Haemonetics Corp.	United States	485,600	40,649,576
^a Inari Medical, Inc.	United States	184,700	12,267,774
^a Inspire Medical Systems, Inc.	United States	168,144	45,000,379
^a Integer Holdings Corp.	United States	434,900	35,814,015
^a Neogen Corp.	United States	565,932	9,745,349
^a Nevro Corp.	United States	348,300	10,194,741
^a Pulmonx Corp.	United States	647,016	7,602,438
			168,169,712
Health Care Providers & Services 4.2%			
^a HealthEquity, Inc.	United States	694,416	37,116,535
^a Hims & Hers Health, Inc.	United States	1,606,947	18,624,516
^a NeoGenomics, Inc.	United States	1,270,400	18,573,248
^a Privia Health Group, Inc.	United States	1,090,200	30,122,226
			104,436,525
Health Care Technology 2.5%			
^a Certara, Inc.	United States	1,122,500	27,130,825
^a Phreesia, Inc.	United States	1,103,182	34,904,679
			62,035,504
Hotel & Resort REITs 0.7%			
Pebblebrook Hotel Trust	United States	1,174,800	16,717,404
Hotels, Restaurants & Leisure 5.6%			
^a Portillo's, Inc., A	United States	920,700	19,905,534
Red Rock Resorts, Inc., A	United States	903,600	44,095,680
Texas Roadhouse, Inc.	United States	388,900	43,020,118
Wingstop, Inc.	United States	163,013	32,620,531
			139,641,863
Household Durables 3.7%			
^a M/I Homes, Inc.	United States	549,546	37,171,291
^a Sonos, Inc.	United States	874,600	18,489,044
^a Tri Pointe Homes, Inc.	United States	1,303,000	37,370,040
			93,030,375

Franklin Small Cap Growth Fund (continued)

	Country	Shares	Value
Common Stocks (continued)			
Industrial REITs 1.4%			
Rexford Industrial Realty, Inc.	United States	616,400	\$34,376,628
IT Services 0.4%			
^a BigCommerce Holdings, Inc., 1	United States	1,260,100	9,312,139
Life Sciences Tools & Services 0.1%			
^a CryoPort, Inc.	United States	156,600	3,294,864
Machinery 2.4%			
Kennametal, Inc.	United States	920,700	23,901,372
^a Proterra, Inc.	United States	4,726,443	5,529,938
^a RBC Bearings, Inc.	United States	141,700	32,167,317
			61,598,627
Media 1.0%			
New York Times Co. (The), A.	United States	662,156	26,320,701
Oil, Gas & Consumable Fuels 1.6%			
Matador Resources Co.	United States	796,100	39,032,783
Passenger Airlines 1.9%			
^a Allegiant Travel Co.	United States	448,448	46,598,232
^a Wheels Up Experience, Inc.	United States	1,123,619	519,674
^{a,d} Wheels Up Experience, Inc.	United States	1,328,630	614,491
			47,732,397
Personal Care Products 1.7%			
^a BellRing Brands, Inc.	United States	1,163,300	41,867,167
Pharmaceuticals 3.4%			
^a Cymabay Therapeutics, Inc.	United States	662,700	7,130,652
^{a,b,c} EyePoint Pharmaceuticals, Inc.	United States	1,957,100	12,290,588
^a Intra-Cellular Therapies, Inc.	United States	339,400	21,093,710
^a Pliant Therapeutics, Inc.	United States	521,100	14,721,075
^a Revance Therapeutics, Inc.	United States	963,592	30,671,133
			85,907,158
Professional Services 2.4%			
^a Legalzoom.com, Inc.	United States	2,471,080	23,178,730
^a Paycor HCM, Inc.	United States	1,616,200	37,980,700
			61,159,430
Semiconductors & Semiconductor Equipment 5.0%			
^a Lattice Semiconductor Corp.	United States	579,400	46,178,180
^a Onto Innovation, Inc.	United States	453,209	36,700,865
^a Silicon Laboratories, Inc.	United States	62,600	8,720,180
^a SiTime Corp.	United States	312,212	33,865,636
			125,464,861
Software 6.4%			
^a Alkami Technology, Inc.	United States	513,250	6,153,868
^a Alteryx, Inc., A.	United States	293,900	12,088,107
^a AvePoint, Inc.	United States	1,771,700	7,689,178
^{a,d,e} ClearMotion, Inc.	United States	3,698,772	429,531
^a CS Disco, Inc.	United States	2,102,613	12,363,364
^a Envestnet, Inc.	United States	289,622	18,356,242
^a Freshworks, Inc., A.	United States	1,529,300	20,431,448
^a Gitlab, Inc., A.	United States	798,400	24,239,424
^a LiveRamp Holdings, Inc.	United States	1,000,500	24,102,045

Franklin Small Cap Growth Fund (continued)

	Country	Shares	Value
Common Stocks (continued)			
Software (continued)			
^a Monday.com Ltd.	United States	254,900	\$31,077,408
^a Q2 Holdings, Inc.	United States	204,600	5,037,252
			161,967,867
Specialty Retail 5.0%			
American Eagle Outfitters, Inc.	United States	1,677,400	22,460,386
^a Boot Barn Holdings, Inc.	United States	478,660	34,688,490
^a Five Below, Inc.	United States	188,400	37,182,624
Lithia Motors, Inc., A	United States	44,726	9,879,526
^a MYT Netherlands Parent BV, ADR.	Germany	511,104	2,509,521
^a Petco Health & Wellness Co., Inc.	United States	1,942,500	19,347,300
			126,067,847
Textiles, Apparel & Luxury Goods 1.1%			
^{a,b} Rent the Runway, Inc., A	United States	1,176,558	3,070,816
Steven Madden Ltd.	United States	720,950	25,262,088
			28,332,904
Trading Companies & Distributors 2.1%			
^a Beacon Roofing Supply, Inc.	United States	451,000	27,141,180
^a Univar Solutions, Inc.	United States	705,432	25,042,836
			52,184,016
Total Common Stocks (Cost \$2,208,992,125)			2,405,697,130
Convertible Preferred Stocks 2.1%			
Diversified Consumer Services 0.5%			
^{a,d,e} Newsela, Inc., D	United States	709,046	12,019,999
Software 1.3%			
^{a,c,d,e} Benchling, Inc., F	United States	382,306	5,803,206
^{a,d,e} Checkr, Inc., E	United States	1,388,889	20,854,127
^{a,d,e} OneTrust LLC, A	United States	625,361	6,311,869
^{a,d,e} OneTrust LLC, A-1	United States	56,457	569,829
			33,539,031
Specialty Retail 0.3%			
^{a,c,d,e} 1661, Inc., F	United States	3,436,485	6,545,566
Total Convertible Preferred Stocks (Cost \$80,000,001)			52,104,596
Preferred Stocks 0.7%			
Automobile Components 0.2%			
^{a,d,e} Tula eTechnology, Inc.	United States	361,111	—
^{a,d,e} Tula eTechnology, Inc., E	United States	3,611,111	6,232,998
			6,232,998
Commercial Services & Supplies 0.3%			
^{a,c,d,e} Optoro, Inc., E	United States	554,878	8,150,632
Software 0.2%			
^{a,d,e} ClearMotion, Inc., A-3	United States	1,037,942	150,206
^{a,d,e} ClearMotion, Inc., A-4	United States	6,477,294	883,963
^{a,d,e} Smule, Inc.	United States	162,712	2,274,314
^{a,d,e} Smule, Inc., 144A, G	United States	1,542,673	1,309,862

Franklin Small Cap Growth Fund (continued)

	Country	Shares	Value
Preferred Stocks (continued)			
Software (continued)			
^{a,d,e} Smule, Inc., 144A, H.	United States	352,675	\$353,990
			4,972,335
Total Preferred Stocks (Cost \$32,909,382)			19,355,965
Escrows and Litigation Trusts 0.0%			
^{a,e} Proterra, Inc., Escrow Account	United States	344,921	—
^{a,e} Wheels Up Experience, Inc., Escrow Account	United States	88,098	—
Total Escrows and Litigation Trusts (Cost \$—)			—
Total Long Term Investments (Cost \$2,321,901,508)			2,477,157,691
Short Term Investments 1.8%			
Money Market Funds 1.3%			
^{f,g} Institutional Fiduciary Trust - Money Market Portfolio, 4.483%	United States	32,742,362	32,742,362
Total Money Market Funds (Cost \$32,742,362)			32,742,362
^h Investments from Cash Collateral Received for Loaned Securities 0.5%			
Money Market Funds 0.5%			
^{f,g} Institutional Fiduciary Trust - Money Market Portfolio, 4.483%	United States	12,159,690	12,159,690
Total Investments from Cash Collateral Received for Loaned Securities (Cost \$12,159,690)			12,159,690
Total Short Term Investments (Cost \$44,902,052)			44,902,052
Total Investments (Cost \$2,366,803,560) 100.4%			\$2,522,059,743
Other Assets, less Liabilities (0.4%)			(10,824,804)
Net Assets 100.0%			\$2,511,234,939

See Abbreviations on page 81.

^aNon-income producing.

^bA portion or all of the security is on loan at April 30, 2023. See Note 1(d).

^cSee Note 8 regarding holdings of 5% voting securities.

^dSee Note 7 regarding restricted securities.

^eFair valued using significant unobservable inputs. See Note 10 regarding fair value measurements.

^fSee Note 3(f) regarding investments in affiliated management investment companies.

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

^hSee Note 1(d) regarding securities on loan.

Financial Highlights

Franklin Small-Mid Cap Growth Fund

	Year Ended April 30,				
	2023	2022	2021	2020	2019
Class A					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$33.07	\$49.66	\$32.15	\$37.17	\$36.07
Income from investment operations ^a :					
Net investment (loss) ^b	(0.05)	(0.25)	(0.24)	(0.07)	(0.09)
Net realized and unrealized gains (losses)	(1.39)	(9.42)	21.89	1.24	5.33
Total from investment operations	(1.44)	(9.67)	21.65	1.17	5.24
Less distributions from:					
Net realized gains	(1.88)	(6.92)	(4.14)	(6.19)	(4.14)
Net asset value, end of year	\$29.75	\$33.07	\$49.66	\$32.15	\$37.17
Total return ^c	(4.07)%	(22.83)%	68.37%	2.97%	17.43%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	0.90%	0.85%	0.86%	0.88%	0.88%
Expenses net of waiver and payments by affiliates ^d	0.88%	0.84%	0.85%	0.87%	0.87%
Net investment (loss)	(0.17)%	(0.54)%	(0.54)%	(0.21)%	(0.25)%
Supplemental data					
Net assets, end of year (000's)	\$2,578,199	\$3,019,703	\$4,217,167	\$2,515,801	\$2,684,131
Portfolio turnover rate	27.75%	48.89%	53.69%	52.98%	54.28%

^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.

^cTotal return does not reflect sales commissions or contingent deferred sales charges, if applicable.

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

Franklin Small-Mid Cap Growth Fund (continued)

	Year Ended April 30,				
	2023	2022	2021	2020	2019
Class C					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$16.20	\$27.98	\$19.41	\$24.98	\$25.84
Income from investment operations ^a :					
Net investment (loss) ^b	(0.13)	(0.32)	(0.33)	(0.22)	(0.26)
Net realized and unrealized gains (losses)	(0.74)	(4.54)	13.04	0.84	3.54
Total from investment operations	(0.87)	(4.86)	12.71	0.62	3.28
Less distributions from:					
Net realized gains	(1.88)	(6.92)	(4.14)	(6.19)	(4.14)
Net asset value, end of year	\$13.45	\$16.20	\$27.98	\$19.41	\$24.98
Total return ^c	(4.76)%	(23.43)%	67.11%	2.14%	16.68%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	1.65%	1.60%	1.61%	1.63%	1.63%
Expenses net of waiver and payments by affiliates ^d	1.63%	1.59%	1.60%	1.62%	1.62%
Net investment (loss)	(0.92)%	(1.29)%	(1.28)%	(0.96)%	(1.00)%
Supplemental data					
Net assets, end of year (000's)	\$82,982	\$110,596	\$198,713	\$138,940	\$173,334
Portfolio turnover rate	27.75%	48.89%	53.69%	52.98%	54.28%

^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.

^cTotal return does not reflect sales commissions or contingent deferred sales charges, if applicable.

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

Franklin Small-Mid Cap Growth Fund (continued)

	Year Ended April 30,				
	2023	2022	2021	2020	2019
Class R					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$28.11	\$43.32	\$28.45	\$33.66	\$33.15
Income from investment operations ^a :					
Net investment (loss) ^b	(0.11)	(0.32)	(0.30)	(0.14)	(0.16)
Net realized and unrealized gains (losses)	(1.19)	(7.97)	19.31	1.12	4.81
Total from investment operations	(1.30)	(8.29)	19.01	0.98	4.65
Less distributions from:					
Net realized gains	(1.88)	(6.92)	(4.14)	(6.19)	(4.14)
Net asset value, end of year	\$24.93	\$28.11	\$43.32	\$28.45	\$33.66
Total return	(4.30)%	(23.00)%	67.96%	2.69%	17.17%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	1.15%	1.10%	1.10%	1.12%	1.12%
Expenses net of waiver and payments by affiliates ^c	1.13%	1.09%	1.09%	1.11%	1.11%
Net investment (loss)	(0.42)%	(0.79)%	(0.78)%	(0.45)%	(0.49)%
Supplemental data					
Net assets, end of year (000's)	\$34,371	\$38,761	\$60,264	\$40,997	\$50,721
Portfolio turnover rate	27.75%	48.89%	53.69%	52.98%	54.28%

^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.

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

Franklin Small-Mid Cap Growth Fund (continued)

	Year Ended April 30,				
	2023	2022	2021	2020	2019
Class R6					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$39.84	\$58.24	\$37.12	\$41.83	\$39.91
Income from investment operations ^a :					
Net investment income (loss) ^b	0.08	(0.10)	(0.10)	0.07	0.05
Net realized and unrealized gains (losses)	(1.65)	(11.38)	25.36	1.41	6.01
Total from investment operations	(1.57)	(11.48)	25.26	1.48	6.06
Less distributions from:					
Net realized gains	(1.88)	(6.92)	(4.14)	(6.19)	(4.14)
Net asset value, end of year	\$36.39	\$39.84	\$58.24	\$37.12	\$41.83
Total return	(3.70)%	(22.57)%	68.95%	3.40%	17.82%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	0.53%	0.51%	0.51%	0.52%	0.52%
Expenses net of waiver and payments by affiliates ^c	0.49%	0.50%	0.49%	0.48%	0.49%
Net investment income (loss)	0.23%	(0.19)%	(0.19)%	0.18%	0.13%
Supplemental data					
Net assets, end of year (000's)	\$451,447	\$540,509	\$648,078	\$224,341	\$259,053
Portfolio turnover rate	27.75%	48.89%	53.69%	52.98%	54.28%

^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.

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

Franklin Small-Mid Cap Growth Fund (continued)

	Year Ended April 30,				
	2023	2022	2021	2020	2019
Advisor Class					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$38.68	\$56.79	\$36.30	\$41.09	\$39.33
Income from investment operations ^a :					
Net investment income (loss) ^b	0.03	(0.15)	(0.14)	0.02	0.01
Net realized and unrealized gains (losses)	(1.61)	(11.04)	24.77	1.38	5.89
Total from investment operations	(1.58)	(11.19)	24.63	1.40	5.90
Less distributions from:					
Net realized gains	(1.88)	(6.92)	(4.14)	(6.19)	(4.14)
Net asset value, end of year	\$35.22	\$38.68	\$56.79	\$36.30	\$41.09
Total return	(3.81)%	(22.65)%	68.77%	3.26%	17.67%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	0.65%	0.60%	0.61%	0.63%	0.63%
Expenses net of waiver and payments by affiliates ^c	0.63%	0.59%	0.60%	0.62%	0.62%
Net investment income (loss)	0.08%	(0.28)%	(0.29)%	0.04%	—% ^d
Supplemental data					
Net assets, end of year (000's)	\$469,050	\$532,573	\$552,987	\$302,329	\$355,141
Portfolio turnover rate	27.75%	48.89%	53.69%	52.98%	54.28%

^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.

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

^dRounds to less than 0.01%.

Schedule of Investments, April 30, 2023

Franklin Small-Mid Cap Growth Fund

	Country	Shares	Value
Common Stocks 92.7%			
Aerospace & Defense 1.7%			
TransDigm Group, Inc.	United States	80,400	\$61,506,000
Automobile Components 0.0%[†]			
^a Mobileye Global, Inc., A.	Israel	20,700	779,148
Beverages 0.9%			
Brown-Forman Corp., B.	United States	503,600	32,779,324
Biotechnology 2.9%			
^a Alnylam Pharmaceuticals, Inc.	United States	135,600	27,011,520
^a Incyte Corp.	United States	162,500	12,091,625
^a Neurocrine Biosciences, Inc.	United States	137,900	13,933,416
^a PTC Therapeutics, Inc.	United States	512,900	28,281,306
^a Seagen, Inc.	United States	124,900	24,980,000
			106,297,867
Building Products 1.6%			
Trane Technologies plc.	United States	312,100	57,991,301
Capital Markets 5.1%			
Ares Management Corp.	United States	624,400	54,691,196
LPL Financial Holdings, Inc.	United States	143,500	29,968,540
MSCI, Inc.	United States	132,400	63,876,380
Nasdaq, Inc.	United States	164,400	9,102,828
Tradeweb Markets, Inc., A.	United States	389,300	27,410,613
			185,049,557
Chemicals 0.6%			
Albemarle Corp.	United States	106,600	19,770,036
Commercial Services & Supplies 1.4%			
Republic Services, Inc.	United States	352,300	50,949,626
Communications Equipment 2.0%			
^a Arista Networks, Inc.	United States	448,100	71,767,696
Containers & Packaging 1.0%			
Avery Dennison Corp.	United States	205,700	35,890,536
Electrical Equipment 1.4%			
AMETEK, Inc.	United States	142,300	19,627,439
Rockwell Automation, Inc.	United States	112,300	31,826,943
			51,454,382
Electronic Equipment, Instruments & Components 1.1%			
Amphenol Corp., A.	United States	47,700	3,599,919
^a Zebra Technologies Corp., A.	United States	130,700	37,645,521
			41,245,440
Energy Equipment & Services 0.3%			
Halliburton Co.	United States	371,700	12,173,175
Entertainment 0.6%			
^a ROBLOX Corp., A.	United States	604,800	21,530,880
Financial Services 1.1%			
^{a,b} Adyen NV, 144A, Reg S.	Netherlands	17,200	27,640,357
^a Toast, Inc., A.	United States	740,500	13,477,100
			41,117,457

Franklin Small-Mid Cap Growth Fund (continued)

	Country	Shares	Value
Common Stocks (continued)			
Food Products 0.6%			
^a Freshpet, Inc.	United States	310,900	\$21,442,773
Ground Transportation 1.6%			
Old Dominion Freight Line, Inc.	United States	180,750	57,910,493
Health Care Equipment & Supplies 6.2%			
^a Dexcom, Inc.	United States	607,056	73,660,175
^a IDEXX Laboratories, Inc.	United States	125,200	61,618,432
^a Inari Medical, Inc.	United States	324,200	21,533,364
^a Insulet Corp.	United States	144,700	46,020,388
^a Penumbra, Inc.	United States	80,800	22,956,896
			225,789,255
Health Care Providers & Services 0.5%			
^a HealthEquity, Inc.	United States	355,600	19,006,820
Health Care Technology 1.9%			
^a Certara, Inc.	United States	551,900	13,339,423
^a Veeva Systems, Inc., A	United States	304,600	54,547,768
			67,887,191
Hotels, Restaurants & Leisure 7.2%			
^a Chipotle Mexican Grill, Inc.	United States	49,000	101,313,380
Darden Restaurants, Inc.	United States	310,700	47,204,651
^a DoorDash, Inc., A	United States	184,600	11,295,674
^a Expedia Group, Inc.	United States	426,800	40,102,128
Vail Resorts, Inc.	United States	135,500	32,590,460
^a Wynn Resorts Ltd.	United States	238,900	27,301,492
			259,807,785
Household Durables 1.6%			
^a NVR, Inc.	United States	10,000	58,400,000
Industrial REITs 0.8%			
Terreno Realty Corp.	United States	449,800	27,703,182
Interactive Media & Services 1.8%			
^a Match Group, Inc.	United States	945,759	34,898,507
^a Pinterest, Inc., A	United States	1,256,100	28,890,300
			63,788,807
IT Services 2.3%			
^a Cloudflare, Inc., A	United States	605,300	28,479,365
^a MongoDB, Inc.	United States	119,900	28,771,204
^a Shopify, Inc., A	Canada	526,800	25,523,460
			82,774,029
Leisure Products 1.5%			
^{a,c,d} Fanatics Holdings, Inc.	United States	793,714	54,971,598
Life Sciences Tools & Services 5.3%			
^a 10X Genomics, Inc., A	United States	449,600	23,572,528
Agilent Technologies, Inc.	United States	328,200	44,448,126
^a Mettler-Toledo International, Inc.	United States	42,900	63,985,350
West Pharmaceutical Services, Inc.	United States	165,000	59,604,600
			191,610,604
Machinery 1.0%			
IDEX Corp.	United States	149,500	30,844,840

Franklin Small-Mid Cap Growth Fund (continued)

	Country	Shares	Value
Common Stocks (continued)			
Machinery (continued)			
^a Proterra, Inc.	United States	2,874,055	\$3,362,644
			34,207,484
Oil, Gas & Consumable Fuels 2.8%			
Cheniere Energy, Inc.	United States	184,000	28,152,000
Coterra Energy, Inc.	United States	787,300	20,154,880
Hess Corp.	United States	231,400	33,566,884
Targa Resources Corp.	United States	257,700	19,464,081
			101,337,845
Passenger Airlines 1.4%			
^a Delta Air Lines, Inc.	United States	1,512,500	51,893,875
Personal Care Products 1.1%			
^a BellRing Brands, Inc.	United States	1,052,900	37,893,871
Pharmaceuticals 1.5%			
^a Catalent, Inc.	United States	541,200	27,124,944
^a Jazz Pharmaceuticals plc	United States	194,100	27,265,227
			54,390,171
Professional Services 4.8%			
^a CoStar Group, Inc.	United States	405,200	31,180,140
Paychex, Inc.	United States	554,800	60,950,328
^a Paylocity Holding Corp.	United States	193,364	37,375,328
TransUnion	United States	648,100	44,595,761
			174,101,557
Residential REITs 1.0%			
Equity LifeStyle Properties, Inc.	United States	504,100	34,732,490
Semiconductors & Semiconductor Equipment 4.4%			
^a Enphase Energy, Inc.	United States	122,900	20,180,180
KLA Corp.	United States	33,600	12,987,744
^a Lattice Semiconductor Corp.	United States	504,114	40,177,886
Monolithic Power Systems, Inc.	United States	103,100	47,629,107
^a SiTime Corp.	United States	235,214	25,513,662
^a WolfSpeed, Inc.	United States	235,100	10,943,905
			157,432,484
Software 10.4%			
^a Alkami Technology, Inc.	United States	1,110,200	13,311,298
^a ANSYS, Inc.	United States	160,900	50,509,728
^a Arteris, Inc.	United States	1,319,600	4,908,912
^a Atlassian Corp., A	United States	160,800	23,743,728
^a BILL Holdings, Inc.	United States	243,433	18,698,089
^a CrowdStrike Holdings, Inc., A	United States	415,500	49,880,775
^a Datadog, Inc., A	United States	282,400	19,028,112
^a Fair Isaac Corp.	United States	39,400	28,681,230
^a Monday.com Ltd.	United States	135,400	16,507,968
^a Palo Alto Networks, Inc.	United States	144,000	26,274,240
^a Synopsys, Inc.	United States	297,000	110,282,040
^a Workday, Inc., A	United States	77,900	14,500,306
			376,326,426
Specialized REITs 0.9%			
SBA Communications Corp.	United States	122,000	31,828,580

Franklin Small-Mid Cap Growth Fund (continued)

	Country	Shares	Value
Common Stocks (continued)			
Specialty Retail 6.0%			
^a AutoZone, Inc.	United States	21,100	\$56,195,841
^a Burlington Stores, Inc.	United States	228,600	44,076,366
^a Five Below, Inc.	United States	201,200	39,708,832
^a Petco Health & Wellness Co., Inc.	United States	1,391,400	13,858,344
Tractor Supply Co.	United States	265,400	63,271,360
			217,110,743
Textiles, Apparel & Luxury Goods 2.5%			
Levi Strauss & Co., A	United States	213,300	3,084,318
^a Lululemon Athletica, Inc.	United States	229,200	87,079,956
			90,164,274
Trading Companies & Distributors 1.9%			
Fastenal Co.	United States	1,263,800	68,042,992
Total Common Stocks (Cost \$2,627,580,770)			3,350,857,754
Convertible Preferred Stocks 1.1%			
Diversified Consumer Services 0.2%			
^{a,c,d} Newsela, Inc., D	United States	423,782	7,184,103
Semiconductors & Semiconductor Equipment 0.1%			
^{a,c,d,e} Phononic Devices, Inc., F	United States	2,970,061	2,020,235
Software 0.8%			
^{a,c,d,e} Benchling, Inc., F	United States	347,106	5,268,888
^{a,c,d,e} Blaize, Inc., D	United States	1,948,384	3,051,900
^{a,c,d,e} Blaize, Inc., D-2	United States	1,467,659	1,094,514
^{a,c,d} Databricks, Inc., G	United States	227,829	11,557,040
^{a,c,d} OneTrust LLC, C.	United States	767,526	7,746,763
			28,719,105
Total Convertible Preferred Stocks (Cost \$83,781,543)			37,923,443
Preferred Stocks 0.0%[†]			
Semiconductors & Semiconductor Equipment 0.0%[†]			
^{a,c,d,e} Phononic Devices, Inc., G-2	United States	513,050	771,484
^{a,c,d,e} Phononic, Inc.	United States	117,763	563,212
			1,334,696
Total Preferred Stocks (Cost \$460,692)			1,334,696
Warrants			
Warrants 0.0%[†]			
Semiconductors & Semiconductor Equipment 0.0%[†]			
^{a,c,d,e} Phononic, Inc., H, 10/17/27	United States	47,104	60,114
Software 0.0%			
^{a,c,d,e} Blaize, Inc., 9/19/25	United States	146,765	—
^{a,c,d,e} Blaize, Inc., 12/09/25.	United States	1	—
^{a,c,d,e} Blaize, Inc., D, 2/28/24	United States	260,815	—
			—
Total Warrants (Cost \$44,091)			60,114

Franklin Small-Mid Cap Growth Fund (continued)

	Country	Principal Amount [†]	Value
Corporate Bonds 0.0%[†]			
Software 0.0%[†]			
^{c,d,e} Blaize, Inc., 10%, 12/09/24	United States	570,121	\$570,178
Total Corporate Bonds (Cost \$570,121)			570,178
Senior Floating Rate Interests 0.0%[†]			
Semiconductors & Semiconductor Equipment 0.0%[†]			
^{c,d,e,g} Phononic, Inc., Advance Term Loan, 12%, PIK, 6/30/25	United States	775,689	625,802
Total Senior Floating Rate Interests (Cost \$722,182)			625,802
		Shares	
Escrows and Litigation Trusts 0.0%			
^{a,c} Proterra, Inc., Escrow Account	United States	134,477	—
Total Escrows and Litigation Trusts (Cost \$—)			—
Total Long Term Investments (Cost \$2,713,159,399)			3,391,371,987
Short Term Investments 6.1%			
	Country	Shares	Value
Money Market Funds 5.0%			
^{h,i} Institutional Fiduciary Trust - Money Market Portfolio, 4.483%	United States	180,826,526	180,826,526
Total Money Market Funds (Cost \$180,826,526)			180,826,526
		Principal Amount[†]	
Repurchase Agreements 1.1%			
^j Joint Repurchase Agreement, 4.693%, 5/01/23 (Maturity Value \$39,951,390)			
BNP Paribas Securities Corp. (Maturity Value \$20,146,687)			
Deutsche Bank Securities, Inc. (Maturity Value \$7,717,010)			
HSBC Securities (USA), Inc. (Maturity Value \$12,087,693)			
Collateralized by U.S. Government and Agency Securities, 2%			
- 5.5%, 9/6/24 - 10/15/57; U.S. Treasury Bonds, Index Linked,			
2% - 2.38%, 1/15/25 - 1/15/26; and U.S. Treasury Notes, 0.38%,			
7/31/27 (valued at \$40,756,543).			
		39,935,771	39,935,771
Total Repurchase Agreements (Cost \$39,935,771)			39,935,771
Total Short Term Investments (Cost \$220,762,297)			220,762,297
Total Investments (Cost \$2,933,921,696) 99.9%			\$3,612,134,284
Other Assets, less Liabilities 0.1%			3,915,838
Net Assets 100.0%			\$3,616,050,122

Franklin Small-Mid Cap Growth Fund (continued)

See Abbreviations on page 81.

^{*}The principal amount is stated in U.S. dollars unless otherwise indicated.

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

^aNon-income producing.

^bSecurity was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At April 30, 2023, the value of this security was \$27,640,357, representing 0.8% of net assets.

^cFair valued using significant unobservable inputs. See Note 10 regarding fair value measurements.

^dSee Note 7 regarding restricted securities.

^eSee Note 8 regarding holdings of 5% voting securities.

^fSee Note 1(e) regarding senior floating rate interests.

^gIncome may be received in additional securities and/or cash.

^hSee Note 3(f) regarding investments in affiliated management investment companies.

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

^jSee Note 1(c) regarding joint repurchase agreement.

Statements of Assets and Liabilities

April 30, 2023

	Franklin Growth Opportunities Fund	Franklin Small Cap Growth Fund	Franklin Small- Mid Cap Growth Fund
Assets:			
Investments in securities:			
Cost - Unaffiliated issuers	\$1,585,837,201	\$2,208,517,325	\$2,665,067,228
Cost - Non-controlled affiliates (Note 3f and 8)	131,852,756	158,286,235	228,918,697
Cost - Unaffiliated repurchase agreements	—	—	39,935,771
Value - Unaffiliated issuers (Includes securities loaned of \$22,746,815, \$11,663,982 and \$—, respectively)	\$3,575,801,822	\$2,426,300,380	\$3,377,345,660
Value - Non-controlled affiliates (Note 3f and 8)	127,515,411	95,759,363	194,852,853
Value - Unaffiliated repurchase agreements	—	—	39,935,771
Cash	56,887	65,786	307,667
Receivables:			
Investment securities sold	4,948,891	11,021,374	16,475,146
Capital shares sold	3,007,932	1,914,113	1,545,405
Dividends and interest	609,432	72,598	996,831
Total assets	3,711,940,375	2,535,133,614	3,631,459,333
Liabilities:			
Payables:			
Investment securities purchased	—	7,162,419	8,747,426
Capital shares redeemed	2,789,197	2,234,987	2,962,439
Management fees	1,622,810	1,298,623	1,332,428
Distribution fees	668,220	190,601	619,333
Transfer agent fees	1,019,834	638,925	1,449,211
Trustees' fees and expenses	8	10	52
Payable upon return of securities loaned (Note 1d)	24,476,348	12,159,690	—
Accrued expenses and other liabilities	260,863	213,420	298,322
Total liabilities	30,837,280	23,898,675	15,409,211
Net assets, at value	\$3,681,103,095	\$2,511,234,939	\$3,616,050,122
Net assets consist of:			
Paid-in capital	\$1,682,507,877	\$2,401,810,777	\$3,395,524,026
Total distributable earnings (losses)	1,998,595,218	109,424,162	220,526,096
Net assets, at value	\$3,681,103,095	\$2,511,234,939	\$3,616,050,122

Statements of Assets and Liabilities (continued)

April 30, 2023

	Franklin Growth Opportunities Fund	Franklin Small Cap Growth Fund	Franklin Small- Mid Cap Growth Fund
Class A:			
Net assets, at value	\$2,765,017,388	\$763,870,662	\$2,578,199,140
Shares outstanding	70,620,010	44,434,052	86,656,136
Net asset value per share ^a	\$39.15	\$17.19	\$29.75
Maximum offering price per share (net asset value per share + 94.50%)	\$41.43	\$18.19	\$31.48
Class C:			
Net assets, at value	\$119,069,177	\$20,550,654	\$82,982,488
Shares outstanding	4,125,200	1,735,380	6,168,870
Net asset value and maximum offering price per share ^a	\$28.86	\$11.84	\$13.45
Class R:			
Net assets, at value	\$22,664,009	\$39,777,145	\$34,370,989
Shares outstanding	627,244	2,563,589	1,378,460
Net asset value and maximum offering price per share	\$36.13	\$15.52	\$24.93
Class R6:			
Net assets, at value	\$449,118,720	\$1,345,063,957	\$451,447,243
Shares outstanding	10,008,295	66,760,370	12,404,134
Net asset value and maximum offering price per share	\$44.87	\$20.15	\$36.39
Advisor Class:			
Net assets, at value	\$325,233,801	\$341,972,521	\$469,050,262
Shares outstanding	7,398,938	17,455,746	13,317,153
Net asset value and maximum offering price per share	\$43.96	\$19.59	\$35.22

^aRedemption price is equal to net asset value less contingent deferred sales charges, if applicable.

Statements of Operations

for the year ended April 30, 2023

	Franklin Growth Opportunities Fund	Franklin Small Cap Growth Fund	Franklin Small- Mid Cap Growth Fund
Investment income:			
Dividends: (net of foreign taxes of \$34,481, \$— and \$—, respectively)			
Unaffiliated issuers	\$19,634,477	\$11,558,627	\$21,017,257
Non-controlled affiliates (Note 3f and 8)	1,253,546	1,078,885	4,766,567
Interest:			
Unaffiliated issuers	—	—	537,348
Non-controlled affiliates (Note 3f and 8)	—	—	123,311
Income from securities loaned:			
Unaffiliated entities (net of fees and rebates)	1,902,375	1,179,908	(2,709)
Non-controlled affiliates (Note 3f)	965,190	668,562	23,356
Total investment income	23,755,588	14,485,982	26,465,130
Expenses:			
Management fees (Note 3a)	20,449,298	16,069,980	16,932,459
Distribution fees: (Note 3c)			
Class A	6,936,262	1,919,136	6,609,234
Class C	1,283,337	237,975	913,693
Class R	115,374	213,564	169,958
Transfer agent fees: (Note 3e)			
Class A	3,665,793	1,650,805	4,564,667
Class C	169,119	51,169	157,622
Class R	30,434	91,960	58,631
Class R6	101,841	500,605	247,301
Advisor Class	500,661	793,877	818,843
Custodian fees (Note 4)	55,467	9,871	27,209
Reports to shareholders fees	180,813	291,362	204,550
Registration and filing fees	135,752	125,815	198,280
Professional fees	89,269	77,234	78,429
Trustees' fees and expenses	38,368	28,383	42,882
Interest expense	3,038	581	—
Other	174,226	122,248	149,984
Total expenses	33,929,052	22,184,565	31,173,742
Expense reductions (Note 4)	(3,729)	(4,364)	(193)
Expenses waived/paid by affiliates (Note 3f and 3g)	(295,600)	(367,575)	(811,464)
Net expenses	33,629,723	21,812,626	30,362,085
Net investment income (loss)	(9,874,135)	(7,326,644)	(3,896,955)
Realized and unrealized gains (losses):			
Net realized gain (loss) from:			
Investments:*			
Unaffiliated issuers	159,660,544	(91,504,428)	(241,399,597)
Non-controlled affiliates (Note 3f and 8)	—	(4,131,478)	(28,162)
Foreign currency transactions	(26)	—	(12,122)
Net realized gain (loss)	159,660,518	(95,635,906)	(241,439,881)
Net change in unrealized appreciation (depreciation) on:			
Investments:			
Unaffiliated issuers	(372,838,321)	51,776,610	81,680,018
Non-controlled affiliates (Note 3f and 8)	(18,133,801)	(31,826,808)	(25,393,340)
Translation of other assets and liabilities denominated in foreign currencies	—	—	13,077
Net change in unrealized appreciation (depreciation)	(390,972,122)	19,949,802	56,299,755
Net realized and unrealized gain (loss)	(231,311,604)	(75,686,104)	(185,140,126)
Net increase (decrease) in net assets resulting from operations	\$(241,185,739)	\$(83,012,748)	\$(189,037,081)

*Includes gains from a redemption in-kind (Note 3h)

\$145,404,409

Statements of Changes in Net Assets

	Franklin Growth Opportunities Fund		Franklin Small Cap Growth Fund	
	Year Ended April 30, 2023	Year Ended April 30, 2022	Year Ended April 30, 2023	Year Ended April 30, 2022
Increase (decrease) in net assets:				
Operations:				
Net investment income (loss)	\$(9,874,135)	\$(26,385,964)	\$(7,326,644)	\$(12,128,676)
Net realized gain (loss)	159,660,518	394,534,506	(95,635,906)	202,442,914
Net change in unrealized appreciation (depreciation)	(390,972,122)	(1,250,301,003)	19,949,802	(1,434,354,666)
Net increase (decrease) in net assets resulting from operations.	(241,185,739)	(882,152,461)	(83,012,748)	(1,244,040,428)
Distributions to shareholders:				
Class A	(117,604,433)	(359,718,850)	(4,398,226)	(181,623,574)
Class C	(7,051,867)	(24,116,585)	(182,310)	(11,157,943)
Class R	(1,037,867)	(3,445,814)	(269,006)	(11,001,401)
Class R6	(16,500,576)	(45,124,223)	(6,963,574)	(275,811,029)
Advisor Class	(12,978,865)	(60,941,142)	(1,824,783)	(86,977,922)
Total distributions to shareholders	(155,173,608)	(493,346,614)	(13,637,899)	(566,571,869)
Capital share transactions: (Note 2)				
Class A	(156,935,909)	(6,279,016)	(65,065,140)	167,442,730
Class C	(22,566,167)	(67,672,792)	(10,464,989)	(24,866,698)
Class R	(1,799,745)	(4,737,474)	(8,407,569)	3,295,454
Class R6	23,823,563	33,819,307	(136,904,139)	295,833,158
Advisor Class	(264,796,290)	189,846,207	(77,248,269)	(25,196,039)
Total capital share transactions	(422,274,548)	144,976,232	(298,090,106)	416,508,605
Net increase (decrease) in net assets	(818,633,895)	(1,230,522,843)	(394,740,753)	(1,394,103,692)
Net assets:				
Beginning of year	4,499,736,990	5,730,259,833	2,905,975,692	4,300,079,384
End of year	\$3,681,103,095	\$4,499,736,990	\$2,511,234,939	\$2,905,975,692

Statements of Changes in Net Assets (continued)

	Franklin Small-Mid Cap Growth Fund	
	Year Ended April 30, 2023	Year Ended April 30, 2022
Increase (decrease) in net assets:		
Operations:		
Net investment income (loss)	\$(3,896,955)	\$(27,433,029)
Net realized gain (loss)	(241,439,881)	265,460,024
Net change in unrealized appreciation (depreciation)	56,299,755	(1,518,326,849)
Net increase (decrease) in net assets resulting from operations	(189,037,081)	(1,280,299,854)
Distributions to shareholders:		
Class A	(158,598,985)	(568,582,110)
Class C	(10,930,574)	(38,633,049)
Class R	(2,417,236)	(8,635,560)
Class R6	(22,679,273)	(85,137,628)
Advisor Class	(24,693,770)	(83,955,454)
Total distributions to shareholders	(219,319,838)	(784,943,801)
Capital share transactions: (Note 2)		
Class A	(147,703,497)	274,759,286
Class C	(10,637,467)	(15,778,928)
Class R	(158,411)	(1,091,727)
Class R6	(44,934,203)	143,151,443
Advisor Class	(14,301,398)	229,136,029
Total capital share transactions	(217,734,976)	630,176,103
Net increase (decrease) in net assets	(626,091,895)	(1,435,067,552)
Net assets:		
Beginning of year	4,242,142,017	5,677,209,569
End of year	\$3,616,050,122	\$4,242,142,017

Notes to Financial Statements

1. Organization and Significant Accounting Policies

Franklin Strategic Series (Trust) is registered under the Investment Company Act of 1940 (1940 Act) as an open-end management investment company, consisting of ten separate funds, three of which are included in this report (Funds). The Funds follow the accounting and reporting guidance in Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 946, Financial Services – Investment Companies (ASC 946) and apply the specialized accounting and reporting guidance in U.S. Generally Accepted Accounting Principles (U.S. GAAP), including, but not limited to, ASC 946. 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 on a monthly basis, after they have been held for 8 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 following summarizes the Funds' significant accounting policies.

a. Financial Instrument Valuation

The Funds' investments in financial instruments are carried at fair value daily. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The Funds calculate the net asset value (NAV) per share each business day as of 4 p.m. Eastern time or the regularly scheduled close of the New York Stock Exchange (NYSE), whichever is earlier. Under compliance policies and procedures approved by the Trust's Board of Trustees (the Board), the Board has designated the Funds' investment manager as the valuation designee and has responsibility for oversight of valuation. The investment manager is assisted by the Funds' administrator in performing this responsibility, 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.

Equity securities listed on an exchange or on the NASDAQ National Market System are valued at the last quoted sale price or the official closing price of the day, respectively. Foreign equity securities are valued as of the close of trading

on the foreign stock exchange on which the security is primarily traded, or as of 4 p.m. Eastern time. The value is then converted into its U.S. dollar equivalent at the foreign exchange rate in effect at 4 p.m. Eastern time on the day that the value of the security is determined. Over-the-counter (OTC) securities are valued within the range of the most recent quoted bid and ask prices. Securities that trade in multiple markets or on multiple exchanges are valued according to the broadest and most representative market. Certain equity securities are valued based upon fundamental characteristics or relationships to similar securities.

Debt securities generally trade in the OTC market rather than on a securities exchange. The Funds' pricing services use multiple valuation techniques to determine fair value. In instances where sufficient market activity exists, the pricing services may utilize a market-based approach through which quotes from market makers are used to determine fair value. In instances where sufficient market activity may not exist or is limited, the pricing services also utilize proprietary valuation models which may consider market characteristics such as benchmark yield curves, credit spreads, estimated default rates, anticipated market interest rate volatility, coupon rates, anticipated timing of principal repayments, underlying collateral, and other unique security features in order to estimate the relevant cash flows, which are then discounted to calculate the fair value.

Investments in open-end mutual funds are valued at the closing NAV. Investments in repurchase agreements are valued at cost, which approximates fair value.

The Funds have procedures to determine the fair value of financial instruments for which market prices are not reliable or readily available. Under these procedures, the Funds primarily employ a market-based approach which may use related or comparable assets or liabilities, recent transactions, market multiples, and other relevant information for the investment to determine the fair value of the investment. An income-based valuation approach may also be used in which the anticipated future cash flows of the investment are discounted to calculate fair value. Discounts may also be applied due to the nature or duration of any restrictions on the disposition of the investments. Due to the inherent uncertainty of valuations of such investments, the fair values may differ significantly from the values that would have been used had an active market existed.

1. Organization and Significant Accounting Policies

(continued)

a. Financial Instrument Valuation (continued)

Trading in securities on foreign securities stock exchanges and OTC markets may be completed before 4 p.m. Eastern time. In addition, trading in certain foreign markets may not take place on every Funds' business day. Events can occur between the time at which trading in a foreign security is completed and 4 p.m. Eastern time that might call into question the reliability of the value of a portfolio security held by the Funds. As a result, differences may arise between the value of the Funds' portfolio securities as determined at the foreign market close and the latest indications of value at 4 p.m. Eastern time. In order to minimize the potential for these differences, an independent pricing service may be used to adjust the value of the Funds' portfolio securities to the latest indications of fair value at 4 p.m. Eastern time. At April 30, 2023, certain securities may have been fair valued using these procedures, in which case the securities were categorized as Level 2 within the fair value hierarchy (referred to as "market level fair value"). See the Fair Value Measurements note for more information.

When the last day of the reporting period is a non-business day, certain foreign markets may be open on those days that the Funds' NAV is not calculated, which could result in differences between the value of the Funds' portfolio securities on the last business day and the last calendar day of the reporting period. Any security valuation changes due to an open foreign market are adjusted and reflected by the Funds for financial reporting purposes.

b. Foreign Currency Translation

Portfolio securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars based on the exchange rate of such currencies against U.S. dollars on the date of valuation. The Funds may enter into foreign currency exchange contracts to facilitate transactions denominated in a foreign currency. Purchases and sales of securities, income and expense items denominated in foreign currencies are translated into U.S. dollars at the exchange rate in effect on the transaction date. Portfolio securities and assets and liabilities denominated in foreign currencies contain risks that those currencies will decline in value relative to the U.S. dollar. Occasionally, events may impact the availability or reliability of foreign exchange rates used to convert the U.S. dollar equivalent

value. If such an event occurs, the foreign exchange rate will be valued at fair value using procedures established and approved by the Board.

The Funds do not separately report the effect of changes in foreign exchange rates from changes in market prices on securities held. Such changes are included in net realized and unrealized gain or loss from investments in the Statements of Operations.

Realized foreign exchange gains or losses arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions and the difference between the recorded amounts of dividends, interest, and foreign withholding taxes and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in foreign exchange rates on foreign denominated assets and liabilities other than investments in securities held at the end of the reporting period.

c. Joint Repurchase Agreement

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

1. Organization and Significant Accounting Policies

(continued)

c. Joint Repurchase Agreement (continued)

or delays in addition to a loss on the securities if their value falls below the repurchase price owed by the seller. The joint repurchase agreement held by the Funds at year end, as indicated in the Schedules of Investments, had been entered into on April 28, 2023.

d. Securities Lending

Certain or all Funds participate in an agency based securities lending program to earn additional income. The Fund receives collateral in the form of cash and/or U.S. Government and Agency securities against the loaned securities in an amount equal to at least 102% of the fair value of the loaned securities. Collateral is maintained over the life of the loan in an amount not less than 100% of the fair value of loaned securities, as determined at the close of Fund business each day; any additional collateral required due to changes in security values is delivered to the Fund on the next business day. Any cash collateral received is deposited into a joint cash account with other funds and is used to invest in a money market fund managed by Franklin Advisers, Inc., an affiliate of the Funds. The Fund may receive income from the investment of cash collateral, in addition to lending fees and rebates paid by the borrower. Income from securities loaned, net of fees paid to the securities lending agent and/or third-party vendor, is reported separately in the Statements of Operations. The Fund bears the market risk with respect to any cash collateral investment, securities loaned, and the risk that the agent may default on its obligations to the Fund. If the borrower defaults on its obligation to return the securities loaned, the Fund has the right to repurchase the securities in the open market using the collateral received. The securities lending agent has agreed to indemnify the Fund in the event of default by a third party borrower. At April 30, 2023, Franklin Small-Mid Cap Growth Fund had no securities on loan.

e. Senior Floating Rate Interests

Certain or all Funds invest in senior secured corporate loans that pay interest at rates which are periodically reset by reference to a base lending rate plus a spread. These base lending rates are generally the prime rate offered by a designated U.S. bank or the London Interbank Offered Rate (LIBOR). Senior secured corporate loans often require prepayment of principal from excess cash flows or at the

discretion of the borrower. As a result, actual maturity may be substantially less than the stated maturity. Senior secured corporate loans in which the Funds invest are generally readily marketable, but may be subject to certain restrictions on resale.

f. Income and Deferred 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.

The Funds may be subject to foreign taxation related to income received, capital gains on the sale of securities and certain foreign currency transactions in the foreign jurisdictions in which the Funds invest. Foreign taxes, if any, are recorded based on the tax regulations and rates that exist in the foreign markets in which the Funds invest. When a capital gain tax is determined to apply, certain or all Funds record an estimated deferred tax liability in an amount that would be payable if the securities were disposed of on the valuation date.

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 April 30, 2023, 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.

g. Security Transactions, Investment Income, Expenses and Distributions

Security transactions are accounted for on trade date. Realized gains and losses on security transactions are determined on a specific identification basis. Interest income and estimated expenses are accrued daily. Amortization of premium and accretion of discount on debt securities are included in interest income. Dividend income is recorded on the ex-dividend date except for certain dividends from securities where the dividend rate is not available. In such cases, the dividend is recorded as soon as the information

1. Organization and Significant Accounting Policies

(continued)

g. Security Transactions, Investment Income, Expenses and Distributions (continued)

is received by the Funds. Certain or all Funds may receive other income from investments in senior secured corporate loans or unfunded commitments, including amendment fees, consent fees or commitment fees. These fees are recorded as income when received by the Funds. 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.

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.

h. 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.

i. Guarantees and Indemnifications

Under the Trust's organizational documents, its officers and trustees are indemnified by the Trust against certain liabilities arising out of the performance of their duties to the Trust.

Additionally, in the normal course of business, the Trust, on behalf of the Funds, enters into contracts with service providers that contain general indemnification clauses. The Trust's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Trust that have not yet occurred. Currently, the Trust expects the risk of loss to be remote.

2. Shares of Beneficial Interest

At April 30, 2023, there were an unlimited number of shares authorized (without par value). Transactions in the Funds' shares were as follows:

	Franklin Growth Opportunities Fund		Franklin Small Cap Growth Fund	
	Shares	Amount	Shares	Amount
Class A Shares:				
Year ended April 30, 2023				
Shares sold ^a	4,502,909	\$173,052,149	6,638,254	\$110,403,207
Shares issued in reinvestment of distributions	3,214,869	114,802,255	267,974	4,284,631
Shares redeemed	(11,643,392)	(444,790,313)	(10,879,344)	(179,752,978)
Net increase (decrease)	(3,925,614)	\$(156,935,909)	(3,973,116)	\$(65,065,140)
Year ended April 30, 2022				
Shares sold ^a	6,890,606	\$396,777,803	9,253,728	\$238,990,129
Shares issued in reinvestment of distributions	6,082,227	350,944,784	7,947,202	176,427,893
Shares redeemed	(13,159,714)	(754,001,603)	(10,164,246)	(247,975,292)
Net increase (decrease)	(186,881)	\$(6,279,016)	7,036,684	\$167,442,730
Class C Shares:				
Year ended April 30, 2023				
Shares sold	619,760	\$17,604,728	334,406	\$3,847,147
Shares issued in reinvestment of distributions	266,009	7,022,634	16,407	181,129
Shares redeemed ^a	(1,642,280)	(47,193,529)	(1,263,004)	(14,493,265)
Net increase (decrease)	(756,511)	\$(22,566,167)	(912,191)	\$(10,464,989)
Year ended April 30, 2022				
Shares sold	806,835	\$35,542,381	365,784	\$6,912,044
Shares issued in reinvestment of distributions	550,017	24,013,761	717,415	11,112,762
Shares redeemed ^a	(2,830,083)	(127,228,934)	(2,263,971)	(42,891,504)
Net increase (decrease)	(1,473,231)	\$(67,672,792)	(1,180,772)	\$(24,866,698)
Class R Shares:				
Year ended April 30, 2023				
Shares sold	79,609	\$2,804,309	449,685	\$6,762,540
Shares issued in reinvestment of distributions	31,444	1,037,342	18,629	269,006
Shares redeemed	(158,057)	(5,641,396)	(1,031,229)	(15,439,115)
Net increase (decrease)	(47,004)	\$(1,799,745)	(562,915)	\$(8,407,569)
Year ended April 30, 2022				
Shares sold	76,942	\$3,980,274	551,504	\$11,946,416
Shares issued in reinvestment of distributions	64,252	3,445,813	546,789	11,001,401
Shares redeemed	(233,672)	(12,163,561)	(828,577)	(19,652,363)
Net increase (decrease)	(92,478)	\$(4,737,474)	269,716	\$3,295,454

2. Shares of Beneficial Interest (continued)

	Franklin Growth Opportunities Fund		Franklin Small Cap Growth Fund	
	Shares	Amount	Shares	Amount
Class R6 Shares:				
Year ended April 30, 2023				
Shares sold	1,651,644	\$70,823,865	12,663,755	\$246,093,068
Shares issued in reinvestment of distributions	295,080	12,059,884	331,570	6,203,670
Shares redeemed	(1,359,181)	(59,060,186)	(20,016,884)	(389,200,877)
Net increase (decrease)	587,543	\$23,823,563	(7,021,559)	\$(136,904,139)
Year ended April 30, 2022				
Shares sold	1,240,329	\$80,658,673	18,516,718	\$540,887,626
Shares issued in reinvestment of distributions	492,336	32,218,482	9,701,881	250,696,604
Shares redeemed	(1,254,887)	(79,057,848)	(17,399,202)	(495,751,072)
Net increase (decrease)	477,778	\$33,819,307	10,819,397	\$295,833,158
Advisor Class Shares:				
Year ended April 30, 2023				
Shares sold	4,060,600	\$171,533,914	4,622,859	\$87,576,461
Shares issued in reinvestment of distributions	315,501	12,635,806	88,186	1,604,993
Shares redeemed in-kind (Note 3h)	(5,364,050)	(242,240,519)	—	—
Shares redeemed	(4,855,182)	(206,725,491)	(8,708,001)	(166,429,723)
Net increase (decrease)	(5,843,131)	\$(264,796,290)	(3,996,956)	\$(77,248,269)
Year ended April 30, 2022				
Shares sold	4,816,438	\$312,058,174	4,892,787	\$136,887,334
Shares issued in reinvestment of distributions	934,701	60,035,832	2,985,266	75,198,838
Shares redeemed	(2,885,831)	(182,247,799)	(8,558,404)	(237,282,211)
Net increase (decrease)	2,865,308	\$189,846,207	(680,351)	\$(25,196,039)
Franklin Small-Mid Cap Growth Fund				
	Shares	Amount		
Class A Shares:				
Year ended April 30, 2023				
Shares sold ^a	6,633,600	\$198,652,679		
Shares issued in reinvestment of distributions	5,494,365	154,666,446		
Shares redeemed	(16,780,836)	(501,022,622)		
Net increase (decrease)	(4,652,871)	\$(147,703,497)		
Year ended April 30, 2022				
Shares sold ^a	10,434,368	\$484,680,273		
Shares issued in reinvestment of distributions	12,690,378	554,315,810		
Shares redeemed	(16,735,087)	(764,236,797)		
Net increase (decrease)	6,389,659	\$274,759,286		

2. Shares of Beneficial Interest (continued)

	Franklin Small-Mid Cap Growth Fund	
	Shares	Amount
Class C Shares:		
Year ended April 30, 2023		
Shares sold	860,980	\$12,250,320
Shares issued in reinvestment of distributions	851,635	10,866,855
Shares redeemed ^a	(2,370,166)	(33,754,642)
Net increase (decrease)	(657,551)	\$(10,637,467)
Year ended April 30, 2022		
Shares sold	1,058,316	\$25,966,238
Shares issued in reinvestment of distributions	1,792,755	38,472,525
Shares redeemed ^a	(3,125,852)	(80,217,691)
Net increase (decrease)	(274,781)	\$(15,778,928)
Class R Shares:		
Year ended April 30, 2023		
Shares sold	229,482	\$5,787,643
Shares issued in reinvestment of distributions	101,961	2,408,346
Shares redeemed	(331,668)	(8,354,400)
Net increase (decrease)	(225)	\$(158,411)
Year ended April 30, 2022		
Shares sold	216,423	\$8,644,434
Shares issued in reinvestment of distributions	231,763	8,610,007
Shares redeemed	(460,531)	(18,346,168)
Net increase (decrease)	(12,345)	\$(1,091,727)
Class R6 Shares:		
Year ended April 30, 2023		
Shares sold	2,952,937	\$107,377,100
Shares issued in reinvestment of distributions	581,100	19,984,012
Shares redeemed	(4,697,122)	(172,295,315)
Net increase (decrease)	(1,163,085)	\$(44,934,203)
Year ended April 30, 2022		
Shares sold	5,242,939	\$288,735,264
Shares issued in reinvestment of distributions	1,465,418	77,007,708
Shares redeemed	(4,268,611)	(222,591,529)
Net increase (decrease)	2,439,746	\$143,151,443

2. Shares of Beneficial Interest (continued)

	Franklin Small-Mid Cap Growth Fund	
	Shares	Amount
Advisor Class Shares:		
Year ended April 30, 2023		
Shares sold	2,320,439	\$83,749,485
Shares issued in reinvestment of distributions	724,960	24,141,123
Shares redeemed	(3,498,606)	(122,192,006)
Net increase (decrease)	(453,207)	\$(14,301,398)
Year ended April 30, 2022		
Shares sold	5,277,785	\$293,020,383
Shares issued in reinvestment of distributions	1,600,230	81,659,747
Shares redeemed	(2,845,020)	(145,544,101)
Net increase (decrease)	4,032,995	\$229,136,029

*May 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 Trust are also officers and/or directors of the following subsidiaries:

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

a. Management Fees

Franklin Growth Opportunities Fund pays an investment management fee, calculated daily and paid monthly, to Advisers based on the average daily net assets of the Fund as follows:

Annualized Fee Rate	Net Assets
0.700%	Up to and including \$500 million
0.600%	Over \$500 million, up to and including \$1 billion
0.550%	Over \$1 billion, up to and including \$1.5 billion
0.500%	Over \$1.5 billion, up to and including \$6.5 billion
0.475%	Over \$6.5 billion, up to and including \$11.5 billion
0.450%	Over \$11.5 billion, up to and including \$16.5 billion
0.440%	Over \$16.5 billion, up to and including \$19 billion
0.430%	Over \$19 billion, up to and including \$21.5 billion
0.420%	In excess of \$21.5 billion

3. Transactions with Affiliates (continued)**a. Management Fees** (continued)

Franklin Small Cap Growth Fund pays an investment management fee, calculated daily and paid monthly, to Advisers based on the average daily net assets of the Fund as follows:

Annualized Fee Rate	Net Assets
0.750%	Up to and including \$500 million
0.650%	Over \$500 million, up to and including \$1 billion
0.600%	Over \$1 billion, up to and including \$1.5 billion
0.550%	Over \$1.5 billion, up to and including \$6.5 billion
0.525%	Over \$6.5 billion, up to and including \$11.5 billion
0.500%	Over \$11.5 billion, up to and including \$16.5 billion
0.490%	Over \$16.5 billion, up to and including \$19 billion
0.480%	Over \$19 billion, up to and including \$21.5 billion
0.470%	In excess of \$21.5 billion

Franklin Small-Mid Cap Growth Fund pays an investment management fee, calculated daily and paid monthly, to Advisers based on the average daily net assets of the Fund as follows:

Annualized Fee Rate	Net Assets
0.625%	Up to and including \$100 million
0.500%	Over \$100 million, up to and including \$250 million
0.450%	Over \$250 million, up to and including \$7.5 billion
0.440%	Over \$7.5 billion, up to and including \$10 billion
0.430%	Over \$10 billion, up to and including \$12.5 billion
0.420%	Over \$12.5 billion, up to and including \$15 billion
0.400%	In excess of \$15 billion

For the year ended April 30, 2023, each Fund's gross effective investment management fee rate based on average daily net assets was as follows:

	Franklin Growth Opportunities Fund	Franklin Small Cap Growth Fund	Franklin Small-Mid Cap Growth Fund
Gross effective investment management fee rate	0.547%	0.617%	0.457%

b. Administrative Fees

Under an agreement with Advisers, FT Services provides administrative services to the Funds. The fee is paid by Advisers based on each of the Funds' average daily net assets, and is not an additional expense of the Funds.

c. Distribution Fees

The Board has adopted distribution plans for each share class, with the exception of Class R6 and Advisor Class shares, pursuant to Rule 12b-1 under the 1940 Act. Under the Funds' Class A reimbursement distribution plans, the Funds reimburse Distributors for costs incurred in connection with the servicing, sale and distribution of each Fund's shares up to the maximum annual plan rate. Under the Class A reimbursement distribution plans, costs exceeding the maximum for the current plan year cannot be reimbursed in subsequent periods. In addition, under the Funds' Class C and R compensation distribution plans,

3. Transactions with Affiliates (continued)

c. Distribution Fees (continued)

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.

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

	Franklin Growth Opportunities Fund	Franklin Small Cap Growth Fund	Franklin Small-Mid Cap Growth Fund
Class A	0.35%	0.35%	0.25%
Class C	1.00%	1.00%	1.00%
Class R	0.50%	0.50%	0.50%

For Franklin Growth Opportunities Fund and Franklin Small Cap Growth Fund, the Board has set the current rate at 0.25% per year for Class A shares until further notice and approval by the Board.

d. Sales Charges/Underwriting Agreements

Front-end sales charges and contingent deferred sales charges (CDSC) do not represent expenses of the Funds. These charges are deducted from the proceeds of sales of fund shares prior to investment or from redemption proceeds prior to remittance, as applicable. Distributors has advised the Funds of the following commission transactions related to the sales and redemptions of the Funds' shares for the year:

	Franklin Growth Opportunities Fund	Franklin Small Cap Growth Fund	Franklin Small-Mid Cap Growth Fund
Sales charges retained net of commissions paid to unaffiliated brokers/dealers	\$210,549	\$97,036	\$238,484
CDSC retained	\$11,389	\$11,077	\$23,273

e. Transfer Agent Fees

Each class of shares pays transfer agent fees to Investor Services for its performance of shareholder servicing obligations. Effective October 1, 2022, the fees are based on an annualized asset based fee of 0.016% plus a reduced transaction based fee. Prior to October 1, 2022, the fees were 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 year ended April 30, 2023, the Funds paid transfer agent fees as noted in the Statements of Operations of which the following amounts were retained by Investor Services:

	Franklin Growth Opportunities Fund	Franklin Small Cap Growth Fund	Franklin Small-Mid Cap Growth Fund
Transfer agent fees	\$1,715,396	\$1,301,917	\$1,846,470

3. Transactions with Affiliates (continued)**f. Investments in Affiliated Management Investment Companies**

Certain or all Funds invest in one or more affiliated management investment companies. As defined in the 1940 Act, an investment is deemed to be a “Controlled Affiliate” of a fund when a fund owns, either directly or indirectly, 25% or more of the affiliated fund’s outstanding shares or has the power to exercise control over management or policies of such fund. The Funds do not invest for purposes of exercising a controlling influence over the management or policies. Management fees paid by the Funds are waived on assets invested in the affiliated management investment companies, as noted in the Statements of Operations, in an amount not to exceed the management and administrative fees paid directly or indirectly by each affiliate. During the year ended April 30, 2023, investments in affiliated management investment companies were as follows:

	Value at Beginning of Year	Purchases	Sales	Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Value at End of Year	Number of Shares Held at End of Year	Investment Income
Franklin Growth Opportunities Fund								
Non-Controlled Affiliates								
								Dividends
Institutional Fiduciary Trust - Money Market Portfolio, 4.483%	\$66,393,267	\$628,331,750	\$(609,809,156)	\$—	\$—	\$84,915,861	84,915,861	\$1,253,546
Non-Controlled Affiliates								
								Income from securities loaned
Institutional Fiduciary Trust - Money Market Portfolio, 4.483%	\$98,247,070	\$356,767,089	\$(430,537,811)	\$—	\$—	\$24,476,348	24,476,348	\$965,190
Total Affiliated Securities . . .	\$164,640,337	\$985,098,839	\$(1,040,346,967)	\$—	\$—	\$109,392,209		\$2,218,736
Franklin Small Cap Growth Fund								
Non-Controlled Affiliates								
								Dividends
Institutional Fiduciary Trust - Money Market Portfolio, 4.483%	\$69,092,890	\$418,450,276	\$(454,800,804)	\$—	\$—	\$32,742,362	32,742,362	\$1,078,885
Non-Controlled Affiliates								
								Income from securities loaned
Institutional Fiduciary Trust - Money Market Portfolio, 4.483%	\$87,800,835	\$473,301,521	\$(548,942,666)	\$—	\$—	\$12,159,690	12,159,690	\$668,562
Total Affiliated Securities . . .	\$156,893,725	\$891,751,797	\$(1,003,743,470)	\$—	\$—	\$44,902,052		\$1,747,447
Franklin Small-Mid Cap Growth Fund								
Non-Controlled Affiliates								
								Dividends
Institutional Fiduciary Trust - Money Market Portfolio, 4.483%	\$195,919,198	\$397,298,975	\$(412,391,647)	\$—	\$—	\$180,826,526	180,826,526	\$4,766,567

3. Transactions with Affiliates (continued)

f. Investments in Affiliated Management Investment Companies (continued)

	Value at Beginning of Year	Purchases	Sales	Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Value at End of Year	Number of Shares Held at End of Year	Investment Income
Franklin Small-Mid Cap Growth Fund (continued)								
Non-Controlled Affiliates								
								Income from securities loaned
Institutional Fiduciary Trust - Money Market Portfolio, 4.483%	\$22,421,425	\$76,653,145	\$(99,074,570)	\$—	\$—	\$—	—	\$23,356
Total Affiliated Securities . . .	\$218,340,623	\$473,952,120	\$(511,466,217)	\$—	\$—	\$180,826,526		\$4,789,923

g. 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 August 31, 2023.

h. Other Affiliated Transactions

During the year ended April 30, 2023, the New Jersey Better Educational Savings Trust Program - Franklin Templeton Managed Investments Options (529 Portfolios) redeemed out of the Franklin Growth Opportunities Fund. As a result, on July 22, 2022, the Fund delivered portfolio securities and cash that were transferred in-kind to the 529 Portfolios, which included \$145,404,409 of net realized gains. As such gains are not taxable to the Fund and are not distributed to remaining shareholders, they are reclassified from accumulated net realized gains to paid-in capital.

4. Expense Offset Arrangement

The Funds have entered into an arrangement with their custodian whereby credits realized as a result of uninvested cash balances are used to reduce a portion of the Funds' custodian expenses. During the year ended April 30, 2023, the custodian fees were reduced as noted in the Statements of Operations.

5. Income Taxes

For tax purposes, capital losses may be carried over to offset future capital gains.

At April 30, 2023, the capital loss carryforwards were as follows:

	Franklin Small Cap Growth Fund	Franklin Small- Mid Cap Growth Fund
Capital loss carryforwards not subject to expiration:		
Short term	\$31,793,662	\$420,583,613
Long term	63,983,400	21,321,771
Total capital loss carryforwards	\$95,777,062	\$441,905,384

5. Income Taxes (continued)

The tax character of distributions paid during the years ended April 30, 2023 and 2022, was as follows:

	Franklin Growth Opportunities Fund		Franklin Small Cap Growth Fund	
	2023	2022	2023	2022
Distributions paid from:				
Ordinary income	\$—	\$20,782,601	\$—	\$97,151,885
Long term capital gain	155,173,608	472,564,013	13,637,899	469,419,984
	<u>\$155,173,608</u>	<u>\$493,346,614</u>	<u>\$13,637,899</u>	<u>\$566,571,869</u>
	Franklin Small-Mid Cap Growth Fund			
	2023	2022		
Distributions paid from:				
Ordinary income	\$—	\$145,205,359		
Long term capital gain	219,319,838	639,738,442		
	<u>\$219,319,838</u>	<u>\$784,943,801</u>		

For tax purposes, the Funds may elect to defer any portion of a post-October capital loss or late-year ordinary loss to the first day of the following fiscal year. At April 30, 2023, the deferred losses were as follows:

	Franklin Small Cap Growth Fund	Franklin Small-Mid Cap Growth Fund
Late-year ordinary loss	\$3,841,241	\$972,503

At April 30, 2023, the cost of investments, net unrealized appreciation (depreciation) and undistributed long term capital gain for income tax purposes were as follows:

	Franklin Growth Opportunities Fund	Franklin Small Cap Growth Fund	Franklin Small- Mid Cap Growth Fund
Cost of investments	\$1,718,651,377	\$2,374,001,741	\$2,956,560,440
Unrealized appreciation.	\$2,084,179,069	\$689,844,782	\$1,008,786,056
Unrealized depreciation.	(99,513,213)	(541,786,780)	(353,212,212)
Net unrealized appreciation (depreciation).	<u>\$1,984,665,856</u>	<u>\$148,058,002</u>	<u>\$655,573,844</u>
Distributable earnings:			
Undistributed long term capital gains	<u>\$13,929,361</u>	<u>\$—</u>	<u>\$—</u>

Differences between income and/or capital gains as determined on a book basis and a tax basis are primarily due to differing treatments of wash sales and gains realized on in-kind shareholder redemptions.

6. Investment Transactions

Purchases and sales of investments (excluding short term securities and in-kind transactions) for the year ended April 30, 2023, were as follows:

	Franklin Growth Opportunities Fund	Franklin Small Cap Growth Fund	Franklin Small-Mid Cap Growth Fund
Purchases	\$614,847,607	\$433,385,627	\$983,717,105
Sales	\$994,254,876 ^a	\$697,172,651	\$1,455,898,651

^a Sales of investments excludes in-kind transactions of \$222,425,536.

At April 30, 2023, in connection with securities lending transactions, certain or all Funds loaned investments and received cash collateral as follows:

	Franklin Growth Opportunities Fund	Franklin Small Cap Growth Fund	Franklin Small-Mid Cap Growth Fund
Securities lending transactions^a:			
Equity investments ^b	\$24,476,348	\$12,159,690	\$—

^a The agreements can be terminated at any time.

^b The gross amount of recognized liability for such transactions is included in payable upon return of securities loaned in the Statements of Assets and Liabilities.

7. Restricted Securities

Certain or all Funds invest in securities that are restricted under the Securities Act of 1933 (1933 Act). Restricted securities are often purchased in private placement transactions, and cannot be sold without prior registration unless the sale is pursuant to an exemption under the 1933 Act. Disposal of these securities may require greater effort and expense, and prompt sale at an acceptable price may be difficult. The Funds may have registration rights for restricted securities. The issuer generally incurs all registration costs.

At April 30, 2023, investments in restricted securities, excluding securities exempt from registration under the 1933 Act, were as follows:

Shares	Issuer	Acquisition Date	Cost	Value
Franklin Growth Opportunities Fund				
11,829	Canva, Inc.	12/22/21	\$20,158,531	\$9,178,870
4,619	Celonis SE	6/16/21	1,708,060	1,079,626
25,571	Celonis SE, D	6/16/21-10/04/22	9,427,681	5,976,862
6,309,366	ClearMotion, Inc.	11/06/17-12/21/18	15,500,000	732,694
417,667	ClearMotion, Inc., A-3	3/23/23	—	60,443
2,606,463	ClearMotion, Inc., A-4	12/21/21	251,500	355,706
338,280	Databricks, Inc., G	2/01/21	20,000,005	17,159,867
1,029,939	Fanatics Holdings, Inc.	8/13/20-3/22/21	19,730,229	71,332,234
37,734	IL MAKIAGE Cosmetics (2013) Ltd.	12/06/21	16,241,091	16,934,771
810,440	Lacework, Inc., D	11/12/21	20,330,471	13,042,937
517,056	OneTrust LLC, C	4/01/21	10,139,623	5,218,729
556,026	Optoro, Inc., E	7/24/18-12/01/21	10,942,592	8,167,495

7. Restricted Securities (continued)

Shares	Issuer	Acquisition Date	Cost	Value
Franklin Growth Opportunities Fund (continued)				
142,857	Space Exploration Technologies Corp., A	5/25/22	\$9,999,990	\$10,999,989
1,753,060	Talkdesk, Inc., C	7/15/20	11,517,955	9,955,707
805,800	Tanium, Inc., G	9/14/15	4,000,233	4,860,798
504,854	Tempus Labs, Inc., F	5/29/19	12,499,983	15,164,614
126,131	Tempus Labs, Inc., G	2/06/20	4,837,426	3,788,676
Total Restricted Securities (Value is 5.3% of Net Assets).			\$187,285,370	\$194,010,018

Shares	Issuer	Acquisition Date	Cost	Value
Franklin Small Cap Growth Fund				
3,436,485	1661, Inc., F	5/28/21	\$19,999,999	\$6,545,566
382,306	Benchling, Inc., F	10/20/21	12,499,992	5,803,206
1,388,889	Checkr, Inc., E	8/24/21	25,000,002	20,854,127
1,037,942	ClearMotion Inc., A-3	3/23/23	—	150,206
3,698,772	ClearMotion, Inc.	12/21/18	10,000,000	429,531
6,477,294	ClearMotion, Inc., A-4	12/21/21	625,000	883,963
709,046	Newsela, Inc., D	1/21/21	15,000,010	12,019,999
625,361	OneTrust LLC, A	3/10/23	6,878,971	6,311,869
56,457	OneTrust LLC, A-1	3/10/23	621,027	569,829
554,878	Optoro, Inc., E	7/24/18-12/01/21	10,919,999	8,150,632
162,712	Smule Inc.	8/05/22-11/28/22	764,393	2,274,314
1,542,673	Smule, Inc., 144A, G	5/31/16	11,099,995	1,309,862
352,675	Smule, Inc., 144A, H	4/27/17	2,999,995	353,990
361,111	Tula eTechnology, Inc.	11/01/18	—	—
3,611,111	Tula eTechnology, Inc., E	9/08/17	6,500,000	6,232,998
1,328,630	^a Wheels Up Experience, Inc.	2/01/21	13,286,300	614,491
Total Restricted Securities (Value is 2.9% of Net Assets).			\$136,195,683	\$72,504,583

Principal Amount*/ Shares/ Warrants	Issuer	Acquisition Date	Cost	Value
Franklin Small-Mid Cap Growth Fund				
347,106	Benchling, Inc., F	10/20/21	\$11,349,082	\$5,268,888
570,121	Blaize, Inc., 10%, 12/09/24	1/19/23	570,121	570,178
1	Blaize, Inc., 12/09/25	1/19/23	57	—
146,765	Blaize, Inc., 9/19/25	9/20/22-9/22/22	5	—
1,948,384	Blaize, Inc., D	3/02/21-11/09/21	20,346,009	3,051,900
260,815	Blaize, Inc., D, 2/28/24	3/01/21-11/09/21	—	—
1,467,659	Blaize, Inc., D-2	4/01/22-9/20/22	7,099,996	1,094,514
227,829	Databricks, Inc., G	2/01/21	13,469,850	11,557,040
793,714	Fanatics Holdings, Inc.	8/13/20-3/22/21	14,052,061	54,971,598
423,782	Newsela, Inc., D	1/21/21	8,965,193	7,184,103

7. Restricted Securities (continued)

Principal Amount*/ Shares/ Warrants	Issuer	Acquisition Date	Cost	Value
Franklin Small-Mid Cap Growth Fund (continued)				
767,526	OneTrust LLC, C	4/01/21	\$15,051,415	\$7,746,763
2,970,061	Phononic Devices, Inc., F	6/06/19	7,499,998	2,020,235
513,050	Phononic Devices, Inc., G-2	1/17/20-11/03/20	47	771,484
117,763	Phononic, Inc.	10/17/22	460,645	563,212
775,689	Phononic, Inc., Advance Term Loan, 12%, PIK, 6/30/25	10/17/22	722,182	625,802
47,104	Phononic, Inc., H, 10/17/27	10/17/22	44,029	60,114
Total Restricted Securities (Value is 2.6% of Net Assets).			\$99,630,690	\$95,485,831

*In U.S. dollars unless otherwise indicated.

*The Fund also invests in unrestricted securities of the issuer, valued at \$519,674 as of April 30, 2023.

8. Holdings of 5% Voting Securities of Portfolio Companies

The 1940 Act defines "affiliated companies" to include investments in portfolio companies in which a fund owns 5% or more of the outstanding voting securities. Additionally, as defined in the 1940 Act, an investment is deemed to be a "Controlled Affiliate" of a fund when a fund owns, either directly or indirectly, 25% or more of the affiliated companies' outstanding shares or has the power to exercise control over management or policies of such company. During the year ended April 30, 2023, investments in "affiliated companies" were as follows:

	Value at Beginning of Year	Purchases	Sales	Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Value at End of Year	Number of Shares/Warrants/ Principal Amount* Held at End of Year	Investment Income
Franklin Growth Opportunities Fund								
Non-Controlled Affiliates								
								Dividends
ClearMotion Inc.	\$624,624	\$—	\$—	\$—	\$— ^a	\$— ^a	— ^a	\$—
ClearMotion, Inc., A-4... .	—	251,500 ^b	—	—	— ^a	— ^a	— ^a	—
Optoro, Inc., E.	9,587,680	—	—	—	(1,420,185)	8,167,495	556,026	—
Talkdesk, Inc., C	26,669,323	—	—	—	(16,713,616)	9,955,707	1,753,060	—
								Interest
ClearMotion, Inc., 7%, 12/21/22	301,800	—	(251,500) ^b	—	— ^a	— ^c	—	—
Total Affiliated Securities (Value is 0.5% of Net Assets).	\$37,183,427	\$251,500	\$(251,500)	\$—	\$(18,133,801)	\$18,123,202		\$—
Franklin Small Cap Growth Fund								
Non-Controlled Affiliates								
								Dividends
1661, Inc., F	11,377,470	—	—	—	(4,831,904)	6,545,566	3,436,485	—
Benchling, Inc., F	6,824,162	—	—	—	(1,020,956)	5,803,206	382,306	—

8. Holdings of 5% Voting Securities of Portfolio Companies (continued)

	Value at Beginning of Year	Purchases	Sales	Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Value at End of Year	Number of Shares/Warrants/ Principal Amount* Held at End of Year	Investment Income
Franklin Small Cap Growth Fund (continued)								
Non-Controlled Affiliates								
ClearMotion, Inc.	\$379,232	\$—	\$—	\$—	\$— ^a	\$— ^a	— ^a	\$—
ClearMotion, Inc., A-4. . .	—	625,000 ^b	—	—	— ^a	— ^a	— ^a	—
EyePoint Pharmaceuticals, Inc.	19,500,410	2,159,555	(516,978)	(287,645)	(8,564,754)	12,290,588	1,957,100	—
Nerdy, Inc.	16,226,640	118,579	(2,059,167)	(3,843,833)	— ^a	— ^a	— ^a	—
Optoro, Inc., E.	9,567,885	—	—	—	(1,417,253)	8,150,632	554,878	—
Paymentus Holdings, Inc., A.	27,620,424	6,438,836	—	—	(15,991,941)	18,067,319	2,195,300	—
								Interest
ClearMotion, Inc., 7%, 12/21/22	750,000	—	(625,000) ^b	—	— ^a	— ^c	—	—
Total Affiliated Securities (Value is 2.0% of Net Assets)	\$92,246,223	\$9,341,970	\$(3,201,145)	\$(4,131,478)	\$(31,826,808)	\$50,857,311		\$—
Franklin Small-Mid Cap Growth Fund								
Non-Controlled Affiliates								
								Dividends
Benchling, Inc., F.	6,195,842	—	—	—	(926,954)	5,268,888	347,106	—
Blaize, Inc., 12/09/25 . .	—	57	—	—	(57)	—	1	—
Blaize, Inc., 9/19/25 . . .	—	5	—	—	(5)	—	146,765	—
Blaize, Inc., D.	16,733,295	—	—	—	(13,681,395)	3,051,900	1,948,384	—
Blaize, Inc., D, 2/28/24 .	67,020	—	—	—	(67,020)	—	260,815	—
Blaize, Inc., D-2.	—	7,099,996 ^b	—	—	(6,005,482)	1,094,514	1,467,659	—
Phononic Devices, Inc., F	6,044,404	—	—	—	(4,024,169)	2,020,235	2,970,061	—
Phononic Devices, Inc., G-2	1,605,117	—	—	—	(833,633)	771,484	513,050	—
Phononic, Inc.	—	460,646	—	—	102,566	563,212	117,763	—
Phononic, Inc., H, 10/17/27	—	44,029	—	—	16,085	60,114	47,104	—
								Interest
Blaize, Inc., 10%, 12/09/24	—	570,121	—	—	57	570,178	570,121	16,153
Blaize, Inc., D, 10%, 8/24/23	4,725,000	—	(4,725,000) ^b	—	—	— ^c	—	—
Phononic, Inc., Advance Term Loan, 12%, PIK, 6/30/25	—	722,181	—	—	(96,379)	625,802	775,689	90,579
Phononic, Inc., Advance Term Loan, B, 12%, PIK, 7/31/26	112,590	3,466	(127,770)	(3,185)	14,899	— ^c	—	1,790

8. Holdings of 5% Voting Securities of Portfolio Companies (continued)

	Value at Beginning of Year	Purchases	Sales	Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Value at End of Year	Number of Shares/Warrants/ Principal Amount* Held at End of Year	Investment Income
Franklin Small-Mid Cap Growth Fund (continued)								
Non-Controlled Affiliates								
Phononic, Inc., Advance Term Loan, D, 12%, PIK, 12/01/25.	\$266,507	\$8,105	\$(317,720)	\$4,989	\$38,119	\$— ^c	—	\$4,400
Phononic, Inc., Term Loan, A, 12%, PIK, 1/17/24.	568,451	17,507	(609,203)	(31,791)	55,036	— ^c	—	8,644
Phononic, Inc., Term Loan, C, 12%, PIK, 8/25/24	108,823	3,310	(128,950)	1,825	14,992	— ^c	—	1,745
Total Affiliated Securities (Value is 0.4% of Net Assets).	\$36,427,049	\$8,929,423	\$(5,908,643)	\$(28,162)	\$(25,393,340)	\$14,026,327		\$123,311

[†]In U.S. dollars unless otherwise indicated.

^aAs of April 30, 2023, no longer an affiliate.

^bMay include accretion, amortization, partnership adjustments, and/or corporate actions.

^cAs of April 30, 2023, no longer held by the fund.

9. 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 \$2.675 billion (Global Credit Facility) which matures on February 2, 2024. 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 year ended April 30, 2023, the Funds did not use the Global Credit Facility.

10. 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)

10. Fair Value Measurements (continued)

The input levels are not necessarily an indication of the risk or liquidity associated with financial instruments at that level.

A summary of inputs used as of April 30, 2023, in valuing the Funds' assets carried at fair value, is as follows:

	Level 1	Level 2	Level 3	Total
Franklin Growth Opportunities Fund				
Assets:				
Investments in Securities:				
Common Stocks:				
Aerospace & Defense	\$31,631,364	\$—	\$10,999,989	\$42,631,353
Automobiles	21,034,145	—	—	21,034,145
Beverages	95,592,672	—	—	95,592,672
Biotechnology	1,317,590	—	—	1,317,590
Broadline Retail	193,225,104	—	—	193,225,104
Capital Markets	177,043,377	—	—	177,043,377
Chemicals	68,514,133	—	—	68,514,133
Commercial Services & Supplies	47,085,235	—	7,056,488	54,141,723
Electric Utilities	35,407,811	—	—	35,407,811
Financial Services	313,742,138	—	—	313,742,138
Food Products	42,150,595	—	—	42,150,595
Ground Transportation	70,330,365	—	—	70,330,365
Health Care Equipment & Supplies	86,442,467	—	16,934,771	103,377,238
Health Care Providers & Services	112,639,825	—	—	112,639,825
Health Care Technology	19,651,523	—	—	19,651,523
Hotels, Restaurants & Leisure	89,333,321	—	—	89,333,321
Industrial Conglomerates	35,745,181	—	—	35,745,181
Interactive Media & Services	249,091,558	—	—	249,091,558
IT Services	10,592,607	—	9,178,870	19,771,477
Leisure Products	—	—	71,332,234	71,332,234
Life Sciences Tools & Services	167,810,415	—	—	167,810,415
Machinery	2,902,389	—	—	2,902,389
Pharmaceuticals	141,640,543	—	—	141,640,543
Professional Services	82,108,375	—	—	82,108,375
Semiconductors & Semiconductor Equipment	240,951,666	—	—	240,951,666
Software	670,763,675	—	732,694	671,496,369
Specialized REITs	94,047,193	—	—	94,047,193
Specialty Retail	58,518,571	—	—	58,518,571
Technology Hardware, Storage & Peripherals	210,124,755	—	—	210,124,755
Textiles, Apparel & Luxury Goods	30,476,413	—	—	30,476,413
Convertible Preferred Stocks	—	—	35,421,533	35,421,533
Preferred Stocks	—	—	42,353,439	42,353,439
Escrows and Litigation Trusts	—	—	— ^a	—
Short Term Investments	109,392,209	—	—	109,392,209
Total Investments in Securities	\$3,509,307,215	\$—	\$194,010,018	\$3,703,317,233
Franklin Small Cap Growth Fund				
Assets:				
Investments in Securities:				
Common Stocks:				
Aerospace & Defense	133,370,245	—	—	133,370,245
Banks	40,403,742	—	—	40,403,742
Biotechnology	195,574,940	—	—	195,574,940
Building Products	27,441,282	—	—	27,441,282
Capital Markets	81,251,008	—	—	81,251,008
Communications Equipment	17,243,520	—	—	17,243,520
Construction & Engineering	75,746,912	—	—	75,746,912
Consumer Staples Distribution & Retail	47,920,236	—	—	47,920,236
Diversified Consumer Services	15,188,426	—	—	15,188,426

10. Fair Value Measurements (continued)

	Level 1	Level 2	Level 3	Total
Franklin Small Cap Growth Fund (continued)				
Assets: (continued)				
Investments in Securities:				
Common Stocks:				
Electronic Equipment, Instruments & Components	\$29,604,256	\$—	\$—	\$29,604,256
Energy Equipment & Services	36,152,382	—	—	36,152,382
Financial Services	112,247,590	—	—	112,247,590
Food Products	104,901,819	—	—	104,901,819
Health Care Equipment & Supplies	168,169,712	—	—	168,169,712
Health Care Providers & Services	104,436,525	—	—	104,436,525
Health Care Technology	62,035,504	—	—	62,035,504
Hotel & Resort REITs	16,717,404	—	—	16,717,404
Hotels, Restaurants & Leisure	139,641,863	—	—	139,641,863
Household Durables	93,030,375	—	—	93,030,375
Industrial REITs	34,376,628	—	—	34,376,628
IT Services	9,312,139	—	—	9,312,139
Life Sciences Tools & Services	3,294,864	—	—	3,294,864
Machinery	61,598,627	—	—	61,598,627
Media	26,320,701	—	—	26,320,701
Oil, Gas & Consumable Fuels	39,032,783	—	—	39,032,783
Passenger Airlines	47,732,397	—	—	47,732,397
Personal Care Products	41,867,167	—	—	41,867,167
Pharmaceuticals	85,907,158	—	—	85,907,158
Professional Services	61,159,430	—	—	61,159,430
Semiconductors & Semiconductor Equipment	125,464,861	—	—	125,464,861
Software	161,538,336	—	429,531	161,967,867
Specialty Retail	126,067,847	—	—	126,067,847
Textiles, Apparel & Luxury Goods	28,332,904	—	—	28,332,904
Trading Companies & Distributors	52,184,016	—	—	52,184,016
Convertible Preferred Stocks	—	—	52,104,596	52,104,596
Preferred Stocks	—	—	19,355,965 ^a	19,355,965
Escrows and Litigation Trusts	—	—	— ^a	—
Short Term Investments	44,902,052	—	—	44,902,052
Total Investments in Securities	\$2,450,169,651	\$—	\$71,890,092	\$2,522,059,743

Franklin Small-Mid Cap Growth Fund

Assets:

Investments in Securities:

Common Stocks:

Aerospace & Defense	61,506,000	—	—	61,506,000
Automobile Components	779,148	—	—	779,148
Beverages	32,779,324	—	—	32,779,324
Biotechnology	106,297,867	—	—	106,297,867
Building Products	57,991,301	—	—	57,991,301
Capital Markets	185,049,557	—	—	185,049,557
Chemicals	19,770,036	—	—	19,770,036
Commercial Services & Supplies	50,949,626	—	—	50,949,626
Communications Equipment	71,767,696	—	—	71,767,696
Containers & Packaging	35,890,536	—	—	35,890,536
Electrical Equipment	51,454,382	—	—	51,454,382
Electronic Equipment, Instruments & Components	41,245,440	—	—	41,245,440
Energy Equipment & Services	12,173,175	—	—	12,173,175
Entertainment	21,530,880	—	—	21,530,880
Financial Services	13,477,100	27,640,357	—	41,117,457
Food Products	21,442,773	—	—	21,442,773
Ground Transportation	57,910,493	—	—	57,910,493

10. Fair Value Measurements (continued)

	Level 1	Level 2	Level 3	Total
Franklin Small-Mid Cap Growth Fund (continued)				
Assets: (continued)				
Investments in Securities:				
Common Stocks:				
Health Care Equipment & Supplies	\$225,789,255	\$—	\$—	\$225,789,255
Health Care Providers & Services	19,006,820	—	—	19,006,820
Health Care Technology	67,887,191	—	—	67,887,191
Hotels, Restaurants & Leisure	259,807,785	—	—	259,807,785
Household Durables	58,400,000	—	—	58,400,000
Industrial REITs	27,703,182	—	—	27,703,182
Interactive Media & Services	63,788,807	—	—	63,788,807
IT Services	82,774,029	—	—	82,774,029
Leisure Products	—	—	54,971,598	54,971,598
Life Sciences Tools & Services	191,610,604	—	—	191,610,604
Machinery	34,207,484	—	—	34,207,484
Oil, Gas & Consumable Fuels	101,337,845	—	—	101,337,845
Passenger Airlines	51,893,875	—	—	51,893,875
Personal Care Products	37,893,871	—	—	37,893,871
Pharmaceuticals	54,390,171	—	—	54,390,171
Professional Services	174,101,557	—	—	174,101,557
Residential REITs	34,732,490	—	—	34,732,490
Semiconductors & Semiconductor Equipment	157,432,484	—	—	157,432,484
Software	376,326,426	—	—	376,326,426
Specialized REITs	31,828,580	—	—	31,828,580
Specialty Retail	217,110,743	—	—	217,110,743
Textiles, Apparel & Luxury Goods	90,164,274	—	—	90,164,274
Trading Companies & Distributors	68,042,992	—	—	68,042,992
Convertible Preferred Stocks	—	—	37,923,443	37,923,443
Preferred Stocks	—	—	1,334,696	1,334,696
Warrants	—	—	60,114 ^a	60,114
Corporate Bonds	—	—	570,178	570,178
Senior Floating Rate Interests	—	—	625,802	625,802
Escrows and Litigation Trusts	—	—	— ^a	—
Short Term Investments	180,826,526	39,935,771	—	220,762,297
Total Investments in Securities	\$3,449,072,325	\$67,576,128 ^b	\$95,485,831	\$3,612,134,284

^a Includes financial instruments determined to have no value at April 30, 2023.

^b Includes foreign securities valued at \$27,640,357, which were categorized as Level 2 as a result of the application of market level fair value procedures. See the Financial Instrument Valuation note for more information.

A reconciliation in which Level 3 inputs are used in determining fair value is presented when there are significant Level 3 assets and/or liabilities at the beginning and/or end of the year. At April 30, 2023, the reconciliations are as follows:

	Balance at Beginning of Year	Purchases ^a	Sales ^b	Transfer Into Level 3	Transfer Out of Level 3	Net Accretion (Amortiza- tion)	Net Realized Gain (Loss)	Net Unrealized Appreciation (Depreciation)	Balance at End of Year	Net Change in Unrealized Appreciation (Depreciation) on Assets Held at Year End
Franklin Growth Opportunities Fund										
Assets:										
Investments in Securities:										
Common Stocks:										
Aerospace & Defense	\$—	\$9,999,990	\$—	\$—	\$—	\$—	\$—	\$999,999	\$10,999,989	\$999,999

10. Fair Value Measurements (continued)

	Balance at Beginning of Year	Purchases ^a	Sales ^b	Transfer Into Level 3	Transfer Out of Level 3	Net Accretion (Amortiza- tion)	Net Realized Gain (Loss)	Net Unrealized Appreciation (Depreciation)	Balance at End of Year	Net Change in Unrealized Appreciation (Depreciation) on Assets Held at Year End
Franklin Growth Opportunities Fund (continued)										
Assets:										
Investments in Securities:										
Common Stocks:										
Commercial Services & Supplies	\$6,164,029	\$4,986,169	\$—	\$—	\$—	\$—	\$—	\$(4,093,710)	\$7,056,488	\$(4,093,710)
Health Care Equipment & Supplies	14,889,942	— ^c	—	—	—	—	—	2,044,829	16,934,771	2,044,829
Hotels, Restaurants & Leisure	29,918,137	—	(15,142,819)	—	—	—	—	(14,775,318)	—	—
IT Services	8,371,768	—	—	—	—	—	—	807,102	9,178,870	807,102
Leisure Products	68,576,928	—	—	—	—	—	—	2,755,306	71,332,234	2,755,306
Software	17,832,356	15,499,999	(12,004,812)	—	—	—	—	(20,594,849)	732,694	(14,767,305)
Convertible Preferred Stocks:										
Software	43,394,108	— ^c	—	—	—	—	—	(7,972,575)	35,421,533	(7,972,575)
Preferred Stocks:										
Commercial Services & Supplies	9,587,680	—	—	—	—	—	—	(1,420,185)	8,167,495	(1,420,185)
Health Care Providers & Services	21,812,596	—	—	—	—	—	—	(2,859,306)	18,953,290	(2,859,306)
Software	33,530,513	251,500 ^c	(15,499,999)	—	—	—	—	(3,049,360)	15,232,654	(17,924,734)
Warrants:										
Software	— ^c	—	— ^c	—	—	—	—	—	—	—
Corporate Bonds:										
Software	301,800	—	(251,500)	—	—	—	—	(50,300)	—	—
Escrows and Litigation Trusts:										
	— ^c	—	—	—	—	—	—	—	— ^c	—
Total Investments in Securities	\$254,379,857	\$30,737,658	\$(42,899,130)	\$—	\$—	\$—	\$—	\$(48,208,367)	\$194,010,018	\$(42,430,579)

Franklin Small Cap Growth Fund

Assets:										
Investments in Securities:										
Common Stocks:										
Hotels, Restaurants & Leisure	15,035,973	—	(7,649,483)	—	—	—	—	(7,386,490)	—	—
Software	—	10,000,000	—	—	—	—	—	(9,570,469)	429,531	(9,570,469)
Convertible Preferred Stocks:										
Diversified Consumer Services	12,627,000	—	—	—	—	—	—	(607,001)	12,019,999	(607,001)
Software	33,213,053	7,499,998	—	—	—	—	—	(7,174,020)	33,539,031	(7,174,020)
Specialty Retail	11,377,470	—	—	—	—	—	—	(4,831,904)	6,545,566	(4,831,904)
Preferred Stocks:										
Automobile Components	8,860,467 ^c	—	—	—	—	—	—	(2,627,469)	6,232,998 ^c	(2,627,469)
Commercial Services & Supplies	9,567,885	—	—	—	—	—	—	(1,417,253)	8,150,632	(1,417,253)
Software	5,054,447	1,389,393 ^c	(10,000,000)	—	—	—	—	8,528,495	4,972,335	(1,092,274)
Warrants:										
Software	— ^c	—	— ^c	—	—	—	—	—	—	—
Corporate Bonds:										
Software	750,000	—	(625,000)	—	—	—	—	(125,000)	—	—

10. Fair Value Measurements (continued)

	Balance at Beginning of Year	Purchases ^a	Sales ^b	Transfer Into Level 3	Transfer Out of Level 3	Net Accretion (Amortiza- tion)	Net Realized Gain (Loss)	Net Unrealized Appreciation (Depreciation)	Balance at End of Year	Net Change in Unrealized Appreciation (Depreciation) on Assets Held at Year End
Franklin Small Cap Growth Fund (continued)										
Assets:										
Investments in Securities:										
Escrows and Litigation Trusts	\$— ^c	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$— ^c	\$—
Total Investments in Securities	\$96,486,295	\$18,889,391	\$(18,274,483)	\$—	\$—	\$—	\$—	\$(25,211,111)	\$71,890,092	\$(27,320,390)
Franklin Small-Mid Cap Growth Fund										
Assets:										
Investments in Securities:										
Common Stocks:										
Leisure Products	52,848,244	—	—	—	—	—	—	2,123,354	54,971,598	2,123,354
Convertible Preferred Stocks:										
Diversified Consumer Services	7,546,894	—	—	—	—	—	—	(362,791)	7,184,103	(362,791)
Semiconductors & Semiconductor Equipment	6,044,404	—	—	—	—	—	—	(4,024,169)	2,020,235	(4,024,169)
Software	48,448,409	27,446,005	(20,346,008)	—	—	—	—	(26,829,301)	28,719,105	(27,251,011)
Preferred Stocks:										
Semiconductors & Semiconductor Equipment	1,605,117	460,646	—	—	—	—	—	(731,067)	1,334,696	(731,067)
Warrants:										
Semiconductors & Semiconductor Equipment	—	44,029	—	—	—	—	—	16,085	60,114	16,085
Software	67,020	62	—	—	—	—	—	(67,082)	— ^c	(67,082)
Corporate Bonds:										
Software	4,725,000	570,121	(4,725,000)	—	—	—	—	57	570,178	57
Senior Floating Rate Interests:										
Semiconductors & Semiconductor Equipment	1,056,371	743,516	(1,176,605)	—	—	14,155	(28,162)	16,527	625,802	(96,380)
Escrows and Litigation Trusts	— ^c	—	—	—	—	—	—	—	— ^c	—
Total Investments in Securities	\$122,341,459	\$29,264,379	\$(26,247,613)	\$—	\$—	\$14,155	\$(28,162)	\$(29,858,387)	\$95,485,831	\$(30,393,004)

^aPurchases include all purchases of securities and securities received in corporate actions.^bSales include all sales of securities, maturities, paydowns and securities tendered in corporate actions.^cIncludes financial instruments determined to have no value.

Significant unobservable valuation inputs for material Level 3 assets and/or liabilities and impact to fair value as a result of changes in unobservable valuation inputs as of April 30, 2023, are as follows:

10. Fair Value Measurements (continued)

Description	Fair Value at End of Year	Valuation Technique	Unobservable Inputs	Amount	Impact to Fair Value if Input Increases ^a
Franklin Growth Opportunities Fund					
Assets:					
Investments in Securities:					
Common Stocks:					
Leisure Products.	\$71,332,234	Market comparables	Discount for lack of marketability	12.8%	Decrease
			EV / revenue multiple	1.6x	Increase
All Other Investments. . . .	122,677,784 ^{b,c}				
Total.	\$194,010,018				

Description	Fair Value at End of Year	Valuation Technique	Unobservable Inputs	Amount	Impact to Fair Value if Input Increases ^a
Franklin Small Cap Growth Fund					
Assets:					
Investments in Securities:					
Convertible Preferred Stocks:					
Software.	\$20,854,127	Market comparables	Discount for lack of marketability	11.2%	Decrease
			EV / revenue multiple	4.4x	Increase
			Volatility of peers	38.4%	Decrease
All Other Investments. . . .	51,035,965 ^{b,c}				
Total.	\$71,890,092				

Description	Fair Value at End of Year	Valuation Technique	Unobservable Inputs	Amount	Impact to Fair Value if Input Increases ^a
Franklin Small-Mid Cap Growth Fund					
Assets:					
Investments in Securities:					
Common Stocks:					
Leisure Products.	\$54,971,598	Market comparables	Discount for lack of marketability	12.8%	Decrease
			EV / revenue multiple	1.6x	Increase
All Other Investments.	40,514,233 ^{b,c}				
Total.	\$95,485,831				

^aRepresents the directional change in the fair value of the Level 3 financial instruments that would result from a significant and reasonable increase in the corresponding input. A significant and reasonable decrease in the input would have the opposite effect. Significant increases and decreases in these inputs in isolation could result in significantly higher or lower fair value measurements.

10. Fair Value Measurements (continued)

^bIncludes fair value of immaterial assets and/or liabilities developed using various valuation techniques and unobservable inputs. May also include values derived using recent transactions, private transaction prices or non-public third party pricing information which is unobservable.

^cIncludes financial instruments determined to have no value at April 30, 2023.

Abbreviations List

EV - Enterprise value

11. New Accounting Pronouncements

In March 2020, the FASB issued Accounting Standards Update (ASU) No. 2020-04, Reference Rate Reform (Topic 848) – Facilitation of the Effects of Reference Rate Reform on Financial Reporting. In January 2021 and December 2022, the FASB issued ASU No. 2021-01 and ASU No. 2022-06, with further amendments to Topic 848. The amendments in the ASUs provide optional temporary accounting recognition and financial reporting relief from the effect of certain types of contract modifications due to the planned discontinuation of LIBOR and other interbank-offered based reference rates as of the end of 2021 for certain LIBOR settings and 2023 for the remainder. The ASUs are effective for certain reference rate-related contract modifications that occur during the period March 12, 2020 through December 31, 2024. Management has reviewed the requirements and believes the adoption of these ASUs will not have a material impact on the financial statements.

In June 2022, the FASB issued ASU No. 2022-03, Fair Value Measurement (Topic 820) – Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions. The amendments in the ASU clarify that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, should not be considered in measuring fair value. The ASU is effective for interim and annual reporting periods beginning after December 15, 2023, with the option of early adoption. Management has reviewed the requirements and believes that the adoption of the ASU will not have a material impact on the financial statements.

12. Subsequent Events

The Funds have evaluated subsequent events through the issuance of the financial statements and determined that no events have occurred that require disclosure.

Abbreviations**Selected Portfolio**

ADR	American Depositary Receipt
NYRS	New York Registry Shares
PIK	Payment-In-Kind
REIT	Real Estate Investment Trust

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Franklin Strategic Series and Shareholders of Franklin Growth Opportunities Fund, Franklin Small Cap Growth Fund and Franklin Small-Mid Cap Growth Fund

Opinions on the Financial Statements

We have audited the accompanying statements of assets and liabilities, including the schedules of investments, of Franklin Growth Opportunities Fund, Franklin Small Cap Growth Fund and Franklin Small-Mid Cap Growth Fund (three of the funds constituting Franklin Strategic Series, hereafter collectively referred to as the "Funds") as of April 30, 2023, the related statements of operations for the year ended April 30, 2023, the statements of changes in net assets for each of the two years in the period ended April 30, 2023, including the related notes, and the financial highlights for each of the five years in the period ended April 30, 2023 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of each of the Funds as of April 30, 2023, the results of each of their operations for the year then ended, the changes in each of their net assets for each of the two years in the period ended April 30, 2023 and each of the financial highlights for each of the five years in the period ended April 30, 2023 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

These financial statements are the responsibility of the Funds' management. Our responsibility is to express an opinion on the Funds' financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Funds in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of April 30, 2023 by correspondence with the custodian, transfer agent and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinions.

PricewaterhouseCoopers LLP
San Francisco, California
June 16, 2023

We have served as the auditor of one or more investment companies in the Franklin Templeton Group of Funds since 1948.

Tax Information (unaudited)

By mid-February, tax information related to a shareholder's proportionate share of distributions paid during the preceding calendar year will be received, if applicable. Please also refer to www.franklintempleton.com for per share tax information related to any distributions paid during the preceding calendar year. Shareholders are advised to consult with their tax advisors for further information on the treatment of these amounts on their tax returns.

The following tax information for the Funds is required to be furnished to shareholders with respect to income earned and distributions paid during their fiscal year.

The Funds hereby report the following amounts, or if subsequently determined to be different, the maximum allowable amounts, for the fiscal year ended April 30, 2023:

		Franklin Growth Opportunities Fund	Franklin Small Cap Growth Fund	Franklin Small-Mid Cap Growth Fund
	Pursuant to:			
Long-Term Capital Gain Dividends Distributed	§852(b)(3)(C)	\$155,173,608	\$13,637,899	\$219,319,838
Income Eligible for Dividends Received Deduction (DRD)	§854(b)(1)(A)	\$16,228,764	\$11,306,499	\$19,327,447
Qualified Dividend Income Earned (QDI)	§854(b)(1)(B)	\$18,565,097	\$11,306,499	\$20,182,504

Board Members and Officers

The name, year of birth and address of the officers and board members, as well as their affiliations, positions held with the Trust, principal occupations during at least the past five years and number of U.S. registered portfolios overseen in the Franklin Templeton/Legg Mason Investments fund complex, are shown below. Generally, each board member serves until that person's successor is elected and qualified.

Independent Board Members

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
Harris J. Ashton (1932) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 1991	118	Bar-S Foods (meat packing company) (1981-2010).
Principal Occupation During at Least the Past 5 Years: Director of various companies; and formerly , Director, RBC Holdings, Inc. (bank holding company) (until 2002); and President, Chief Executive Officer and Chairman of the Board, General Host Corporation (nursery and craft centers) (until 1998).				
Terrence J. Checki (1945) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2017	118	Hess Corporation (exploration of oil and gas) (2014-present).
Principal Occupation During at Least the Past 5 Years: Member of the Council on Foreign Relations (1996-present); Member of the National Committee on U.S.-China Relations (1999-present); member of the board of trustees of the Economic Club of New York (2013-present); member of the board of trustees of the Foreign Policy Association (2005-present); member of the board of directors of Council of the Americas (2007-present) and the Tallberg Foundation (2018-present); and formerly , Executive Vice President of the Federal Reserve Bank of New York and Head of its Emerging Markets and Internal Affairs Group and Member of Management Committee (1995-2014); and Visiting Fellow at the Council on Foreign Relations (2014).				
Mary C. Choksi (1950) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2014	118	Omnicom Group Inc. (advertising and marketing communications services) (2011-present) and White Mountains Insurance Group, Ltd. (holding company) (2017-present); and formerly , Avis Budget Group Inc. (car rental) (2007-2020).
Principal Occupation During at Least the Past 5 Years: Director of various companies; and formerly , Founder and Senior Advisor, Strategic Investment Group (investment management group) (2015-2017); Founding Partner and Senior Managing Director, Strategic Investment Group (1987-2015); Founding Partner and Managing Director, Emerging Markets Management LLC (investment management firm) (1987-2011); and Loan Officer/Senior Loan Officer/Senior Pension Investment Officer, World Bank Group (international financial institution) (1977-1987).				

Independent Board Members (continued)

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
Edith E. Holiday (1952) One Franklin Parkway San Mateo, CA 94403-1906	Lead Independent Trustee	Trustee since 1998 and Lead Independent Trustee since 2019	118	Hess Corporation (exploration of oil and gas) (1993-present), Santander Consumer USA Holdings, Inc. (consumer finance) (2016-present); Santander Holdings USA (holding company) (2019-present); and formerly , Canadian National Railway (railroad) (2001-2021), White Mountains Insurance Group, Ltd. (holding company) (2004-2021), RTI International Metals, Inc. (manufacture and distribution of titanium) (1999-2015) and H.J. Heinz Company (processed foods and allied products) (1994-2013).

Principal Occupation During at Least the Past 5 Years:

Director or Trustee of various companies and trusts; and **formerly**, Assistant to the President of the United States and Secretary of the Cabinet (1990-1993); General Counsel to the United States Treasury Department (1989-1990); and Counselor to the Secretary and Assistant Secretary for Public Affairs and Public Liaison-United States Treasury Department (1988-1989).

J. Michael Luttig (1954) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2009	118	Boeing Capital Corporation (aircraft financing) (2006-2010).
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Principal Occupation During at Least the Past 5 Years:

Counselor and Special Advisor to the CEO and Board of Directors of the Coca-Cola Company (beverage company) (2021-present); and **formerly**, Counselor and Senior Advisor to the Chairman, CEO, and Board of Directors, of The Boeing Company (aerospace company), and member of the Executive Council (2019-2020); Executive Vice President, General Counsel and member of the Executive Council, The Boeing Company (2006-2019); and Federal Appeals Court Judge, United States Court of Appeals for the Fourth Circuit (1991-2006).

Larry D. Thompson (1945) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2007	118	Graham Holdings Company (education and media organization) (2011-2021); The Southern Company (energy company) (2014-2020; previously 2010-2012) and Cbeyond, Inc. (business communications provider) (2010-2012).
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Principal Occupation During at Least the Past 5 Years:

Director of various companies; Counsel, Finch McCranie, LLP (law firm) (2015-present); John A. Sibley Professor of Corporate and Business Law, University of Georgia School of Law (2015-present; previously 2011-2012); and **formerly**, Independent Compliance Monitor and Auditor, Volkswagen AG (manufacturer of automobiles and commercial vehicles) (2017-2020); Executive Vice President - Government Affairs, General Counsel and Corporate Secretary, PepsiCo, Inc. (consumer products) (2012-2014); Senior Vice President - Government Affairs, General Counsel and Secretary, PepsiCo, Inc. (2004-2011); Senior Fellow of The Brookings Institution (2003-2004); Visiting Professor, University of Georgia School of Law (2004); and Deputy Attorney General, U.S. Department of Justice (2001-2003).

Independent Board Members (continued)

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
Valerie M. Williams (1956) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2021	110	Omnicom Group, Inc. (advertising and marketing communications services) (2016-present), DTE Energy Co. (gas and electric utility) (2018-present), Devon Energy Corporation (exploration and production of oil and gas) (2021-present); and formerly , WPX Energy, Inc. (exploration and production of oil and gas) (2018-2021).

Principal Occupation During at Least the Past 5 Years:

Director of various companies; and **formerly**, Regional Assurance Managing Partner, Ernst & Young LLP (public accounting) (2005-2016), various roles of increasing responsibility at Ernst & Young (1981-2005).

Interested Board Members and Officers

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
**Gregory E. Johnson (1961) One Franklin Parkway San Mateo, CA 94403-1906	Chairman of the Board and Trustee	Chairman of the Board since January 2023 and Trustee since 2013	129	None

Principal Occupation During at Least the Past 5 Years:

Executive Chairman, Chairman of the Board and Director, Franklin Resources, Inc.; officer and/or director or trustee of some of the other subsidiaries of Franklin Resources, Inc. and of certain funds in the Franklin Templeton/Legg Mason fund complex; Vice Chairman, Investment Company Institute; and **formerly**, Chief Executive Officer (2013-2020) and President (1994-2015) Franklin Resources, Inc.

**Rupert H. Johnson, Jr. (1940) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 1991	118	None
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Principal Occupation During at Least the Past 5 Years:

Director (Vice Chairman), Franklin Resources, Inc.; Director, Franklin Advisers, Inc.; and officer and/or director or trustee of some of the other subsidiaries of Franklin Resources, Inc. and of certain funds in the Franklin Templeton/Legg Mason fund complex.

Ted P. Becker (1951) 280 Park Avenue New York, NY 10017	Chief Compliance Officer	Since June 2023	Not Applicable	Not Applicable
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Principal Occupation During at Least the Past 5 Years:

Vice President, Global Compliance of Franklin Templeton (since 2020); Chief Compliance Officer of Legg Mason Partners Fund Advisor, LLC (since 2006); Chief Compliance Officer of certain funds associated with Legg Mason & Co. or its affiliates (since 2006); **formerly**, Director of Global Compliance at Legg Mason (2006 to 2020); Managing Director of Compliance of Legg Mason & Co. (2005 to 2020).

Sonal Desai, Ph.D. (1963) One Franklin Parkway San Mateo, CA 94403-1906	Vice President	Since 2018	Not Applicable	Not Applicable
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Principal Occupation During at Least the Past 5 Years:

Director and Executive Vice President, Franklin Advisers, Inc.; Executive Vice President, Franklin Templeton Institutional, LLC; and officer of certain funds in the Franklin Templeton/Legg Mason fund complex.

Interested Board Members and Officers (continued)

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
Matthew T. Hinkle (1971) One Franklin Parkway San Mateo, CA 94403-1906	Chief Executive Officer – Finance and Administration	Since 2017	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Senior Vice President, Franklin Templeton Services, LLC; officer of certain funds in the Franklin Templeton/Legg Mason fund complex; and formerly , Vice President, Global Tax (2012-April 2017) and Treasurer/Assistant Treasurer, Franklin Templeton (2009-2017).				
Susan Kerr (1949) 280 Park Avenue New York, NY 10017	Vice President – AML Compliance	Since 2021	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Senior Compliance Analyst, Franklin Templeton; Chief Anti-Money Laundering Compliance Officer, Legg Mason & Co., or its affiliates; Anti Money Laundering Compliance Officer; Senior Compliance Officer, LMIS; and officer of certain funds in the Franklin Templeton/Legg Mason fund complex.				
Christopher Kings (1974) One Franklin Parkway San Mateo, CA 94403-1906	Chief Financial Officer, Chief Accounting Officer and Treasurer	Since 2022	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Treasurer, U.S. Fund Administration & Reporting; and officer of certain funds in the Franklin Templeton/Legg Mason fund complex.				
Edward D. Perks (1970) One Franklin Parkway San Mateo, CA 94403-1906	President and Chief Executive Officer – Investment Management	Since 2018	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: President and Director, Franklin Advisers, Inc. and officer of certain funds in the Franklin Templeton/Legg Mason fund complex.				
Navid J. Tofigh (1972) One Franklin Parkway San Mateo, CA 94403-1906	Vice President and Secretary	Vice President since 2015 and Secretary since June 2023	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Senior Associate General Counsel, Franklin Templeton; Assistant Secretary, Franklin Resources, Inc.; and officer of certain funds in the Franklin Templeton/Legg Mason fund complex.				

*We base the number of portfolios on each separate series of the U.S. registered investment companies within the Franklin Templeton/Legg Mason fund complex. These portfolios have a common investment manager or affiliated investment managers.

**Gregory E. Johnson is considered to be an interested person of the Fund under the federal securities laws due to his position as an officer and director of Franklin Resources, Inc. (Resources), which is the parent company of the Fund's investment manager and distributor. Rupert H. Johnson, Jr. is considered to be an interested person of the Fund under the federal securities laws due to his position as an officer and director and major shareholder of Resources.

Note 1: Rupert H. Johnson, Jr. is the uncle of Gregory E. Johnson.

Note 2: Officer information is current as of the date of this report. It is possible that after this date, information about officers may change.

The Sarbanes-Oxley Act of 2002 and Rules adopted by the Securities and Exchange Commission require the Fund to disclose whether the Fund's Audit Committee includes at least one member who is an audit committee financial expert within the meaning of such Act and Rules. The Fund's Board has determined that there is at least one such financial expert on the Audit Committee and has designated Mary C. Choksi as its audit committee financial expert. The Board believes that Ms. Choksi qualifies as such an expert in view of her extensive business background and experience. She served as a director of Avis Budget Group, Inc. (2007 to 2020) and **formerly**, Founder and Senior Advisor, Strategic Investment Group (1987 to 2017). Ms. Choksi has been a Member of the Fund's Audit Committee since 2014. As a result of such background and experience, the Board believes that Ms. Choksi has acquired an understanding of generally

Interested Board Members and Officers (continued)

accepted accounting principles and financial statements, the general application of such principles in connection with the accounting estimates, accruals and reserves, and analyzing and evaluating financial statements that present a breadth and level of complexity of accounting issues generally comparable to those of the Fund, as well as an understanding of internal controls and procedures for financial reporting and an understanding of audit committee functions. Ms. Choksi is an independent Board member as that term is defined under the relevant Securities and Exchange Commission Rules and Releases.

The Statement of Additional Information (SAI) includes additional information about the board members and is available, without charge, upon request. Shareholders may call (800) DIAL BEN/342-5236 to request the SAI.

Shareholder Information

Board Approval of Investment Management Agreements

FRANKLIN STRATEGIC SERIES

Franklin Growth Opportunities Fund

Franklin Small Cap Growth Fund

Franklin Small-Mid Cap Growth Fund

(each a Fund)

At an in-person meeting held on April 18, 2023 (Meeting), the Board of Trustees (Board) of Franklin Strategic Series (Trust), including a majority of the trustees who are not "interested persons" as defined in the Investment Company Act of 1940 (Independent Trustees), reviewed and approved the continuance of the investment management agreement between Franklin Advisers, Inc. (Manager) and the Trust, on behalf of each Fund (each a Management Agreement) for an additional one-year period. The Independent Trustees received advice from and met separately with Independent Trustee counsel in considering whether to approve the continuation of each Management Agreement. Although the Management Agreements for the Funds were considered at the same Board meeting, the Board considered the information provided to it about the Funds together and with respect to each Fund separately as the Board deemed appropriate.

In considering the continuation of each Management Agreement, the Board reviewed and considered information provided by the Manager at the Meeting and throughout the year at meetings of the Board and its committees. The Board also reviewed and considered information provided in response to a detailed set of requests for information submitted to the Manager by Independent Trustee counsel on behalf of the Independent Trustees in connection with the annual contract renewal process. In addition, prior to the Meeting, the Independent Trustees held a virtual contract renewal meeting at which the Independent Trustees first conferred amongst themselves and Independent Trustee counsel about contract renewal matters; and then met with management to request additional information that the Independent Trustees reviewed and considered prior to and at the Meeting. The Board reviewed and considered all of the factors it deemed relevant in approving the continuance of each Management Agreement, including, but not limited to: (i) the nature, extent and quality of the services provided by the Manager; (ii) the investment performance of each Fund; (iii) the costs of the services provided and profits realized by the Manager and its affiliates from the relationship with

each Fund; (iv) the extent to which economies of scale are realized as each Fund grows; and (v) whether fee levels reflect these economies of scale for the benefit of Fund investors.

In approving the continuance of each Management Agreement, the Board, including a majority of the Independent Trustees, determined that the terms of the Management Agreement are fair and reasonable and that the continuance of the Management Agreement is in the best interests of the applicable Fund and its shareholders. While attention was given to all information furnished, the following discusses some primary factors relevant to the Board's determination.

Nature, Extent and Quality of Services

The Board reviewed and considered information regarding the nature, extent and quality of investment management services provided by the Manager and its affiliates to the Funds and their shareholders. This information included, among other things, the qualifications, background and experience of the senior management and investment personnel of the Manager, as well as information on succession planning where appropriate; the structure of investment personnel compensation; oversight of third-party service providers; investment performance reports and related financial information for each Fund; reports on expenses and shareholder services; legal and compliance matters; risk controls; pricing and other services provided by the Manager and its affiliates; and management fees charged by the Manager and its affiliates to US funds and other accounts, including management's explanation of differences among accounts where relevant. The Board also reviewed and considered an annual report on payments made by Franklin Templeton (FT) or the Funds to financial intermediaries, as well as a memorandum relating to third-party servicing arrangements. The Board acknowledged management's continued development of strategies to address areas of heightened concern in the mutual fund industry, including various regulatory initiatives and continuing geopolitical concerns.

The Board also reviewed and considered the benefits provided to Fund shareholders of investing in a fund that is part of the FT family of funds. The Board noted the financial position of Franklin Resources, Inc. (FRI), the Manager's parent, and its commitment to the mutual fund business as evidenced by its reassessment of the fund offerings in response to the market environment and project initiatives and capital investments relating to the services provided to

the Funds by the FT organization. The Board specifically noted FT's commitment to technological innovation and advancement and investments to promote alternative investing.

Following consideration of such information, the Board was satisfied with the nature, extent and quality of services provided by the Manager and its affiliates to the Funds and their shareholders.

Fund Performance

The Board reviewed and considered the performance results of each Fund over various time periods ended December 31, 2022. The Board considered the performance returns for each Fund in comparison to the performance returns of mutual funds deemed comparable to the Fund included in a universe (Performance Universe) selected by Broadridge Financial Solutions, Inc. (Broadridge), an independent provider of investment company data. The Board received a description of the methodology used by Broadridge to select the mutual funds included in a Performance Universe. The Board also reviewed and considered Fund performance reports provided and discussions that occurred with portfolio managers at Board meetings throughout the year. A summary of each Fund's performance results is below.

Franklin Growth Opportunities Fund - The Performance Universe for the Fund included the Fund and all retail and institutional multi-cap growth funds. The Board noted that the Fund's annualized total return for the one-, three-, five- and 10-year periods was below the median of its Performance Universe. The Board discussed this performance with management and management explained that the Fund underperformed its benchmark index, the Russell 3000 Growth Index (Index), and Performance Universe over the one-, three- and five-year periods, with a significant portion of the underperformance occurring in 2021 and 2022, due to high inflation and rising interest rates which disproportionately impacted growth equities. Management further explained that the Fund's largest portfolio allocations were to the technology, health care, and consumer discretionary sectors which underperformed the more cyclical exposures of the Fund's Performance Universe peers. Management also explained that the Fund underperformed its Index due to the Fund's underweight position to mega-cap technology or FANG stocks which generally outperformed the market and made up a large portion of the index. Management reviewed with the Board the enhancements it made to the Fund's investment processes and changes in the Fund's portfolio holdings, which resulted in improved performance in early

2023. The Board concluded that the Fund's Management Agreement should be continued for an additional one-year period, and management's efforts should continue to be monitored.

Franklin Small Cap Growth Fund - The Performance Universe for the Fund included the Fund and all retail and institutional small-cap growth funds. The Board noted that the Fund's annualized total return for the one-, three-, five- and 10-year periods was below the median of its Performance Universe. The Board discussed this performance with management and management reported that the Fund's five-year performance ended December 31, 2022 exceeded that of its benchmark, the Russell 2000 Growth Index. Management explained that the Fund's performance over the 12-18 months ended December 31, 2022 drove the Fund's relative underperformance for the three- and five-year periods versus the Performance Universe. Management further explained that the Fund's relative bias toward smaller capitalization stocks was a primary detractor from performance versus its Performance Universe as the Fund's peers tended to hold larger market capitalization stocks than the Fund which outperformed the smaller capitalization stocks. Management reviewed with the Board the enhancements it made to the Fund's investment processes in an effort to improve performance, including the hiring of a Risk Analyst. The Board concluded that the Fund's Management Agreement should be continued for an additional one-year period, and management's efforts should continue to be monitored.

Franklin Small-Mid Cap Growth Fund - The Performance Universe for the Fund included the Fund and all retail and institutional mid-cap growth funds. The Board noted that the Fund's annualized total return for the one- and 10-year periods was below the median of its Performance Universe, but for the three- and five-year periods was above the median of its Performance Universe. The Board concluded that the Fund's performance was acceptable.

Comparative Fees and Expenses

The Board reviewed and considered information regarding each Fund's actual total expense ratio and its various components, including, as applicable, management fees; transfer agent expenses; underlying fund expenses; Rule 12b-1 and non-Rule 12b-1 service fees; and other non-management fees. The Board also noted the quarterly and annual reports it receives on all marketing support payments made by FT to financial intermediaries. The Board considered the actual total expense ratio and, separately, the contractual management fee rate, without the effect of fee waivers, if any (Management Rate) of each Fund in comparison to the median expense ratio and median

Management Rate, respectively, of other mutual funds deemed comparable to and with a similar expense structure to the Fund selected by Broadridge (Expense Group). Broadridge fee and expense data is based upon information taken from each fund's most recent annual or semi-annual report, which reflects historical asset levels that may be quite different from those currently existing, particularly in a period of market volatility. While recognizing such inherent limitation and the fact that expense ratios and Management Rates generally increase as assets decline and decrease as assets grow, the Board believed the independent analysis conducted by Broadridge to be an appropriate measure of comparative fees and expenses. The Broadridge Management Rate includes administrative charges, and the actual total expense ratio, for comparative consistency, was shown for Class A shares for each Fund and for each of the other funds in each Fund's respective Expense Group. The Board received a description of the methodology used by Broadridge to select the mutual funds included in an Expense Group.

The Expense Group for the Franklin Growth Opportunities Fund included the Fund and 17 other multi-cap growth funds. The Expense Group for the Franklin Small Cap Growth Fund included the Fund and 17 other small-cap growth funds. The Expense Group for the Franklin Small-Mid Cap Growth Fund included the Fund and 13 other mid-cap growth funds. The Board noted that the Management Rates and actual total expense ratios for these Funds were below the medians of their respective Expense Groups. The Board concluded that the Management Rates charged to these Funds are reasonable.

Profitability

The Board reviewed and considered information regarding the profits realized by the Manager and its affiliates in connection with the operation of each Fund. In this respect, the Board considered the Fund profitability analysis provided by the Manager that addresses the overall profitability of FT's US fund business, as well as its profits in providing investment management and other services to each of the individual funds during the 12-month period ended September 30, 2022, being the most recent fiscal year-end for FRI. The Board noted that although management continually makes refinements to its methodologies used in calculating profitability in response to organizational and product-related changes, the overall methodology has remained consistent with that used in the Funds' profitability report presentations from prior years. The Board also noted that PricewaterhouseCoopers LLP, auditor to FRI and certain

FT funds, has been engaged by the Manager to periodically review and assess the allocation methodologies to be used solely by the Funds' Board with respect to the profitability analysis.

The Board noted management's belief that costs incurred in establishing the infrastructure necessary for the type of mutual fund operations conducted by the Manager and its affiliates may not be fully reflected in the expenses allocated to each Fund in determining its profitability, as well as the fact that the level of profits, to a certain extent, reflected operational cost savings and efficiencies initiated by management. As part of this evaluation, the Board considered management's outsourcing of certain operations, which effort has required considerable up-front expenditures by the Manager but, over the long run is expected to result in greater efficiencies. The Board also noted management's expenditures in improving shareholder services provided to the Funds, as well as the need to implement systems and meet additional regulatory and compliance requirements resulting from recent US Securities and Exchange Commission and other regulatory requirements.

The Board also considered the extent to which the Manager and its affiliates might derive ancillary benefits from fund operations, including revenues generated from transfer agent services, potential benefits resulting from personnel and systems enhancements necessitated by fund growth, as well as increased leverage with service providers and counterparties. Based upon its consideration of all these factors, the Board concluded that the level of profits realized by the Manager and its affiliates from providing services to each Fund was not excessive in view of the nature, extent and quality of services provided to each Fund.

Economies of Scale

The Board reviewed and considered the extent to which the Manager may realize economies of scale, if any, as each Fund grows larger and whether each Fund's management fee structure reflects any economies of scale for the benefit of shareholders. With respect to possible economies of scale, the Board noted the existence of management fee breakpoints, which operate generally to share any economies of scale with a Fund's shareholders by reducing the Fund's effective management fees as the Fund grows in size. The Board considered the Manager's view that any analyses of potential economies of scale in managing a particular fund are inherently limited in light of the joint and common costs and investments the Manager incurs across the FT family of funds as a whole. The Board concluded

that to the extent economies of scale may be realized by the Manager and its affiliates, each Fund's management fee structure provided a sharing of benefits with the Fund and its shareholders as the Fund grows.

Conclusion

Based on its review, consideration and evaluation of all factors it believed relevant, including the above-described factors and conclusions, the Board unanimously approved the continuation of each Management Agreement for an additional one-year period.

unless you instruct us otherwise. If you prefer not to have these documents househanded, please call us at (800) 632-2301. At any time you may view current prospectuses/summary prospectuses and financial reports on our website. If you choose, you may receive these documents through electronic delivery.

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 Schedule of Investments

The Trust files a complete schedule 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.

Householding of Reports and Prospectuses

You will receive, or receive notice of the availability of, each Fund's financial reports every six months. In addition, you will receive an annual updated summary prospectus (detail prospectus available upon request). To reduce Fund expenses, we try to identify related shareholders in a household and send only one copy of the financial reports (to the extent received by mail) and summary prospectus. This process, called "householding," will continue indefinitely

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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.



**FRANKLIN
TEMPLETON**

**Annual Report and Shareholder Letter
Franklin Strategic Series**

Investment Manager
Franklin Advisers, Inc.

Distributor
Franklin Distributors, LLC
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