

SEMIANNUAL REPORT

FRANKLIN STRATEGIC SERIES

October 31, 2023



FRANKLIN
TEMPLETON

Franklin Growth Opportunities Fund

Franklin Small Cap Growth Fund

Franklin Small-Mid Cap Growth Fund

The Securities and Exchange Commission has adopted new regulations that will result in changes to the design and delivery of annual and semiannual shareholder reports beginning in July 2024.

If you have previously elected to receive shareholder reports electronically, you will continue to do so and need not take any action.

Otherwise, paper copies of the Fund's shareholder reports will be mailed to you beginning in July 2024. If you would like to receive shareholder reports and other communications from the Fund electronically instead of by mail, you may make that request at any time by contacting your financial intermediary (such as a broker-dealer or bank) or, if you are a direct investor, enrolling at franklintempleton.com.

You may access franklintempleton.com by scanning the code below.



Not FDIC Insured

May Lose Value

No Bank Guarantee

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

Franklin Growth Opportunities Fund

This semiannual report for Franklin Growth Opportunities Fund covers the period ended October 31, 2023.

Fund Overview

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 +4.67% cumulative total return for the six 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 +1.00% 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 +1.39% cumulative total return.¹ You can find the Fund's long-term performance data in the Performance Summary beginning on page 4.

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.

Portfolio Composition

10/31/23

| | % of Total Net Assets |
|--|-----------------------|
| Software | 24.2% |
| Semiconductors & Semiconductor Equipment | 9.6% |
| Interactive Media & Services | 8.8% |
| Broadline Retail | 6.3% |
| Financial Services | 4.2% |
| Capital Markets | 3.8% |
| Technology Hardware, Storage & Peripherals | 3.8% |
| Life Sciences Tools & Services | 3.4% |
| Pharmaceuticals | 3.0% |
| Hotels, Restaurants & Leisure | 2.8% |
| IT Services | 2.6% |
| Health Care Providers & Services | 2.5% |
| Health Care Equipment & Supplies | 2.2% |
| Beverages | 2.1% |
| Other* | 18.7% |
| Short-Term Investments & Other Net Assets | 2.0% |

*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.

Top 10 Holdings

10/31/23

| Company Industry | % of Total Net Assets |
|--|-----------------------|
| Amazon.com, Inc. Broadline Retail | 6.3% |
| Microsoft Corp. Software | 5.2% |
| NVIDIA Corp. Semiconductors & Semiconductor Equipment | 4.7% |
| Mastercard, Inc. Financial Services | 4.2% |
| Meta Platforms, Inc. Interactive Media & Services | 4.2% |
| Apple, Inc. Technology Hardware, Storage & Peripherals | 3.8% |
| Alphabet, Inc. Interactive Media & Services | 3.4% |
| ServiceNow, Inc. Software | 2.6% |
| Eli Lilly & Co. Pharmaceuticals | 2.5% |
| Monolithic Power Systems, Inc. Semiconductors & Semiconductor Equipment | 2.1% |

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 22.

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

Performance Summary as of October 31, 2023

The performance table does not reflect any taxes that a shareholder would pay on Fund dividends, capital gain distributions, if any, or any realized gains on the sale of Fund shares. Total return reflects reinvestment of the Fund's dividends and capital gain distributions, if any, and any unrealized gains or losses. Your dividend income will vary depending on dividends or interest paid by securities in the Fund's portfolio, adjusted for operating expenses of each class. Capital gain distributions are net profits realized from the sale of portfolio securities.

Performance as of 10/31/23¹

*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 | | |
| 6-Month | +4.67% | -1.09% |
| 1-Year | +14.31% | +8.03% |
| 5-Year | +56.28% | +8.11% |
| 10-Year | +154.90% | +9.19% |
| Advisor | | |
| 6-Month | +4.78% | +4.78% |
| 1-Year | +14.57% | +14.57% |
| 5-Year | +58.22% | +9.61% |
| 10-Year | +161.61% | +10.09% |

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

See page 5 for Performance Summary footnotes.

Total Annual Operating Expenses⁵

| Share Class | With Fee Waiver | Without Fee Waiver |
|-------------|-----------------|--------------------|
| A | 0.94% | 0.95% |
| Advisor | 0.68% | 0.69% |

Each class of shares is available to certain eligible investors and has different annual fees and expenses, as described in the prospectus.

Events such as the spread of deadly diseases, disasters, and financial, political or social disruptions, may heighten risks and adversely affect performance.

All investments involve risks, including possible loss of principal. The **investment style** may become out of favor, which may have a negative impact on performance. To the extent the portfolio invests in a **concentration of certain securities, regions or industries**, it is subject to increased volatility. **Small- and mid-cap stocks** involve greater risks and volatility than large-cap stocks. The manager may consider **environmental, social and governance (ESG) criteria** in the research or investment process; however, ESG considerations may not be a determinative factor in security selection. In addition, the manager may not assess every investment for ESG criteria, and not every ESG factor may be identified or evaluated. These and other risks are discussed in the Fund's prospectus.

1. Gross expenses are the Fund's total annual operating expenses as of the Fund's prospectus available at the time of publication. Actual expenses may be higher and may impact portfolio returns. Net expenses reflect contractual fee waivers, expense caps and/or reimbursements, which cannot be terminated prior to 8/31/24 without Board consent. Additional amounts may be voluntarily waived and/or reimbursed and may be modified or discontinued at any time without notice.
2. Cumulative total return represents the change in value of an investment over the periods indicated.
3. Average annual total return represents the average annual change in value of an investment over the periods indicated. Return for less than one year, if any, has not been annualized.
4. Prior to 9/10/18, these shares were offered at a higher initial sales charge of 5.75%, thus actual returns (with sales charges) would have differed. Average annual total returns (with sales charges) have been restated to reflect the current maximum initial sales charge of 5.50%.
5. Figures are as stated in the Fund's current prospectus 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 5/1/23 | Actual (actual return after expenses) | | Hypothetical (5% annual return before expenses) | | Net Annualized Expense Ratio ² |
|-------------|--------------------------------|--|--|--|--|---|
| | | Ending Account Value 10/31/23 | Expenses Paid During Period 5/1/23–10/31/23 ^{1,2} | Ending Account Value 10/31/23 | Expenses Paid During Period 5/1/23–10/31/23 ^{1,2} | |
| A | \$1,000 | \$1,046.70 | \$4.67 | \$1,020.57 | \$4.61 | 0.91% |
| C | \$1,000 | \$1,042.60 | \$8.51 | \$1,016.81 | \$8.40 | 1.66% |
| R | \$1,000 | \$1,045.40 | \$5.96 | \$1,019.31 | \$5.88 | 1.16% |
| R6 | \$1,000 | \$1,048.40 | \$2.97 | \$1,022.24 | \$2.93 | 0.58% |
| Advisor | \$1,000 | \$1,047.80 | \$3.38 | \$1,021.83 | \$3.34 | 0.66% |

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 184/366 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 semiannual report for Franklin Small Cap Growth Fund covers the period ended October 31, 2023.

Fund Overview

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 -5.35% cumulative total return for the six 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 -7.36% cumulative total return.² The Standard & Poor's® 500 Index (S&P 500), which tracks the broad U.S. stock market, posted a +1.39% cumulative total return.² You can find the Fund's long-term performance data in the Performance Summary beginning on page 9.

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.

Portfolio Composition

10/31/23

| | % of Total Net Assets |
|---|-----------------------|
| Software | 10.9% |
| Aerospace & Defense | 6.6% |
| Biotechnology | 6.3% |
| Health Care Equipment & Supplies | 5.8% |
| Semiconductors & Semiconductor Equipment | 5.6% |
| Hotels, Restaurants & Leisure | 5.6% |
| Financial Services | 4.6% |
| Health Care Providers & Services | 4.4% |
| Capital Markets | 3.6% |
| Construction & Engineering | 3.5% |
| Food Products | 3.4% |
| Specialty Retail | 3.2% |
| Household Durables | 2.9% |
| Personal Care Products | 2.8% |
| Other* | 29.1% |
| Short-Term Investments & Other Net Assets | 1.7% |

*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.

Top 10 Holdings

10/31/23

| Company Industry | % of Total Net Assets |
|---|-----------------------|
| BWX Technologies, Inc. Aerospace & Defense | 2.5% |
| BellRing Brands, Inc. Personal Care Products | 2.3% |
| AAR Corp. Aerospace & Defense | 2.2% |
| Arcosa, Inc. Construction & Engineering | 2.1% |
| Onto Innovation, Inc. Semiconductors & Semiconductor Equipment | 2.1% |
| HealthEquity, Inc. Health Care Providers & Services | 2.0% |
| Matador Resources Co. Oil, Gas & Consumable Fuels | 2.0% |
| Liberty Energy, Inc. Energy Equipment & Services | 1.9% |
| Haemonetics Corp. Health Care Equipment & Supplies | 1.8% |
| Simply Good Foods Co. (The) Food Products | 1.8% |

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 31.

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

Performance Summary as of October 31, 2023

The performance table does not reflect any taxes that a shareholder would pay on Fund dividends, capital gain distributions, if any, or any realized gains on the sale of Fund shares. Total return reflects reinvestment of the Fund's dividends and capital gain distributions, if any, and any unrealized gains or losses. Your dividend income will vary depending on dividends or interest paid by securities in the Fund's portfolio, adjusted for operating expenses of each class. Capital gain distributions are net profits realized from the sale of portfolio securities.

Performance as of 10/31/23¹

*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 | | |
| 6-Month | -5.35% | -10.56% |
| 1-Year | +0.55% | -5.00% |
| 5-Year | +20.80% | +2.68% |
| 10-Year | +81.36% | +5.53% |
| Advisor | | |
| 6-Month | -5.21% | -5.21% |
| 1-Year | +0.86% | +0.86% |
| 5-Year | +22.34% | +4.12% |
| 10-Year | +86.10% | +6.41% |

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 10 for Performance Summary footnotes.

Total Annual Operating Expenses⁵

| Share Class | With Fee Waiver | Without Fee Waiver |
|-------------|-----------------|--------------------|
| A | 1.11% | 1.12% |
| Advisor | 0.86% | 0.87% |

Each class of shares is available to certain eligible investors and has different annual fees and expenses, as described in the prospectus.

Events such as the spread of deadly diseases, disasters, and financial, political or social disruptions, may heighten risks and adversely affect performance.

All investments involve risks, including possible loss of principal. Small- and mid-cap stocks involve greater risks and volatility than large-cap stocks. The investment style may become out of favor, which may have a negative impact on performance. To the extent the portfolio invests in a concentration of certain securities, regions or industries, it is subject to increased volatility. **Liquidity risk** exists when securities or other investments become more difficult to sell, or are unable to be sold, at the price at which they have been valued. The manager may consider **environmental, social and governance (ESG) criteria** in the research or investment process; however, ESG considerations may not be a determinative factor in security selection. In addition, the manager may not assess every investment for ESG criteria, and not every ESG factor may be identified or evaluated. These and other risks are discussed in the Fund's prospectus.

1. Gross expenses are the Fund's total annual operating expenses as of the Fund's prospectus available at the time of publication. Actual expenses may be higher and may impact portfolio returns. Net expenses reflect contractual fee waivers, expense caps and/or reimbursements, which cannot be terminated prior to 8/31/24 without Board consent. Additional amounts may be voluntarily waived and/or reimbursed and may be modified or discontinued at any time without notice.
 2. Cumulative total return represents the change in value of an investment over the periods indicated.
 3. Average annual total return represents the average annual change in value of an investment over the periods indicated. Return for less than one year, if any, has not been annualized.
 4. Prior to 9/10/18, these shares were offered at a higher initial sales charge of 5.75%, thus actual returns (with sales charges) would have differed. Average annual total returns (with sales charges) have been restated to reflect the current maximum initial sales charge of 5.50%.
 5. Figures are as stated in the Fund's current prospectus 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 5/1/23 | Actual (actual return after expenses) | | Hypothetical (5% annual return before expenses) | | Net Annualized Expense Ratio ² |
|-------------|--------------------------------|--|--|--|--|---|
| | | Ending Account Value 10/31/23 | Expenses Paid During Period 5/1/23–10/31/23 ^{1,2} | Ending Account Value 10/31/23 | Expenses Paid During Period 5/1/23–10/31/23 ^{1,2} | |
| A | \$1,000 | \$946.50 | \$5.28 | \$1,019.71 | \$5.48 | 1.08% |
| C | \$1,000 | \$944.30 | \$8.94 | \$1,015.94 | \$9.27 | 1.83% |
| R | \$1,000 | \$945.20 | \$6.50 | \$1,018.46 | \$6.74 | 1.33% |
| R6 | \$1,000 | \$948.40 | \$3.27 | \$1,021.78 | \$3.39 | 0.67% |
| Advisor | \$1,000 | \$947.90 | \$4.06 | \$1,020.97 | \$4.21 | 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 184/366 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 semiannual report for Franklin Small-Mid Cap Growth Fund covers the period ended October 31, 2023.

Fund Overview

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 -3.60% cumulative total return for the six months under review. In comparison, the Russell Midcap® Growth Index, which measures the performance of those Russell Midcap® Growth Index companies with relatively higher price-to-book ratios and higher forecasted growth rates, posted a -3.05% 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 +1.39% cumulative total return.² You can find the Fund's long-term performance data in the Performance Summary beginning on page 14.

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.

Portfolio Composition

10/31/23

| | % of Total Net Assets |
|---|-----------------------|
| Software | 12.9% |
| Capital Markets | 7.2% |
| Life Sciences Tools & Services | 5.5% |
| Health Care Equipment & Supplies | 5.3% |
| Professional Services | 5.2% |
| Hotels, Restaurants & Leisure | 4.6% |
| Specialty Retail | 4.3% |
| Semiconductors & Semiconductor Equipment | 3.9% |
| IT Services | 3.8% |
| Oil, Gas & Consumable Fuels | 3.0% |
| Aerospace & Defense | 3.0% |
| Biotechnology | 2.8% |
| Interactive Media & Services | 2.6% |
| Health Care Technology | 1.9% |
| Other* | 30.3% |
| Short-Term Investments & Other Net Assets | 3.7% |

*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.

Top 10 Holdings

10/31/23

| Company Industry | % of Total Net Assets |
|--|-----------------------|
| CrowdStrike Holdings, Inc. Software | 2.3% |
| Paychex, Inc. Professional Services | 2.0% |
| Ares Management Corp. Capital Markets | 1.9% |
| Dexcom, Inc. Health Care Equipment & Supplies | 1.8% |
| Trane Technologies plc Building Products | 1.8% |
| Veeva Systems, Inc. Health Care Technology | 1.7% |
| Fastenal Co. Trading Companies & Distributors | 1.7% |
| Agilent Technologies, Inc. Life Sciences Tools & Services | 1.6% |
| Pinterest, Inc. Interactive Media & Services | 1.5% |
| TransDigm Group, Inc. Aerospace & Defense | 1.5% |

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 41.

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

Performance Summary as of October 31, 2023

The performance table does not reflect any taxes that a shareholder would pay on Fund dividends, capital gain distributions, if any, or any realized gains on the sale of Fund shares. Total return reflects reinvestment of the Fund's dividends and capital gain distributions, if any, and any unrealized gains or losses. Your dividend income will vary depending on dividends or interest paid by securities in the Fund's portfolio, adjusted for operating expenses of each class. Capital gain distributions are net profits realized from the sale of portfolio securities.

Performance as of 10/31/23¹

*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 | | |
| 6-Month | -3.60% | -8.89% |
| 1-Year | +3.42% | -2.26% |
| 5-Year | +45.00% | +6.50% |
| 10-Year | +110.90% | +7.14% |
| Advisor | | |
| 6-Month | -3.46% | -3.46% |
| 1-Year | +3.71% | +3.71% |
| 5-Year | +46.79% | +7.98% |
| 10-Year | +116.23% | +8.02% |

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 15 for Performance Summary footnotes.

Total Annual Operating Expenses⁵

| Share Class | With Fee Waiver | Without Fee Waiver |
|-------------|-----------------|--------------------|
| A | 0.90% | 0.92% |
| Advisor | 0.65% | 0.67% |

Each class of shares is available to certain eligible investors and has different annual fees and expenses, as described in the prospectus.

Events such as the spread of deadly diseases, disasters, and financial, political or social disruptions, may heighten risks and adversely affect performance.

All investments involve risks, including possible loss of principal. The **investment style** may become out of favor, which may have a negative impact on performance. **Small- and mid-cap stocks** involve greater risks and volatility than large-cap stocks. To the extent the portfolio invests in a **concentration of certain securities, regions or industries**, it is subject to increased volatility. **Liquidity risk** exists when securities or other investments become more difficult to sell, or are unable to be sold, at the price at which they have been valued. The manager may consider **environmental, social and governance (ESG) criteria** in the research or investment process; however, ESG considerations may not be a determinative factor in security selection. In addition, the manager may not assess every investment for ESG criteria, and not every ESG factor may be identified or evaluated. These and other risks are discussed in the Fund's prospectus.

1. Gross expenses are the Fund's total annual operating expenses as of the Fund's prospectus available at the time of publication. Actual expenses may be higher and may impact portfolio returns. Net expenses reflect contractual fee waivers, expense caps and/or reimbursements, which cannot be terminated prior to 8/31/24 without Board consent. Additional amounts may be voluntarily waived and/or reimbursed and may be modified or discontinued at any time without notice.

2. Cumulative total return represents the change in value of an investment over the periods indicated.

3. Average annual total return represents the average annual change in value of an investment over the periods indicated. Return for less than one year, if any, has not been annualized.

4. Prior to 9/10/18, these shares were offered at a higher initial sales charge of 5.75%, thus actual returns (with sales charges) would have differed. Average annual total returns (with sales charges) have been restated to reflect the current maximum initial sales charge of 5.50%.

5. Figures are as stated in the Fund's current prospectus 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 5/1/23 | Actual (actual return after expenses) | | Hypothetical (5% annual return before expenses) | | Net Annualized Expense Ratio ² |
|-------------|--------------------------------|--|--|--|--|---|
| | | Ending Account Value 10/31/23 | Expenses Paid During Period 5/1/23–10/31/23 ^{1,2} | Ending Account Value 10/31/23 | Expenses Paid During Period 5/1/23–10/31/23 ^{1,2} | |
| A | \$1,000 | \$964.00 | \$4.21 | \$1,020.85 | \$4.33 | 0.85% |
| C | \$1,000 | \$960.60 | \$7.90 | \$1,017.08 | \$8.12 | 1.60% |
| R | \$1,000 | \$963.10 | \$5.44 | \$1,019.59 | \$5.60 | 1.10% |
| R6 | \$1,000 | \$965.90 | \$2.42 | \$1,022.67 | \$2.49 | 0.49% |
| Advisor | \$1,000 | \$965.40 | \$2.98 | \$1,022.11 | \$3.06 | 0.60% |

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 184/366 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

| | Six Months Ended October 31, 2023 (unaudited) | Year Ended April 30, | | | | |
|--|--|----------------------|-------------|--------------------|--------------------|--------------------|
| | | 2023 | 2022 | 2021 | 2020 | 2019 |
| Class A | | | | | | |
| Per share operating performance | | | | | | |
| (for a share outstanding throughout the period) | | | | | | |
| Net asset value, beginning of period | \$39.15 | \$43.14 | \$56.25 | \$39.60 | \$39.57 | \$38.58 |
| Income from investment operations ^a : | | | | | | |
| Net investment (loss) ^b | (0.08) | (0.12) | (0.28) | (0.26) | (0.14) | (0.13) |
| Net realized and unrealized gains (losses) | 1.91 | (2.19) | (7.76) | 20.03 | 3.59 | 5.29 |
| Total from investment operations | 1.83 | (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 period | \$40.98 | \$39.15 | \$43.14 | \$56.25 | \$39.60 | \$39.57 |
| Total return ^c | 4.67% | (4.98)% | (16.57)% | 50.64% | 8.90% | 15.91% |
| Ratios to average net assets^d | | | | | | |
| Expenses before waiver and payments by affiliates | 0.91% | 0.95% | 0.90% | 0.91% | 0.95% | 0.94% |
| Expenses net of waiver and payments by affiliates ^e | 0.91% ^f | 0.94% | 0.89% | 0.91% ^f | 0.95% ^f | 0.94% ^f |
| Net investment (loss) | (0.37)% | (0.30)% | (0.49)% | (0.51)% | (0.35)% | (0.32)% |
| Supplemental data | | | | | | |
| Net assets, end of period (000's) | \$2,829,560 | \$2,765,017 | \$3,215,834 | \$4,203,693 | \$2,883,392 | \$2,819,007 |
| Portfolio turnover rate | 20.67% | 16.52% ^g | 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, and is not annualized for periods less than one year.

^dRatios are annualized for periods less than one year.

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

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

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

Franklin Growth Opportunities Fund (continued)

| | Six Months Ended October 31, 2023 (unaudited) | Year Ended April 30, | | | | |
|--|--|----------------------|-----------|--------------------|--------------------|--------------------|
| | | 2023 | 2022 | 2021 | 2020 | 2019 |
| Class C | | | | | | |
| Per share operating performance | | | | | | |
| (for a share outstanding throughout the period) | | | | | | |
| Net asset value, beginning of period | \$28.86 | \$32.55 | \$43.87 | \$31.61 | \$32.47 | \$32.67 |
| Income from investment operations ^a : | | | | | | |
| Net investment (loss) ^b | (0.17) | (0.30) | (0.54) | (0.50) | (0.35) | (0.35) |
| Net realized and unrealized gains (losses) | 1.40 | (1.71) | (5.71) | 15.88 | 2.91 | 4.32 |
| Total from investment operations | 1.23 | (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 period | \$30.09 | \$28.86 | \$32.55 | \$43.87 | \$31.61 | \$32.47 |
| Total return ^c | 4.26% | (5.69)% | (17.20)% | 49.47% | 8.10% | 15.10% |
| Ratios to average net assets^d | | | | | | |
| Expenses before waiver and payments by affiliates | 1.66% | 1.70% | 1.65% | 1.66% | 1.70% | 1.69% |
| Expenses net of waiver and payments by affiliates ^e | 1.66% ^f | 1.69% | 1.64% | 1.66% ^f | 1.70% ^f | 1.69% ^f |
| Net investment (loss) | (1.10)% | (1.05)% | (1.23)% | (1.26)% | (1.10)% | (1.07)% |
| Supplemental data | | | | | | |
| Net assets, end of period (000's) | \$80,142 | \$119,070 | \$158,895 | \$278,804 | \$216,757 | \$244,574 |
| Portfolio turnover rate | 20.67% | 16.52% ^g | 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, and is not annualized for periods less than one year.

^dRatios are annualized for periods less than one year.

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

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

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

Franklin Growth Opportunities Fund (continued)

| | Six Months Ended October 31, 2023 (unaudited) | 2023 | 2022 | 2021 | 2020 | 2019 |
|--|--|---------------------|----------|--------------------|--------------------|--------------------|
| Class R | | | | | | |
| Per share operating performance | | | | | | |
| (for a share outstanding throughout the period) | | | | | | |
| Net asset value, beginning of period | \$36.13 | \$40.06 | \$52.69 | \$37.32 | \$37.57 | \$36.93 |
| Income from investment operations ^a : | | | | | | |
| Net investment (loss) ^b | (0.12) | (0.20) | (0.39) | (0.36) | (0.22) | (0.21) |
| Net realized and unrealized gains (losses) | 1.76 | (2.05) | (7.17) | 18.85 | 3.39 | 5.02 |
| Total from investment operations | 1.64 | (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 period | \$37.77 | \$36.13 | \$40.06 | \$52.69 | \$37.32 | \$37.57 |
| Total return ^c | 4.54% | (5.21)% | (16.79)% | 50.26% | 8.64% | 15.66% |
| Ratios to average net assets^d | | | | | | |
| Expenses before waiver and payments by affiliates | 1.16% | 1.20% | 1.15% | 1.15% | 1.20% | 1.19% |
| Expenses net of waiver and payments by affiliates ^e | 1.16% ^f | 1.19% | 1.14% | 1.15% ^f | 1.20% ^f | 1.19% ^f |
| Net investment (loss) | (0.62)% | (0.55)% | (0.73)% | (0.75)% | (0.60)% | (0.57)% |
| Supplemental data | | | | | | |
| Net assets, end of period (000's) | \$23,586 | \$22,664 | \$27,009 | \$40,396 | \$31,060 | \$37,105 |
| Portfolio turnover rate | 20.67% | 16.52% ^g | 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 is not annualized for periods less than one year.

^dRatios are annualized for periods less than one year.

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

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

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

Franklin Growth Opportunities Fund (continued)

| | Six Months Ended October 31, 2023 (unaudited) | Year Ended April 30, | | | | |
|--|--|----------------------|--------------------|--------------------|--------------------|-----------|
| | | 2023 | 2022 | 2021 | 2020 | 2019 |
| Class R6 | | | | | | |
| Per share operating performance | | | | | | |
| (for a share outstanding throughout the period) | | | | | | |
| Net asset value, beginning of period | \$44.87 | \$48.98 | \$63.06 | \$43.97 | \$43.42 | \$41.78 |
| Income from investment operations ^a : | | | | | | |
| Net investment income (loss) ^b | (0.01) | 0.02 | (0.10) | (0.10) | 0.01 | 0.01 |
| Net realized and unrealized gains (losses) | 2.18 | (2.45) | (8.91) | 22.31 | 3.96 | 5.80 |
| Total from investment operations | 2.17 | (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 period | \$47.04 | \$44.87 | \$48.98 | \$63.06 | \$43.97 | \$43.42 |
| Total return ^c | 4.84% | (4.62)% | (16.32)% | 51.13% | 9.34% | 16.26% |
| Ratios to average net assets^d | | | | | | |
| Expenses before waiver and payments by affiliates | 0.58% | 0.59% | 0.57% | 0.57% | 0.59% | 0.59% |
| Expenses net of waiver and payments by affiliates ^e | 0.58% ^f | 0.58% | 0.57% ^f | 0.57% ^f | 0.59% ^f | 0.58% |
| Net investment income (loss) | (0.03)% | 0.05% | (0.16)% | (0.17)% | 0.01% | 0.04% |
| Supplemental data | | | | | | |
| Net assets, end of period (000's) | \$330,821 | \$449,119 | \$461,475 | \$563,918 | \$383,208 | \$418,174 |
| Portfolio turnover rate | 20.67% | 16.52% ^g | 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 is not annualized for periods less than one year.

^dRatios are annualized for periods less than one year.

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

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

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

Franklin Growth Opportunities Fund (continued)

| | Six Months Ended October 31, 2023 (unaudited) | Year Ended April 30, | | | | |
|--|--|----------------------|-----------|--------------------|--------------------|--------------------|
| | | 2023 | 2022 | 2021 | 2020 | 2019 |
| Advisor Class | | | | | | |
| Per share operating performance | | | | | | |
| (for a share outstanding throughout the period) | | | | | | |
| Net asset value, beginning of period | \$43.96 | \$48.07 | \$62.01 | \$43.31 | \$42.87 | \$41.34 |
| Income from investment operations ^a : | | | | | | |
| Net investment (loss) ^b | (0.03) | (0.02) | (0.15) | (0.14) | (0.04) | (0.03) |
| Net realized and unrealized gains (losses) | 2.13 | (2.41) | (8.72) | 21.96 | 3.90 | 5.73 |
| Total from investment operations | 2.10 | (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 period | \$46.06 | \$43.96 | \$48.07 | \$62.01 | \$43.31 | \$42.87 |
| Total return ^c | 4.78% | (4.71)% | (16.37)% | 51.01% | 9.20% | 16.16% |
| Ratios to average net assets^d | | | | | | |
| Expenses before waiver and payments by affiliates | 0.66% | 0.69% | 0.65% | 0.66% | 0.70% | 0.69% |
| Expenses net of waiver and payments by affiliates ^e | 0.66% ^f | 0.68% | 0.64% | 0.66% ^f | 0.70% ^f | 0.69% ^f |
| Net investment (loss) | (0.11)% | (0.05)% | (0.24)% | (0.26)% | (0.10)% | (0.07)% |
| Supplemental data | | | | | | |
| Net assets, end of period (000's) | \$235,652 | \$325,234 | \$636,524 | \$643,449 | \$467,727 | \$506,964 |
| Portfolio turnover rate | 20.67% | 16.52% ^g | 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 is not annualized for periods less than one year.

^dRatios are annualized for periods less than one year.

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

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

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

Schedule of Investments (unaudited), October 31, 2023

Franklin Growth Opportunities Fund

| | Country | Shares | Value |
|---|---------------|-----------|--------------|
| Common Stocks 95.6% | | | |
| Aerospace & Defense 1.6% | | | |
| ^a Axon Enterprise, Inc. | United States | 218,188 | \$44,617,264 |
| ^{a,b,c} Space Exploration Technologies Corp., A. | United States | 142,857 | 11,571,417 |
| | | | 56,188,681 |
| Automobiles 0.7% | | | |
| ^a Tesla, Inc. | United States | 117,460 | 23,590,666 |
| Beverages 2.1% | | | |
| Constellation Brands, Inc., A | United States | 72,279 | 16,924,128 |
| ^a Monster Beverage Corp. | United States | 1,125,473 | 57,511,670 |
| | | | 74,435,798 |
| Broadline Retail 6.3% | | | |
| ^a Amazon.com, Inc. | United States | 1,657,897 | 220,649,512 |
| Capital Markets 3.8% | | | |
| Ares Management Corp., A | United States | 528,051 | 52,060,548 |
| MSCI, Inc., A. | United States | 73,034 | 34,439,183 |
| S&P Global, Inc. | United States | 132,492 | 46,280,780 |
| | | | 132,780,511 |
| Chemicals 1.7% | | | |
| Linde plc. | United States | 156,596 | 59,844,727 |
| Commercial Services & Supplies 1.5% | | | |
| ^{a,b,c} Celonis SE | Germany | 4,619 | 1,253,201 |
| ^{a,b,c} Celonis SE, D | Germany | 25,571 | 6,937,783 |
| Republic Services, Inc., A | United States | 298,735 | 44,359,160 |
| | | | 52,550,144 |
| Entertainment 1.2% | | | |
| ^a Netflix, Inc. | United States | 46,549 | 19,163,758 |
| ^a ROBLOX Corp., A. | United States | 721,340 | 22,945,825 |
| | | | 42,109,583 |
| Financial Services 4.2% | | | |
| Mastercard, Inc., A | United States | 391,530 | 147,352,316 |
| Food Products 1.1% | | | |
| ^a Freshpet, Inc. | United States | 192,209 | 11,032,797 |
| Lamb Weston Holdings, Inc. | United States | 317,259 | 28,489,858 |
| | | | 39,522,655 |
| Ground Transportation 1.9% | | | |
| ^a Uber Technologies, Inc. | United States | 1,094,511 | 47,370,436 |
| Union Pacific Corp. | United States | 84,597 | 17,563,183 |
| | | | 64,933,619 |
| Health Care Equipment & Supplies 2.2% | | | |
| ^a IDEXX Laboratories, Inc. | United States | 75,200 | 30,040,144 |
| ^a IL MAKIAGE Cosmetics (2013) Ltd. | Israel | 580,952 | 14,843,324 |
| ^a Intuitive Surgical, Inc. | United States | 124,850 | 32,738,167 |
| | | | 77,621,635 |
| Health Care Providers & Services 2.1% | | | |
| ^a Guardant Health, Inc. | United States | 253,022 | 6,548,209 |
| UnitedHealth Group, Inc. | United States | 127,267 | 68,159,115 |
| | | | 74,707,324 |

Franklin Growth Opportunities Fund (continued)

| | Country | Shares | Value |
|--|----------------|-----------|--------------|
| Common Stocks (continued) | | | |
| Health Care Technology 0.8% | | | |
| ^a Veeva Systems, Inc., A | United States | 138,133 | \$26,619,611 |
| Hotels, Restaurants & Leisure 2.8% | | | |
| ^a Chipotle Mexican Grill, Inc., A | United States | 31,244 | 60,682,097 |
| Wingstop, Inc. | United States | 203,908 | 37,268,265 |
| | | | 97,950,362 |
| Interactive Media & Services 8.8% | | | |
| ^a Alphabet, Inc., C | United States | 950,964 | 119,155,789 |
| ^a Meta Platforms, Inc., A | United States | 488,509 | 147,173,106 |
| ^a Pinterest, Inc., A | United States | 1,402,654 | 41,911,302 |
| | | | 308,240,197 |
| IT Services 2.6% | | | |
| ^{a,b,c} Canva, Inc. | Australia | 11,829 | 11,818,306 |
| ^a Gartner, Inc. | United States | 132,002 | 43,829,944 |
| ^a MongoDB, Inc., A | United States | 105,721 | 36,430,400 |
| | | | 92,078,650 |
| Leisure Products 1.9% | | | |
| ^{a,b,c} Fanatics Holdings, Inc. | United States | 1,029,939 | 66,191,423 |
| Life Sciences Tools & Services 3.4% | | | |
| Danaher Corp. | United States | 234,799 | 45,086,104 |
| Thermo Fisher Scientific, Inc. | United States | 64,705 | 28,778,843 |
| West Pharmaceutical Services, Inc. | United States | 146,933 | 46,767,304 |
| | | | 120,632,251 |
| Personal Care Products 1.0% | | | |
| ^a BellRing Brands, Inc. | United States | 671,117 | 29,347,946 |
| ^{a,d} Oddity Tech Ltd., A | Israel | 180,449 | 4,610,472 |
| | | | 33,958,418 |
| Pharmaceuticals 3.0% | | | |
| AstraZeneca plc, ADR | United Kingdom | 244,398 | 15,453,286 |
| Eli Lilly & Co. | United States | 158,925 | 88,033,325 |
| | | | 103,486,611 |
| Professional Services 2.1% | | | |
| Paycom Software, Inc. | United States | 43,500 | 10,656,195 |
| TransUnion | United States | 557,790 | 24,475,825 |
| Verisk Analytics, Inc., A | United States | 168,999 | 38,423,613 |
| | | | 73,555,633 |
| Real Estate Management & Development 1.0% | | | |
| ^a CoStar Group, Inc. | United States | 489,040 | 35,900,426 |
| Semiconductors & Semiconductor Equipment 9.6% | | | |
| Analog Devices, Inc. | United States | 199,753 | 31,427,140 |
| ^a ARM Holdings plc, ADR | United States | 237,100 | 11,686,659 |
| ASML Holding NV, NYRS | Netherlands | 39,026 | 23,369,159 |
| ^a Lattice Semiconductor Corp. | United States | 539,432 | 29,997,814 |
| Monolithic Power Systems, Inc. | United States | 169,776 | 74,996,850 |
| NVIDIA Corp. | United States | 403,291 | 164,462,070 |
| | | | 335,939,692 |
| Software 22.4% | | | |
| ^a Adobe, Inc. | United States | 122,291 | 65,066,149 |
| ^a Atlassian Corp., A | United States | 125,321 | 22,637,985 |
| ^a BILL Holdings, Inc. | United States | 169,882 | 15,508,528 |

Franklin Growth Opportunities Fund (continued)

| | Country | Shares | Value |
|---|---------------|-----------|----------------------------|
| Common Stocks (continued) | | | |
| Software (continued) | | | |
| ^{a,b,c} ClearMotion, Inc. | United States | 6,309,366 | \$733,912 |
| ^a Confluent, Inc., A | United States | 299,634 | 8,662,419 |
| ^a CrowdStrike Holdings, Inc., A | United States | 238,716 | 42,197,827 |
| ^a Datadog, Inc., A | United States | 105,681 | 8,609,831 |
| ^a Fair Isaac Corp. | United States | 50,324 | 42,567,562 |
| ^a HubSpot, Inc. | United States | 59,062 | 25,028,704 |
| Intuit, Inc. | United States | 103,786 | 51,368,881 |
| ^a Klaviyo, Inc., A | United States | 65,600 | 1,868,944 |
| Microsoft Corp. | United States | 538,088 | 181,932,934 |
| ^a Monday.com Ltd. | United States | 72,676 | 9,447,153 |
| Oracle Corp. | United States | 401,902 | 41,556,667 |
| Roper Technologies, Inc. | United States | 90,216 | 44,076,831 |
| ^a Salesforce, Inc. | United States | 75,620 | 15,186,765 |
| ^a ServiceNow, Inc. | United States | 155,481 | 90,466,620 |
| ^a Synopsys, Inc. | United States | 116,156 | 54,528,273 |
| ^a Tyler Technologies, Inc. | United States | 75,967 | 28,328,094 |
| ^a Workday, Inc., A | United States | 166,079 | 35,160,585 |
| | | | <hr/> 784,934,664 |
| Specialized REITs 1.0% | | | |
| SBA Communications Corp., A | United States | 169,294 | <hr/> 35,319,807 |
| Specialty Retail 0.6% | | | |
| ^a AutoZone, Inc. | United States | 7,878 | <hr/> 19,514,830 |
| Technology Hardware, Storage & Peripherals 3.8% | | | |
| Apple, Inc. | United States | 776,341 | <hr/> 132,575,753 |
| Textiles, Apparel & Luxury Goods 0.2% | | | |
| ^a Figs, Inc., A. | United States | 1,208,624 | <hr/> 6,659,518 |
| Water Utilities 0.2% | | | |
| ^a Veralto Corp. | United States | 89,544 | <hr/> 6,178,536 |
| Total Common Stocks (Cost \$1,666,873,956) | | | <hr/> 3,346,023,553 |
| Convertible Preferred Stocks 1.3% | | | |
| Software 1.3% | | | |
| ^{a,b,c} Databricks, Inc., G | United States | 338,280 | 24,863,580 |
| ^{a,b,c} Lacework, Inc., D | United States | 810,440 | 14,173,618 |
| ^{a,b,c} OneTrust LLC, C. | United States | 517,056 | 6,871,167 |
| | | | <hr/> 45,908,365 |
| Total Convertible Preferred Stocks (Cost \$50,470,099) | | | <hr/> 45,908,365 |
| Preferred Stocks 1.1% | | | |
| Commercial Services & Supplies 0.2% | | | |
| ^{a,b,c,e} Optoro, Inc., E | United States | 556,026 | <hr/> 8,161,638 |
| Health Care Providers & Services 0.4% | | | |
| ^{a,b,c} Tempus Labs, Inc., F. | United States | 504,854 | 10,907,182 |
| ^{a,b,c} Tempus Labs, Inc., G | United States | 126,131 | 2,725,013 |
| | | | <hr/> 13,632,195 |
| Software 0.5% | | | |
| ^{a,b,c} ClearMotion, Inc., A-3 | United States | 417,667 | 61,321 |
| ^{a,b,c} ClearMotion, Inc., A-4 | United States | 2,606,463 | 358,874 |
| ^{a,b,c,e} Talkdesk, Inc., C | United States | 1,753,060 | 9,558,940 |

Franklin Growth Opportunities Fund (continued)

| | Country | Shares | Value |
|---|---------------|------------|------------------------|
| Preferred Stocks (continued) | | | |
| Software (continued) | | | |
| ^{a,b,c} Tanium, Inc., G | United States | 805,800 | \$6,076,910 |
| | | | 16,056,045 |
| Total Preferred Stocks (Cost \$44,049,689) | | | 37,849,878 |
| 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 | 10,278 | — |
| Total Escrows and Litigation Trusts (Cost \$—) | | | — |
| Total Long Term Investments (Cost \$1,761,393,744) | | | 3,429,781,796 |
| Short Term Investments 2.6% | | | |
| | Country | Shares | Value |
| Money Market Funds 2.5% | | | |
| ^{f,g} Institutional Fiduciary Trust - Money Market Portfolio, 5.035% | United States | 87,309,922 | 87,309,922 |
| Total Money Market Funds (Cost \$87,309,922) | | | 87,309,922 |
| ^hInvestments from Cash Collateral Received for Loaned Securities 0.1% | | | |
| Money Market Funds 0.1% | | | |
| ^{f,g} Institutional Fiduciary Trust - Money Market Portfolio, 5.035% | United States | 4,627,800 | 4,627,800 |
| Total Investments from Cash Collateral Received for Loaned Securities (Cost \$4,627,800) | | | 4,627,800 |
| Total Short Term Investments (Cost \$91,937,722) | | | 91,937,722 |
| Total Investments (Cost \$1,853,331,466) 100.6% | | | \$3,521,719,518 |
| Other Assets, less Liabilities (0.6)% | | | (21,957,497) |
| Net Assets 100.0% | | | \$3,499,762,021 |

See Abbreviations on page 74.

^a Non-income producing.

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

^c See Note 7 regarding restricted securities.

^d A portion or all of the security is on loan at October 31, 2023. See Note 1(c).

^e See Note 8 regarding holdings of 5% voting securities.

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

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

^h See Note 1(c) regarding securities on loan.

Financial Highlights

Franklin Small Cap Growth Fund

| | Six Months Ended October 31, 2023 (unaudited) | Year Ended April 30, | | | | |
|--|--|----------------------|--------------------|-------------|-----------|-----------|
| | | 2023 | 2022 | 2021 | 2020 | 2019 |
| Class A | | | | | | |
| Per share operating performance | | | | | | |
| (for a share outstanding throughout the period) | | | | | | |
| Net asset value, beginning of period | \$17.19 | \$17.78 | \$30.08 | \$18.85 | \$21.46 | \$23.01 |
| Income from investment operations ^a : | | | | | | |
| Net investment (loss) ^b | (0.05) | (0.09) | (0.14) | (0.18) | (0.11) | (0.15) |
| Net realized and unrealized gains (losses) | (0.87) | (0.40) | (7.89) | 14.24 | (1.07) | 2.86 |
| Total from investment operations | (0.92) | (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 period | \$16.27 | \$17.19 | \$17.78 | \$30.08 | \$18.85 | \$21.46 |
| Total return ^c | (5.35)% | (2.73)% | (29.53)% | 76.43% | (6.25)% | 16.06% |
| Ratios to average net assets^d | | | | | | |
| Expenses before waiver and payments by affiliates | 1.09% | 1.11% | 1.03% | 1.03% | 1.07% | 1.07% |
| Expenses net of waiver and payments by affiliates ^e | 1.08% | 1.10% | 1.03% ^f | 1.02% | 1.06% | 1.06% |
| Net investment (loss) | (0.54)% | (0.54)% | (0.54)% | (0.69)% | (0.51)% | (0.68)% |
| Supplemental data | | | | | | |
| Net assets, end of period (000's) | \$689,572 | \$763,871 | \$860,536 | \$1,244,591 | \$686,791 | \$713,442 |
| Portfolio turnover rate | 8.69% | 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, and is not annualized for periods less than one year.

^dRatios are annualized for periods less than one year.

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

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

Franklin Small Cap Growth Fund (continued)

| | Six Months Ended October 31, 2023 (unaudited) | Year Ended April 30, | | | | |
|--|--|----------------------|--------------------|----------|----------|----------|
| | | 2023 | 2022 | 2021 | 2020 | 2019 |
| Class C | | | | | | |
| Per share operating performance | | | | | | |
| (for a share outstanding throughout the period) | | | | | | |
| Net asset value, beginning of period | \$11.84 | \$12.37 | \$22.57 | \$14.69 | \$17.15 | \$19.41 |
| Income from investment operations ^a : | | | | | | |
| Net investment (loss) ^b | (0.08) | (0.15) | (0.25) | (0.29) | (0.21) | (0.28) |
| Net realized and unrealized gains (losses) | (0.58) | (0.28) | (5.68) | 11.00 | (0.82) | 2.28 |
| Total from investment operations | (0.66) | (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 period | \$11.18 | \$11.84 | \$12.37 | \$22.57 | \$14.69 | \$17.15 |
| Total return ^c | (5.57)% | (3.44)% | (30.07)% | 75.13% | (6.97)% | 15.31% |
| Ratios to average net assets^d | | | | | | |
| Expenses before waiver and payments by affiliates | 1.84% | 1.86% | 1.78% | 1.78% | 1.82% | 1.82% |
| Expenses net of waiver and payments by affiliates ^e | 1.83% | 1.84% | 1.78% ^f | 1.77% | 1.81% | 1.81% |
| Net investment (loss) | (1.29)% | (1.28)% | (1.31)% | (1.43)% | (1.26)% | (1.43)% |
| Supplemental data | | | | | | |
| Net assets, end of period (000's) | \$18,192 | \$20,551 | \$32,755 | \$86,394 | \$66,269 | \$90,513 |
| Portfolio turnover rate | 8.69% | 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, and is not annualized for periods less than one year.

^dRatios are annualized for periods less than one year.

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

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

Franklin Small Cap Growth Fund (continued)

| | Six Months Ended October 31, 2023 (unaudited) | Year Ended April 30, | | | | |
|--|--|----------------------|--------------------|----------|----------|----------|
| | | 2023 | 2022 | 2021 | 2020 | 2019 |
| Class R | | | | | | |
| Per share operating performance | | | | | | |
| (for a share outstanding throughout the period) | | | | | | |
| Net asset value, beginning of period | \$15.52 | \$16.10 | \$27.76 | \$17.58 | \$20.15 | \$21.93 |
| Income from investment operations ^a : | | | | | | |
| Net investment (loss) ^b | (0.06) | (0.12) | (0.19) | (0.23) | (0.15) | (0.20) |
| Net realized and unrealized gains (losses) | (0.79) | (0.36) | (7.20) | 13.24 | (0.99) | 2.68 |
| Total from investment operations | (0.85) | (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 period | \$14.67 | \$15.52 | \$16.10 | \$27.76 | \$17.58 | \$20.15 |
| Total return ^c | (5.48)% | (2.95)% | (29.71)% | 75.96% | (6.47)% | 15.78% |
| Ratios to average net assets^d | | | | | | |
| Expenses before waiver and payments by affiliates | 1.34% | 1.36% | 1.28% | 1.28% | 1.32% | 1.32% |
| Expenses net of waiver and payments by affiliates ^e | 1.33% | 1.35% | 1.28% ^f | 1.27% | 1.31% | 1.31% |
| Net investment (loss) | (0.79)% | (0.79)% | (0.79)% | (0.93)% | (0.76)% | (0.93)% |
| Supplemental data | | | | | | |
| Net assets, end of period (000's) | \$34,235 | \$39,777 | \$50,324 | \$79,314 | \$54,369 | \$74,634 |
| Portfolio turnover rate | 8.69% | 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 is not annualized for periods less than one year.

^dRatios are annualized for periods less than one year.

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

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

Franklin Small Cap Growth Fund (continued)

| | Six Months Ended October 31, 2023 (unaudited) | Year Ended April 30, | | | | |
|--|--|----------------------|-------------|-------------|-------------|-------------|
| | | 2023 | 2022 | 2021 | 2020 | 2019 |
| Class R6 | | | | | | |
| Per share operating performance | | | | | | |
| (for a share outstanding throughout the period) | | | | | | |
| Net asset value, beginning of period | \$20.15 | \$20.73 | \$34.14 | \$21.07 | \$23.73 | \$24.88 |
| Income from investment operations ^a : | | | | | | |
| Net investment (loss) ^b | (0.01) | (0.02) | (0.04) | (0.09) | (0.02) | (0.07) |
| Net realized and unrealized gains (losses) | (1.03) | (0.46) | (9.10) | 15.99 | (1.21) | 3.18 |
| Total from investment operations | (1.04) | (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 period | \$19.11 | \$20.15 | \$20.73 | \$34.14 | \$21.07 | \$23.73 |
| Total return ^c | (5.16)% | (2.29)% | (29.26)% | 77.13% | (5.86)% | 16.50% |
| Ratios to average net assets^d | | | | | | |
| Expenses before waiver and payments by affiliates | 0.68% | 0.68% | 0.65% | 0.65% | 0.67% | 0.67% |
| Expenses net of waiver and payments by affiliates ^e | 0.67% | 0.66% | 0.64% | 0.64% | 0.64% | 0.64% |
| Net investment (loss) | (0.13)% | (0.10)% | (0.15)% | (0.31)% | (0.09)% | (0.26)% |
| Supplemental data | | | | | | |
| Net assets, end of period (000's) | \$1,178,858 | \$1,345,064 | \$1,529,170 | \$2,149,795 | \$1,136,759 | \$1,084,442 |
| Portfolio turnover rate | 8.69% | 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 is not annualized for periods less than one year.

^dRatios are annualized for periods less than one year.

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

Franklin Small Cap Growth Fund (continued)

| | Six Months Ended October 31, 2023 (unaudited) | Year Ended April 30, | | | | |
|--|--|----------------------|-----------|-----------|-----------|-----------|
| | | 2023 | 2022 | 2021 | 2020 | 2019 |
| Advisor Class | | | | | | |
| Per share operating performance | | | | | | |
| (for a share outstanding throughout the period) | | | | | | |
| Net asset value, beginning of period | \$19.59 | \$20.19 | \$33.43 | \$20.70 | \$23.37 | \$24.61 |
| Income from investment operations ^a : | | | | | | |
| Net investment (loss) ^b | (0.03) | (0.05) | (0.08) | (0.13) | (0.06) | (0.10) |
| Net realized and unrealized gains (losses) | (0.99) | (0.45) | (8.89) | 15.69 | (1.18) | 3.12 |
| Total from investment operations | (1.02) | (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 period | \$18.57 | \$19.59 | \$20.19 | \$33.43 | \$20.70 | \$23.37 |
| Total return ^c | (5.21)% | (2.50)% | (29.34)% | 76.86% | (5.99)% | 16.30% |
| Ratios to average net assets^d | | | | | | |
| Expenses before waiver and payments by affiliates | 0.84% | 0.86% | 0.78% | 0.78% | 0.82% | 0.82% |
| Expenses net of waiver and payments by affiliates ^e | 0.83% | 0.85% | 0.77% | 0.77% | 0.81% | 0.81% |
| Net investment (loss) | (0.29)% | (0.29)% | (0.29)% | (0.44)% | (0.26)% | (0.43)% |
| Supplemental data | | | | | | |
| Net assets, end of period (000's) | \$322,835 | \$341,973 | \$433,191 | \$739,985 | \$428,155 | \$725,622 |
| Portfolio turnover rate | 8.69% | 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 is not annualized for periods less than one year.

^dRatios are annualized for periods less than one year.

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

Schedule of Investments (unaudited), October 31, 2023

Franklin Small Cap Growth Fund

| | Country | Shares | Value |
|--|---------------|-----------|--------------|
| Common Stocks 94.9% | | | |
| Aerospace & Defense 6.6% | | | |
| ^a AAR Corp. | United States | 815,100 | \$48,384,336 |
| ^a Axon Enterprise, Inc. | United States | 64,900 | 13,271,401 |
| BWX Technologies, Inc. | United States | 759,400 | 56,408,232 |
| ^a Kratos Defense & Security Solutions, Inc. | United States | 1,797,664 | 30,650,171 |
| | | | 148,714,140 |
| Banks 1.6% | | | |
| Pinnacle Financial Partners, Inc. | United States | 359,704 | 22,431,141 |
| Western Alliance Bancorp. | United States | 324,800 | 13,349,280 |
| | | | 35,780,421 |
| Biotechnology 6.3% | | | |
| ^{a,b} Acumen Pharmaceuticals, Inc. | United States | 1,200,300 | 2,244,561 |
| ^{a,b} Apogee Therapeutics, Inc. | United States | 516,900 | 8,880,342 |
| ^a Ascendis Pharma A/S, ADR | Denmark | 217,200 | 19,398,132 |
| ^a Cullinan Oncology, Inc. | United States | 755,500 | 7,048,815 |
| ^a Cytokinetics, Inc. | United States | 321,000 | 11,190,060 |
| ^a Day One Biopharmaceuticals, Inc. | United States | 1,172,622 | 13,872,118 |
| ^a Dyne Therapeutics, Inc. | United States | 736,500 | 5,192,325 |
| ^a Heron Therapeutics, Inc. | United States | 1,797,608 | 1,144,897 |
| ^a Insmmed, Inc. | United States | 1,019,000 | 25,536,140 |
| ^a Karuna Therapeutics, Inc. | United States | 71,700 | 11,945,937 |
| ^a Kura Oncology, Inc. | United States | 571,700 | 4,830,865 |
| ^a Merus NV | Netherlands | 312,800 | 6,290,408 |
| ^a RayzeBio, Inc. | United States | 449,900 | 8,728,060 |
| ^a Sutro Biopharma, Inc. | United States | 968,449 | 2,663,235 |
| ^a Twist Bioscience Corp. | United States | 119,862 | 1,889,025 |
| ^a Vaxcyte, Inc. | United States | 204,100 | 9,817,210 |
| | | | 140,672,130 |
| Building Products 1.1% | | | |
| ^a Masonite International Corp. | United States | 300,200 | 23,757,828 |
| Capital Markets 3.6% | | | |
| Bridge Investment Group Holdings, Inc., A. | United States | 1,410,600 | 10,269,168 |
| Evercore, Inc., A. | United States | 239,800 | 31,217,164 |
| Houlihan Lokey, Inc., A. | United States | 384,200 | 38,619,784 |
| | | | 80,106,116 |
| Communications Equipment 0.7% | | | |
| ^a Viavi Solutions, Inc. | United States | 2,100,600 | 16,342,668 |
| Construction & Engineering 3.5% | | | |
| Arcosa, Inc. | United States | 685,200 | 47,326,764 |
| Granite Construction, Inc. | United States | 772,843 | 31,284,685 |
| | | | 78,611,449 |
| Consumer Staples Distribution & Retail 0.5% | | | |
| ^a Performance Food Group Co. | United States | 202,400 | 11,690,624 |
| Diversified Consumer Services 0.5% | | | |
| ^a Nerdy, Inc. | United States | 3,825,800 | 11,783,464 |
| Electronic Equipment, Instruments & Components 1.4% | | | |
| Vontier Corp. | United States | 1,091,200 | 32,255,872 |
| Energy Equipment & Services 2.0% | | | |
| Liberty Energy, Inc., A. | United States | 2,215,100 | 43,637,470 |

Franklin Small Cap Growth Fund (continued)

| | Country | Shares | Value |
|---|----------------|-----------|--------------------|
| Common Stocks (continued) | | | |
| Financial Services 4.6% | | | |
| ^a Flywire Corp. | United States | 1,431,010 | \$38,479,859 |
| ^{a,c} Paymentus Holdings, Inc., A | United States | 2,013,888 | 29,322,209 |
| ^a Repay Holdings Corp., A | United States | 1,395,637 | 8,359,866 |
| ^a Shift4 Payments, Inc., A | United States | 587,900 | 26,173,308 |
| | | | <u>102,335,242</u> |
| Food Products 3.4% | | | |
| ^a Freshpet, Inc. | United States | 414,800 | 23,809,520 |
| ^a Nomad Foods Ltd. | United Kingdom | 942,100 | 13,019,822 |
| ^a Simply Good Foods Co. (The) | United States | 1,055,300 | 39,352,137 |
| | | | <u>76,181,479</u> |
| Health Care Equipment & Supplies 5.8% | | | |
| ^a Haemonetics Corp. | United States | 485,600 | 41,387,688 |
| ^a Inari Medical, Inc. | United States | 184,700 | 11,213,137 |
| ^a Inspire Medical Systems, Inc. | United States | 184,344 | 27,128,063 |
| ^a Integer Holdings Corp. | United States | 434,900 | 35,300,833 |
| ^a Neogen Corp. | United States | 623,432 | 9,282,902 |
| ^a Pulmonx Corp. | United States | 647,016 | 5,687,271 |
| | | | <u>129,999,894</u> |
| Health Care Providers & Services 4.4% | | | |
| ^a HealthEquity, Inc. | United States | 636,216 | 45,603,963 |
| ^a Hims & Hers Health, Inc. | United States | 1,606,947 | 9,609,543 |
| ^a NeoGenomics, Inc. | United States | 1,270,400 | 17,811,008 |
| ^a Privia Health Group, Inc. | United States | 1,195,900 | 25,137,818 |
| | | | <u>98,162,332</u> |
| Health Care Technology 1.5% | | | |
| ^a Certara, Inc. | United States | 1,274,100 | 15,531,279 |
| ^a Phreesia, Inc. | United States | 1,302,582 | 17,793,270 |
| | | | <u>33,324,549</u> |
| Hotel & Resort REITs 0.6% | | | |
| Pebblebrook Hotel Trust | United States | 1,174,800 | 14,015,364 |
| Hotels, Restaurants & Leisure 5.6% | | | |
| ^{a,b} Cava Group, Inc. | United States | 383,400 | 12,111,606 |
| ^a Portillo's, Inc., A | United States | 1,188,100 | 17,762,095 |
| Red Rock Resorts, Inc., A | United States | 913,900 | 36,144,745 |
| Texas Roadhouse, Inc., A | United States | 249,500 | 25,334,230 |
| Wingstop, Inc. | United States | 191,613 | 35,021,108 |
| | | | <u>126,373,784</u> |
| Household Durables 2.9% | | | |
| ^a M/I Homes, Inc. | United States | 340,346 | 27,932,196 |
| ^a Sonos, Inc. | United States | 1,305,600 | 14,074,368 |
| ^a Tri Pointe Homes, Inc. | United States | 933,700 | 23,398,522 |
| | | | <u>65,405,086</u> |
| Industrial REITs 1.1% | | | |
| Rexford Industrial Realty, Inc. | United States | 588,400 | 25,442,416 |
| Interactive Media & Services 1.0% | | | |
| ^a ZoomInfo Technologies, Inc., A | United States | 1,666,100 | 21,592,656 |
| IT Services 0.6% | | | |
| ^a BigCommerce Holdings, Inc., 1 | United States | 1,511,500 | 13,437,235 |

Franklin Small Cap Growth Fund (continued)

| | Country | Shares | Value |
|--|---------------|-----------|-------------|
| Common Stocks (continued) | | | |
| Life Sciences Tools & Services 0.1% | | | |
| ^a CryoPort, Inc. | United States | 330,300 | \$3,203,910 |
| Machinery 2.3% | | | |
| Kennametal, Inc. | United States | 920,700 | 21,277,377 |
| ^a RBC Bearings, Inc. | United States | 141,700 | 31,151,328 |
| | | | 52,428,705 |
| Media 1.4% | | | |
| New York Times Co. (The), A. | United States | 754,656 | 30,420,183 |
| Oil, Gas & Consumable Fuels 2.0% | | | |
| Matador Resources Co. | United States | 719,000 | 44,355,110 |
| Passenger Airlines 1.4% | | | |
| Allegiant Travel Co. | United States | 473,648 | 31,554,430 |
| Personal Care Products 2.8% | | | |
| ^a BellRing Brands, Inc. | United States | 1,163,300 | 50,871,109 |
| ^{a,b} Oddity Tech Ltd., A. | Israel | 492,100 | 12,573,155 |
| | | | 63,444,264 |
| Pharmaceuticals 2.8% | | | |
| ^a Cymabay Therapeutics, Inc. | United States | 662,700 | 10,855,026 |
| ^a EyePoint Pharmaceuticals, Inc. | United States | 1,507,500 | 9,075,150 |
| ^a Intra-Cellular Therapies, Inc. | United States | 339,400 | 16,888,544 |
| ^a Pliant Therapeutics, Inc. | United States | 521,100 | 7,644,537 |
| ^a Revanche Therapeutics, Inc. | United States | 1,536,492 | 12,122,922 |
| ^{a,d,e} Structure Therapeutics, Inc. | United States | 153,000 | 3,535,454 |
| ^{a,b} Structure Therapeutics, Inc., ADR | United States | 20,700 | 1,538,010 |
| | | | 61,659,643 |
| Professional Services 2.8% | | | |
| ^a Legalzoom.com, Inc. | United States | 2,680,980 | 26,729,371 |
| ^a Paycor HCM, Inc. | United States | 1,616,200 | 34,877,596 |
| | | | 61,606,967 |
| Semiconductors & Semiconductor Equipment 5.6% | | | |
| ^a Lattice Semiconductor Corp. | United States | 595,600 | 33,121,316 |
| ^a Onto Innovation, Inc. | United States | 420,909 | 47,297,544 |
| ^a Silicon Laboratories, Inc. | United States | 123,100 | 11,347,358 |
| ^a SiTime Corp. | United States | 346,912 | 34,621,818 |
| | | | 126,388,036 |
| Software 9.0% | | | |
| ^a Alkami Technology, Inc. | United States | 399,350 | 7,168,332 |
| ^a Alteryx, Inc., A. | United States | 293,900 | 9,407,739 |
| ^a AvePoint, Inc. | United States | 1,340,400 | 10,039,596 |
| ^{a,d,e} ClearMotion, Inc. | United States | 3,698,772 | 430,245 |
| ^a CS Disco, Inc. | United States | 2,102,613 | 11,795,659 |
| ^a Envestnet, Inc. | United States | 289,622 | 10,716,014 |
| ^a Freshworks, Inc., A. | United States | 1,529,300 | 27,435,642 |
| ^a Gitlab, Inc., A. | United States | 793,000 | 34,321,040 |
| ^a HashiCorp, Inc., A. | United States | 1,057,700 | 20,826,113 |
| ^a LiveRamp Holdings, Inc. | United States | 1,191,900 | 32,967,954 |
| ^a Monday.com Ltd. | United States | 254,900 | 33,134,451 |
| ^a Q2 Holdings, Inc. | United States | 117,600 | 3,531,528 |
| | | | 201,774,313 |

Franklin Small Cap Growth Fund (continued)

| | Country | Shares | Value |
|---|---------------|-----------|----------------------|
| Common Stocks (continued) | | | |
| Specialty Retail 2.9% | | | |
| American Eagle Outfitters, Inc. | United States | 624,300 | \$10,906,521 |
| ^a Boot Barn Holdings, Inc. | United States | 340,660 | 23,675,870 |
| ^a Five Below, Inc. | United States | 116,900 | 20,338,262 |
| Lithia Motors, Inc., A | United States | 44,726 | 10,833,084 |
| | | | 65,753,737 |
| Textiles, Apparel & Luxury Goods 1.1% | | | |
| ^a Figs, Inc., A. | United States | 957,700 | 5,276,927 |
| Steven Madden Ltd. | United States | 604,450 | 19,819,915 |
| | | | 25,096,842 |
| Trading Companies & Distributors 1.4% | | | |
| ^a Beacon Roofing Supply, Inc. | United States | 451,000 | 32,097,670 |
| Total Common Stocks (Cost \$2,004,112,414) | | | 2,129,406,029 |
| Convertible Preferred Stocks 2.5% | | | |
| Diversified Consumer Services 0.5% | | | |
| ^{a,d,e} Newsela, Inc., D | United States | 709,046 | 12,140,632 |
| Software 1.7% | | | |
| ^{a,c,d,e} Benchling, Inc., F | United States | 382,306 | 4,812,992 |
| ^{a,d,e} Checkr, Inc., E | United States | 1,388,889 | 21,000,432 |
| ^{a,d,e} OneTrust LLC, A | United States | 625,361 | 8,310,434 |
| ^{a,d,e} OneTrust LLC, A-1 | United States | 56,457 | 750,258 |
| ^{a,d,e} Smule, Inc., J | United States | 162,712 | 2,307,856 |
| | | | 37,181,972 |
| Specialty Retail 0.3% | | | |
| ^{a,c,d,e} 1661, Inc., F | United States | 3,436,485 | 7,194,673 |
| Total Convertible Preferred Stocks (Cost \$80,764,394) | | | 56,517,277 |
| Preferred Stocks 0.9% | | | |
| Automobile Components 0.3% | | | |
| ^{a,d,e} Tula eTechnology, Inc. | United States | 361,111 | — |
| ^{a,d,e} Tula eTechnology, Inc., E | United States | 3,611,111 | 6,123,025 |
| | | | 6,123,025 |
| Commercial Services & Supplies 0.4% | | | |
| ^{a,c,d,e} Optoro, Inc., E | United States | 554,878 | 8,144,787 |
| Software 0.2% | | | |
| ^{a,d,e} ClearMotion, Inc., A-3 | United States | 1,037,942 | 152,389 |
| ^{a,d,e} ClearMotion, Inc., A-4 | United States | 6,477,294 | 891,833 |
| ^{a,d,e} Smule, Inc., 144A, G | United States | 1,542,673 | 2,576,963 |
| ^{a,d,e} Smule, Inc., 144A, H | United States | 352,675 | 696,353 |
| | | | 4,317,538 |
| Total Preferred Stocks (Cost \$32,144,989) | | | 18,585,350 |

Franklin Small Cap Growth Fund (continued)

| | Country | Rights | Value |
|--|---------------|---------------|------------------------|
| Rights 0.0%[†] | | | |
| Biotechnology 0.0%[†] | | | |
| ^{a,d} Chinook Therapeutics, Inc., CVR, 8/18/23 | United States | 410,500 | \$354,128 |
| Total Rights (Cost \$160,095) | | | 354,128 |
| | | Shares | |
| Escrows and Litigation Trusts 0.0% | | | |
| ^{a,d} Proterra, Inc., Escrow Account | United States | 344,921 | — |
| ^{a,d} Wheels Up Experience, Inc., Escrow Account | United States | 8,808 | — |
| Total Escrows and Litigation Trusts (Cost \$—) | | | — |
| Total Long Term Investments (Cost \$2,117,181,892) | | | 2,204,862,784 |
| Short Term Investments 3.3% | | | |
| | Country | Shares | Value |
| Money Market Funds 2.2% | | | |
| ^{f,g} Institutional Fiduciary Trust - Money Market Portfolio, 5.035% | United States | 48,465,421 | 48,465,421 |
| Total Money Market Funds (Cost \$48,465,421) | | | 48,465,421 |
| ^hInvestments from Cash Collateral Received for Loaned Securities 1.1% | | | |
| Money Market Funds 1.1% | | | |
| ^{f,g} Institutional Fiduciary Trust - Money Market Portfolio, 5.035% | United States | 25,662,620 | 25,662,620 |
| Total Investments from Cash Collateral Received for Loaned Securities (Cost \$25,662,620) | | | 25,662,620 |
| Total Short Term Investments (Cost \$74,128,041) | | | 74,128,041 |
| Total Investments (Cost \$2,191,309,933) 101.6% | | | \$2,278,990,825 |
| Other Assets, less Liabilities (1.6)% | | | (35,299,761) |
| Net Assets 100.0% | | | \$2,243,691,064 |

See Abbreviations on page 74.

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

^a Non-income producing.

^b A portion or all of the security is on loan at October 31, 2023. See Note 1(c).

^c See Note 8 regarding holdings of 5% voting securities.

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

^e See Note 7 regarding restricted securities.

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

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

^h See Note 1(c) regarding securities on loan.

Financial Highlights

Franklin Small-Mid Cap Growth Fund

| | Six Months Ended October 31, 2023 (unaudited) | Year Ended April 30, | | | | |
|--|--|----------------------|-------------|-------------|-------------|-------------|
| | | 2023 | 2022 | 2021 | 2020 | 2019 |
| Class A | | | | | | |
| Per share operating performance | | | | | | |
| (for a share outstanding throughout the period) | | | | | | |
| Net asset value, beginning of period | \$29.75 | \$33.07 | \$49.66 | \$32.15 | \$37.17 | \$36.07 |
| Income from investment operations ^a : | | | | | | |
| Net investment (loss) ^b | (—) ^c | (0.05) | (0.25) | (0.24) | (0.07) | (0.09) |
| Net realized and unrealized gains (losses) | (1.07) | (1.39) | (9.42) | 21.89 | 1.24 | 5.33 |
| Total from investment operations | (1.07) | (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 period | \$28.68 | \$29.75 | \$33.07 | \$49.66 | \$32.15 | \$37.17 |
| Total return ^d | (3.60)% | (4.07)% | (22.83)% | 68.37% | 2.97% | 17.43% |
| Ratios to average net assets^e | | | | | | |
| Expenses before waiver and payments by affiliates | 0.87% | 0.90% | 0.85% | 0.86% | 0.88% | 0.88% |
| Expenses net of waiver and payments by affiliates ^f | 0.85% | 0.88% | 0.84% | 0.85% | 0.87% | 0.87% |
| Net investment (loss) | (0.02)% | (0.17)% | (0.54)% | (0.54)% | (0.21)% | (0.25)% |
| Supplemental data | | | | | | |
| Net assets, end of period (000's) | \$2,399,481 | \$2,578,199 | \$3,019,703 | \$4,217,167 | \$2,515,801 | \$2,684,131 |
| Portfolio turnover rate | 26.91% | 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.

^cAmount rounds to less than \$0.01 per share.

^dTotal return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.

^eRatios are annualized for periods less than one year.

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

Franklin Small-Mid Cap Growth Fund (continued)

| | Six Months Ended October 31, 2023 (unaudited) | Year Ended April 30, | | | | |
|--|--|----------------------|-----------|-----------|-----------|-----------|
| | | 2023 | 2022 | 2021 | 2020 | 2019 |
| Class C | | | | | | |
| Per share operating performance | | | | | | |
| (for a share outstanding throughout the period) | | | | | | |
| Net asset value, beginning of period | \$13.45 | \$16.20 | \$27.98 | \$19.41 | \$24.98 | \$25.84 |
| Income from investment operations ^a : | | | | | | |
| Net investment (loss) ^b | (0.05) | (0.13) | (0.32) | (0.33) | (0.22) | (0.26) |
| Net realized and unrealized gains (losses) | (0.48) | (0.74) | (4.54) | 13.04 | 0.84 | 3.54 |
| Total from investment operations | (0.53) | (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 period | \$12.92 | \$13.45 | \$16.20 | \$27.98 | \$19.41 | \$24.98 |
| Total return ^c | (3.94)% | (4.76)% | (23.43)% | 67.11% | 2.14% | 16.68% |
| Ratios to average net assets^d | | | | | | |
| Expenses before waiver and payments by affiliates | 1.62% | 1.65% | 1.60% | 1.61% | 1.63% | 1.63% |
| Expenses net of waiver and payments by affiliates ^e | 1.60% | 1.63% | 1.59% | 1.60% | 1.62% | 1.62% |
| Net investment (loss) | (0.76)% | (0.92)% | (1.29)% | (1.28)% | (0.96)% | (1.00)% |
| Supplemental data | | | | | | |
| Net assets, end of period (000's) | \$55,619 | \$82,982 | \$110,596 | \$198,713 | \$138,940 | \$173,334 |
| Portfolio turnover rate | 26.91% | 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, and is not annualized for periods less than one year.

^dRatios are annualized for periods less than one year.

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

Franklin Small-Mid Cap Growth Fund (continued)

| | Six Months Ended October 31, 2023 (unaudited) | Year Ended April 30, | | | | |
|--|--|----------------------|----------|----------|----------|----------|
| | | 2023 | 2022 | 2021 | 2020 | 2019 |
| Class R | | | | | | |
| Per share operating performance | | | | | | |
| (for a share outstanding throughout the period) | | | | | | |
| Net asset value, beginning of period | \$24.93 | \$28.11 | \$43.32 | \$28.45 | \$33.66 | \$33.15 |
| Income from investment operations ^a : | | | | | | |
| Net investment (loss) ^b | (0.03) | (0.11) | (0.32) | (0.30) | (0.14) | (0.16) |
| Net realized and unrealized gains (losses) | (0.89) | (1.19) | (7.97) | 19.31 | 1.12 | 4.81 |
| Total from investment operations | (0.92) | (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 period | \$24.01 | \$24.93 | \$28.11 | \$43.32 | \$28.45 | \$33.66 |
| Total return ^c | (3.69)% | (4.30)% | (23.00)% | 67.96% | 2.69% | 17.17% |
| Ratios to average net assets^d | | | | | | |
| Expenses before waiver and payments by affiliates | 1.12% | 1.15% | 1.10% | 1.10% | 1.12% | 1.12% |
| Expenses net of waiver and payments by affiliates ^e | 1.10% | 1.13% | 1.09% | 1.09% | 1.11% | 1.11% |
| Net investment (loss) | (0.27)% | (0.42)% | (0.79)% | (0.78)% | (0.45)% | (0.49)% |
| Supplemental data | | | | | | |
| Net assets, end of period (000's) | \$32,374 | \$34,371 | \$38,761 | \$60,264 | \$40,997 | \$50,721 |
| Portfolio turnover rate | 26.91% | 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 is not annualized for periods less than one year.

^dRatios are annualized for periods less than one year.

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

Franklin Small-Mid Cap Growth Fund (continued)

| | Six Months Ended October 31, 2023 (unaudited) | Year Ended April 30, | | | | |
|--|--|----------------------|-----------|-----------|-----------|-----------|
| | | 2023 | 2022 | 2021 | 2020 | 2019 |
| Class R6 | | | | | | |
| Per share operating performance | | | | | | |
| (for a share outstanding throughout the period) | | | | | | |
| Net asset value, beginning of period | \$36.39 | \$39.84 | \$58.24 | \$37.12 | \$41.83 | \$39.91 |
| Income from investment operations ^a : | | | | | | |
| Net investment income (loss) ^b | 0.07 | 0.08 | (0.10) | (0.10) | 0.07 | 0.05 |
| Net realized and unrealized gains (losses) | (1.31) | (1.65) | (11.38) | 25.36 | 1.41 | 6.01 |
| Total from investment operations | (1.24) | (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 period | \$35.15 | \$36.39 | \$39.84 | \$58.24 | \$37.12 | \$41.83 |
| Total return ^c | (3.41)% | (3.70)% | (22.57)% | 68.95% | 3.40% | 17.82% |
| Ratios to average net assets^d | | | | | | |
| Expenses before waiver and payments by affiliates | 0.52% | 0.53% | 0.51% | 0.51% | 0.52% | 0.52% |
| Expenses net of waiver and payments by affiliates ^e | 0.49% | 0.49% | 0.50% | 0.49% | 0.48% | 0.49% |
| Net investment income (loss) | 0.35% | 0.23% | (0.19)% | (0.19)% | 0.18% | 0.13% |
| Supplemental data | | | | | | |
| Net assets, end of period (000's) | \$435,250 | \$451,447 | \$540,509 | \$648,078 | \$224,341 | \$259,053 |
| Portfolio turnover rate | 26.91% | 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 is not annualized for periods less than one year.

^dRatios are annualized for periods less than one year.

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

Franklin Small-Mid Cap Growth Fund (continued)

| | Six Months Ended October 31, 2023 (unaudited) | Year Ended April 30, | | | | |
|--|--|----------------------|-----------|-----------|-----------|----------------|
| | | 2023 | 2022 | 2021 | 2020 | 2019 |
| Advisor Class | | | | | | |
| Per share operating performance | | | | | | |
| (for a share outstanding throughout the period) | | | | | | |
| Net asset value, beginning of period | \$35.22 | \$38.68 | \$56.79 | \$36.30 | \$41.09 | \$39.33 |
| Income from investment operations ^a : | | | | | | |
| Net investment income (loss) ^b | 0.04 | 0.03 | (0.15) | (0.14) | 0.02 | 0.01 |
| Net realized and unrealized gains (losses) | (1.26) | (1.61) | (11.04) | 24.77 | 1.38 | 5.89 |
| Total from investment operations | (1.22) | (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 period | \$34.00 | \$35.22 | \$38.68 | \$56.79 | \$36.30 | \$41.09 |
| Total return ^c | (3.46)% | (3.81)% | (22.65)% | 68.77% | 3.26% | 17.67% |
| Ratios to average net assets^d | | | | | | |
| Expenses before waiver and payments by affiliates | 0.62% | 0.65% | 0.60% | 0.61% | 0.63% | 0.63% |
| Expenses net of waiver and payments by affiliates ^e | 0.60% | 0.63% | 0.59% | 0.60% | 0.62% | 0.62% |
| Net investment income (loss) | 0.23% | 0.08% | (0.28)% | (0.29)% | 0.04% | — ^f |
| Supplemental data | | | | | | |
| Net assets, end of period (000's) | \$379,785 | \$469,050 | \$532,573 | \$552,987 | \$302,329 | \$355,141 |
| Portfolio turnover rate | 26.91% | 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 is not annualized for periods less than one year.

^dRatios are annualized for periods less than one year.

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

^fRounds to less than 0.01%.

Schedule of Investments (unaudited), October 31, 2023

Franklin Small-Mid Cap Growth Fund

| | Country | Shares | Value |
|--|---------------|-----------|--------------|
| Common Stocks 94.9% | | | |
| Aerospace & Defense 3.0% | | | |
| ^a Axon Enterprise, Inc. | United States | 226,400 | \$46,296,536 |
| ^a TransDigm Group, Inc. | United States | 61,600 | 51,010,344 |
| | | | 97,306,880 |
| Automobile Components 0.4% | | | |
| ^a Mobileye Global, Inc., A. | Israel | 396,500 | 14,143,155 |
| Beverages 0.6% | | | |
| ^a Celsius Holdings, Inc. | United States | 127,600 | 19,406,684 |
| Biotechnology 2.8% | | | |
| ^a Alnylam Pharmaceuticals, Inc. | United States | 126,200 | 19,157,160 |
| ^a BioMarin Pharmaceutical, Inc. | United States | 121,700 | 9,912,465 |
| ^a Neurocrine Biosciences, Inc. | United States | 169,800 | 18,837,612 |
| ^a Seagen, Inc. | United States | 173,000 | 36,816,130 |
| ^a Vaxcyte, Inc. | United States | 148,100 | 7,123,610 |
| | | | 91,846,977 |
| Building Products 1.8% | | | |
| Trane Technologies plc | United States | 312,100 | 59,395,751 |
| Capital Markets 7.2% | | | |
| Ares Management Corp., A. | United States | 624,400 | 61,559,596 |
| Blue Owl Capital, Inc., A | United States | 810,900 | 9,998,397 |
| LPL Financial Holdings, Inc. | United States | 221,900 | 49,820,988 |
| MSCI, Inc., A. | United States | 107,500 | 50,691,625 |
| Nasdaq, Inc. | United States | 604,400 | 29,978,240 |
| Tradeweb Markets, Inc., A. | United States | 389,300 | 35,040,893 |
| | | | 237,089,739 |
| Chemicals 0.7% | | | |
| Albemarle Corp. | United States | 182,500 | 23,137,350 |
| Commercial Services & Supplies 1.2% | | | |
| Republic Services, Inc., A | United States | 269,600 | 40,032,904 |
| Communications Equipment 1.2% | | | |
| ^a Arista Networks, Inc. | United States | 204,500 | 40,975,665 |
| Containers & Packaging 1.0% | | | |
| Avery Dennison Corp. | United States | 183,600 | 31,959,252 |
| Electrical Equipment 1.5% | | | |
| AMETEK, Inc. | United States | 142,300 | 20,031,571 |
| Rockwell Automation, Inc. | United States | 112,300 | 29,513,563 |
| | | | 49,545,134 |
| Electronic Equipment, Instruments & Components 1.2% | | | |
| Amphenol Corp., A | United States | 477,400 | 38,454,570 |
| Energy Equipment & Services 0.6% | | | |
| Halliburton Co. | United States | 532,300 | 20,940,682 |
| Entertainment 1.3% | | | |
| ^a ROBLOX Corp., A. | United States | 1,317,600 | 41,912,856 |
| Financial Services 1.0% | | | |
| ^a Block, Inc., A. | United States | 759,100 | 30,553,775 |
| ^a Toast, Inc., A. | United States | 238,200 | 3,808,818 |
| | | | 34,362,593 |

Franklin Small-Mid Cap Growth Fund (continued)

| | Country | Shares | Value |
|--|---------------|-----------|--------------|
| Common Stocks (continued) | | | |
| Food Products 1.5% | | | |
| ^a Freshpet, Inc. | United States | 334,100 | \$19,177,340 |
| Lamb Weston Holdings, Inc. | United States | 339,900 | 30,523,020 |
| | | | 49,700,360 |
| Ground Transportation 1.5% | | | |
| Old Dominion Freight Line, Inc. | United States | 127,950 | 48,193,647 |
| Health Care Equipment & Supplies 5.3% | | | |
| ^a Dexcom, Inc. | United States | 682,756 | 60,649,216 |
| ^a DEXX Laboratories, Inc. | United States | 121,200 | 48,415,764 |
| ^a Inari Medical, Inc. | United States | 378,000 | 22,948,380 |
| ^a Insulet Corp. | United States | 81,600 | 10,817,712 |
| ^a Penumbra, Inc. | United States | 162,200 | 31,004,530 |
| | | | 173,835,602 |
| Health Care Providers & Services 0.8% | | | |
| ^a HealthEquity, Inc. | United States | 355,600 | 25,489,408 |
| Health Care Technology 1.9% | | | |
| ^a Certara, Inc. | United States | 367,100 | 4,474,949 |
| ^a Veeva Systems, Inc., A | United States | 298,800 | 57,581,748 |
| | | | 62,056,697 |
| Hotels, Restaurants & Leisure 4.6% | | | |
| ^{a,b} Cava Group, Inc. | United States | 214,800 | 6,785,532 |
| Darden Restaurants, Inc. | United States | 310,700 | 45,216,171 |
| ^a DoorDash, Inc., A | United States | 260,200 | 19,501,990 |
| ^a Expedia Group, Inc. | United States | 434,300 | 41,384,447 |
| Wingstop, Inc. | United States | 107,900 | 19,720,883 |
| Wynn Resorts Ltd. | United States | 222,500 | 19,531,050 |
| | | | 152,140,073 |
| Household Durables 0.7% | | | |
| ^a NVR, Inc. | United States | 4,100 | 22,191,742 |
| Industrial REITs 0.8% | | | |
| Terreno Realty Corp. | United States | 489,000 | 26,053,920 |
| Insurance 1.1% | | | |
| Arthur J Gallagher & Co. | United States | 154,300 | 36,336,107 |
| Interactive Media & Services 2.6% | | | |
| ^a Match Group, Inc. | United States | 1,011,259 | 34,989,561 |
| ^a Pinterest, Inc., A | United States | 1,709,300 | 51,073,884 |
| | | | 86,063,445 |
| IT Services 3.8% | | | |
| ^a Cloudflare, Inc., A | United States | 468,800 | 26,576,272 |
| ^a EPAM Systems, Inc. | United States | 106,600 | 23,192,962 |
| ^a Gartner, Inc. | United States | 142,200 | 47,216,088 |
| ^a MongoDB, Inc., A | United States | 87,100 | 30,013,789 |
| | | | 126,999,111 |
| Leisure Products 1.5% | | | |
| ^{a,c,d} Fanatics Holdings, Inc. | United States | 793,714 | 51,009,875 |
| Life Sciences Tools & Services 5.5% | | | |
| ^a 10X Genomics, Inc., A | United States | 492,300 | 17,368,344 |
| Agilent Technologies, Inc. | United States | 523,200 | 54,083,184 |

Franklin Small-Mid Cap Growth Fund (continued)

| | Country | Shares | Value |
|--|---------------|-----------|--------------|
| Common Stocks (continued) | | | |
| Life Sciences Tools & Services (continued) | | | |
| ^a Mettler-Toledo International, Inc. | United States | 42,900 | \$42,265,080 |
| ^a Repligen Corp. | United States | 212,500 | 28,594,000 |
| West Pharmaceutical Services, Inc. | United States | 126,900 | 40,391,001 |
| | | | 182,701,609 |
| Machinery 1.7% | | | |
| IDEX Corp. | United States | 156,000 | 29,859,960 |
| Xylem, Inc. | United States | 293,200 | 27,425,928 |
| | | | 57,285,888 |
| Media 0.5% | | | |
| New York Times Co. (The), A. | United States | 404,200 | 16,293,302 |
| Oil, Gas & Consumable Fuels 3.0% | | | |
| Cheniere Energy, Inc. | United States | 277,200 | 46,131,624 |
| Hess Corp. | United States | 196,300 | 28,345,720 |
| Targa Resources Corp. | United States | 286,100 | 23,920,821 |
| | | | 98,398,165 |
| Passenger Airlines 0.7% | | | |
| Delta Air Lines, Inc. | United States | 767,400 | 23,981,250 |
| Personal Care Products 1.3% | | | |
| ^a BellRing Brands, Inc. | United States | 800,500 | 35,005,865 |
| ^{a,b} Oddity Tech Ltd., A | Israel | 272,700 | 6,967,485 |
| | | | 41,973,350 |
| Pharmaceuticals 1.0% | | | |
| ^a Jazz Pharmaceuticals plc | United States | 248,300 | 31,539,066 |
| Professional Services 5.2% | | | |
| Paychex, Inc. | United States | 581,300 | 64,553,365 |
| ^a Paylocity Holding Corp. | United States | 185,864 | 33,344,002 |
| TransUnion | United States | 648,100 | 28,438,628 |
| Verisk Analytics, Inc., A | United States | 203,800 | 46,335,968 |
| | | | 172,671,963 |
| Residential REITs 1.0% | | | |
| Equity LifeStyle Properties, Inc. | United States | 515,100 | 33,893,580 |
| Semiconductors & Semiconductor Equipment 3.9% | | | |
| ^a ARM Holdings plc, ADR | United States | 211,900 | 10,444,551 |
| ^a Lattice Semiconductor Corp. | United States | 558,314 | 31,047,842 |
| Monolithic Power Systems, Inc. | United States | 100,800 | 44,527,392 |
| ^a Onto Innovation, Inc. | United States | 70,400 | 7,910,848 |
| ^a SiTime Corp. | United States | 230,414 | 22,995,317 |
| ^a Wolfspeed, Inc. | United States | 334,500 | 11,319,480 |
| | | | 128,245,430 |
| Software 11.7% | | | |
| ^a Alkami Technology, Inc. | United States | 1,110,200 | 19,928,090 |
| ^a ANSYS, Inc. | United States | 163,200 | 45,412,032 |
| ^a Arteris, Inc. | United States | 1,324,600 | 7,219,070 |
| ^a Atlassian Corp., A | United States | 133,200 | 24,061,248 |
| ^a BILL Holdings, Inc. | United States | 168,633 | 15,394,507 |
| ^a CrowdStrike Holdings, Inc., A | United States | 428,000 | 75,657,560 |
| ^a Datadog, Inc., A | United States | 351,200 | 28,612,264 |
| ^a Fair Isaac Corp. | United States | 54,700 | 46,269,089 |
| ^a HubSpot, Inc. | United States | 92,800 | 39,325,856 |

Franklin Small-Mid Cap Growth Fund (continued)

| | Country | Shares | Value |
|--|---------------|-----------------|-----------------------------|
| Common Stocks (continued) | | | |
| Software (continued) | | | |
| ^a Monday.com Ltd. | United States | 139,000 | \$18,068,610 |
| ^a Synopsys, Inc. | United States | 73,300 | 34,409,952 |
| ^a Workday, Inc., A | United States | 151,900 | 32,158,749 |
| | | | <u>386,517,027</u> |
| Specialized REITs 0.9% | | | |
| SBA Communications Corp., A | United States | 138,500 | 28,895,255 |
| Specialty Retail 4.3% | | | |
| ^a Burlington Stores, Inc. | United States | 212,800 | 25,755,184 |
| ^a Five Below, Inc. | United States | 170,400 | 29,646,192 |
| Ross Stores, Inc. | United States | 381,700 | 44,265,749 |
| Tractor Supply Co. | United States | 217,600 | 41,901,056 |
| | | | <u>141,568,181</u> |
| Textiles, Apparel & Luxury Goods 0.9% | | | |
| ^a Lululemon Athletica, Inc. | United States | 79,100 | 31,124,268 |
| Trading Companies & Distributors 1.7% | | | |
| Fastenal Co. | United States | 975,800 | 56,928,172 |
| Total Common Stocks (Cost \$2,701,529,120) | | | <u>3,132,596,685</u> |
| Convertible Preferred Stocks 1.3% | | | |
| Diversified Consumer Services 0.2% | | | |
| ^{a,c,d} Newsela, Inc., D | United States | 423,782 | 7,256,202 |
| Semiconductors & Semiconductor Equipment 0.0%[†] | | | |
| ^{a,c,d,e} Phononic Devices, Inc., F | United States | 2,970,061 | 213,711 |
| Software 1.1% | | | |
| ^{a,c,d,e} Benchling, Inc., F | United States | 347,106 | 4,369,846 |
| ^{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 | 16,745,431 |
| ^{a,c,d,e} OneTrust LLC, C. | United States | 767,526 | 10,199,668 |
| | | | <u>35,461,359</u> |
| Total Convertible Preferred Stocks (Cost \$83,781,543) | | | <u>42,931,272</u> |
| Preferred Stocks 0.0%[†] | | | |
| Semiconductors & Semiconductor Equipment 0.0%[†] | | | |
| ^{a,c,d,e} Phononic Devices, Inc., G-2 | United States | 513,050 | 175,337 |
| ^{a,c,d,e} Phononic, Inc., H | United States | 117,763 | 489,474 |
| | | | <u>664,811</u> |
| Total Preferred Stocks (Cost \$460,692) | | | <u>664,811</u> |
| | | Warrants | |
| Warrants 0.0%[†] | | | |
| Semiconductors & Semiconductor Equipment 0.0%[†] | | | |
| ^{a,c,d,e} Phononic, Inc., H, 10/17/27 | United States | 47,104 | 33,629 |
| 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., 8/23/33 | United States | 1 | — |

Franklin Small-Mid Cap Growth Fund (continued)

| | Country | Warrants | Value |
|---|---------------|-------------------------------------|----------------------|
| Warrants (continued) | | | |
| Software (continued) | | | |
| ^{a,c,d,e} Blaize, Inc., D, 2/28/24 | United States | 260,815 | \$— |
| Total Warrants (Cost \$44,091) | | | 33,629 |
| | | Principal Amount^f | |
| Convertible Bonds 0.1% | | | |
| Software 0.1% | | | |
| ^{c,d,e} Blaize, Inc., 10%, 1/03/25 | United States | 1,804,600 | 1,804,600 |
| Total Convertible Bonds (Cost \$1,804,600) | | | 1,804,600 |
| 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 |
| ^fSenior Floating Rate Interests 0.0%[†] | | | |
| Semiconductors & Semiconductor Equipment 0.0%[†] | | | |
| ^{c,d,e,g} Phononic, Inc., Advance Term Loan, PIK, 12%, 6/30/25 | United States | 869,933 | 725,278 |
| Total Senior Floating Rate Interests (Cost \$815,824) | | | 725,278 |
| | | 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 \$2,789,005,991) | | | 3,179,326,453 |
| Short Term Investments 4.2% | | | |
| | Country | Shares | Value |
| Money Market Funds 3.8% | | | |
| ^{h,j} Institutional Fiduciary Trust - Money Market Portfolio, 5.035% | United States | 125,213,135 | 125,213,135 |
| Total Money Market Funds (Cost \$125,213,135) | | | 125,213,135 |

Franklin Small-Mid Cap Growth Fund (continued)

Short Term Investments (continued)

| | Country | Shares | Value |
|--|---------------|------------|------------------------|
| Investments from Cash Collateral Received for Loaned Securities 0.4% | | | |
| Money Market Funds 0.4% | | | |
| ^{b,i} Institutional Fiduciary Trust - Money Market Portfolio, 5.035% | United States | 13,466,000 | \$13,466,000 |
| Total Investments from Cash Collateral Received for Loaned Securities (Cost \$13,466,000) | | | 13,466,000 |
| Total Short Term Investments (Cost \$138,679,135) | | | 138,679,135 |
| Total Investments (Cost \$2,927,685,126) 100.5% | | | \$3,318,005,588 |
| Other Assets, less Liabilities (0.5)% | | | (15,497,449) |
| Net Assets 100.0% | | | \$3,302,508,139 |

See Abbreviations on page 74.

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

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

^aNon-income producing.

^bA portion or all of the security is on loan at October 31, 2023. See Note 1(c).

^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(d) 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 securities on loan.

Statements of Assets and Liabilities

October 31, 2023 (unaudited)

| | Franklin Growth Opportunities Fund | Franklin Small Cap Growth Fund | Franklin Small- Mid Cap Growth Fund |
|--|--|--------------------------------------|---|
| Assets: | | | |
| Investments in securities: | | | |
| Cost - Unaffiliated issuers | \$1,738,933,197 | \$2,030,830,476 | \$2,723,964,163 |
| Cost - Non-controlled affiliates (Note 3f and 8) | 114,398,269 | 160,479,457 | 203,720,963 |
| Value - Unaffiliated issuers (Includes securities loaned of \$4,379,270, \$25,116,288 and \$13,061,810, respectively) | \$3,412,061,218 | \$2,155,388,123 | \$3,156,598,318 |
| Value - Non-controlled affiliates (Note 3f and 8) | 109,658,300 | 123,602,702 | 161,407,270 |
| Cash | 3,718 | — | — |
| Foreign currency, at value (cost \$—, \$— and \$154, respectively) | — | — | 154 |
| Receivables: | | | |
| Investment securities sold | — | 909,717 | 12,827,935 |
| Capital shares sold | 1,117,630 | 1,073,325 | 954,684 |
| Dividends and interest | 284,489 | 144,675 | 1,140,037 |
| Due from custodian | — | 143,100 | — |
| Total assets | 3,523,125,355 | 2,281,261,642 | 3,332,928,398 |
| Liabilities: | | | |
| Payables: | | | |
| Investment securities purchased | 11,657,904 | 7,008,753 | 9,473,809 |
| Capital shares redeemed | 3,716,324 | 2,616,024 | 4,126,182 |
| Management fees | 1,696,905 | 1,225,848 | 1,303,355 |
| Distribution fees | 698,264 | 183,934 | 591,624 |
| Transfer agent fees | 742,801 | 508,274 | 1,137,005 |
| Trustees' fees and expenses | 76 | 5 | 59 |
| Payable upon return of securities loaned (Note 1c) | 4,627,800 | 25,805,720 | 13,466,000 |
| Accrued expenses and other liabilities | 223,260 | 222,020 | 322,225 |
| Total liabilities | 23,363,334 | 37,570,578 | 30,420,259 |
| Net assets, at value | \$3,499,762,021 | \$2,243,691,064 | \$3,302,508,139 |
| Net assets consist of: | | | |
| Paid-in capital | \$1,319,217,626 | \$2,255,124,175 | \$3,202,109,532 |
| Total distributable earnings (losses) | 2,180,544,395 | (11,433,111) | 100,398,607 |
| Net assets, at value | \$3,499,762,021 | \$2,243,691,064 | \$3,302,508,139 |

Statements of Assets and Liabilities (continued)

October 31, 2023 (unaudited)

| | Franklin Growth Opportunities Fund | Franklin Small Cap Growth Fund | Franklin Small- Mid Cap Growth Fund |
|---|--|--------------------------------------|---|
| Class A: | | | |
| Net assets, at value | \$2,829,560,440 | \$689,572,283 | \$2,399,481,031 |
| Shares outstanding | 69,054,147 | 42,376,407 | 83,655,276 |
| Net asset value per share ^a | \$40.98 | \$16.27 | \$28.68 |
| Maximum offering price per share (net asset value per share + 94.50%) | \$43.37 | \$17.22 | \$30.35 |
| Class C: | | | |
| Net assets, at value | \$80,142,494 | \$18,191,668 | \$55,618,533 |
| Shares outstanding | 2,663,093 | 1,627,602 | 4,304,827 |
| Net asset value and maximum offering price per share ^a | \$30.09 | \$11.18 | \$12.92 |
| Class R: | | | |
| Net assets, at value | \$23,586,022 | \$34,234,914 | \$32,373,540 |
| Shares outstanding | 624,513 | 2,333,810 | 1,348,439 |
| Net asset value and maximum offering price per share | \$37.77 | \$14.67 | \$24.01 |
| Class R6: | | | |
| Net assets, at value | \$330,821,293 | \$1,178,857,691 | \$435,249,962 |
| Shares outstanding | 7,032,685 | 61,687,183 | 12,382,240 |
| Net asset value and maximum offering price per share | \$47.04 | \$19.11 | \$35.15 |
| Advisor Class: | | | |
| Net assets, at value | \$235,651,772 | \$322,834,508 | \$379,785,073 |
| Shares outstanding | 5,116,264 | 17,386,796 | 11,170,496 |
| Net asset value and maximum offering price per share | \$46.06 | \$18.57 | \$34.00 |

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

Statements of Operations

for the six months ended October 31, 2023 (unaudited)

| | Franklin Growth Opportunities Fund | Franklin Small Cap Growth Fund | Franklin Small- Mid Cap Growth Fund |
|---|--|--------------------------------------|---|
| Investment income: | | | |
| Dividends: (net of foreign taxes of \$14,234, \$— and \$—, respectively) | | | |
| Unaffiliated issuers | \$9,533,919 | \$5,639,230 | \$10,678,516 |
| Non-controlled affiliates (Note 3f and 8) | 984,351 | 928,357 | 4,345,493 |
| Interest: | | | |
| Unaffiliated issuers | — | — | 244,556 |
| Non-controlled affiliates (Note 3f and 8) | — | — | 102,203 |
| Income from securities loaned: | | | |
| Unaffiliated entities (net of fees and rebates) | (145,520) | (125,144) | 44,001 |
| Non-controlled affiliates (Note 3f) | 263,203 | 471,468 | 141,171 |
| Total investment income | 10,635,953 | 6,913,911 | 15,555,940 |
| Expenses: | | | |
| Management fees (Note 3a) | 10,694,970 | 7,898,380 | 8,484,403 |
| Distribution fees: (Note 3c) | | | |
| Class A | 3,727,395 | 974,399 | 3,296,975 |
| Class C | 579,007 | 103,576 | 391,261 |
| Class R | 62,263 | 98,974 | 88,556 |
| Transfer agent fees: (Note 3e) | | | |
| Class A | 1,500,582 | 743,311 | 1,890,830 |
| Class C | 58,313 | 19,752 | 56,043 |
| Class R | 12,532 | 37,749 | 25,394 |
| Class R6 | 47,124 | 203,629 | 97,307 |
| Advisor Class | 170,975 | 336,127 | 350,981 |
| Custodian fees (Note 4) | 8,257 | 25,029 | 10,324 |
| Reports to shareholders fees | 120,107 | 121,538 | 173,414 |
| Registration and filing fees | 54,367 | 68,238 | 61,753 |
| Professional fees | 56,571 | 61,973 | 46,874 |
| Trustees' fees and expenses | 23,219 | 15,103 | 21,995 |
| Interest expense | 4,136 | — | — |
| Other | 63,127 | 44,923 | 58,338 |
| Total expenses | 17,182,945 | 10,752,701 | 15,054,448 |
| Expense reductions (Note 4) | (547) | (896) | (586) |
| Expenses waived/paid by affiliates (Note 3f and 3g) | (85,193) | (92,791) | (344,945) |
| Net expenses | 17,097,205 | 10,659,014 | 14,708,917 |
| Net investment income (loss) | (6,461,252) | (3,745,103) | 847,023 |
| Realized and unrealized gains (losses): | | | |
| Net realized gain (loss) from: | | | |
| Investments: | | | |
| Unaffiliated issuers | 505,649,808 | (45,828,117) | 166,915,280 |
| Non-controlled affiliates (Note 3f and 8) | — | (3,708,762) | — |
| Foreign currency transactions | (155) | — | 2,334 |
| Net realized gain (loss) | 505,649,653 | (49,536,879) | 166,917,614 |
| Net change in unrealized appreciation (depreciation) on: | | | |
| Investments: | | | |
| Unaffiliated issuers | (316,836,600) | (83,668,356) | (286,948,929) |
| Non-controlled affiliates (Note 3f and 8) | (402,624) | 16,093,065 | (943,197) |
| Net change in unrealized appreciation (depreciation) | (317,239,224) | (67,575,291) | (287,892,126) |
| Net realized and unrealized gain (loss) | 188,410,429 | (117,112,170) | (120,974,512) |
| Net increase (decrease) in net assets resulting from operations | \$181,949,177 | \$(120,857,273) | \$(120,127,489) |

Statements of Changes in Net Assets

| | Franklin Growth Opportunities Fund | | Franklin Small Cap Growth Fund | |
|---|---|------------------------------|---|------------------------------|
| | Six Months Ended October 31, 2023 (unaudited) | Year Ended April 30, 2023 | Six Months Ended October 31, 2023 (unaudited) | Year Ended April 30, 2023 |
| Increase (decrease) in net assets: | | | | |
| Operations: | | | | |
| Net investment income (loss) | \$(6,461,252) | \$(9,874,135) | \$(3,745,103) | \$(7,326,644) |
| Net realized gain (loss) | 505,649,653 | 159,660,518 | (49,536,879) | (95,635,906) |
| Net change in unrealized appreciation (depreciation) | (317,239,224) | (390,972,122) | (67,575,291) | 19,949,802 |
| Net increase (decrease) in net assets resulting from operations. | 181,949,177 | (241,185,739) | (120,857,273) | (83,012,748) |
| Distributions to shareholders: | | | | |
| Class A. | — | (117,604,433) | — | (4,398,226) |
| Class C. | — | (7,051,867) | — | (182,310) |
| Class R. | — | (1,037,867) | — | (269,006) |
| Class R6. | — | (16,500,576) | — | (6,963,574) |
| Advisor Class | — | (12,978,865) | — | (1,824,783) |
| Total distributions to shareholders | — | (155,173,608) | — | (13,637,899) |
| Capital share transactions: (Note 2) | | | | |
| Class A. | (65,550,779) | (156,935,909) | (36,299,202) | (65,065,140) |
| Class C. | (46,752,695) | (22,566,167) | (1,334,614) | (10,464,989) |
| Class R. | (132,231) | (1,799,745) | (3,639,091) | (8,407,569) |
| Class R6. | (143,917,176) | 23,823,563 | (104,743,508) | (136,904,139) |
| Advisor Class | (106,937,370) | (264,796,290) | (670,187) | (77,248,269) |
| Total capital share transactions | (363,290,251) | (422,274,548) | (146,686,602) | (298,090,106) |
| Net increase (decrease) in net assets | (181,341,074) | (818,633,895) | (267,543,875) | (394,740,753) |
| Net assets: | | | | |
| Beginning of period | 3,681,103,095 | 4,499,736,990 | 2,511,234,939 | 2,905,975,692 |
| End of period | \$3,499,762,021 | \$3,681,103,095 | \$2,243,691,064 | \$2,511,234,939 |

Statements of Changes in Net Assets (continued)

| | Franklin Small-Mid Cap Growth Fund | |
|---|---|------------------------------|
| | Six Months Ended October 31, 2023 (unaudited) | Year Ended April 30, 2023 |
| Increase (decrease) in net assets: | | |
| Operations: | | |
| Net investment income (loss) | \$847,023 | \$(3,896,955) |
| Net realized gain (loss) | 166,917,614 | (241,439,881) |
| Net change in unrealized appreciation (depreciation) | (287,892,126) | 56,299,755 |
| Net increase (decrease) in net assets resulting from operations | (120,127,489) | (189,037,081) |
| Distributions to shareholders: | | |
| Class A | — | (158,598,985) |
| Class C | — | (10,930,574) |
| Class R | — | (2,417,236) |
| Class R6 | — | (22,679,273) |
| Advisor Class | — | (24,693,770) |
| Total distributions to shareholders | — | (219,319,838) |
| Capital share transactions: (Note 2) | | |
| Class A | (91,697,089) | (147,703,497) |
| Class C | (26,061,412) | (10,637,467) |
| Class R | (805,884) | (158,411) |
| Class R6 | (759,658) | (44,934,203) |
| Advisor Class | (74,090,451) | (14,301,398) |
| Total capital share transactions | (193,414,494) | (217,734,976) |
| Net increase (decrease) in net assets | (313,541,983) | (626,091,895) |
| Net assets: | | |
| Beginning of period | 3,616,050,122 | 4,242,142,017 |
| End of period | \$3,302,508,139 | \$3,616,050,122 |

Notes to Financial Statements (unaudited)

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.

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. 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, and/or uninvested cash as included in due from custodian in the Statements of Assets and Liabilities. 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.

1. Organization and Significant Accounting Policies (continued)

d. 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 Secured Overnight Financing Rate (SOFR). 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.

e. 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 October 31, 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.

f. 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 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. Facility fees are recognized as income over the expected term of the loan. 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.

g. 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

1. Organization and Significant Accounting Policies

(continued)

g. Accounting Estimates (continued)

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.

h. 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 October 31, 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: | | | | |
| Six Months ended October 31, 2023 | | | | |
| Shares sold ^a | 5,386,775 | \$225,007,879 | 3,066,957 | \$54,410,074 |
| Shares redeemed | (6,952,638) | (290,558,658) | (5,124,602) | (90,709,276) |
| Net increase (decrease) | (1,565,863) | \$(65,550,779) | (2,057,645) | \$(36,299,202) |
| 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) |
| Class C Shares: | | | | |
| Six Months ended October 31, 2023 | | | | |
| Shares sold | 490,330 | \$14,958,651 | 227,457 | \$2,751,377 |
| Shares redeemed ^a | (1,952,437) | (61,711,346) | (335,235) | (4,085,991) |
| Net increase (decrease) | (1,462,107) | \$(46,752,695) | (107,778) | \$(1,334,614) |
| 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) |

2. Shares of Beneficial Interest (continued)

| | Franklin Growth Opportunities Fund | | Franklin Small Cap Growth Fund | |
|--|------------------------------------|-----------------|--------------------------------|-----------------|
| | Shares | Amount | Shares | Amount |
| Class R Shares: | | | | |
| Six Months ended October 31, 2023 | | | | |
| Shares sold | 78,711 | \$3,031,533 | 277,535 | \$4,478,760 |
| Shares redeemed | (81,442) | (3,163,764) | (507,314) | (8,117,851) |
| Net increase (decrease) | (2,731) | \$(132,231) | (229,779) | \$(3,639,091) |
| 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) |
| Class R6 Shares: | | | | |
| Six Months ended October 31, 2023 | | | | |
| Shares sold | 291,624 | \$14,260,116 | 6,137,386 | \$129,936,385 |
| Shares redeemed | (3,267,234) | (158,177,292) | (11,210,573) | (234,679,893) |
| Net increase (decrease) | (2,975,610) | \$(143,917,176) | (5,073,187) | \$(104,743,508) |
| 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) |
| Advisor Class Shares: | | | | |
| Six Months ended October 31, 2023 | | | | |
| Shares sold | 431,986 | \$20,835,857 | 2,147,682 | \$44,275,406 |
| Shares redeemed | (2,714,660) | (127,773,227) | (2,216,632) | (44,945,593) |
| Net increase (decrease) | (2,282,674) | \$(106,937,370) | (68,950) | \$(670,187) |
| 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) |

2. Shares of Beneficial Interest (continued)

| | Franklin Small-Mid Cap Growth Fund | |
|--|------------------------------------|-----------------|
| | Shares | Amount |
| Class A Shares: | | |
| Six Months ended October 31, 2023 | | |
| Shares sold ^a | 5,580,860 | \$169,634,822 |
| Shares redeemed | (8,581,720) | (261,331,911) |
| Net increase (decrease) | (3,000,860) | \$(91,697,089) |
| 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) |
| Class C Shares: | | |
| Six Months ended October 31, 2023 | | |
| Shares sold | 638,566 | \$8,656,362 |
| Shares redeemed ^a | (2,502,609) | (34,717,774) |
| Net increase (decrease) | (1,864,043) | \$(26,061,412) |
| 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) |
| Class R Shares: | | |
| Six Months ended October 31, 2023 | | |
| Shares sold | 135,072 | \$3,434,013 |
| Shares redeemed | (165,093) | (4,239,897) |
| Net increase (decrease) | (30,021) | \$(805,884) |
| 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) |
| Class R6 Shares: | | |
| Six Months ended October 31, 2023 | | |
| Shares sold | 1,434,816 | \$54,174,612 |
| Shares redeemed | (1,456,710) | (54,934,270) |
| Net increase (decrease) | (21,894) | \$(759,658) |
| 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) |

2. Shares of Beneficial Interest (continued)

| | Franklin Small-Mid Cap Growth Fund | |
|--|------------------------------------|----------------|
| | Shares | Amount |
| Advisor Class Shares: | | |
| Six Months ended October 31, 2023 | | |
| Shares sold | 1,150,116 | \$42,152,511 |
| Shares redeemed | (3,296,773) | (116,242,962) |
| Net increase (decrease) | (2,146,657) | \$(74,090,451) |
| 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) |

^aMay include a portion of Class C shares that were automatically converted to Class A.

3. Transactions with Affiliates

Franklin Resources, Inc. is the holding company for various subsidiaries that together are referred to as Franklin Templeton. Certain officers and trustees of the 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 period ended October 31, 2023, each Fund's annualized 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 | 0.545% | 0.619% | 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 period:

| | 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 | \$103,288 | \$49,256 | \$104,201 |
| CDSC retained | \$7,012 | \$5,246 | \$7,305 |

e. Transfer Agent Fees

Each class of shares pays transfer agent fees, calculated monthly and paid monthly, to Investor Services for its performance of shareholder servicing obligations. Effective October 1, 2023, the fees are based on a fixed margin earned by Investor Services and are allocated to the Funds based upon relative assets and relative transactions. Prior to October 1, 2023, the fees were based on an annualized asset based fee of 0.016% 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 paid to third parties are accrued and allocated daily based upon their relative proportion of such classes' aggregate net assets. Class R6 pays Investor Services transfer agent fees allocated specifically to that class based upon its relative assets and relative transactions.

For the period ended October 31, 2023, the Funds paid transfer agent fees as noted in the Statements of Operations of which the following amounts were retained by Investor Services:

3. Transactions with Affiliates (continued)

e. Transfer Agent Fees (continued)

| | Franklin Growth Opportunities Fund | Franklin Small Cap Growth Fund | Franklin Small-Mid Cap Growth Fund |
|-------------------------------|------------------------------------|--------------------------------|------------------------------------|
| Transfer agent fees | \$694,900 | \$561,752 | \$819,183 |

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 period ended October 31, 2023, investments in affiliated management investment companies were as follows:

| | Value at Beginning of Period | Purchases | Sales | Realized Gain (Loss) | Net Change in Unrealized Appreciation (Depreciation) | Value at End of Period | Number of Shares Held at End of Period | Investment Income |
|--|------------------------------|----------------------|------------------------|----------------------|--|------------------------|--|-------------------------------|
| Franklin Growth Opportunities Fund | | | | | | | | |
| Non-Controlled Affiliates | | | | | | | | |
| | | | | | | | | Dividends |
| Institutional Fiduciary Trust - Money Market Portfolio, 5.035% | \$84,915,861 | \$587,796,611 | \$(585,402,550) | \$— | \$— | \$87,309,922 | 87,309,922 | \$984,351 |
| Non-Controlled Affiliates | | | | | | | | |
| | | | | | | | | Income from securities loaned |
| Institutional Fiduciary Trust - Money Market Portfolio, 5.035% | \$24,476,348 | \$82,403,677 | \$(102,252,225) | \$— | \$— | \$4,627,800 | 4,627,800 | \$263,203 |
| Total Affiliated Securities . . . | \$109,392,209 | \$670,200,288 | \$(687,654,775) | \$— | \$— | \$91,937,722 | | \$1,247,554 |
| Franklin Small Cap Growth Fund | | | | | | | | |
| Non-Controlled Affiliates | | | | | | | | |
| | | | | | | | | Dividends |
| Institutional Fiduciary Trust - Money Market Portfolio, 5.035% | \$32,742,362 | \$261,795,392 | \$(246,072,333) | \$— | \$— | \$48,465,421 | 48,465,421 | \$928,357 |
| Non-Controlled Affiliates | | | | | | | | |
| | | | | | | | | Income from securities loaned |
| Institutional Fiduciary Trust - Money Market Portfolio, 5.035% | \$12,159,690 | \$173,185,981 | \$(159,683,051) | \$— | \$— | \$25,662,620 | 25,662,620 | \$471,468 |
| Total Affiliated Securities . . . | \$44,902,052 | \$434,981,373 | \$(405,755,384) | \$— | \$— | \$74,128,041 | | \$1,399,825 |

3. Transactions with Affiliates (continued)

f. Investments in Affiliated Management Investment Companies (continued)

| | Value at Beginning of Period | Purchases | Sales | Realized Gain (Loss) | Net Change in Unrealized Appreciation (Depreciation) | Value at End of Period | Number of Shares Held at End of Period | Investment Income |
|---|------------------------------------|----------------------|------------------------|-------------------------|---|------------------------------|---|-------------------------------------|
| Franklin Small-Mid Cap Growth Fund | | | | | | | | |
| Non-Controlled Affiliates | | | | | | | | |
| | | | | | | | | Dividends |
| Institutional Fiduciary Trust - Money Market Portfolio, 5.035% | \$180,826,526 | \$245,137,583 | \$(300,750,974) | \$— | \$— | \$125,213,135 | 125,213,135 | \$4,345,493 |
| Non-Controlled Affiliates | | | | | | | | |
| | | | | | | | | Income from securities loaned |
| Institutional Fiduciary Trust - Money Market Portfolio, 5.035% | \$— | \$76,708,295 | \$(63,242,295) | \$— | \$— | \$13,466,000 | 13,466,000 | \$141,171 |
| Total Affiliated Securities . . . | \$180,826,526 | \$321,845,878 | \$(363,993,269) | \$— | \$— | \$138,679,135 | | \$4,486,664 |

g. Waiver and Expense Reimbursements

Transfer agent fees on Class R6 shares of the Funds have been capped so that transfer agent fees for that class do not exceed 0.03% based on the average net assets of the class until August 31, 2024.

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 previously entered into an arrangement with their custodian whereby credits realized as a result of uninvested cash balances are used to reduce a portion of the Funds' custodian expenses. During the period ended October 31, 2023, the custodian fees were reduced as noted in the Statements of Operations. Effective July 10, 2023, earned credits, if any, will be recognized as income.

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 |

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 October 31, 2023, the cost of investments and net unrealized appreciation (depreciation) 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 | \$1,854,292,886 | \$2,198,508,114 | \$2,950,323,870 |
| Unrealized appreciation. | \$1,785,000,923 | \$582,628,122 | \$732,113,823 |
| Unrealized depreciation. | (117,574,291) | (502,145,411) | (364,432,105) |
| Net unrealized appreciation (depreciation). | \$1,667,426,632 | \$80,482,711 | \$367,681,718 |

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 in-kind transactions.

6. Investment Transactions

Purchases and sales of investments (excluding short term securities) for the period ended October 31, 2023, were as follows:

| | Franklin Growth Opportunities Fund | Franklin Small Cap Growth Fund | Franklin Small- Mid Cap Growth Fund |
|---------------------|--|--------------------------------------|---|
| Purchases | \$791,038,637 | \$215,853,216 | \$940,086,002 |
| Sales | \$1,140,933,861 | \$369,317,012 | \$1,031,133,819 |

At October 31, 2023, in connection with securities lending transactions, certain or all Funds loaned investments and received cash collateral as follows:

6. Investment Transactions (continued)

| | Franklin Growth Opportunities Fund | Franklin Small Cap Growth Fund | Franklin Small-Mid Cap Growth Fund |
|---|------------------------------------|--------------------------------|------------------------------------|
| Securities lending transactions^a: | | | |
| Equity investments ^b | \$4,627,800 | \$25,805,720 | \$13,466,000 |

^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 October 31, 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 | \$11,818,306 |
| 4,619 | Celonis SE | 6/16/21 | 1,708,060 | 1,253,201 |
| 25,571 | Celonis SE, D | 6/16/21 - 10/04/22 | 9,427,681 | 6,937,783 |
| 6,309,366 | ClearMotion, Inc. | 11/06/17 - 12/21/18 | 15,500,000 | 733,912 |
| 417,667 | ClearMotion, Inc., A-3 | 3/23/23 | — | 61,321 |
| 2,606,463 | ClearMotion, Inc., A-4 | 12/21/21 | 251,500 | 358,874 |
| 338,280 | Databricks, Inc., G | 2/01/21 | 20,000,005 | 24,863,580 |
| 1,029,939 | Fanatics Holdings, Inc. | 8/13/20 - 3/22/21 | 19,730,229 | 66,191,423 |
| 810,440 | Lacework, Inc., D | 11/12/21 | 20,330,471 | 14,173,618 |
| 517,056 | OneTrust LLC, C | 4/01/21 | 10,139,623 | 6,871,167 |
| 556,026 | Optoro, Inc., E | 7/24/18 - 12/01/21 | 10,942,592 | 8,161,638 |
| 142,857 | Space Exploration Technologies Corp., A | 5/25/22 | 9,999,990 | 11,571,417 |
| 1,753,060 | Talkdesk, Inc., C | 7/15/20 | 11,517,955 | 9,558,940 |
| 805,800 | Tanium, Inc., G | 9/14/15 | 4,000,233 | 6,076,910 |
| 504,854 | Tempus Labs, Inc., F | 5/29/19 | 12,499,983 | 10,907,182 |
| 126,131 | Tempus Labs, Inc., G | 2/06/20 | 4,837,426 | 2,725,013 |
| Total Restricted Securities (Value is 5.2% of Net Assets). | | | \$171,044,279 | \$182,264,285 |

| Shares | Issuer | Acquisition Date | Cost | Value |
|---------------------------------------|------------------------------|------------------|--------------|-------------|
| Franklin Small Cap Growth Fund | | | | |
| 3,436,485 | 1661, Inc., F | 5/28/21 | \$19,999,999 | \$7,194,673 |
| 382,306 | Benchling, Inc., F | 10/20/21 | 12,499,992 | 4,812,992 |

7. Restricted Securities (continued)

| Shares | Issuer | Acquisition Date | Cost | Value |
|---|---|--------------------|----------------------|---------------------|
| Franklin Small Cap Growth Fund (continued) | | | | |
| 1,388,889 | Checkr, Inc., E | 8/24/21 | \$25,000,002 | \$21,000,432 |
| 3,698,772 | ClearMotion, Inc. | 12/21/18 | 10,000,000 | 430,245 |
| 1,037,942 | ClearMotion, Inc., A-3 | 3/23/23 | — | 152,389 |
| 6,477,294 | ClearMotion, Inc., A-4 | 12/21/21 | 625,000 | 891,833 |
| 709,046 | Newsela, Inc., D | 1/21/21 | 15,000,010 | 12,140,632 |
| 625,361 | OneTrust LLC, A | 3/10/23 | 6,878,971 | 8,310,434 |
| 56,457 | OneTrust LLC, A-1 | 3/10/23 | 621,027 | 750,258 |
| 554,878 | Optoro, Inc., E | 7/24/18 - 12/01/21 | 10,919,999 | 8,144,787 |
| 1,542,673 | Smule, Inc., 144A, G | 5/31/16 | 11,099,995 | 2,576,963 |
| 352,675 | Smule, Inc., 144A, H | 4/27/17 | 2,999,995 | 696,353 |
| 162,712 | Smule, Inc., J | 8/05/22 - 11/28/22 | 764,393 | 2,307,856 |
| 153,000 | ^a Structure Therapeutics Inc | 9/29/23 | 1,910,970 | 3,535,454 |
| 361,111 | Tula eTechnology, Inc. | 11/01/18 | — | — |
| 3,611,111 | Tula eTechnology, Inc., E | 9/08/17 | 6,500,000 | 6,123,025 |
| Total Restricted Securities (Value is 3.5% of Net Assets). | | | \$124,820,353 | \$79,068,326 |

| 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 | \$4,369,846 |
| 1,804,600 | Blaize, Inc., 10%, 1/03/25 | 8/23/23 | 1,804,600 | 1,804,600 |
| 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 | — |
| 1 | Blaize, Inc., 8/23/33 | 8/23/23 | — | — |
| 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 | 16,745,431 |
| 793,714 | Fanatics Holdings, Inc. | 8/13/20 - 3/22/21 | 14,052,061 | 51,009,875 |
| 423,782 | Newsela, Inc., D | 1/21/21 | 8,965,193 | 7,256,202 |
| 767,526 | OneTrust LLC, C | 4/01/21 | 15,051,415 | 10,199,668 |
| 2,970,061 | Phononic Devices, Inc., F | 6/06/19 | 7,499,998 | 213,711 |
| 513,050 | Phononic Devices, Inc., G-2 | 1/17/20 - 11/03/20 | 47 | 175,337 |
| 869,933 | Phononic, Inc., Advance Term Loan, PIK, 12%, 6/30/25 | 10/17/22 - 10/01/23 | 815,824 | 725,278 |
| 117,763 | Phononic, Inc., H | 10/17/22 | 460,645 | 489,474 |
| 47,104 | Phononic, Inc., H, 10/17/27 | 10/17/22 | 44,029 | 33,629 |
| Total Restricted Securities (Value is 3.0% of Net Assets). | | | \$101,528,932 | \$97,739,643 |

*In U.S. dollars unless otherwise indicated.

7. Restricted Securities (continued)

*The Fund also invests in unrestricted securities of the issuer, valued at \$1,538,010 as of October 31, 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 period ended October 31, 2023, investments in "affiliated companies" were as follows:

| | Value at Beginning of Period | Purchases | Sales | Realized Gain (Loss) | Net Change in Unrealized Appreciation (Depreciation) | Value at End of Period | Number of Shares/Warrants/ Principal Amount* Held at End of Period | Investment Income |
|---|------------------------------------|------------------|----------------------|-------------------------|---|------------------------------|---|----------------------|
| Franklin Growth Opportunities Fund | | | | | | | | |
| Non-Controlled Affiliates | | | | | | | | |
| | | | | | | | Dividends | |
| Optoro, Inc., E. | \$8,167,495 | \$— | \$— | \$— | \$(5,857) | \$8,161,638 | 556,026 | \$— |
| Talkdesk, Inc., C. | 9,955,707 | — | — | — | (396,767) | 9,558,940 | 1,753,060 | — |
| Total Affiliated Securities (Value is 0.5% of Net Assets). | \$18,123,202 | \$— | \$— | \$— | \$(402,624) | \$17,720,578 | | \$— |
| Franklin Small Cap Growth Fund | | | | | | | | |
| Non-Controlled Affiliates | | | | | | | | |
| | | | | | | | Dividends | |
| 1661, Inc., F. | 6,545,566 | — | — | — | 649,107 | 7,194,673 | 3,436,485 | — |
| Benchling, Inc., F. | 5,803,206 | — | — | — | (990,214) | 4,812,992 | 382,306 | — |
| EyePoint Pharmaceuticals, Inc. | 12,290,588 | 212,613 | (5,353,442) | (1,330,433) | — ^a | — ^a | — ^a | — |
| Optoro, Inc., E. | 8,150,632 | — | — | — | (5,845) | 8,144,787 | 554,878 | — |
| Paymentus Holdings, Inc., A. | 18,067,319 | — | (2,806,798) | (2,378,329) | 16,440,017 | 29,322,209 | 2,013,888 | — |
| Total Affiliated Securities (Value is 2.2% of Net Assets). | \$50,857,311 | \$212,613 | \$(8,160,240) | \$(3,708,762) | \$16,093,065 | \$49,474,661 | | \$— |
| Franklin Small-Mid Cap Growth Fund | | | | | | | | |
| Non-Controlled Affiliates | | | | | | | | |
| | | | | | | | Dividends | |
| Benchling, Inc., F. | 5,268,888 | — | — | — | (899,042) | 4,369,846 | 347,106 | — |
| Blaize, Inc., 12/09/25 . . | — | — | — | — | — | — | 1 | — |
| Blaize, Inc., 8/23/33 . . | — | — | — | — | — | — | 1 | — |
| Blaize, Inc., 9/19/25 . . | — | — | — | — | — | — | 146,765 | — |
| Blaize, Inc., D. | 3,051,900 | — | — | — | — | 3,051,900 | 1,948,384 | — |
| Blaize, Inc., D, 2/28/24 . | — | — | — | — | — | — | 260,815 | — |
| Blaize, Inc., D-2. | 1,094,514 | — | — | — | — | 1,094,514 | 1,467,659 | — |
| OneTrust LLC, C. | 7,746,763 | — | — | — | 2,452,905 | 10,199,668 | 767,526 | — |

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

| | Value at Beginning of Period | Purchases | Sales | Realized Gain (Loss) | Net Change in Unrealized Appreciation (Depreciation) | Value at End of Period | Number of Shares/Warrants/ Principal Amount* Held at End of Period | Investment Income |
|--|------------------------------------|---------------------|-------|-------------------------|---|------------------------------|---|----------------------|
| Franklin Small-Mid Cap Growth Fund (continued) | | | | | | | | |
| Non-Controlled Affiliates | | | | | | | | |
| Phononic Devices, Inc., F | \$2,020,235 | \$— | \$— | \$— | \$(1,806,524) | \$213,711 | 2,970,061 | \$— |
| Phononic Devices, Inc., G-2 | 771,484 | — | — | — | (596,147) | 175,337 | 513,050 | — |
| Phononic, Inc., H | 563,212 | — | — | — | (73,738) | 489,474 | 117,763 | — |
| Phononic, Inc., H, 10/17/27 | 60,114 | — | — | — | (26,485) | 33,629 | 47,104 | — |
| | | | | | | | | Interest |
| Blaize, Inc., 10%, 1/03/25 | — | 1,804,600 | — | — | — | 1,804,600 | 1,804,600 | 34,087 |
| Blaize, Inc., 10%, 12/09/24 | 570,178 | — | — | — | — | 570,178 | 570,121 | 28,506 |
| Phononic, Inc., Advance Term Loan, PIK, 12%, 6/30/25 | 625,802 | 93,642 ^b | — | — | 5,834 | 725,278 | 869,933 | 39,610 |
| Total Affiliated Securities (Value is 0.7% of Net Assets) | \$21,773,090 | \$1,898,242 | \$— | \$— | \$(943,197) | \$22,728,135 | | \$102,203 |

*In U.S. dollars unless otherwise indicated.

^a As of October 31, 2023, no longer an affiliate.

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

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 period ended October 31, 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

10. Fair Value Measurements (continued)

- Level 2 – other significant observable inputs (including quoted prices for similar financial instruments, interest rates, prepayment speed, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the Funds' own assumptions in determining the fair value of financial instruments)

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

A summary of inputs used as of October 31, 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 | \$44,617,264 | \$— | \$11,571,417 | \$56,188,681 |
| Automobiles | 23,590,666 | — | — | 23,590,666 |
| Beverages | 74,435,798 | — | — | 74,435,798 |
| Broadline Retail | 220,649,512 | — | — | 220,649,512 |
| Capital Markets | 132,780,511 | — | — | 132,780,511 |
| Chemicals | 59,844,727 | — | — | 59,844,727 |
| Commercial Services & Supplies | 44,359,160 | — | 8,190,984 | 52,550,144 |
| Entertainment | 42,109,583 | — | — | 42,109,583 |
| Financial Services | 147,352,316 | — | — | 147,352,316 |
| Food Products | 39,522,655 | — | — | 39,522,655 |
| Ground Transportation | 64,933,619 | — | — | 64,933,619 |
| Health Care Equipment & Supplies | 77,621,635 | — | — | 77,621,635 |
| Health Care Providers & Services | 74,707,324 | — | — | 74,707,324 |
| Health Care Technology | 26,619,611 | — | — | 26,619,611 |
| Hotels, Restaurants & Leisure | 97,950,362 | — | — | 97,950,362 |
| Interactive Media & Services | 308,240,197 | — | — | 308,240,197 |
| IT Services | 80,260,344 | — | 11,818,306 | 92,078,650 |
| Leisure Products | — | — | 66,191,423 | 66,191,423 |
| Life Sciences Tools & Services | 120,632,251 | — | — | 120,632,251 |
| Personal Care Products | 33,958,418 | — | — | 33,958,418 |
| Pharmaceuticals | 103,486,611 | — | — | 103,486,611 |
| Professional Services | 73,555,633 | — | — | 73,555,633 |
| Real Estate Management & Development | 35,900,426 | — | — | 35,900,426 |
| Semiconductors & Semiconductor Equipment | 335,939,692 | — | — | 335,939,692 |
| Software | 784,200,752 | — | 733,912 | 784,934,664 |
| Specialized REITs | 35,319,807 | — | — | 35,319,807 |
| Specialty Retail | 19,514,830 | — | — | 19,514,830 |
| Technology Hardware, Storage & Peripherals | 132,575,753 | — | — | 132,575,753 |
| Textiles, Apparel & Luxury Goods | 6,659,518 | — | — | 6,659,518 |
| Water Utilities | 6,178,536 | — | — | 6,178,536 |
| Convertible Preferred Stocks | — | — | 45,908,365 | 45,908,365 |
| Preferred Stocks | — | — | 37,849,878 | 37,849,878 |
| Escrows and Litigation Trusts | — | — | — ^a | — |
| Short Term Investments | 91,937,722 | — | — | 91,937,722 |
| Total Investments in Securities | \$3,339,455,233 | \$— | \$182,264,285 | \$3,521,719,518 |

Franklin Small Cap Growth Fund

Assets:

Investments in Securities:

Common Stocks:

| | | | | |
|---------------------|-------------|---|---|-------------|
| Aerospace & Defense | 148,714,140 | — | — | 148,714,140 |
| Banks | 35,780,421 | — | — | 35,780,421 |

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: | | | | |
| Biotechnology | \$140,672,130 | \$— | \$— | \$140,672,130 |
| Building Products | 23,757,828 | — | — | 23,757,828 |
| Capital Markets | 80,106,116 | — | — | 80,106,116 |
| Communications Equipment | 16,342,668 | — | — | 16,342,668 |
| Construction & Engineering | 78,611,449 | — | — | 78,611,449 |
| Consumer Staples Distribution & Retail | 11,690,624 | — | — | 11,690,624 |
| Diversified Consumer Services | 11,783,464 | — | — | 11,783,464 |
| Electronic Equipment, Instruments & Components | 32,255,872 | — | — | 32,255,872 |
| Energy Equipment & Services | 43,637,470 | — | — | 43,637,470 |
| Financial Services | 102,335,242 | — | — | 102,335,242 |
| Food Products | 76,181,479 | — | — | 76,181,479 |
| Health Care Equipment & Supplies | 129,999,894 | — | — | 129,999,894 |
| Health Care Providers & Services | 98,162,332 | — | — | 98,162,332 |
| Health Care Technology | 33,324,549 | — | — | 33,324,549 |
| Hotel & Resort REITs | 14,015,364 | — | — | 14,015,364 |
| Hotels, Restaurants & Leisure | 126,373,784 | — | — | 126,373,784 |
| Household Durables | 65,405,086 | — | — | 65,405,086 |
| Industrial REITs | 25,442,416 | — | — | 25,442,416 |
| Interactive Media & Services | 21,592,656 | — | — | 21,592,656 |
| IT Services | 13,437,235 | — | — | 13,437,235 |
| Life Sciences Tools & Services | 3,203,910 | — | — | 3,203,910 |
| Machinery | 52,428,705 | — | — | 52,428,705 |
| Media | 30,420,183 | — | — | 30,420,183 |
| Oil, Gas & Consumable Fuels | 44,355,110 | — | — | 44,355,110 |
| Passenger Airlines | 31,554,430 | — | — | 31,554,430 |
| Personal Care Products | 63,444,264 | — | — | 63,444,264 |
| Pharmaceuticals | 58,124,189 | — | 3,535,454 | 61,659,643 |
| Professional Services | 61,606,967 | — | — | 61,606,967 |
| Semiconductors & Semiconductor Equipment | 126,388,036 | — | — | 126,388,036 |
| Software | 201,344,068 | — | 430,245 | 201,774,313 |
| Specialty Retail | 65,753,737 | — | — | 65,753,737 |
| Textiles, Apparel & Luxury Goods | 25,096,842 | — | — | 25,096,842 |
| Trading Companies & Distributors | 32,097,670 | — | — | 32,097,670 |
| Convertible Preferred Stocks | — | — | 56,517,277 | 56,517,277 |
| Preferred Stocks | — | — | 18,585,350 ^a | 18,585,350 |
| Rights | — | — | 354,128 | 354,128 |
| Escrows and Litigation Trusts | — | — | — ^a | — |
| Short Term Investments | 74,128,041 | — | — | 74,128,041 |
| Total Investments in Securities | \$2,199,568,371 | \$— | \$79,422,454 | \$2,278,990,825 |

Franklin Small-Mid Cap Growth Fund

Assets:

Investments in Securities:

Common Stocks:

| | | | | |
|--|-------------|---|---|-------------|
| Aerospace & Defense | 97,306,880 | — | — | 97,306,880 |
| Automobile Components | 14,143,155 | — | — | 14,143,155 |
| Beverages | 19,406,684 | — | — | 19,406,684 |
| Biotechnology | 91,846,977 | — | — | 91,846,977 |
| Building Products | 59,395,751 | — | — | 59,395,751 |
| Capital Markets | 237,089,739 | — | — | 237,089,739 |
| Chemicals | 23,137,350 | — | — | 23,137,350 |
| Commercial Services & Supplies | 40,032,904 | — | — | 40,032,904 |
| Communications Equipment | 40,975,665 | — | — | 40,975,665 |

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: | | | | |
| Containers & Packaging | \$31,959,252 | \$— | \$— | \$31,959,252 |
| Electrical Equipment | 49,545,134 | — | — | 49,545,134 |
| Electronic Equipment, Instruments & Components | 38,454,570 | — | — | 38,454,570 |
| Energy Equipment & Services | 20,940,682 | — | — | 20,940,682 |
| Entertainment | 41,912,856 | — | — | 41,912,856 |
| Financial Services | 34,362,593 | — | — | 34,362,593 |
| Food Products | 49,700,360 | — | — | 49,700,360 |
| Ground Transportation | 48,193,647 | — | — | 48,193,647 |
| Health Care Equipment & Supplies | 173,835,602 | — | — | 173,835,602 |
| Health Care Providers & Services | 25,489,408 | — | — | 25,489,408 |
| Health Care Technology | 62,056,697 | — | — | 62,056,697 |
| Hotels, Restaurants & Leisure | 152,140,073 | — | — | 152,140,073 |
| Household Durables | 22,191,742 | — | — | 22,191,742 |
| Industrial REITs | 26,053,920 | — | — | 26,053,920 |
| Insurance | 36,336,107 | — | — | 36,336,107 |
| Interactive Media & Services | 86,063,445 | — | — | 86,063,445 |
| IT Services | 126,999,111 | — | — | 126,999,111 |
| Leisure Products | — | — | 51,009,875 | 51,009,875 |
| Life Sciences Tools & Services | 182,701,609 | — | — | 182,701,609 |
| Machinery | 57,285,888 | — | — | 57,285,888 |
| Media | 16,293,302 | — | — | 16,293,302 |
| Oil, Gas & Consumable Fuels | 98,398,165 | — | — | 98,398,165 |
| Passenger Airlines | 23,981,250 | — | — | 23,981,250 |
| Personal Care Products | 41,973,350 | — | — | 41,973,350 |
| Pharmaceuticals | 31,539,066 | — | — | 31,539,066 |
| Professional Services | 172,671,963 | — | — | 172,671,963 |
| Residential REITs | 33,893,580 | — | — | 33,893,580 |
| Semiconductors & Semiconductor Equipment | 128,245,430 | — | — | 128,245,430 |
| Software | 386,517,027 | — | — | 386,517,027 |
| Specialized REITs | 28,895,255 | — | — | 28,895,255 |
| Specialty Retail | 141,568,181 | — | — | 141,568,181 |
| Textiles, Apparel & Luxury Goods | 31,124,268 | — | — | 31,124,268 |
| Trading Companies & Distributors | 56,928,172 | — | — | 56,928,172 |
| Convertible Preferred Stocks | — | — | 42,931,272 | 42,931,272 |
| Preferred Stocks | — | — | 664,811 | 664,811 |
| Warrants | — | — | 33,629 ^a | 33,629 |
| Convertible Bonds | — | — | 1,804,600 | 1,804,600 |
| Corporate Bonds | — | — | 570,178 | 570,178 |
| Senior Floating Rate Interests | — | — | 725,278 | 725,278 |
| Escrows and Litigation Trusts | — | — | — ^a | — |
| Short Term Investments | 138,679,135 | — | — | 138,679,135 |
| Total Investments in Securities | \$3,220,265,945 | \$— | \$97,739,643 | \$3,318,005,588 |

^aIncludes financial instruments determined to have no value.

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 period. At October 31, 2023, the reconciliations are as follows:

10. Fair Value Measurements (continued)

| | Balance at Beginning of Period | Purchases ^a | Sales ^b | Transfer Into Level 3 | Transfer Out of Level 3 ^c | Net Accretion (Amortiza- tion) | Net Realized Gain (Loss) | Net Unrealized Appreciation (Depreciation) | Balance at End of Period | Net Change in Unrealized Appreciation (Depreciation) on Assets Held at Period End |
|---|--------------------------------------|------------------------|--------------------|-----------------------------|--|---|-----------------------------------|---|--------------------------------|---|
| Franklin Growth Opportunities Fund | | | | | | | | | | |
| Assets: | | | | | | | | | | |
| Investments in Securities: | | | | | | | | | | |
| Common Stocks: | | | | | | | | | | |
| Aerospace & Defense | \$10,999,989 | \$— | \$— | \$— | \$— | \$— | \$— | \$571,428 | \$11,571,417 | \$571,428 |
| Commercial Services & Supplies | 7,056,488 | — | — | — | — | — | — | 1,134,496 | 8,190,984 | 1,134,496 |
| Health Care Equipment & Supplies | 16,934,771 | — | — | — | (16,934,771) | — | — | — | — | — |
| IT Services | 9,178,870 | — | — | — | — | — | — | 2,639,436 | 11,818,306 | 2,639,436 |
| Leisure Products | 71,332,234 | — | — | — | — | — | — | (5,140,811) | 66,191,423 | (5,140,811) |
| Software | 732,694 | — | — | — | — | — | — | 1,218 | 733,912 | 1,218 |
| Convertible Preferred Stocks: | | | | | | | | | | |
| Software | 35,421,533 | — | — | — | — | — | — | 10,486,832 | 45,908,365 | 10,486,832 |
| Preferred Stocks: | | | | | | | | | | |
| Commercial Services & Supplies | 8,167,495 | — | — | — | — | — | — | (5,857) | 8,161,638 | (5,857) |
| Health Care Providers & Services | 18,953,290 | — | — | — | — | — | — | (5,321,095) | 13,632,195 | (5,321,095) |
| Software | 15,232,654 | — | — | — | — | — | — | 823,391 | 16,056,045 | 823,391 |
| Escrows and Litigation Trusts: | — ^d | — | — ^d | — | — | — | — | — | — ^d | — |
| Total Investments in Securities | \$194,010,018 | \$— | \$— | \$— | \$(16,934,771) | \$— | \$— | \$5,189,038 | \$182,264,285 | \$5,189,038 |
| Franklin Small Cap Growth Fund | | | | | | | | | | |
| Assets: | | | | | | | | | | |
| Investments in Securities: | | | | | | | | | | |
| Common Stocks: | | | | | | | | | | |
| Pharmaceuticals | — | 1,910,970 | — | — | — | — | — | 1,624,484 | 3,535,454 | 1,624,484 |
| Software | 429,531 | — | — | — | — | — | — | 714 | 430,245 | 714 |
| Convertible Preferred Stocks: | | | | | | | | | | |
| Diversified Consumer Services | 12,019,999 | — | — | — | — | — | — | 120,633 | 12,140,632 | 120,633 |
| Software | 35,813,345 | — | — | — | — | — | — | 1,368,627 | 37,181,972 | 1,368,627 |
| Specialty Retail | 6,545,566 | — | — | — | — | — | — | 649,107 | 7,194,673 | 649,107 |
| Preferred Stocks: | | | | | | | | | | |
| Automobile Components | 6,232,998 ^d | — | — | — | — | — | — | (109,973) | 6,123,025 ^d | (109,973) |
| Commercial Services & Supplies | 8,150,632 | — | — | — | — | — | — | (5,845) | 8,144,787 | (5,845) |
| Software | 2,698,021 | — | — | — | — | — | — | 1,619,517 | 4,317,538 | 1,619,517 |
| Rights: | | | | | | | | | | |
| Biotechnology | — | 160,095 | — | — | — | — | — | 194,033 | 354,128 | 194,033 |
| Escrows and Litigation Trusts | — ^d | — | — ^d | — | — | — | — | — | — ^d | — |
| Total Investments in Securities | \$71,890,092 | \$2,071,065 | \$— | \$— | \$— | \$— | \$— | \$5,461,297 | \$79,422,454 | \$5,461,297 |

10. Fair Value Measurements (continued)

| | Balance at Beginning of Period | Purchases ^a | Sales ^b | Transfer Into Level 3 | Transfer Out of Level 3 ^c | Net Accretion (Amortiza- tion) | Net Realized Gain (Loss) | Net Unrealized Appreciation (Depreciation) | Balance at End of Period | Net Change in Unrealized Appreciation (Depreciation) on Assets Held at Period End |
|--|--------------------------------------|------------------------|--------------------|-----------------------------|--|---|-----------------------------------|---|--------------------------------|---|
| Franklin Small-Mid Cap Growth Fund | | | | | | | | | | |
| Assets: | | | | | | | | | | |
| Investments in Securities: | | | | | | | | | | |
| Common Stocks: | | | | | | | | | | |
| Leisure Products | \$54,971,598 | \$— | \$— | \$— | \$— | \$— | \$— | \$(3,961,723) | \$51,009,875 | \$(3,961,723) |
| Convertible Preferred Stocks: | | | | | | | | | | |
| Diversified Consumer Services | 7,184,103 | — | — | — | — | — | — | 72,099 | 7,256,202 | 72,099 |
| Semiconductors & Semiconductor Equipment | 2,020,235 | — | — | — | — | — | — | (1,806,524) | 213,711 | (1,806,524) |
| Software | 28,719,105 | — | — | — | — | — | — | 6,742,254 | 35,461,359 | 6,742,254 |
| Preferred Stocks: | | | | | | | | | | |
| Semiconductors & Semiconductor Equipment | 1,334,696 | — | — | — | — | — | — | (669,885) | 664,811 | (669,885) |
| Warrants: | | | | | | | | | | |
| Semiconductors & Semiconductor Equipment | 60,114 | — | — | — | — | — | — | (26,485) | 33,629 | (26,485) |
| Software | — ^d | — ^d | — | — | — | — | — | — | — ^d | — |
| Convertible Bonds: | | | | | | | | | | |
| Software | — | 1,804,600 | — | — | — | — | — | — | 1,804,600 | — |
| Corporate Bonds: | | | | | | | | | | |
| Software | 570,178 | — | — | — | — | — | — | — | 570,178 | — |
| Senior Floating Rate Interests: | | | | | | | | | | |
| Semiconductors & Semiconductor Equipment | 625,802 | 81,298 | — | — | — | 12,344 | — | 5,834 | 725,278 | 5,834 |
| Escrows and Litigation Trusts: | | | | | | | | | | |
| Trusts: | — ^d | — | — | — | — | — | — | — | — ^d | — |
| Total Investments in Securities | \$95,485,831 | \$1,885,898 | \$— | \$— | \$— | \$12,344 | \$— | \$355,570 | \$97,739,643 | \$355,570 |

^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.

^cTransferred out of Level 3 as a result of the availability of a quoted market price in an active market for identical securities and other significant observable valuation inputs. May include amounts related to a corporate action.

^dIncludes 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 October 31, 2023, are as follows:

10. Fair Value Measurements (continued)

| Description | Fair Value at End of Period | Valuation Technique | Unobservable Inputs | Amount / Range (Weighted Average) ^a | Impact to Fair Value if Input Increases ^b |
|---|-----------------------------------|---------------------|---------------------------------------|---|---|
| Franklin Growth Opportunities Fund | | | | | |
| Assets: | | | | | |
| Investments in Securities: | | | | | |
| Common Stocks: | | | | | |
| Leisure Products. | \$66,191,423 | Market comparables | Discount for lack of marketability | 11.1% | Decrease |
| | | | EV / revenue multiple | 4.3x | Increase |
| All Other Investments. . . . | 116,072,862 ^{c,d} | | | | |
| Total. | \$182,264,285 | | | | |

| Description | Fair Value at End of Period | Valuation Technique | Unobservable Inputs | Amount / Range (Weighted Average) ^a | Impact to Fair Value if Input Increases ^b |
|--|-----------------------------------|----------------------|---------------------------------------|---|---|
| Franklin Small Cap Growth Fund | | | | | |
| Assets: | | | | | |
| Investments in Securities: | | | | | |
| Convertible Preferred Stocks: | | | | | |
| Diversified Consumer Services. | \$12,140,632 | Discounted cash flow | Discount for lack of marketability | 10.5% | Decrease |
| | | | Discount rate | 19.4% | Decrease |
| | | | Long term growth rate | 5.0% | Increase |
| | | | Volatility of peers | 43.2% | Decrease |
| Software | 21,000,432 | Market comparables | Discount for lack of marketability | 11.0% | Decrease |
| | | | EV / revenue multiple | 5.8x | Increase |
| | | | Volatility | 38.0% | Decrease |
| All Other Investments. . . . | 46,281,390 ^{c,d} | | | | |
| Total. | \$79,422,454 | | | | |

10. Fair Value Measurements (continued)

| Description | Fair Value at End of Period | Valuation Technique | Unobservable Inputs | Amount / Range (Weighted Average) ^a | Impact to Fair Value if Input Increases ^b |
|---|-----------------------------------|---------------------|---------------------------------------|---|---|
| Franklin Small-Mid Cap Growth Fund | | | | | |
| Assets: | | | | | |
| Investments in Securities: | | | | | |
| Common Stocks: | | | | | |
| Leisure Products | \$51,009,875 | Market comparables | Discount for lack of marketability | 11.1% | Decrease |
| | | | EV / revenue multiple | 4.3x | Increase |
| All Other Investments. | 46,729,768 ^{c,d} | | | | |
| Total. | \$97,739,643 | | | | |

^aWeighted based on the relative fair value of the financial instruments.

^bRepresents 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.

^cIncludes 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.

^dIncludes financial instruments determined to have no value.

Abbreviations List

EV - Enterprise value

11. 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 |
| CVR | Contingent Value Right |
| NYRS | New York Registry Shares |
| PIK | Payment-In-Kind |
| REIT | Real Estate Investment Trust |

Shareholder Information

Liquidity Risk Management Program

Each of the Franklin Templeton and Legg Mason Funds has adopted and implemented a written Liquidity Risk Management Program (the “LRMP”) as required by Rule 22e-4 under the Investment Company Act of 1940 (the “Liquidity Rule”). The LRMP is designed to assess and manage each Fund’s liquidity risk, which is defined as the risk that the Fund could not meet requests to redeem shares issued by the Fund without significant dilution of remaining investors’ interests in the Fund. In accordance with the Liquidity Rule, the LRMP includes policies and procedures that provide for: (1) assessment, management, and review (no less frequently than annually) of each Fund’s liquidity risk; (2) classification of each Fund’s portfolio holdings into one of four liquidity categories (Highly Liquid, Moderately Liquid, Less Liquid, and Illiquid); (3) for Funds that do not primarily hold assets that are Highly Liquid, establishing and maintaining a minimum percentage of the Fund’s net assets in Highly Liquid investments (called a “Highly Liquid Investment Minimum” or “HLIM”); and (4) prohibiting the Fund’s acquisition of Illiquid investments that would result in the Fund holding more than 15% of its net assets in Illiquid assets. The LRMP also requires reporting to the Securities and Exchange Commission (“SEC”) (on a non-public basis) and to the Board if the Fund’s holdings of Illiquid assets exceed 15% of the Fund’s net assets. Funds with HLIMs must have procedures for addressing HLIM shortfalls, including reporting to the Board and, with respect to HLIM shortfalls lasting more than seven consecutive calendar days, reporting to the SEC (on a non-public basis).

The Director of Liquidity Risk within the Investment Risk Management Group (the “IRMG”) is the appointed Administrator of the LRMP. The IRMG maintains the Investment Liquidity Committee (the “ILC”) to provide oversight and administration of policies and procedures governing liquidity risk management for Franklin Templeton and Legg Mason products and portfolios. The ILC includes representatives from Franklin Templeton’s Risk, Trading, Global Compliance, Legal, Investment Compliance, Investment Operations, Valuation Committee, Product Management and Global Product Strategy.

In assessing and managing each Fund’s liquidity risk, the ILC considers, as relevant, a variety of factors, including the Fund’s investment strategy and the liquidity of its portfolio investments during both normal and reasonably foreseeable stressed conditions; its short and long-term cash flow projections; and its cash holdings and access to

other funding sources including the Funds’ interfund lending facility and line of credit. Classification of the Fund’s portfolio holdings in the four liquidity categories is based on the number of days it is reasonably expected to take to convert the investment to cash (for Highly Liquid and Moderately Liquid holdings) or sell or dispose of the investment (for Less Liquid and Illiquid investments), in current market conditions without significantly changing the investment’s market value.

Each Fund primarily holds liquid assets that are defined under the Liquidity Rule as “Highly Liquid Investments,” and therefore is not required to establish an HLIM. Highly Liquid Investments are defined as cash and any investment reasonably expected to be convertible to cash in current market conditions in three business days or less without the conversion to cash significantly changing the market value of the investment.

At meetings of the Funds’ Board of Trustees held in May 2023, the Program Administrator provided a written report to the Board addressing the adequacy and effectiveness of the program for the year ended December 31, 2022. The Program Administrator report concluded that (i.) the LRMP, as adopted and implemented, remains reasonably designed to assess and manage each Fund’s liquidity risk; (ii.) the LRMP, including the Highly Liquid Investment Minimum (“HLIM”) where applicable, was implemented and operated effectively to achieve the goal of assessing and managing each Fund’s liquidity risk; and (iii.) each Fund was able to meet requests for redemption without significant dilution of remaining investors’ interests in the Fund.

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 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.

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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.



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