

FRANKLIN STRATEGIC SERIES

April 30, 2024



FRANKLIN
TEMPLETON

Franklin Biotechnology Discovery Fund

Franklin Natural Resources 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

SHAREHOLDER LETTER

Dear Shareholder:

We are pleased to provide the annual report of Franklin Strategic Series for the 12-month reporting period ended April 30, 2024. Please read on for a detailed look at prevailing economic and market conditions during the Fund's reporting period and to learn how those conditions have affected Fund performance.

As always, we remain committed to providing you with excellent service and a full spectrum of investment choices. We also remain committed to supplementing the support you receive from your financial advisor. One way we accomplish this is through our website, **www.franklintempleton.com**. Here you can gain immediate access to market and investment information, including:

- Fund prices and performance;
- Market insights and commentaries from our portfolio Managers; and
- A host of educational resources.

We look forward to helping you meet your financial goals.

Sincerely,



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

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

Franklin Biotechnology Discovery Fund

Fund Overview

Q. What is the Fund's investment strategy?

A. The Fund seeks capital appreciation. We are research-driven, fundamental investors, pursuing a growth strategy. As bottom-up investors focusing primarily on individual securities, we choose companies that have identifiable drivers of future earnings growth and that present, in our opinion, the best trade-off between potential earnings growth, business and financial risk, and valuation. Also, in seeking sustainable growth characteristics, we look for companies that we believe can produce sustainable earnings growth and cash flow growth or the potential to generate income. We rely on a team of analysts to help provide in-depth industry expertise and use both qualitative and quantitative analysis to evaluate companies for distinct and sustainable competitive advantages likely to lead to growth in earnings and/or share price. Competitive advantages, such as a particular product niche, proven technology, sound financial position and strong management, are all factors we believe may contribute to strong growth potential.

Q. What were the overall market conditions during the Fund's reporting period?

A. For the year ended April 30, 2024, U.S. equities, as measured by the Standard & Poor's® 500 Index, posted a positive total return. Inflation slowed amid higher interest rates, while the economy's continued strength helped drive equity gains and alleviated concerns about a recession. Technology-related stocks in particular helped support equity prices amid cost-cutting efforts and investor optimism that artificial intelligence (AI) would lead to strong growth opportunities, particularly for the manufacturers of microchips that power new AI applications.

The U.S. economy was strong, posting solid gross domestic product (GDP) annual growth in the final three quarters of 2023. However, the expansion slowed in the first quarter of 2024 amid slower growth in consumer spending, exports, and state and local government spending, as well as a decline in federal government spending. Despite a deceleration in the first quarter, consumer spending continued to power the economy, helped by higher asset prices and increased wages. The labor market remained tight but showed some signs of easing. Unemployment increased slightly while remaining low by historical standards, and wages continued to grow, albeit at a slower pace. Improving economic conditions bolstered consumer confidence, but sentiment remained well below pre-pandemic levels. Higher interest rates during the 12-month period meant elevated borrowing costs for individuals and businesses, which dampened some economic activity,

especially in the housing market. The U.S. Federal Reserve (Fed) shifted its monetary policy, moving from a tightening stance early in the 12 months under review to a more neutral policy as the period continued and inflation generally decelerated.

Against this backdrop, health care equities ended the annual period with much smaller gains than the broader stock market averages (both in the U.S. and globally), having underperformed seven out of 10 other sector groups; only real estate, utilities and consumer staples fared worse than health care. As it pertains to the Fund's core investments, lagging biotechnology industry stocks were nearly unchanged amid heightened volatility as the selloff that characterized the first half the year was more or less offset by gains associated with a multi-month rally that began in November 2023 (extending through March 2024, ahead of April's modest pullback). Life sciences tools and services industry stocks fared even worse as they generally ended the annual period in negative territory. Pharmaceuticals stocks, meanwhile, broke out to the upside and posted the strongest returns among the six industries that comprise the health care sector.

Q. How did we respond to these changing market conditions?

A. As the biotechnology industry began to move off a cyclical low point, we prepared the portfolio for an environment of greater interest rate stability, M&A activity and IPO (initial public offering) launches, while sticking to the kind of selective approach we believe is necessary to identify the best opportunities in the dynamic and competitive biotechnology field. Our approach considered key aspects such as (1) serving a large total addressable market with potential for significant future revenue opportunities; (2) discounted valuation with upside from pipeline potential; and (3) clinically derisked or commercial stage assets.

We keep in mind that large pharmaceutical companies are seeking to replenish their pipelines with promising biotech candidates while addressing profitability pressures arising from upcoming patent losses. Even though IPO activity increased in the latter half of the period, indicating renewed investor interest, biotech and pharmaceutical industries continue to face challenges tied to regulatory uncertainty, pricing pressure, and looming patent expirations.

The biotech space increasingly appeared poised to benefit from innovation and reinvigorated capital markets in 2024 and beyond, with the current wave of innovation happening in areas like oncology, immunology, and gene editing. We are encouraged as companies have centered their efforts on new drug discovery platforms, novel compounds, and

areas of significant unmet medical need. For example, we became more enthusiastic about progress in the areas of radiopharmaceuticals and antibody drug conjugates (ADCs), and also believe further progress in the fields of cell therapy, gene therapy, and gene editing can allow the industry to address diseases in areas of significant unmet medical need. GLP-1 (glucagon-like peptide 1) agonists and weight loss treatments were another area of interest as the fervor around these drugs has rapidly expanded the market over the past year.

At this point in the business cycle, and from a risk management standpoint, portfolio turnover picked up on a year-over-year basis as stock rotation—the strategy of shifting investments based on changing business conditions and market cycles—was driven by profitably reducing or eliminating some of the year’s biggest upside movers while maintaining or lifting the portfolio’s ongoing focus on smaller biotech companies. As we executed our strategy, diversification increased in the build-up and the total number of issuers held by the portfolio rose from 77 to 86 during the fiscal year. As we explored various new opportunities, several existing holdings also received greater funding as we believed they were still significantly undervalued. We continued to evaluate ideas on a company-by-company basis, with consideration of the most appropriate valuation techniques.

Throughout the portfolio construction process, we aim to achieve quality interaction and meet often with the management of both newly identified companies and those held in the portfolio. Ongoing communication can include in-person meetings at our office, gatherings at an off-site location, conference calls, as well as informal discussions. We also interact with a company’s employees, competitors, and relevant industry experts as part of our in-depth fundamental research.

Performance Overview

The Fund’s Class A shares posted a +17.67% cumulative total return for the 12 months under review. In comparison, the NASDAQ Biotechnology Index®, which tracks U.S. and international-based biotechnology stocks, posted a -0.60% cumulative total return.¹ Also in comparison, the Standard & Poor’s® 500 Index (S&P 500®), which is a broad measure of the U.S. stock market, posted a +22.66% cumulative total

return.¹ You can find the Fund’s long-term performance data in the Performance Summary beginning on page 6.

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

Portfolio Composition

4/30/24

	% of Total Net Assets
Biotechnology	77.2%
Pharmaceuticals	15.2%
Life Sciences Tools & Services	3.9%
Other*	1.0%
Short-Term Investments & Other Net Assets	2.7%

*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

4/30/24

Company Industry, Country	% of Total Net Assets
Amgen, Inc. Biotechnology, United States	7.1%
Regeneron Pharmaceuticals, Inc. Biotechnology, United States	6.3%
Vertex Pharmaceuticals, Inc. Biotechnology, United States	5.3%
Ascendis Pharma A/S Biotechnology, Denmark	4.0%
AstraZeneca plc Pharmaceuticals, United Kingdom	3.4%
Biogen, Inc. Biotechnology, United States	3.2%
Gilead Sciences, Inc. Biotechnology, United States	3.0%
Intra-Cellular Therapies, Inc. Pharmaceuticals, United States	2.9%
Neurocrine Biosciences, Inc. Biotechnology, United States	2.6%
Alpine Immune Sciences, Inc. Biotechnology, United States	2.6%

1. 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.

Important data provider notices and terms available at www.franklintempletondatasources.com.

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.

Q. What were the leading contributors to performance?

A. The Fund's huge outperformance gap versus the NASDAQ Biotechnology Index was made possible by strong stock selection, especially in the biotechnology industry. As a result, our biotech holdings posted a one-year gain that was more than 20 times higher than the sum of all biotech stocks tracked by the index. Over a dozen of the Fund's off-benchmark or overweighted biotech holdings more than doubled in value, while a handful of outliers in this elite group more than tripled. Among the standout biotech contributors were Ascendis Pharma, Alpine Immune Sciences (purchased during the period), Merus, Cullinan Therapeutics (formerly Cullinan Oncology), Harpoon Therapeutics (sold by period-end) and Benitec BioPharma. We typically keep lighter-than-index stakes in established, large-capitalization biotech firms, and this worked in our favor as relative returns were supported by the underweighting in Gilead Sciences and others that sold off for the year.

To a lesser extent, the Fund also fared well by avoiding health care equipment stocks as this small industry group posted very steep losses on the index. Most of our other key contributors were individual holdings in the pharmaceuticals industry, where heavily-overweighted positions in EyePoint Pharmaceuticals and CymaBay Therapeutics (sold by period-end) nearly tripled in value.

Q. What were the leading detractors from performance?

A. Some of the Fund's overweighted or off-benchmark biotech and pharmaceutical holdings experienced clinical trial failures or other company-specific setbacks that erased most of their equity value during the year under review. Among these key detractors were Revance Therapeutics, Marinus Pharmaceuticals, Amylyx Pharmaceuticals (bought and sold during the period), Acelyrin (purchased during the period), Pliant Therapeutics, Terns Pharmaceuticals and Reneo Pharmaceuticals (sold by period-end).

Though not as severe in terms of sheer losses, several other detractors sustained double-digit percentage declines and further curbed our results versus the benchmark index, namely PTC Therapeutics, Jazz Pharmaceuticals and Immunovant (purchased during the period).

Elsewhere in the portfolio, the Fund would have outperformed its benchmark in the life sciences tools and services industry if not for our lack of exposure to Medpace Holdings, which posted a big rally on the index. Among our active investments in this industry, Sartorius and a couple of other off-benchmark companies further hindered relative performance as they sold off sharply during the year.

Q. Were there any significant changes to the Fund during the reporting period?

A. It was a very active period in terms of portfolio trading and adjustment as numerous companies were either introduced or completely eliminated—sometimes both—while many existing holdings remained in place while we fortified or trimmed our allocations as the year unfolded.

In the process, biotechnology industry stocks increased from roughly 73% of total net assets to 78% (partially due to appreciation), while pharmaceuticals holdings fell from roughly 19% to 14% of the whole (partially due to depreciation). In life sciences tools and services, we implemented a combination of new additions and sales of existing holdings amid significant depreciation across much of this allocation (averaging just over 5% of total net assets), which caused the Fund's overall industry exposure to drop modestly to just under 4% of the overall portfolio.

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

Evan McCulloch, CFA
Lead Portfolio Manager

Wendy Lam, Ph.D.
Akiva Felt

Portfolio Management Team

The foregoing information reflects our analysis, opinions and portfolio holdings as of April 30, 2024, the end of the reporting period. The way we implement our main investment strategies and the resulting portfolio holdings may change depending on factors such as market and economic conditions. These opinions may not be relied upon as investment advice or an offer for a particular security. The information is not a complete analysis of every aspect of any market, country, industry, security or the Fund. Statements of fact are from sources considered reliable, but the investment manager makes no representation or warranty as to their completeness or accuracy. Although historical performance is no guarantee of future results, these insights may help you understand our investment management philosophy.

Performance Summary as of April 30, 2024

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

Performance as of 4/30/24¹

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

Share Class	Cumulative Total Return ²	Average Annual Total Return ³
A⁴		
1-Year	+17.67%	+11.20%
5-Year	+36.89%	+5.28%
10-Year	+84.51%	+5.72%
Advisor		
1-Year	+17.98%	+17.98%
5-Year	+38.63%	+6.75%
10-Year	+89.16%	+6.58%

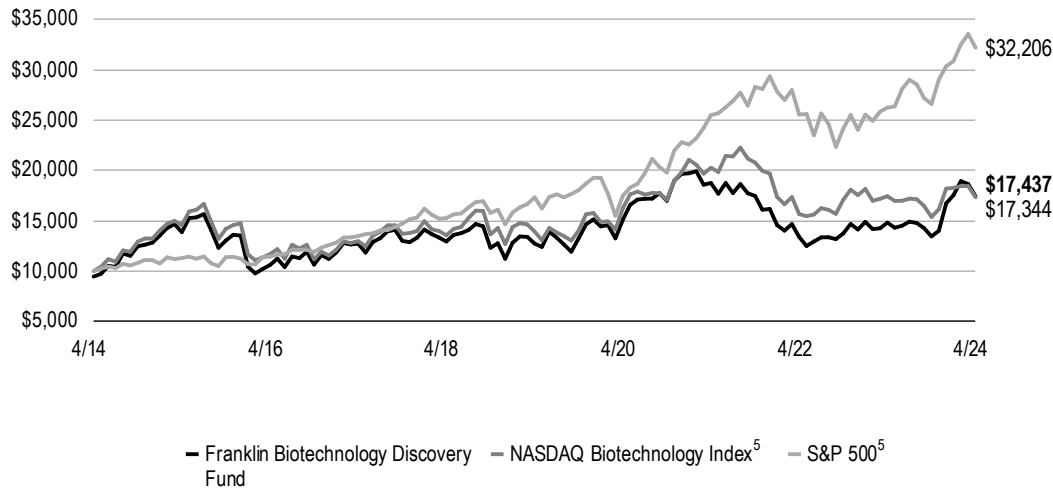
Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to franklintempleton.com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

See page 8 for Performance Summary footnotes.

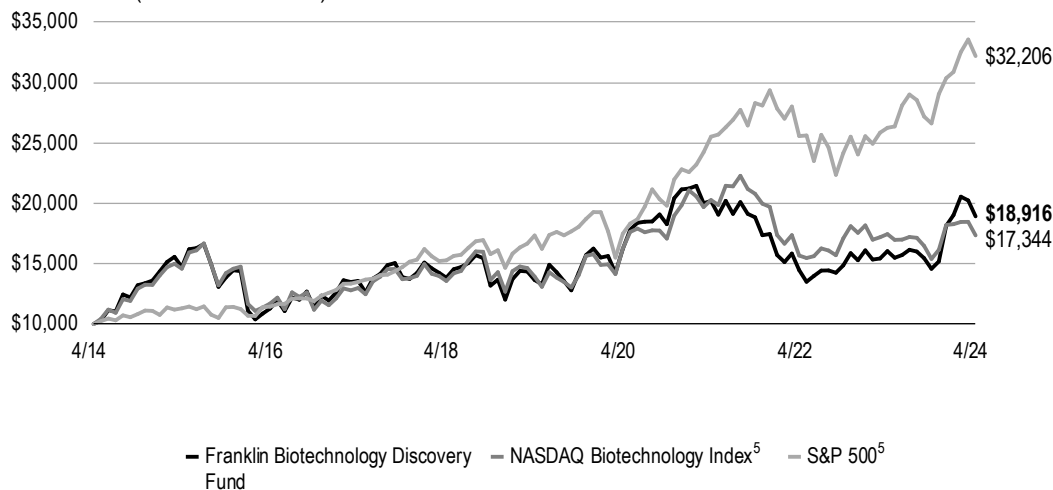
Total Return Index Comparison for a Hypothetical \$10,000 Investment¹

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

Class A (04/30/14–04/30/24)



Advisor Class (04/30/14–04/30/24)



See page 8 for Performance summary footnotes.

Total Annual Operating Expenses⁶

Share Class

A	1.07%
Advisor	0.82%

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 portfolio is **non-diversified** and may invest in a relatively small number of issuers, which may negatively impact the Fund's performance and result in greater fluctuation in the value of the Fund's shares. 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. **International investments** are subject to special risks, including currency fluctuations and social, economic and political uncertainties, which could increase volatility. These risks are magnified in **emerging markets**. 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. The total annual operating expenses are sourced from the Fund's prospectus available at the time of publication. Actual expenses may be higher and may impact portfolio returns.

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

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

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

5. Source: FactSet. The NASDAQ Biotechnology Index is a modified capitalization-weighted index designed to measure the performance of NASDAQ-listed companies classified as either biotechnology or pharmaceuticals. The S&P 500 is a market capitalization-weighted index of 500 stocks designed to measure total U.S. equity market performance.

6. Figures are as stated in the Fund's current prospectus and may differ from the expense ratios disclosed in the Your Fund's Expenses and Financial Highlights sections in this report. In periods of market volatility, assets may decline significantly, causing total annual Fund operating expenses to become higher than the figures shown. Important data provider notices and terms available at www.franklintempletondatasources.com.

Your Fund's Expenses

As a Fund shareholder, you can incur two types of costs: (1) transaction costs, including sales charges (loads) on Fund purchases and redemptions; and (2) ongoing Fund costs, including management fees, distribution and service (12b-1) fees, and other Fund expenses. All mutual funds have ongoing costs, sometimes referred to as operating expenses. The table below shows ongoing costs of investing in the Fund and can help you understand these costs and compare them with those of other mutual funds. The table assumes a \$1,000 investment held for the six months indicated.

Actual Fund Expenses

The table below provides information about actual account values and actual expenses in the columns under the heading "Actual." In these columns the Fund's actual return, which includes the effect of Fund expenses, is used to calculate the "Ending Account Value" for each class of shares. You can estimate the expenses you paid during the period by following these steps (*of course, your account value and expenses will differ from those in this illustration*): Divide your account value by \$1,000 (*if your account had an \$8,600 value, then $\$8,600 \div \$1,000 = 8.6$*). Then multiply the result by the number in the row for your class of shares under the headings "Actual" and "Expenses Paid During Period" (*if Actual Expenses Paid During Period were \$7.50, then $8.6 \times \$7.50 = \64.50*). In this illustration, the actual expenses paid this period are \$64.50.

Hypothetical Example for Comparison with Other Funds

Under the heading "Hypothetical" in the table, information is provided about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. This information may not be used to estimate the actual ending account balance or expenses you paid for the period, but it can help you compare ongoing costs of investing in the Fund with those of other funds. To do so, compare this 5% hypothetical example for the class of shares you hold with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that expenses shown in the table are meant to highlight ongoing costs and do not reflect any transactional costs. Therefore, information under the heading "Hypothetical" is useful in comparing ongoing costs only, and will not help you compare total costs of owning different funds. In addition, if transactional costs were included, your total costs would have been higher.

Share Class	Beginning Account Value 11/1/23	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio ²
		Ending Account Value 4/30/24	Expenses Paid During Period 11/1/23–4/30/24 ^{1,2}	Ending Account Value 4/30/24	Expenses Paid During Period 11/1/23–4/30/24 ^{1,2}	
A	\$1,000	\$1,296.50	\$5.82	\$1,019.80	\$5.11	1.02%
C	\$1,000	\$1,291.50	\$10.08	\$1,016.07	\$8.87	1.77%
R6	\$1,000	\$1,298.70	\$3.80	\$1,021.55	\$3.35	0.67%
Advisor	\$1,000	\$1,298.00	\$4.38	\$1,021.05	\$3.85	0.77%

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 182/366 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 Natural Resources Fund

Fund Overview

Q. What is the Fund's investment strategy?

A. The Fund seeks to provide high total return. Total return consists of capital appreciation and current dividend and interest income. We are research-driven, fundamental investors, pursuing a growth strategy. As bottom-up investors focusing primarily on individual securities, we choose companies that have identifiable drivers of future earnings growth and that present, in our opinion, the best trade-off between potential earnings growth, business and financial risk, and valuation. Also, in seeking sustainable growth characteristics, we look for companies that we believe can produce sustainable earnings growth and cash flow growth or the potential to generate income. We rely on a team of analysts to help provide in-depth industry expertise and use both qualitative and quantitative analysis to evaluate companies for distinct and sustainable competitive advantages likely to lead to growth in earnings and/or share price. Competitive advantages, such as a particular product niche, proven technology, sound financial position and strong management, are all factors we believe may contribute to strong growth potential.

Q. What were the overall market conditions during the Fund's reporting period?

A. For the year ended April 30, 2024, U.S. equities, as measured by the Standard & Poor's® 500 Index, posted a positive total return. Inflation slowed amid higher interest rates, while the economy's continued strength helped drive equity gains and alleviated concerns about a recession. Technology-related stocks in particular helped support equity prices amid cost-cutting efforts and investor optimism that artificial intelligence (AI) would lead to strong growth opportunities, particularly for the manufacturers of microchips that power new AI applications.

Against this backdrop, prices rose across much of the global commodity complex, having gathered momentum from December through March 2024 following a volatile series of rallies and selloffs that left the major commodity-tracking indexes nearly unchanged from May to the December 2023 rally point. The rally more or less plateaued in April as inflation concerns reemerged alongside potential trouble spots in the global economic recovery tied to geoeconomic fragmentation and diverging growth dynamics (centered on China, but including the U.S., most European countries and key emerging markets like Brazil, Turkey and South Africa). Although the global economy was not suddenly booming, the boost the Fund's returns received from the commodity rally was rooted in macro optimism driven by expectations that

demand will rise with nascent manufacturing improvements in the U.S., China and elsewhere.

Among the key commodities, international benchmark crude oil futures increased nearly 11% during the year as demand grew alongside an uptick in perceived geopolitical risks to supply and greater production discipline by several major non-U.S. oil exporters. Meanwhile, U.S. natural gas prices fell more than 17% amid abundant supplies and subdued demand. In the metals markets, prices of copper, iron ore and other key base metals began to rally late in the reporting period as supply-and-demand fundamentals tightened, more than compensating for the losses they incurred in the first half. Precious metals prices were split between gold's rally to new all-time nominal highs, silver's more subdued gain of roughly 5% in the spot market, and substantial declines in palladium and platinum prices as vehicle manufacturing demand for these key emissions-control catalyst metals diminished. Agricultural commodities also generally declined, even though extreme weather and shortages fueling rallies in select items such as cocoa, orange juice and coffee. Major crops anchored the downside amid double-digit percentage losses in corn, sugar and soybeans and a smaller drop in wheat prices. Currency impacts limited commodity price gains with major currencies ebbing nearly 3% against the U.S. dollar, thereby making commodities more expensive for most non-U.S. buyers.

Commodity-linked equities displayed some leverage as they performed better than commodities themselves. In U.S. and global equity markets, energy and materials sectors stocks ranked sixth and seventh, respectively, among the 11 sector groups, though energy stocks more than doubled the annual gains of their materials counterparts in the natural resources universe.

Q. How did we respond to these changing market conditions?

A. While the portfolio's broader industry-level mix did not change meaningfully over the 12-month period, industry exposures did shift as we sought to reduce holdings in companies with greater operating leverage into strength during the summer and autumn of 2023. This was particularly true in energy where we reduced holdings in the oilfield services and E&P (oil and gas exploration and production) industries, while increasing the weighting in integrated oil and gas. These moves came in response to concerns related to the potential for economic weakness emanating from the U.S. Federal Reserve's aggressive monetary tightening and a general rise in interest rates.

We reduced positions in several metals and mining stocks for similar reasons, in addition to the collapse in China's construction market given its importance for global industrial metals demand and exports. Shares of some mining stocks (and those of copper-focused miners in particular) were subsequently repurchased at significantly lower levels when we believed their equity valuations appropriately reflected economic risks.

These portfolio actions are part of our strategy to focus on the intrinsic values of commodities and related equities and take a dynamic, opportunistic approach to position sizing.

Performance Overview

The Fund's Class A shares posted a +12.41% cumulative total return for the 12 months under review. In comparison, the Standard & Poor's® (S&P®) North American Natural Resources Sector Index, which tracks companies involved in industries such as mining, energy, timber and forestry services, and the production of pulp and paper, posted a +15.64% cumulative total return.¹ Also in comparison, the Standard & Poor's® 500 Index (S&P 500®), which is a broad measure of the U.S. stock market, posted a +22.66% cumulative total return.¹ Please note index performance information is provided for reference and we do not attempt to track any index but rather undertake investments on the basis of fundamental research. The Fund's strategy, which focuses on companies with higher long-term growth potential, differs from the natural resources index's large weighting in income-oriented companies that we believe typically provide more limited opportunities for growth. This difference may occasionally lead to wide performance discrepancies, especially in periods when investors focus on short-term "safety" and yield or, conversely, when investors focus more heavily on companies with stronger growth prospects and greater commodity price leverage. You can find the Fund's long-term performance data in the Performance Summary beginning on page 14.

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1. 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.

Important data provider notices and terms available at www.franklintempletondatasources.com.

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 30.

Geographic Composition

4/30/24

	% of Total Net Assets
North America	85.5%
Europe	6.0%
Australia & New Zealand	3.7%
Latin America & Caribbean	3.6%
Other	0.7%
Short-Term Investments & Other Net Assets	0.5%

Portfolio Composition

4/30/24

	% of Total Net Assets
Oil & Gas Exploration & Production	22.5%
Integrated Oil & Gas	16.7%
Oil & Gas Equipment & Services	11.3%
Oil & Gas Storage & Transportation	7.2%
Copper	7.0%
Gold	6.3%
Oil & Gas Refining & Marketing	6.1%
Diversified Metals & Mining	6.1%
Industrial Gases	2.4%
Fertilizers & Agricultural Chemicals	2.1%
Oil & Gas Drilling	2.0%
Metal, Glass & Plastic Containers	1.2%
Specialty Chemicals	1.2%
Construction Materials	1.1%
Electrical Components & Equipment	1.1%
Other*	5.2%
Short-Term Investments & Other Net Assets	0.5%

*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

4/30/24

Company Industry, Country	% of Total Net Assets
ConocoPhillips <i>Oil, Gas & Consumable Fuels, United States</i>	4.7%
Chevron Corp. <i>Oil, Gas & Consumable Fuels, United States</i>	4.3%
Exxon Mobil Corp. <i>Oil, Gas & Consumable Fuels, United States</i>	4.0%
Freeport-McMoRan, Inc. <i>Metals & Mining, United States</i>	3.2%
EOG Resources, Inc. <i>Oil, Gas & Consumable Fuels, United States</i>	3.1%
Canadian Natural Resources Ltd. <i>Oil, Gas & Consumable Fuels, Canada</i>	3.0%
Shell plc <i>Oil, Gas & Consumable Fuels, United States</i>	2.6%
Suncor Energy, Inc. <i>Oil, Gas & Consumable Fuels, Canada</i>	2.4%
Pioneer Natural Resources Co. <i>Oil, Gas & Consumable Fuels, United States</i>	2.4%
Schlumberger NV <i>Energy Equipment & Services, United States</i>	2.4%

Q. What were the leading contributors to performance?

A. Overall stock selection versus the benchmark S&P North American Natural Resources Index was favorable across the portfolio, but especially in the integrated oil and gas industry. This is where investments in off-benchmark European energy conglomerates such as Shell topped the benchmark return, and where substantial underweightings in U.S. oil majors Chevron and Exxon Mobil proved helpful as Chevron's shares failed to advance while Exxon's 12-month gain trailed the index by a wide margin.

A beneficial combination of overweighting and stock selection led to outperformance and high overall returns in the oilfield services industry. High-conviction holdings were instrumental as our heavily-overweighted stakes in TechnipFMC, Liberty Energy and NexTier Oilfield Solutions (acquired by Patterson-UTI, also a Fund holding) had impressive rallies that more than doubled the benchmark return.

Most of the other standout contributors were linked to metals and mining, though there were also some non-core renewable energy and "green tech" holdings that served as tangential off-benchmark outliers to the upside. The copper market heated up late in the period and set off a sharp rally in nearly all related holdings, none more so than key off-benchmark contributors Lundin Mining, Antofagasta and Capstone Copper. Our outperformance in the gold industry, however, was based on our avoidance of several index component companies that fared poorly; the key "contributor-by-omission" in this regard was Franco-Nevada.

The Fund also fared well through its lack of exposure to underperforming silver- and aluminum-focused miners.

Gains linked to the Fund's primary investments in energy and metals were enhanced by select energy grid construction/engineering and specialty equipment companies involved in offshore wind farms, energy networks and similar projects. This is how our small off-benchmark exposure to the construction and engineering industry did well to support absolute and relative performance, as all three related holdings posted benchmark-beating, double-digit percentage gains. Water infrastructure and treatment was another niche area of notable strength as the Fund's stake in Xylem—situated in the off-index industrial machinery, supplies and components industry—rose solidly beyond the benchmark return.

Q. What were the leading detractors from performance?

A. A host of minor off-benchmark industry allocations suffered big losses including electrical components and equipment, which is where FREYR Battery, Shoals Technologies and other "energy transition" developers and manufacturers tied to utility-scale energy storage and mobility are situated. Amid project delays and plummeting lithium prices, our investment in Li-Cycle Holdings also lost considerable equity value. Further up the lithium value chain, lithium miner Albemarle was a standout detractor in the specialty chemicals industry. Wind-blade manufacturer TPI Composites, our sole position in the heavy electrical equipment industry, also posted significant declines due to delays in wind projects and soft order trends. In the industrial gases industry, our results were split between a solid index-topping gain for Linde that was countered by a sizable selloff in Air Products & Chemicals, which had a much larger negative impact on relative returns than the contribution to performance from Linde. Fertilizer and agricultural chemical producers such as Nutrien and Corteva also sold off to a lesser extent.

Stock selection and underweighting worked against relative performance in the Exploration & Production industry, which remained the Fund's largest allocation at nearly 22% of total net assets (on average). Although these stocks had a superb year in absolute terms, the Fund lacked exposure to several index component companies that underwent strong rallies and more than doubled the peer group average, including Diamondback Energy.

The rest of the key detractors were diversified metals producers and gold-focused mining and exploration companies; in particular, the drag from losses tied to off-benchmark BHP Group, 29 Metals and others led to negative overall returns in the diversified metals and mining industry,

while the Fund's favorable outcome in the gold industry would have been much better if not for the sharp selloff in SSR Mining (overweight), which experienced setbacks associated with a tailings dam failure at one of its operations in Turkey; SSR was no longer in the portfolio at period-end. From a wider perspective, most of the Fund's gold-focused holdings decoupled from physical gold's appreciation and traded lower instead.

Q. Were there any significant changes to the Fund during the reporting period?

A. The Fund remained nearly fully invested with a persistently low, sub-1% cash level. Our energy-related industry allocations continued to dominate the portfolio's composition and were maintained at or near similar beginning and ending levels, though the portfolio has less exposure to industries that typically display greater operational levels or cyclicity.

Metals and other materials-related exposures were also fairly steady throughout the year under review. However, we primarily focus on copper miners when adding back to positions during times of weakness in the fall and early winter. Subtle shifts were made throughout the portfolio's smaller non-core tier, including a notable increase in exposure to energy infrastructure construction and engineering companies. At the same time, some minimal industry allocations shrank from the effects of depreciation, including electrical components and equipment; heavy electrical equipment; and environmental facilities and services.

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

Frederick G. Fromm, CFA
Lead Portfolio Manager

Matthew Adams, CFA
Stephen M. Land, CFA

Portfolio Management Team

fact are from sources considered reliable, but the investment manager makes no representation or warranty as to their completeness or accuracy. Although historical performance is no guarantee of future results, these insights may help you understand our investment management philosophy.

The foregoing information reflects our analysis, opinions and portfolio holdings as of April 30, 2024, the end of the reporting period. The way we implement our main investment strategies and the resulting portfolio holdings may change depending on factors such as market and economic conditions. These opinions may not be relied upon as investment advice or an offer for a particular security. The information is not a complete analysis of every aspect of any market, country, industry, security or the Fund. Statements of

Performance Summary as of April 30, 2024

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

Performance as of 4/30/24¹

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

Share Class	Cumulative Total Return ²	Average Annual Total Return ³
A⁴		
1-Year	+12.41%	+6.21%
5-Year	+44.63%	+6.45%
10-Year	-8.53%	-1.45%
Advisor		
1-Year	+12.72%	+12.72%
5-Year	+46.52%	+7.94%
10-Year	-6.11%	-0.63%

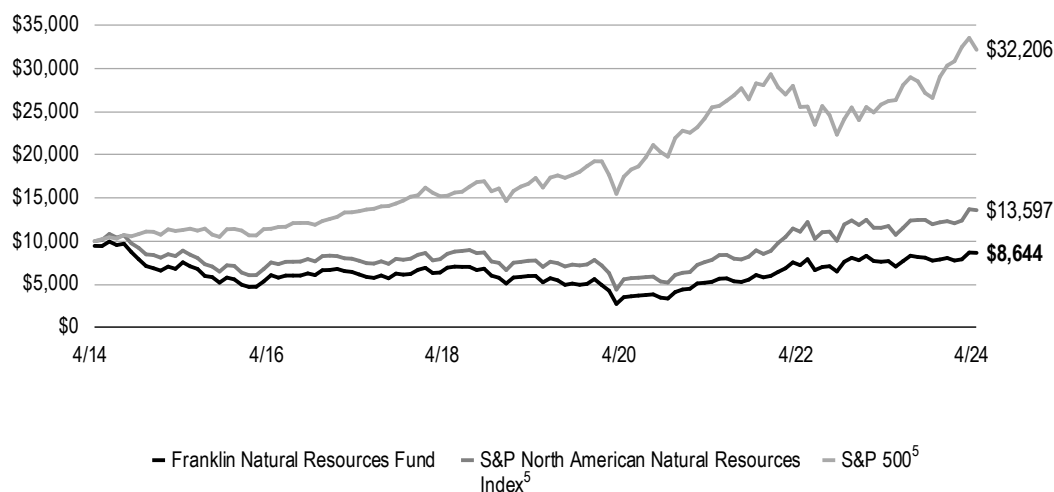
Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to franklintempleton.com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

See page 16 for Performance Summary footnotes.

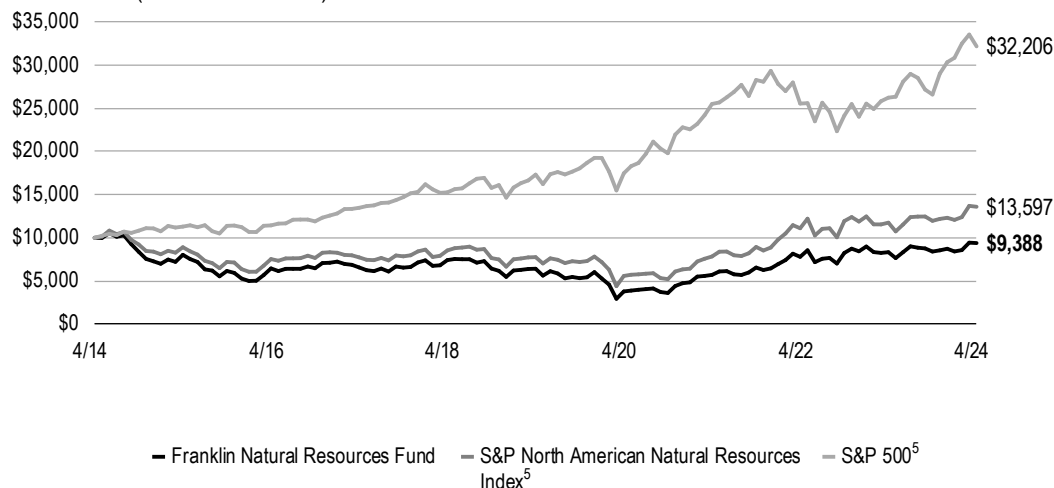
Total Return Index Comparison for a Hypothetical \$10,000 Investment¹

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

Class A (04/30/14–04/30/24)



Advisor Class (04/30/14–04/30/24)



See page 16 for Performance summary footnotes.

Distributions (5/1/23–4/30/24)

Share Class	Net Investment Income
A	\$0.5704
C	\$0.4575
R6	\$0.6166
Advisor	\$0.5971

Total Annual Operating Expenses⁶

Share Class	With Fee Waiver	Without Fee Waiver
A	0.97%	0.98%
Advisor	0.72%	0.73%

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. To the extent the portfolio invests in a **concentration of certain securities, regions or industries**, it is subject to increased volatility. 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.** **International investments** are subject to special risks, including currency fluctuations and social, economic and political uncertainties, which could increase volatility. These risks are magnified in **emerging markets**. 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 Funds 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 8/31/2024 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. Source: FactSet. The S&P North American Natural Resources Sector Index is a modified capitalization-weighted index that includes companies involved in extractive industries (mining), energy and forestry services, producers of pulp and paper, and owners and operators of timber tracts or plantations. The S&P 500 is a market capitalization-weighted index of 500 stocks designed to measure total U.S. equity market performance.

6. Figures are as stated in the Fund's current prospectus and may differ from the expense ratios disclosed in the Your Fund's Expenses and Financial Highlights sections in this report. In periods of market volatility, assets may decline significantly, causing total annual Fund operating expenses to become higher than the figures shown.

Important data provider notices and terms available at www.franklintempletondatasources.com.

Your Fund's Expenses

As a Fund shareholder, you can incur two types of costs: (1) transaction costs, including sales charges (loads) on Fund purchases and redemptions; and (2) ongoing Fund costs, including management fees, distribution and service (12b-1) fees, and other Fund expenses. All mutual funds have ongoing costs, sometimes referred to as operating expenses. The table below shows ongoing costs of investing in the Fund and can help you understand these costs and compare them with those of other mutual funds. The table assumes a \$1,000 investment held for the six months indicated.

Actual Fund Expenses

The table below provides information about actual account values and actual expenses in the columns under the heading "Actual." In these columns the Fund's actual return, which includes the effect of Fund expenses, is used to calculate the "Ending Account Value" for each class of shares. You can estimate the expenses you paid during the period by following these steps (*of course, your account value and expenses will differ from those in this illustration*): Divide your account value by \$1,000 (*if your account had an \$8,600 value, then $\$8,600 \div \$1,000 = 8.6$*). Then multiply the result by the number in the row for your class of shares under the headings "Actual" and "Expenses Paid During Period" (*if Actual Expenses Paid During Period were \$7.50, then $8.6 \times \$7.50 = \64.50*). In this illustration, the actual expenses paid this period are \$64.50.

Hypothetical Example for Comparison with Other Funds

Under the heading "Hypothetical" in the table, information is provided about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. This information may not be used to estimate the actual ending account balance or expenses you paid for the period, but it can help you compare ongoing costs of investing in the Fund with those of other funds. To do so, compare this 5% hypothetical example for the class of shares you hold with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that expenses shown in the table are meant to highlight ongoing costs and do not reflect any transactional costs. Therefore, information under the heading "Hypothetical" is useful in comparing ongoing costs only, and will not help you compare total costs of owning different funds. In addition, if transactional costs were included, your total costs would have been higher.

Share Class	Beginning Account Value 11/1/23	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio ²
		Ending Account Value 4/30/24	Expenses Paid During Period 11/1/23–4/30/24 ^{1,2}	Ending Account Value 4/30/24	Expenses Paid During Period 11/1/23–4/30/24 ^{1,2}	
A	\$1,000	\$1,115.70	\$5.39	\$1,019.77	\$5.14	1.02%
C	\$1,000	\$1,111.60	\$9.31	\$1,016.04	\$8.89	1.77%
R6	\$1,000	\$1,118.00	\$3.26	\$1,021.79	\$3.11	0.62%
Advisor	\$1,000	\$1,117.30	\$4.07	\$1,021.02	\$3.88	0.77%

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 182/366 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 Biotechnology Discovery Fund

	Year Ended April 30,				
	2024	2023	2022	2021	2020
Class A					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$112.50	\$101.90	\$163.50	\$150.48	\$138.85
Income from investment operations ^a :					
Net investment (loss) ^b	(0.48)	(0.47)	(0.75)	(0.99)	(0.69)
Net realized and unrealized gains (losses)	20.36	11.21	(43.17)	38.85	26.48
Total from investment operations	19.88	10.74	(43.92)	37.86	25.79
Less distributions from:					
Net investment income	—	(0.14)	(1.01)	—	—
Net realized gains	—	—	(16.67)	(24.84)	(14.16)
Total distributions	—	(0.14)	(17.68)	(24.84)	(14.16)
Net asset value, end of year	\$132.38	\$112.50	\$101.90	\$163.50	\$150.48
Total return ^c	17.67%	10.58%	(28.56)%	24.26%	18.52%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	1.05%	1.06%	1.04%	0.98%	1.03%
Expenses net of waiver and payments by affiliates	1.04% ^d	1.06% ^e	1.04% ^{d,e}	0.97% ^d	1.01% ^d
Net investment (loss)	(0.41)%	(0.45)%	(0.54)%	(0.58)%	(0.49)%
Supplemental data					
Net assets, end of year (000's)	\$705,301	\$686,534	\$705,915	\$1,160,451	\$960,305
Portfolio turnover rate	35.87%	24.08%	26.25%	47.30%	32.92%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

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

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

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

Franklin Biotechnology Discovery Fund (continued)

	Year Ended April 30,				
	2024	2023	2022	2021	2020
Class C					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$103.78	\$94.59	\$152.95	\$143.00	\$133.51
Income from investment operations ^a :					
Net investment (loss) ^b	(1.26)	(1.16)	(1.51)	(2.16)	(1.70)
Net realized and unrealized gains (losses)	18.69	10.35	(40.18)	36.95	25.35
Total from investment operations	17.43	9.19	(41.69)	34.79	23.65
Less distributions from:					
Net realized gains	—	—	(16.67)	(24.84)	(14.16)
Net asset value, end of year	\$121.21	\$103.78	\$94.59	\$152.95	\$143.00
Total return ^c	16.80%	9.75%	(29.00)%	23.33%	17.62%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	1.80%	1.81%	1.66%	1.73%	1.78%
Expenses net of waiver and payments by affiliates	1.79% ^d	1.81% ^e	1.66% ^{d,e}	1.72% ^d	1.76% ^d
Net investment (loss)	(1.16)%	(1.20)%	(1.16)%	(1.32)%	(1.24)%
Supplemental data					
Net assets, end of year (000's)	\$27,332	\$29,573	\$33,905	\$64,801	\$48,363
Portfolio turnover rate	35.87%	24.08%	26.25%	47.30%	32.92%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

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

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

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

Franklin Biotechnology Discovery Fund (continued)

	Year Ended April 30,				
	2024	2023	2022	2021	2020
Class R6					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$119.33	\$108.06	\$172.21	\$156.99	\$143.83
Income from investment operations ^a :					
Net investment (loss) ^b	(0.06)	(0.08)	(0.23)	(0.45)	(0.18)
Net realized and unrealized gains (losses)	21.66	11.94	(45.64)	40.51	27.50
Total from investment operations	21.60	11.86	(45.87)	40.06	27.32
Less distributions from:					
Net investment income	—	(0.59)	(1.61)	—	—
Net realized gains	—	—	(16.67)	(24.84)	(14.16)
Total distributions	—	(0.59)	(18.28)	(24.84)	(14.16)
Net asset value, end of year	\$140.93	\$119.33	\$108.06	\$172.21	\$156.99
Total return	18.10%	11.03%	(28.29)%	24.67%	18.95%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	0.76%	0.80%	0.74%	0.71%	0.74%
Expenses net of waiver and payments by affiliates	0.68% ^c	0.65%	0.66% ^c	0.64% ^c	0.64% ^c
Net investment (loss)	(0.05)%	(0.08)%	(0.16)%	(0.25)%	(0.12)%
Supplemental data					
Net assets, end of year (000's)	\$10,333	\$11,692	\$9,614	\$16,721	\$9,484
Portfolio turnover rate	35.87%	24.08%	26.25%	47.30%	32.92%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

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

Franklin Biotechnology Discovery Fund (continued)

	Year Ended April 30,				
	2024	2023	2022	2021	2020
Advisor Class					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$117.54	\$106.46	\$169.95	\$155.30	\$142.56
Income from investment operations ^a :					
Net investment (loss) ^b	(0.19)	(0.22)	(0.42)	(0.59)	(0.34)
Net realized and unrealized gains (losses)	21.32	11.72	(44.99)	40.08	27.24
Total from investment operations	21.13	11.50	(45.41)	39.49	26.90
Less distributions from:					
Net investment income	—	(0.42)	(1.41)	—	—
Net realized gains	—	—	(16.67)	(24.84)	(14.16)
Total distributions	—	(0.42)	(18.08)	(24.84)	(14.16)
Net asset value, end of year	\$138.67	\$117.54	\$106.46	\$169.95	\$155.30
Total return	17.98%	10.86%	(28.39)%	24.56%	18.82%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	0.80%	0.81%	0.79%	0.73%	0.78%
Expenses net of waiver and payments by affiliates	0.79% ^c	0.81% ^d	0.79% ^{c,d}	0.72% ^c	0.76% ^c
Net investment (loss)	(0.15)%	(0.20)%	(0.29)%	(0.33)%	(0.24)%
Supplemental data					
Net assets, end of year (000's)	\$131,350	\$110,607	\$110,726	\$206,375	\$159,348
Portfolio turnover rate	35.87%	24.08%	26.25%	47.30%	32.92%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

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

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

Schedule of Investments, April 30, 2024

Franklin Biotechnology Discovery Fund

	Country	Shares	Value
Common Stocks 96.1%			
Biotechnology 76.4%			
^a 89bio, Inc.	United States	254,237	\$2,163,557
^a Abivax SA, ADR	France	480,300	7,204,500
^a ACELYRIN, Inc.	United States	69,409	290,130
^{a,b} Achieve Life Sciences, Inc.	United States	2,181,025	9,574,700
^a Acumen Pharmaceuticals, Inc.	United States	674,000	2,170,280
^a Adverum Biotechnologies, Inc.	United States	272,810	2,651,713
^a Adverum Biotechnologies, Inc.	United States	351,928	3,420,740
^a Alector, Inc.	United States	303,345	1,540,993
^a Alnylam Pharmaceuticals, Inc.	United States	22,200	3,195,690
^a Alpine Immune Sciences, Inc.	United States	354,374	22,889,017
Amgen, Inc.	United States	226,211	61,968,241
^a AnaptysBio, Inc.	United States	160,679	3,910,927
^a Apellis Pharmaceuticals, Inc.	United States	77,479	3,423,797
^a Apogee Therapeutics, Inc.	United States	206,539	10,388,912
^a Applied Therapeutics, Inc.	United States	3,450,500	15,251,210
^a Arcutis Biotherapeutics, Inc.	United States	1,525,545	12,692,534
^a Argenx SE, ADR	Netherlands	44,485	16,704,117
^a ARS Pharmaceuticals, Inc.	United States	1,020,789	8,880,864
^a Ascendis Pharma A/S, ADR	Denmark	254,774	35,270,913
^a Aura Biosciences, Inc.	United States	496,171	3,671,665
^a Benitec Biopharma, Inc.	Australia	364,887	3,083,295
^{a,c,d} Benitec Biopharma, Inc.	Australia	208,334	1,523,062
^a Biogen, Inc.	United States	129,344	27,785,678
^a BioMarin Pharmaceutical, Inc.	United States	46,289	3,738,300
^{a,c} Carmot Therapeutics, Inc.	United States	83,100	401,344
^a Centessa Pharmaceuticals plc, ADR	United States	189,736	1,737,982
^{a,e} Centessa Pharmaceuticals plc, ADR	United States	201,729	1,847,837
^a CG oncology, Inc.	United States	127,900	5,140,301
^a Cogent Biosciences, Inc., B.	United States	340,448	2,212,912
^a Crinetics Pharmaceuticals, Inc.	United States	130,922	5,737,002
^a Crinetics Pharmaceuticals, Inc.	United States	98,004	4,294,535
^a Cullinan Therapeutics, Inc.	United States	624,451	16,866,421
^a Day One Biopharmaceuticals, Inc.	United States	866,381	14,815,115
^a Dyne Therapeutics, Inc.	United States	355,434	8,996,035
^a Engene Holdings, Inc.	Canada	272,359	4,330,508
^a Gilead Sciences, Inc.	United States	404,043	26,343,604
^a Heron Therapeutics, Inc.	United States	1,195,377	2,773,275
^a HilleVax, Inc.	United States	646,156	8,529,259
^a Immunovant, Inc.	United States	298,213	8,182,965
^a Insmed, Inc.	United States	494,940	12,234,917
^a Jasper Therapeutics, Inc.	United States	236,841	5,653,395
^a Keros Therapeutics, Inc.	United States	202,150	11,399,238
^a Kura Oncology, Inc.	United States	281,882	5,530,525
^a Kyverna Therapeutics, Inc.	United States	73,600	1,114,304
^a Legend Biotech Corp., ADR	United States	122,034	5,337,767
^a MacroGenics, Inc.	United States	51,100	755,258
^a Merus NV	Netherlands	499,698	22,441,437
^a Mineralys Therapeutics, Inc.	United States	435,885	5,339,591
^a Mirum Pharmaceuticals, Inc.	United States	312,590	7,849,135
^a Neurocrine Biosciences, Inc.	United States	166,630	22,918,290
^a Nuvalent, Inc., A	United States	57,554	3,964,320
^a ORIC Pharmaceuticals, Inc.	United States	234,001	2,066,229
^{a,c,g,f} Oruka Therapeutics, Inc.	United States	408,971	6,207,577
^a Praxis Precision Medicines, Inc.	United States	50,404	2,765,667
^a PTC Therapeutics, Inc.	United States	480,611	15,451,644
^a Regeneron Pharmaceuticals, Inc.	United States	62,222	55,418,647
^a Rocket Pharmaceuticals, Inc.	United States	345,346	7,431,846
^a Roivant Sciences Ltd.	United States	346,000	3,771,400

Franklin Biotechnology Discovery Fund

	Country	Shares	Value
Common Stocks (continued)			
Biotechnology (continued)			
^a Sarepta Therapeutics, Inc.	United States	75,552	\$9,569,416
^{a,e} Shattuck Labs, Inc.	United States	527,104	5,524,050
^{a,e} Spyre Therapeutics, Inc.	United States	35,100	1,159,353
^a Spyre Therapeutics, Inc.	United States	220,000	7,266,600
^a Syndax Pharmaceuticals, Inc.	United States	321,251	6,788,034
^a Ultragenyx Pharmaceutical, Inc.	United States	63,321	2,693,675
^a Vaxcyte, Inc.	United States	193,739	11,730,896
^a Vertex Pharmaceuticals, Inc.	United States	119,026	46,754,603
^a Xenon Pharmaceuticals, Inc.	Canada	93,364	3,795,247
			668,536,991
Health Care Providers & Services 0.7%			
^a Guardant Health, Inc.	United States	323,366	5,820,588
Life Sciences Tools & Services 3.6%			
^a Avantor, Inc.	United States	383,929	9,302,600
^a Illumina, Inc.	United States	106,788	13,140,263
Sartorius Stedim Biotech.	France	10,100	2,175,411
Thermo Fisher Scientific, Inc.	United States	12,279	6,983,313
			31,601,587
Pharmaceuticals 15.2%			
^a Alto Neuroscience, Inc.	United States	165,070	2,560,236
^{a,e} Alto Neuroscience, Inc.	United States	209,500	3,249,345
^a Aquestive Therapeutics, Inc.	United States	918,897	3,087,494
AstraZeneca plc, ADR.	United Kingdom	396,308	30,071,851
^a Contineum Therapeutics, Inc.	United States	295,058	4,602,905
^a Contineum Therapeutics, Inc., A	United States	216,967	3,384,685
^a EyePoint Pharmaceuticals, Inc.	United States	830,629	14,619,071
^a Intra-Cellular Therapies, Inc.	United States	355,209	25,507,558
^a Jazz Pharmaceuticals plc	United States	203,863	22,577,827
^{a,e} Marinus Pharmaceuticals, Inc.	United States	1,200,781	1,693,101
^a Ocular Therapeutix, Inc.	United States	750,100	3,555,474
^a Pliant Therapeutics, Inc.	United States	253,500	2,996,370
^a Relmada Therapeutics, Inc.	United States	275,700	1,003,548
^a Revance Therapeutics, Inc.	United States	1,494,260	5,394,279
^a Structure Therapeutics, Inc., ADR	United States	115,464	4,553,900
^a Terns Pharmaceuticals, Inc.	United States	799,126	4,035,586
			132,893,230
Real Estate Management & Development 0.2%			
^{a,c,d} Lycia LLC, C.	Japan	859,370	1,754,576
Total Common Stocks (Cost \$531,848,882)			840,606,972
Preferred Stocks 0.4%			
Health Care Providers & Services 0.1%			
^{a,c,d} Artiva Biotherapeutics, Inc., B	United States	189,499	946,196
Life Sciences Tools & Services 0.3%			
^a Sartorius AG, 0.26%	Germany	9,200	2,750,653
Total Preferred Stocks (Cost \$6,268,523)			3,696,849

Franklin Biotechnology Discovery Fund

	Country	Warrants	Value
Warrants 0.8%			
Biotechnology 0.8%			
^{a,b,c,d} Achieve Life Sciences, Inc., 8/31/27	United States	2,181,025	\$863,880
^a Benitec Biopharma, Inc., 2/20/49	Australia	310,881	2,626,913
^{a,c} Benitec Biopharma, Inc., 2/20/49	Australia	310,881	1,446,849
^{a,c} Benitec Biopharma, Inc., II, 9/14/27	Australia	7,019,473	1,681,901
			6,619,543
Pharmaceuticals 0.0%[†]			
^a Nuvation Bio, Inc., 7/07/27	United States	115,266	21,036
Total Warrants (Cost \$600,693)			6,640,579
		Shares	
Escrows and Litigation Trusts 0.0%			
^{a,c} Sanofi SA, Escrow Account	France	2,333,755	—
Total Escrows and Litigation Trusts (Cost \$—)			—
Total Long Term Investments (Cost \$538,718,098)			850,944,400
Short Term Investments 3.9%			
	Country	Shares	Value
Money Market Funds 3.1%			
^{h,i} Institutional Fiduciary Trust - Money Market Portfolio, 5.006%	United States	27,497,723	27,497,723
Total Money Market Funds (Cost \$27,497,723)			27,497,723
^jInvestments from Cash Collateral Received for Loaned Securities 0.8%			
Money Market Funds 0.8%			
^{h,i} Institutional Fiduciary Trust - Money Market Portfolio, 5.006%	United States	7,029,635	7,029,635
Total Investments from Cash Collateral Received for Loaned Securities (Cost \$7,029,635)			7,029,635
Total Short Term Investments (Cost \$34,527,358)			34,527,358
Total Investments (Cost \$573,245,456) 101.2%			\$885,471,758
Other Assets, less Liabilities (1.2)%			(11,155,855)
Net Assets 100.0%			\$874,315,903

See Abbreviations on page 52.

Franklin Biotechnology Discovery Fund

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

^a Non-income producing.

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

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

^d See Note 7 regarding restricted securities.

^e A portion or all of the security is on loan at April 30, 2024. See Note 1(d).

^f A portion or all of the security purchased on a delayed delivery basis. See Note 1(c).

^g Variable rate security. The rate shown represents the yield at period end.

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

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

^j See Note 1(d) regarding securities on loan.

Financial Highlights

Franklin Natural Resources Fund

	Year Ended April 30,				
	2024	2023	2022	2021	2020
Class A					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$28.10	\$27.01	\$20.02	\$13.60	\$23.58
Income from investment operations ^a :					
Net investment income ^b	0.55	0.68	0.50	0.28	0.34
Net realized and unrealized gains (losses)	2.90	1.09	6.77	6.54	(9.96)
Total from investment operations	3.45	1.77	7.27	6.82	(9.62)
Less distributions from:					
Net investment income	(0.57)	(0.68)	(0.28)	(0.40)	(0.36)
Net asset value, end of year	\$30.98	\$28.10	\$27.01	\$20.02	\$13.60
Total return ^c	12.41%	6.56%	36.63%	50.55%	(41.30)%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	1.02%	0.97%	1.10%	1.24%	1.17%
Expenses net of waiver and payments by affiliates	1.01% ^d	0.96% ^d	1.10% ^e	1.24% ^{d,e}	1.17% ^{d,e}
Net investment income	1.90%	2.45%	2.17%	1.71%	1.75%
Supplemental data					
Net assets, end of year (000's)	\$272,081	\$301,153	\$289,403	\$176,127	\$123,467
Portfolio turnover rate	11.86%	23.76%	27.45%	49.23%	25.60%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

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

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

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

Franklin Natural Resources Fund (continued)

	Year Ended April 30,				
	2024	2023	2022	2021	2020
Class C					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$27.43	\$26.45	\$19.58	\$13.25	\$22.82
Income from investment operations ^a :					
Net investment income ^b	0.33	0.46	0.32	0.15	0.19
Net realized and unrealized gains (losses)	2.82	1.06	6.63	6.38	(9.70)
Total from investment operations	3.15	1.52	6.95	6.53	(9.51)
Less distributions from:					
Net investment income	(0.46)	(0.54)	(0.08)	(0.20)	(0.06)
Net asset value, end of year	\$30.12	\$27.43	\$26.45	\$19.58	\$13.25
Total return ^c	11.60%	5.75%	35.59%	49.42%	(41.71)%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	1.77%	1.72%	1.86%	1.99%	1.92%
Expenses net of waiver and payments by affiliates	1.76% ^d	1.71% ^d	1.86% ^e	1.99% ^{d,e}	1.92% ^{d,e}
Net investment income	1.16%	1.72%	1.41%	0.93%	1.00%
Supplemental data					
Net assets, end of year (000's)	\$17,371	\$25,090	\$30,427	\$27,753	\$23,391
Portfolio turnover rate	11.86%	23.76%	27.45%	49.23%	25.60%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

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

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

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

Franklin Natural Resources Fund (continued)

	Year Ended April 30,				
	2024	2023	2022	2021	2020
Class R6					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$30.45	\$29.17	\$21.58	\$14.63	\$25.22
Income from investment operations ^a :					
Net investment income ^b	0.73	0.79	0.64	0.39	0.54
Net realized and unrealized gains (losses)	3.15	1.24	7.31	7.05	(10.76)
Total from investment operations	3.88	2.03	7.95	7.44	(10.22)
Less distributions from:					
Net investment income	(0.62)	(0.75)	(0.36)	(0.49)	(0.37)
Net asset value, end of year	\$33.71	\$30.45	\$29.17	\$21.58	\$14.63
Total return	12.90%	6.99%	37.24%	51.43%	(41.02)%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	0.67%	0.65%	0.80%	0.89%	0.72%
Expenses net of waiver and payments by affiliates	0.61% ^c	0.56% ^c	0.65%	0.72% ^c	0.66% ^c
Net investment income	2.34%	2.65%	2.53%	2.22%	2.26%
Supplemental data					
Net assets, end of year (000's)	\$7,995	\$12,387	\$4,943	\$1,722	\$839
Portfolio turnover rate	11.86%	23.76%	27.45%	49.23%	25.60%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

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

Franklin Natural Resources Fund (continued)

	Year Ended April 30,				
	2024	2023	2022	2021	2020
Advisor Class					
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	\$30.23	\$28.97	\$21.44	\$14.54	\$25.20
Income from investment operations ^a :					
Net investment income ^b	0.67	0.80	0.60	0.33	0.41
Net realized and unrealized gains (losses)	3.13	1.18	7.24	7.01	(10.64)
Total from investment operations	3.80	1.98	7.84	7.34	(10.23)
Less distributions from:					
Net investment income	(0.60)	(0.72)	(0.31)	(0.44)	(0.43)
Net asset value, end of year	\$33.43	\$30.23	\$28.97	\$21.44	\$14.54
Total return	12.72%	6.86%	36.93%	50.95%	(41.15)%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	0.77%	0.72%	0.85%	1.00%	0.92%
Expenses net of waiver and payments by affiliates	0.76% ^c	0.71% ^c	0.85% ^d	1.00% ^{c,d}	0.92% ^{c,d}
Net investment income	2.15%	2.71%	2.39%	1.93%	2.00%
Supplemental data					
Net assets, end of year (000's)	\$76,028	\$82,840	\$87,707	\$39,562	\$28,334
Portfolio turnover rate	11.86%	23.76%	27.45%	49.23%	25.60%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

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

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

Schedule of Investments, April 30, 2024

Franklin Natural Resources Fund

	Country	Shares	Value
Common Stocks 98.6%			
Agricultural Products & Services 1.0%			
Bunge Global SA	United States	23,700	\$2,411,712
^a Darling Ingredients, Inc.	United States	37,200	1,576,164
			3,987,876
Construction & Engineering 1.0%			
^a Cadeler A/S, ADR	Denmark	124,324	2,313,670
^a Centuri Holdings, Inc.	United States	64,500	1,596,375
			3,910,045
Construction Materials 1.1%			
Martin Marietta Materials, Inc.	United States	7,000	4,109,490
Copper 7.0%			
Antofagasta plc.	Chile	122,800	3,368,891
^a Capstone Copper Corp.	Canada	470,500	3,256,848
^a ERO Copper Corp.	Brazil	188,300	3,839,173
Freeport-McMoRan, Inc.	United States	239,700	11,970,618
Lundin Mining Corp.	Chile	336,800	3,845,648
			26,281,178
Diversified Chemicals 0.9%			
Huntsman Corp.	United States	133,900	3,194,854
Diversified Metals & Mining 6.1%			
^a Aclara Resources, Inc.	United Kingdom	489,200	206,091
^{a,b} Aclara Resources, Inc., 144A	United Kingdom	510,754	215,172
Anglo American plc.	South Africa	78,100	2,552,315
^c BHP Group Ltd., ADR	Australia	106,300	5,863,508
Glencore plc	Australia	334,000	1,943,556
^a MP Materials Corp.	United States	90,000	1,440,000
Rio Tinto plc, ADR.	Australia	70,400	4,775,232
South32 Ltd.	Australia	565,300	1,289,622
Teck Resources Ltd., B	Canada	90,200	4,436,938
			22,722,434
Electrical Components & Equipment 1.1%			
^a Fluence Energy, Inc.	United States	74,000	1,320,160
^a Freyr Battery, Inc.	Norway	513,600	847,440
^a NEXTracker, Inc., A.	United States	23,100	988,449
^a Shoals Technologies Group, Inc., A	United States	99,600	841,620
			3,997,669
Environmental & Facilities Services 0.0%[†]			
^a Li-Cycle Holdings Corp.	Canada	173,800	113,856
Fertilizers & Agricultural Chemicals 2.1%			
Corteva, Inc.	United States	78,000	4,222,140
Nutrien Ltd.	Canada	71,400	3,767,778
			7,989,918
Gold 6.3%			
Agnico Eagle Mines Ltd.	Canada	80,800	5,116,502
Alamos Gold, Inc., A	Canada	297,000	4,368,440
B2Gold Corp.	Canada	326,200	824,533
Barrick Gold Corp.	Canada	312,400	5,198,336
Newmont Corp.	United States	191,400	7,778,496
			23,286,307

Franklin Natural Resources Fund

	Country	Shares	Value
Common Stocks (continued)			
Heavy Electrical Equipment 0.1%			
^a TPI Composites, Inc.	United States	116,500	\$370,470
Industrial Gases 2.4%			
Air Products and Chemicals, Inc.	United States	20,200	4,774,068
Linde plc.	United States	9,400	4,145,024
			8,919,092
Industrial Machinery & Supplies & Components 0.7%			
Xylem, Inc.	United States	19,900	2,600,930
Integrated Oil & Gas 16.5%			
Chevron Corp.	United States	98,800	15,933,476
Exxon Mobil Corp.	United States	125,100	14,795,577
Occidental Petroleum Corp.	United States	94,900	6,276,686
Shell plc, ADR.	United States	135,200	9,688,432
Suncor Energy, Inc.	Canada	234,000	8,928,288
TotalEnergies SE, ADR.	France	78,610	5,696,867
			61,319,326
Metal, Glass & Plastic Containers 1.2%			
Ball Corp.	United States	39,800	2,768,886
Crown Holdings, Inc.	United States	22,100	1,813,747
			4,582,633
Oil & Gas Drilling 2.0%			
Helmerich & Payne, Inc.	United States	45,100	1,773,783
Patterson-UTI Energy, Inc.	United States	348,724	3,773,194
^a Precision Drilling Corp.	Canada	28,600	2,007,148
			7,554,125
Oil & Gas Equipment & Services 11.0%			
Baker Hughes Co., A.	United States	117,500	3,832,850
Cactus, Inc., A.	United States	35,300	1,752,292
ChampionX Corp.	United States	50,700	1,701,999
Halliburton Co.	United States	121,700	4,560,099
Liberty Energy, Inc., A.	United States	99,900	2,197,800
^a Nine Energy Service, Inc.	United States	105,492	227,863
^a Oceaneering International, Inc.	United States	91,800	2,103,138
^a Oil States International, Inc.	United States	103,700	413,763
Ranger Energy Services, Inc., A.	United States	272,400	2,680,416
Schlumberger NV.	United States	186,700	8,864,516
Schoeller-Bleckmann Oilfield Equipment AG.	Austria	17,600	856,155
Select Water Solutions, Inc., A.	United States	211,500	1,954,260
Technip Energies NV.	France	76,999	1,813,497
TechnipFMC plc.	United Kingdom	309,600	7,931,952
			40,890,600
Oil & Gas Exploration & Production 22.5%			
Aker BP ASA.	Norway	106,000	2,570,915
Canadian Natural Resources Ltd.	Canada	149,500	11,328,012
ConocoPhillips.	United States	138,600	17,410,932
Coterra Energy, Inc.	United States	218,600	5,980,896
Devon Energy Corp.	United States	126,700	6,484,506
EOG Resources, Inc.	United States	88,800	11,733,144
EQT Corp.	United States	49,400	1,980,446
Hess Corp.	United States	51,100	8,047,739
Matador Resources Co.	United States	48,900	3,046,470
Ovintiv, Inc.	United States	27,400	1,406,168

Franklin Natural Resources Fund

	Country	Shares	Value
Common Stocks (continued)			
Oil & Gas Exploration & Production (continued)			
Permian Resources Corp., A	United States	197,200	\$3,303,100
Pioneer Natural Resources Co.	United States	33,101	8,914,761
Tourmaline Oil Corp.	Canada	40,000	1,954,748
			<hr/> 84,161,837
Oil & Gas Refining & Marketing 6.1%			
Marathon Petroleum Corp.	United States	47,700	8,668,044
Phillips 66	United States	57,900	8,291,859
Valero Energy Corp.	United States	36,600	5,851,242
			<hr/> 22,811,145
Oil & Gas Storage & Transportation 7.2%			
Cheniere Energy, Inc.	United States	16,300	2,572,466
Enbridge, Inc.	Canada	66,600	2,366,964
Kinder Morgan, Inc.	United States	275,900	5,043,452
New Fortress Energy, Inc.	United States	76,000	1,991,200
Targa Resources Corp.	United States	40,800	4,653,648
TC Energy Corp.	Canada	134,200	4,811,070
Williams Cos., Inc. (The)	United States	143,600	5,508,496
			<hr/> 26,947,296
Packaged Foods & Meats 0.3%			
Lamb Weston Holdings, Inc.	United States	11,400	950,076
Paper & Plastic Packaging Products & Materials 0.6%			
Packaging Corp. of America	United States	12,500	2,162,250
Specialty Chemicals 0.8%			
Albemarle Corp.	United States	20,000	2,406,200
Neo Performance Materials, Inc.	Canada	23,600	97,880
^b Neo Performance Materials, Inc., 144A	Canada	85,000	352,533
			<hr/> 2,856,613
Steel 0.6%			
Vale SA, ADR, B	Brazil	199,400	2,426,698
Total Common Stocks (Cost \$210,555,964)			<hr/> 368,146,718
Convertible Preferred Stocks 0.4%			
Specialty Chemicals 0.4%			
Albemarle Corp., 7.25%	United States	30,800	1,689,996
Total Convertible Preferred Stocks (Cost \$1,540,000)			<hr/> 1,689,996
		<hr/> Warrants	
Warrants 0.2%			
Integrated Oil & Gas 0.2%			
^a Occidental Petroleum Corp., 8/03/27	United States	17,900	792,970
Total Warrants (Cost \$88,605)			<hr/> 792,970

Franklin Natural Resources Fund

	Country	Principal Amount [*]	Value
Convertible Bonds 0.3%			
Oil & Gas Equipment & Services 0.3%			
Oil States International, Inc., Senior Note, 4.75%, 4/01/26	United States	1,200,000	\$1,119,600
Total Convertible Bonds (Cost \$1,200,000)			1,119,600
Total Long Term Investments (Cost \$213,384,569)			371,749,284
Short Term Investments 1.8%			
	Country	Shares	Value
Money Market Funds 0.3%			
^{d,e} Institutional Fiduciary Trust - Money Market Portfolio, 5.006%	United States	996,110	996,110
Total Money Market Funds (Cost \$996,110)			996,110
^fInvestments from Cash Collateral Received for Loaned Securities 1.5%			
Money Market Funds 1.5%			
^{d,e} Institutional Fiduciary Trust - Money Market Portfolio, 5.006%	United States	5,847,240	5,847,240
Total Investments from Cash Collateral Received for Loaned Securities (Cost \$5,847,240)			5,847,240
Total Short Term Investments (Cost \$6,843,350)			6,843,350
Total Investments (Cost \$220,227,919) 101.3%			\$378,592,634
Other Assets, less Liabilities (1.3)%			(5,117,885)
Net Assets 100.0%			\$373,474,749

See Abbreviations on page 52.

^{*}The principal amount is stated in U.S. dollars unless otherwise indicated.[†]Rounds to less than 0.1% of net assets.^aNon-income producing.^bSecurity was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At April 30, 2024, the aggregate value of these securities was \$567,705, representing 0.2% of net assets.^cA portion or all of the security is on loan at April 30, 2024. See Note 1(d).^dSee Note 3(f) regarding investments in affiliated management investment companies.^eThe rate shown is the annualized seven-day effective yield at period end.^fSee Note 1(d) regarding securities on loan.

Statements of Assets and Liabilities

April 30, 2024

	Franklin Biotechnology Discovery Fund	Franklin Natural Resources Fund
Assets:		
Investments in securities:		
Cost - Unaffiliated issuers	\$528,718,076	\$213,384,569
Cost - Non-controlled affiliates (Note 3f and 8)	44,527,380	6,843,350
Value - Unaffiliated issuers (Includes securities loaned of \$6,724,271 and \$5,565,644, respectively)	\$840,505,820	\$371,749,284
Value - Non-controlled affiliates (Note 3f and 8)	44,965,938	6,843,350
Foreign currency, at value (cost \$— and \$83,926, respectively)	—	83,926
Receivables:		
Investment securities sold	298,550	1,137,565
Capital shares sold	236,664	303,555
Dividends and interest	27,562	339,659
European Union tax reclaims (Note 1e)	—	84,684
Due from custodian	26,250	—
Total assets	886,060,784	380,542,023
Liabilities:		
Payables:		
Investment securities purchased	2,960,733	238,396
Capital shares redeemed	722,519	471,490
Management fees	432,449	159,310
Distribution fees	169,495	72,007
Transfer agent fees	224,404	161,091
Trustees' fees and expenses	48	32
Payable upon return of securities loaned (Note 1d)	7,055,885	5,847,240
Accrued expenses and other liabilities	179,348	117,708
Total liabilities	11,744,881	7,067,274
Net assets, at value	\$874,315,903	\$373,474,749
Net assets consist of:		
Paid-in capital	\$524,578,046	\$404,056,929
Total distributable earnings (losses)	349,737,857	(30,582,180)
Net assets, at value	\$874,315,903	\$373,474,749

Statements of Assets and Liabilities (continued)

April 30, 2024

	Franklin Biotechnology Discovery Fund	Franklin Natural Resources Fund
Class A:		
Net assets, at value	\$705,300,634	\$272,080,666
Shares outstanding	5,327,728	8,783,776
Net asset value per share ^{a,b}	\$132.38	\$30.98
Maximum offering price per share (net asset value per share ÷ 94.50%) ^b	\$140.08	\$32.78
Class C:		
Net assets, at value	\$27,331,590	\$17,370,983
Shares outstanding	225,485	576,705
Net asset value and maximum offering price per share ^{a,b}	\$121.21	\$30.12
Class R6:		
Net assets, at value	\$10,333,496	\$7,994,862
Shares outstanding	73,323	237,180
Net asset value and maximum offering price per share ^b	\$140.93	\$33.71
Advisor Class:		
Net assets, at value	\$131,350,183	\$76,028,238
Shares outstanding	947,222	2,274,453
Net asset value and maximum offering price per share ^b	\$138.67	\$33.43

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

^bNet asset value per share may not recalculate due to rounding.

Statements of Operations

for the year ended April 30, 2024

	Franklin Biotechnology Discovery Fund	Franklin Natural Resources Fund
Investment income:		
Dividends: (net of foreign taxes of \$2,225 and \$827,951, respectively)		
Unaffiliated issuers	\$4,034,748	\$10,838,885
Non-controlled affiliates (Note 3f and 8)	822,786	141,287
Interest:		
Unaffiliated issuers	—	57,000
Income from securities loaned:		
Unaffiliated entities (net of fees and rebates)	(134,788)	(113,931)
Non-controlled affiliates (Note 3f)	499,794	119,427
Other income (Note 1e)	—	74,508
Total investment income	5,222,540	11,117,176
Expenses:		
Management fees (Note 3a)	5,080,689	1,964,575
Distribution fees: (Note 3c)		
Class A	1,693,993	685,447
Class C	274,435	207,381
Transfer agent fees: (Note 3e)		
Class A	962,022	492,458
Class C	39,074	37,455
Class R6	11,016	7,148
Advisor Class	158,764	138,684
Custodian fees (Note 4)	15,376	4,171
Reports to shareholders fees	119,801	67,468
Registration and filing fees	78,026	100,903
Professional fees	90,223	63,442
Trustees' fees and expenses	9,706	4,064
Interest expense	—	2,242
Other	41,376	35,482
Total expenses	8,574,501	3,810,920
Expense reductions (Note 4)	(287)	(573)
Expenses waived/paid by affiliates (Note 3f and 3g)	(94,525)	(21,012)
Net expenses	8,479,689	3,789,335
Net investment income (loss)	(3,257,149)	7,327,841
Realized and unrealized gains (losses):		
Net realized gain (loss) from:		
Investments:		
Unaffiliated issuers	73,600,279	6,136,497
Non-controlled affiliates (Note 3f and 8)	(3,332,875)	—
Foreign currency transactions	3,139	19,041
Net realized gain (loss)	70,270,543	6,155,538
Net change in unrealized appreciation (depreciation) on:		
Investments:		
Unaffiliated issuers	61,407,395	28,216,744
Non-controlled affiliates (Note 3f and 8)	3,920,980	—
Translation of other assets and liabilities denominated in foreign currencies	(23)	(11,585)
Net change in unrealized appreciation (depreciation)	65,328,352	28,205,159
Net realized and unrealized gain (loss)	135,598,895	34,360,697
Net increase (decrease) in net assets resulting from operations	\$132,341,746	\$41,688,538

Statements of Changes in Net Assets

	Franklin Biotechnology Discovery Fund		Franklin Natural Resources Fund	
	Year Ended April 30, 2024	Year Ended April 30, 2023	Year Ended April 30, 2024	Year Ended April 30, 2023
Increase (decrease) in net assets:				
Operations:				
Net investment income (loss)	\$(3,257,149)	\$(3,661,842)	\$7,327,841	\$10,632,094
Net realized gain (loss)	70,270,543	27,149,552	6,155,538	11,835,014
Net change in unrealized appreciation (depreciation)	65,328,352	58,889,212	28,205,159	1,604,535
Net increase (decrease) in net assets resulting from operations.	132,341,746	82,376,922	41,688,538	24,071,643
Distributions to shareholders:				
Class A	—	(904,691)	(5,286,235)	(7,499,623)
Class C	—	—	(316,747)	(603,835)
Class R6	—	(47,834)	(165,584)	(157,126)
Advisor Class	—	(416,127)	(1,479,563)	(2,191,684)
Total distributions to shareholders	—	(1,368,652)	(7,248,129)	(10,452,268)
Capital share transactions: (Note 2)				
Class A	(90,765,519)	(85,965,290)	(54,180,676)	1,741,488
Class C	(6,308,260)	(7,011,858)	(9,396,377)	(6,228,814)
Class R6	(2,922,785)	997,279	(5,139,233)	7,004,889
Advisor Class	3,565,328	(10,783,345)	(13,718,926)	(7,147,183)
Total capital share transactions	(96,431,236)	(102,763,214)	(82,435,212)	(4,629,620)
Net increase (decrease) in net assets	35,910,510	(21,754,944)	(47,994,803)	8,989,755
Net assets:				
Beginning of year	838,405,393	860,160,337	421,469,552	412,479,797
End of year	\$874,315,903	\$838,405,393	\$373,474,749	\$421,469,552

Notes to Financial Statements

1. Organization and Significant Accounting Policies

Franklin Strategic Series (Trust) is registered under the Investment Company Act of 1940 (1940 Act) as an open-end management investment company, consisting of ten separate funds, two 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 four classes of shares: Class A, Class C, 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 and certain preferred 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.

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

1. Organization and Significant Accounting Policies

(continued)

a. Financial Instrument Valuation (continued)

Trading in securities on foreign securities stock exchanges and OTC markets may be completed before 4 p.m. Eastern time. In addition, trading in certain foreign markets may not take place on every Funds' business day. Events can occur between the time at which trading in a foreign security is completed and 4 p.m. Eastern time that might call into question the reliability of the value of a portfolio security held by the Funds. As a result, differences may arise between the value of the Funds' portfolio securities as determined at the foreign market close and the latest indications of value at 4 p.m. Eastern time. In order to minimize the potential for these differences, an independent pricing service may be used to adjust the value of the Funds' portfolio securities to the latest indications of fair value at 4 p.m. Eastern time. At April 30, 2024, certain securities may have been fair valued using these procedures, in which case the securities were categorized as Level 2 within the fair value hierarchy (referred to as "market level fair value"). See the Fair Value Measurements note for more information.

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

b. Foreign Currency Translation

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

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

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

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

c. Securities Purchased on a Delayed Delivery Basis

Certain or all Funds purchase securities on a delayed delivery basis, with payment and delivery scheduled for a future date. These transactions are subject to market fluctuations and are subject to the risk that the value at delivery may be more or less than the trade date purchase price. Although the Funds will generally purchase these securities with the intention of holding the securities, they may sell the securities before the settlement date.

d. Securities Lending

Certain or all Funds participate in an agency based securities lending program to earn additional income. The Fund receives collateral in the form of cash and/or U.S. Government and Agency securities against the loaned securities in an amount equal to at least 102% of the fair value of the loaned securities. Collateral is maintained over the life of the loan in an amount not less than 100% of the fair value of loaned securities, as determined at the close of Fund business each day; any additional collateral required due to changes in security values is delivered to the Fund on the next business day. Any cash collateral received is deposited into a joint cash account with other funds and is used to invest in a money market fund managed by Franklin Advisers, Inc., an affiliate of the Funds, and/or uninvested cash as included in due from custodian in the

1. Organization and Significant Accounting Policies

(continued)

d. Securities Lending (continued)

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.

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.

As a result of several court cases, in certain countries across the European Union, certain or all Funds filed additional tax reclaims for previously withheld taxes on dividends earned in those countries (EU reclaims). Income recognized, if any, for EU reclaims is reflected as other income in the Statements of Operations and any related receivable, if any, is reflected as European Union tax reclaims in the Statements of Assets and Liabilities. Any fees associated with these filings are reflected in other expenses in the Statements of Operations. When uncertainty exists as to the ultimate resolution of these proceedings, the likelihood of receipt of these EU

reclaims, and the potential timing of payment, no amounts are reflected in the financial statements. For U.S. income tax purposes, EU reclaims received by the Funds, if any, reduce the amount of foreign taxes Fund shareholders can use as tax deductions or credits on their income tax returns.

Each Fund may recognize an income tax liability related to its uncertain tax positions under U.S. GAAP when the uncertain tax position has a less than 50% probability that it will be sustained upon examination by the tax authorities based on its technical merits. As of April 30, 2024, each Fund has determined that no tax liability is required in its financial statements related to uncertain tax positions for any open tax years (or expected to be taken in future tax years). Open tax years are those that remain subject to examination and are based on the statute of limitations in each jurisdiction in which the Fund invests.

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 (including interest income from payment-in-kind securities, if any) 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. 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.

1. Organization and Significant Accounting Policies
(continued)**f. Security Transactions, Investment Income, Expenses and Distributions** (continued)

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

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 April 30, 2024, there were an unlimited number of shares authorized (without par value). Transactions in the Funds' shares were as follows:

	Franklin Biotechnology Discovery Fund		Franklin Natural Resources Fund	
	Shares	Amount	Shares	Amount
Class A Shares:				
Year ended April 30, 2024				
Shares sold ^a	527,209	\$62,920,528	1,264,920	\$36,259,069
Shares issued in reinvestment of distributions	—	—	182,021	5,214,902
Shares redeemed	(1,302,203)	(153,686,047)	(3,381,617)	(95,654,647)
Net increase (decrease)	(774,994)	\$(90,765,519)	(1,934,676)	\$(54,180,676)
Year ended April 30, 2023				
Shares sold ^a	412,448	\$42,946,165	3,647,273	\$101,114,332
Shares issued in reinvestment of distributions	8,033	859,459	265,105	7,409,681
Shares redeemed	(1,245,319)	(129,770,914)	(3,910,363)	(106,782,525)
Net increase (decrease)	(824,838)	\$(85,965,290)	2,015	\$1,741,488

2. Shares of Beneficial Interest (continued)

	Franklin Biotechnology Discovery Fund		Franklin Natural Resources Fund	
	Shares	Amount	Shares	Amount
Class C Shares:				
Year ended April 30, 2024				
Shares sold	41,225	\$4,441,865	110,262	\$3,039,841
Shares issued in reinvestment of distributions	—	—	11,174	312,200
Shares redeemed ^a	(100,695)	(10,750,125)	(459,372)	(12,748,418)
Net increase (decrease)	(59,470)	\$(6,308,260)	(337,936)	\$(9,396,377)
Year ended April 30, 2023				
Shares sold	23,788	\$2,280,883	401,440	\$10,974,990
Shares issued in reinvestment of distributions	—	—	21,669	592,875
Shares redeemed ^a	(97,280)	(9,292,741)	(658,964)	(17,796,679)
Net increase (decrease)	(73,492)	\$(7,011,858)	(235,855)	\$(6,228,814)
Class R6 Shares:				
Year ended April 30, 2024				
Shares sold	17,791	\$2,320,133	78,008	\$2,420,818
Shares issued in reinvestment of distributions	—	—	5,317	165,584
Shares redeemed	(42,450)	(5,242,918)	(252,929)	(7,725,635)
Net increase (decrease)	(24,659)	\$(2,922,785)	(169,604)	\$(5,139,233)
Year ended April 30, 2023				
Shares sold	56,562	\$6,304,709	343,698	\$10,093,852
Shares issued in reinvestment of distributions	405	45,955	5,194	157,126
Shares redeemed	(47,951)	(5,353,385)	(111,579)	(3,246,089)
Net increase (decrease)	9,016	\$997,279	237,313	\$7,004,889
Advisor Class Shares:				
Year ended April 30, 2024				
Shares sold	290,098	\$38,622,153	654,979	\$20,559,328
Shares issued in reinvestment of distributions	—	—	47,545	1,468,672
Shares redeemed	(283,878)	(35,056,825)	(1,168,531)	(35,746,926)
Net increase (decrease)	6,220	\$3,565,328	(466,007)	\$(13,718,926)
Year ended April 30, 2023				
Shares sold	243,071	\$26,463,616	924,804	\$27,535,454
Shares issued in reinvestment of distributions	3,436	384,000	72,395	2,174,756
Shares redeemed	(345,613)	(37,630,961)	(1,283,885)	(36,857,393)
Net increase (decrease)	(99,106)	\$(10,783,345)	(286,686)	\$(7,147,183)

^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:

3. Transactions with Affiliates (continued)

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 Biotechnology Discovery 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
0.775%	Up to and including \$100 million
0.650%	Over \$100 million, up to and including \$200 million
0.635%	Over \$200 million, up to and including \$250 million
0.585%	Over \$250 million, up to and including \$700 million
0.550%	Over \$700 million, up to and including \$1.2 billion
0.525%	Over \$1.2 billion, up to and including \$7.5 billion
0.515%	Over \$7.5 billion, up to and including \$10 billion
0.505%	Over \$10 billion, up to and including \$12.5 billion
0.495%	Over \$12.5 billion, up to and including \$15 billion
0.475%	In excess of \$15 billion

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

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

For the year ended April 30, 2024, each Fund's gross effective investment management fee rate based on average daily net assets was as follows:

	Franklin Biotechnology Discovery Fund	Franklin Natural Resources Fund
Gross effective investment management fee rate.	0.613%	0.516%

3. Transactions with Affiliates (continued)

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 Fund's 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 compensation distribution plans, the Funds pay Distributors for costs incurred in connection with the servicing, sale and distribution of each Fund's shares up to the maximum annual plan rate. 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 Biotechnology Discovery Fund	Franklin Natural Resources Fund
Class A	0.35%	0.35%
Class C	1.00%	1.00%

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

d. Sales Charges/Underwriting Agreements

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

	Franklin Biotechnology Discovery Fund	Franklin Natural Resources Fund
Sales charges retained net of commissions paid to unaffiliated brokers/dealers	\$49,223	\$23,583
CDSC retained	\$11,554	\$3,448

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.

3. Transactions with Affiliates (continued)**e. Transfer Agent Fees** (continued)

For the year ended April 30, 2024, the Funds paid transfer agent fees as noted in the Statements of Operations of which the following amounts were retained by Investor Services:

	Franklin Biotechnology Discovery Fund	Franklin Natural Resources Fund
Transfer agent fees	\$365,750	\$241,873

f. Investments in Affiliated Management Investment Companies

Certain or all Funds invest in one or more affiliated management investment companies. As defined in the 1940 Act, an investment is deemed to be a “Controlled Affiliate” of a fund when a fund owns, either directly or indirectly, 25% or more of the affiliated fund’s outstanding shares or has the power to exercise control over management or policies of such fund. The Funds do not invest for purposes of exercising a controlling influence over the management or policies. Management fees paid by the Funds are waived on assets invested in the affiliated management investment companies, as noted in the Statements of Operations, in an amount not to exceed the management and administrative fees paid directly or indirectly by each affiliate. During the year ended April 30, 2024, investments in affiliated management investment companies were as follows:

	Value at Beginning of Year	Purchases	Sales	Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Value at End of Year	Number of Shares Held at End of Year	Investment Income
Franklin Biotechnology Discovery Fund								
Non-Controlled Affiliates								
								Dividends
Institutional Fiduciary Trust - Money Market Portfolio, 5.006%	\$16,832,344	\$261,745,720	\$(251,080,341)	\$—	\$—	\$27,497,723	27,497,723	\$822,786
Non-Controlled Affiliates								
								Income from securities loaned
Institutional Fiduciary Trust - Money Market Portfolio, 5.006%	\$2,337,680	\$143,306,182	\$(138,614,227)	\$—	\$—	\$7,029,635	7,029,635	\$499,794
Total Affiliated Securities . . .	\$19,170,024	\$405,051,902	\$(389,694,568)	\$—	\$—	\$34,527,358		\$1,322,580
Franklin Natural Resources Fund								
Non-Controlled Affiliates								
								Dividends
Institutional Fiduciary Trust - Money Market Portfolio, 5.006%	\$631,197	\$82,549,402	\$(82,184,489)	\$—	\$—	\$996,110	996,110	\$141,287
Non-Controlled Affiliates								
								Income from securities loaned
Institutional Fiduciary Trust - Money Market Portfolio, 5.006%	\$684,160	\$80,811,148	\$(75,648,068)	\$—	\$—	\$5,847,240	5,847,240	\$119,427
Total Affiliated Securities . . .	\$1,315,357	\$163,360,550	\$(157,832,557)	\$—	\$—	\$6,843,350		\$260,714

3. Transactions with Affiliates (continued)

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.

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 year ended April 30, 2024, 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, 2024, the capital loss carryforwards were as follows:

	Franklin Natural Resources Fund
Capital loss carryforwards not subject to expiration:	
Short term	\$2,943,242
Long term	188,124,991
Total capital loss carryforwards	<u>\$191,068,233</u>

During the year ended April 30, 2024, the utilized capital loss carryforwards were as follows:

	Franklin Biotechnology Discovery Fund	Franklin Natural Resources Fund
Capital loss utilized carryforwards	\$22,984,059	\$6,668,527

The tax character of distributions paid during the years ended April 30, 2024 and 2023, was as follows:

	Franklin Biotechnology Discovery Fund		Franklin Natural Resources Fund	
	2024	2023	2024	2023
Distributions paid from:				
Ordinary income	\$—	\$1,368,652	\$7,248,129	\$10,452,268

5. Income Taxes (continued)

At April 30, 2024, the cost of investments, net unrealized appreciation (depreciation), undistributed ordinary income and undistributed long term capital gains for income tax purposes were as follows:

	Franklin Biotechnology Discovery Fund	Franklin Natural Resources Fund
Cost of investments	\$579,085,569	\$227,707,609
Unrealized appreciation.	\$387,460,982	\$174,972,288
Unrealized depreciation.	(81,074,793)	(24,087,263)
Net unrealized appreciation (depreciation).	\$306,386,189	\$150,885,025
Distributable earnings:		
Undistributed ordinary income.	\$5,203,945	\$7,346,686
Undistributed long term capital gains.	38,147,748	—
Total distributable earnings	\$43,351,693	\$7,346,686

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, passive foreign investment company shares, corporate actions and net operating losses.

6. Investment Transactions

Purchases and sales of investments (excluding short term securities) for the year ended April 30, 2024, were as follows:

	Franklin Biotechnology Discovery Fund	Franklin Natural Resources Fund
Purchases	\$291,226,333	\$44,984,361
Sales	\$397,916,581	\$128,287,417

At April 30, 2024, in connection with securities lending transactions, certain or all Funds loaned investments and received cash collateral as follows:

	Franklin Biotechnology Discovery Fund	Franklin Natural Resources Fund
Securities lending transactions^a:		
Equity investments ^b	\$7,055,885	\$5,847,240

^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.

7. Restricted Securities (continued)

At April 30, 2024, investments in restricted securities, excluding securities exempt from registration under the 1933 Act, were as follows:

Shares/ Warrants	Issuer	Acquisition Date	Cost	Value
Franklin Biotechnology Discovery Fund				
2,181,025	^a Achieve Life Sciences, Inc., 8/31/27	2/29/24	\$22	\$863,880
189,499	Artiva Biotherapeutics, Inc., B	2/22/21	2,084,489	946,196
208,334	^b Benitec Biopharma Inc	4/18/24	1,000,003	1,523,062
859,370	Lycia LLC	4/26/24	1,754,576	1,754,576
408,971	Oruka Therapeutics, Inc.	4/03/24	2,429,370	6,207,577
Total Restricted Securities (Value is 1.3% of Net Assets).			\$7,268,460	\$11,295,291

^a The Fund also invests in unrestricted securities of the issuer, valued at \$9,574,700 as of April 30, 2024.

^b The Fund also invests in unrestricted securities of the issuer, valued at \$8,838,958 as of April 30, 2024.

8. Holdings of 5% Voting Securities of Portfolio Companies

The 1940 Act defines "affiliated companies" to include investments in portfolio companies in which a fund owns 5% or more of the outstanding voting securities. Additionally, as defined in the 1940 Act, an investment is deemed to be a "Controlled Affiliate" of a fund when a fund owns, either directly or indirectly, 25% or more of the affiliated companies' outstanding shares or has the power to exercise control over management or policies of such company. During the year ended April 30, 2024, investments in "affiliated companies" were as follows:

	Value at Beginning of Year	Purchases	Sales	Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Value at End of Year	Number of Shares/Warrants Held at End of Year	Investment Income
Franklin Biotechnology Discovery Fund								
Non-Controlled Affiliates								
Achieve Life Sciences Inc	\$—	\$10,000,000	\$—	\$—	\$(425,300)	\$9,574,700	2,181,025	\$—
Achieve Life Sciences, Inc., 2/20/49	—	22	(22)	22	863,858	863,880	2,181,025	—
Applied Therapeutics, Inc.	4,392,892	(953,946)	(5,615,521)	(3,332,897)	5,509,472	— ^a	—	—
Applied Therapeutics, Inc., 6/27/27	1,457,250	—	—	—	(1,457,250)	— ^a	—	—
Applied Therapeutics, Inc., 6/27/27	1,383,719	—	(813,919)	—	(569,800)	— ^a	—	—
Artiva Biotherapeutics, Inc., B	829,888	—	—	—	— ^b	— ^b	— ^b	—
Benitec Biopharma, Inc.	1,247,436	—	—	—	— ^b	— ^b	— ^b	—
Benitec Biopharma, Inc., II, 9/14/27	366,803	—	—	—	— ^b	— ^b	— ^b	—
Total Affiliated Securities (Value is 1.2% of Net Assets)	\$9,677,988	\$9,046,076	\$(6,429,462)	\$(3,332,875)	\$3,920,980	\$10,438,580		\$—

^aAs of April 30, 2024, no longer held by the fund.

8. Holdings of 5% Voting Securities of Portfolio Companies (continued)^bAs of April 30, 2024, no longer an affiliate.**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 January 31, 2025. This Global Credit Facility provides a source of funds to the Borrowers for temporary and emergency purposes, including the ability to meet future unanticipated or unusually large redemption requests.

Under the terms of the Global Credit Facility, the Funds shall, in addition to interest charged on any borrowings made by the Funds and other costs incurred by the Funds, pay their share of fees and expenses incurred in connection with the implementation and maintenance of the Global Credit Facility, based upon their relative share of the aggregate net assets of all of the Borrowers, including an annual commitment fee of 0.15% based upon the unused portion of the Global Credit Facility. These fees are reflected in other expenses in the Statements of Operations. During the year ended April 30, 2024, the Funds did not use the Global Credit Facility.

10. Fair Value Measurements

The Funds follow a fair value hierarchy that distinguishes between market data obtained from independent sources (observable inputs) and the Funds' own market assumptions (unobservable inputs). These inputs are used in determining the value of the Funds' financial instruments and are summarized in the following fair value hierarchy:

- Level 1 – quoted prices in active markets for identical financial instruments
- Level 2 – other significant observable inputs (including quoted prices for similar financial instruments, interest rates, prepayment speed, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the Funds' own assumptions in determining the fair value of financial instruments)

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

A summary of inputs used as of April 30, 2024, in valuing the Funds' assets carried at fair value, is as follows:

	Level 1	Level 2	Level 3	Total
Franklin Biotechnology Discovery Fund				
Assets:				
Investments in Securities:				
Common Stocks:				
Biotechnology	\$648,359,225	\$12,045,783	\$8,131,983	\$668,536,991
Health Care Providers & Services	5,820,588	—	—	5,820,588
Life Sciences Tools & Services	29,426,176	2,175,411	—	31,601,587
Pharmaceuticals	125,730,089	7,163,141	—	132,893,230
Real Estate Management & Development	—	—	1,754,576	1,754,576
Preferred Stocks:				
Health Care Providers & Services	—	—	946,196	946,196
Life Sciences Tools & Services	—	2,750,653	—	2,750,653
Warrants:				
Biotechnology	—	2,626,913	3,992,630	6,619,543
Pharmaceuticals	21,036	—	—	21,036
Escrows and Litigation Trusts	—	—	— ^a	—

10. Fair Value Measurements (continued)

	Level 1	Level 2	Level 3	Total
Franklin Biotechnology Discovery Fund (continued)				
Assets: (continued)				
Investments in Securities:				
Short Term Investments	\$34,527,358	\$—	\$—	\$34,527,358
Total Investments in Securities	\$843,884,472	\$26,761,901 ^b	\$14,825,385	\$885,471,758
	Level 1	Level 2	Level 3	Total
Franklin Natural Resources Fund				
Assets:				
Investments in Securities:				
Common Stocks:				
Agricultural Products & Services	\$3,987,876	\$—	\$—	\$3,987,876
Construction & Engineering	3,910,045	—	—	3,910,045
Construction Materials	4,109,490	—	—	4,109,490
Copper	22,912,287	3,368,891	—	26,281,178
Diversified Chemicals	3,194,854	—	—	3,194,854
Diversified Metals & Mining	16,936,941	5,785,493	—	22,722,434
Electrical Components & Equipment	3,997,669	—	—	3,997,669
Environmental & Facilities Services	113,856	—	—	113,856
Fertilizers & Agricultural Chemicals	7,989,918	—	—	7,989,918
Gold	23,286,307	—	—	23,286,307
Heavy Electrical Equipment	370,470	—	—	370,470
Industrial Gases	8,919,092	—	—	8,919,092
Industrial Machinery & Supplies & Components	2,600,930	—	—	2,600,930
Integrated Oil & Gas	61,319,326	—	—	61,319,326
Metal, Glass & Plastic Containers	4,582,633	—	—	4,582,633
Oil & Gas Drilling	7,554,125	—	—	7,554,125
Oil & Gas Equipment & Services	38,220,948	2,669,652	—	40,890,600
Oil & Gas Exploration & Production	81,590,922	2,570,915	—	84,161,837
Oil & Gas Refining & Marketing	22,811,145	—	—	22,811,145
Oil & Gas Storage & Transportation	26,947,296	—	—	26,947,296
Packaged Foods & Meats	950,076	—	—	950,076
Paper & Plastic Packaging Products & Materials	2,162,250	—	—	2,162,250
Specialty Chemicals	2,856,613	—	—	2,856,613
Steel	2,426,698	—	—	2,426,698
Convertible Preferred Stocks	1,689,996	—	—	1,689,996
Warrants	792,970	—	—	792,970
Convertible Bonds	—	1,119,600	—	1,119,600
Short Term Investments	6,843,350	—	—	6,843,350
Total Investments in Securities	\$363,078,083	\$15,514,551 ^c	\$—	\$378,592,634

^a Includes financial instruments determined to have no value.

^b Includes foreign securities valued at \$4,926,064, which were categorized as Level 2 as a result of the application of market level fair value procedures. See the Financial Instrument Valuation note for more information.

^c Includes foreign securities valued at \$14,394,951, which were categorized as Level 2 as a result of the application of market level fair value procedures. See the Financial Instrument Valuation note for more information.

A reconciliation in which Level 3 inputs are used in determining fair value is presented when there are significant Level 3 assets and/or liabilities at the beginning and/or end of the year. At April 30, 2024, the reconciliation is as follows:

10. Fair Value Measurements (continued)

	Balance at Beginning of Year	Purchases ^a	Sales ^b	Transfer Into Level 3	Transfer Out of Level 3	Net Accretion (Amortiza- tion)	Net Realized Gain (Loss)	Net Unrealized Appreciation (Depreciation)	Balance at End of Year	Net Change in Unrealized Appreciation (Depreciation) on Assets Held at Year End
Franklin Biotechnology Discovery Fund										
Assets:										
Investments in Securities:										
Common Stocks:										
Biotechnology	\$—	\$3,429,372 ^c	\$(52,190)	\$—	\$—	\$—	\$52,190	\$4,702,611	\$8,131,983	\$4,702,611
Real Estate										
Management & Development	—	1,754,576	—	—	—	—	—	—	1,754,576	—
Convertible Preferred Stocks:										
Biotechnology	1,435,375	2,336,873	(4,425,853)	—	—	—	(15)	653,620	—	—
Preferred Stocks:										
Health Care Providers & Services	829,888	—	—	—	—	—	—	116,308	946,196	116,308
Warrants:										
Biotechnology	1,824,053	53	(22) ^c	—	—	—	22	2,168,524	3,992,630	3,625,775
Escrows and Litigation Trusts:	— ^c	—	(776,290)	—	—	—	766,542	9,748	— ^c	—
Total Investments in Securities	\$4,089,316	\$7,520,874	\$(5,254,355)	\$—	\$—	\$—	\$818,739	\$7,650,811	\$14,825,385	\$8,444,694

^aPurchases include all purchases of securities and securities received in corporate actions.

^bSales include all sales of securities, maturities, paydowns and securities tendered in corporate actions.

^cIncludes financial instruments determined to have no value.

Significant unobservable valuation inputs for material Level 3 assets and/or liabilities and impact to fair value as a result of changes in unobservable valuation inputs as of April 30, 2024, are as follows:

Description	Fair Value at End of Year	Valuation Technique	Unobservable Inputs	Amount	Impact to Fair Value if Input Increases ^a
Franklin Biotechnology Discovery Fund					
Assets:					
Investments in Securities:					
Common Stocks:					
Biotechnology	\$6,207,577	Discount for lack of marketability	Asset Price	\$2.1	Increase
			Discount for lack of marketability	6.3%	Decrease
All Other Investments	8,617,808 ^{b,c}				
Total	\$14,825,385				

10. Fair Value Measurements (continued)

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

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

^cIncludes financial instruments determined to have no value.

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
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Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Franklin Strategic Series and Shareholders of Franklin Biotechnology Discovery Fund and Franklin Natural Resources Fund

Opinions on the Financial Statements

We have audited the accompanying statements of assets and liabilities, including the schedules of investments, of Franklin Biotechnology Discovery Fund and Franklin Natural Resources Fund (two of the funds constituting Franklin Strategic Series, hereafter collectively referred to as the "Funds") as of April 30, 2024, the related statements of operations for the year ended April 30, 2024, the statements of changes in net assets for each of the two years in the period ended April 30, 2024, including the related notes, and the financial highlights for each of the five years in the period ended April 30, 2024 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of each of the Funds as of April 30, 2024, the results of each of their operations for the year then ended, the changes in each of their net assets for each of the two years in the period ended April 30, 2024 and each of the financial highlights for each of the five years in the period ended April 30, 2024 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

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

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of April 30, 2024 by correspondence with the custodian, transfer agent and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinions.

/s/PricewaterhouseCoopers LLP
San Francisco, California
June 20, 2024

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

Tax Information (unaudited)

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

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

The Funds hereby report the following amounts, or if subsequently determined to be different, the maximum allowable amounts, for the fiscal year ended April 30, 2024:

	Pursuant to:	Franklin Biotechnology Discovery Fund	Franklin Natural Resources Fund
Income Eligible for Dividends Received Deduction (DRD)	§854(b)(1)(A)	\$3,405,717	\$6,362,611
Qualified Dividend Income Earned (QDI)	§854(b)(1)(B)	\$4,006,085	\$10,671,861
Section 163(j) Interest Dividends Earned	§163(j)	—	\$36,201

Board Members and Officers

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

Independent Board Members

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member ¹	Other Directorships Held During at Least the Past 5 Years
Harris J. Ashton (1932) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 1991	117	Bar-S Foods (meat packing company) (1981-2010).
Principal Occupation During at Least the Past 5 Years: Director of various companies; and formerly , Director, RBC Holdings, Inc. (bank holding company) (until 2002); and President, Chief Executive Officer and Chairman of the Board, General Host Corporation (nursery and craft centers) (until 1998).				
Terrence J. Checki (1945) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2017	117	Hess Corporation (exploration of oil and gas) (2014-present).
Principal Occupation During at Least the Past 5 Years: Member of the Council on Foreign Relations (1996-present); Member of the National Committee on U.S.-China Relations (1999-present); member of the board of trustees of the Economic Club of New York (2013-present); member of the board of trustees of the Foreign Policy Association (2005-present); member of the board of directors of Council of the Americas (2007-present) and the Tallberg Foundation (2018-present); and formerly , Executive Vice President of the Federal Reserve Bank of New York and Head of its Emerging Markets and Internal Affairs Group and Member of Management Committee (1995-2014); and Visiting Fellow at the Council on Foreign Relations (2014).				
Mary C. Choksi (1950) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2014	117	Omnicom Group Inc. (advertising and marketing communications services) (2011-present) and White Mountains Insurance Group, Ltd. (holding company) (2017-present); and formerly , Avis Budget Group Inc. (car rental) (2007-2020).
Principal Occupation During at Least the Past 5 Years: Director of various companies; and formerly , Founder and Senior Advisor, Strategic Investment Group (investment management group) (2015-2017); Founding Partner and Senior Managing Director, Strategic Investment Group (1987-2015); Founding Partner and Managing Director, Emerging Markets Management LLC (investment management firm) (1987-2011); and Loan Officer/Senior Loan Officer/Senior Pension Investment Officer, World Bank Group (international financial institution) (1977-1987).				

Independent Board Members (continued)

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member ¹	Other Directorships Held During at Least the Past 5 Years
Edith E. Holiday (1952) One Franklin Parkway San Mateo, CA 94403-1906	Lead Independent Trustee	Trustee since 1998 and Lead Independent Trustee since 2019	117	Hess Corporation (exploration of oil and gas) (1993-present); Santander Holdings USA (holding company) (2019-present); and formerly , Santander Consumer USA Holdings, Inc. (consumer finance) (2016-2023), Canadian National Railway (railroad) (2001-2021), White Mountains Insurance Group, Ltd. (holding company) (2004-2021), RTI International Metals, Inc. (manufacture and distribution of titanium) (1999-2015) and H.J. Heinz Company (processed foods and allied products) (1994-2013).

Principal Occupation During at Least the Past 5 Years:

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

J. Michael Luttig (1954) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2009	117	Boeing Capital Corporation (aircraft financing) (2006-2010).
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Principal Occupation During at Least the Past 5 Years:

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

Larry D. Thompson (1945) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2007	117	Graham Holdings Company (education and media organization) (2011-2021); The Southern Company (energy company) (2014-2020; previously 2010-2012) and Cbeyond, Inc. (business communications provider) (2010-2012).
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Principal Occupation During at Least the Past 5 Years:

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

Independent Board Members (continued)

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member ¹	Other Directorships Held During at Least the Past 5 Years
Valerie M. Williams (1956) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2021	107	Omnicom Group, Inc. (advertising and marketing communications services) (2016-present), DTE Energy Co. (gas and electric utility) (2018-present), Devon Energy Corporation (exploration and production of oil and gas) (2021-present); and formerly , WPX Energy, Inc. (exploration and production of oil and gas) (2018-2021).

Principal Occupation During at Least the Past 5 Years:

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

Interested Board Members and Officers

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member ¹	Other Directorships Held During at Least the Past 5 Years
Gregory E. Johnson² (1961) One Franklin Parkway San Mateo, CA 94403-1906	Chairman of the Board and Trustee	Chairman of the Board since 2023 and Trustee since 2013	126	None

Principal Occupation During at Least the Past 5 Years:

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

Rupert H. Johnson, Jr.³ (1940) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 1991	117	None
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Principal Occupation During at Least the Past 5 Years:

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

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

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

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

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

Interested Board Members and Officers (continued)

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member ¹	Other Directorships Held During at Least the Past 5 Years
Susan Kerr (1949) 280 Park Avenue New York, NY 10017	Vice President – AML Compliance	Since 2021	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Senior Compliance Analyst, Franklin Templeton; Chief Anti-Money Laundering Compliance Officer, Legg Mason & Co., or its affiliates; Anti Money Laundering Compliance Officer; Senior Compliance Officer, Franklin Distributors, LLC; and officer of certain funds in the Franklin Templeton fund complex.				
Christopher Kings (1974) One Franklin Parkway San Mateo, CA 94403-1906	Chief Executive Officer – Finance and Administration	Since January 2024	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Senior Vice President, Franklin Templeton Services, LLC; and officer of certain funds in the Franklin Templeton fund complex.				
Edward D. Perks (1970) One Franklin Parkway San Mateo, CA 94403-1906	President and Chief Executive Officer – Investment Management	Since 2018	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: President and Director, Franklin Advisers, Inc.; and officer of certain funds in the Franklin Templeton fund complex.				
Navid J. Tofigh (1972) One Franklin Parkway San Mateo, CA 94403-1906	Vice President and Secretary	Vice President since 2015 and Secretary since June 2023	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Senior Associate General Counsel, Franklin Templeton; and officer of certain funds in the Franklin Templeton fund complex.				
Jeffrey W. White (1971) One Franklin Parkway San Mateo, CA 94403-1906	Chief Financial Officer, Chief Accounting Officer and Treasurer	Since January 2024	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Chief Financial Officer, Chief Accounting Officer & Treasurer and officer of certain funds in the Franklin Templeton/Legg Mason fund complex; and formerly , Director and Assistant Treasurer within Franklin Templeton Global Fund Tax and Fund Administration and Financial Reporting (2017-2023).				

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

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

1. Information is for the calendar year ended December 31, 2023, unless otherwise noted. We base the number of portfolios on each separate series of the U.S. registered investment companies within the Franklin Templeton fund complex. These portfolios have a common investment manager or affiliated investment managers.

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

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

The Sarbanes-Oxley Act of 2002 and Rules adopted by the Securities and Exchange Commission require the Fund to disclose whether the Fund's Audit Committee includes at least one member who is an audit committee financial expert within the meaning of such Act and Rules. The Fund's Board has determined that there is at least one such financial expert on the Audit Committee and has designated Mary C. Choksi as its audit committee financial expert. The Board believes that Ms. Choksi qualifies as such an expert in view of her extensive business background and experience. She served as a director of Avis Budget

Interested Board Members and Officers (continued)

Group, Inc. (2007 to 2020) and formerly, Founder and Senior Advisor, Strategic Investment Group (1987 to 2017). Ms. Choksi has been a Member of the Fund's Audit Committee since 2014. As a result of such background and experience, the Board believes that Ms. Choksi has acquired an understanding of generally accepted accounting principles and financial statements, the general application of such principles in connection with the accounting estimates, accruals and reserves, and analyzing and evaluating financial statements that present a breadth and level of complexity of accounting issues generally comparable to those of the Fund, as well as an understanding of internal controls and procedures for financial reporting and an understanding of audit committee functions. Ms. Choksi is an independent Board member as that term is defined under the relevant Securities and Exchange Commission Rules and Releases.

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

Shareholder Information

BOARD APPROVAL OF INVESTMENT MANAGEMENT AGREEMENTS

FRANKLIN STRATEGIC SERIES

Franklin Biotechnology Discovery Fund

Franklin Natural Resources Fund

(each a Fund)

At an in-person meeting held on April 16, 2024 (Meeting), the Board of Trustees (Board) of Franklin Strategic Series (Trust), including a majority of the trustees who are not "interested persons" as defined in the Investment Company Act of 1940 (Independent Trustees), reviewed and approved the continuance of the investment management agreement between Franklin Advisers, Inc. (Manager) and the Trust, on behalf of each Fund (each a Management Agreement) for an additional one-year period. The Independent Trustees received advice from and met separately with Independent Trustee counsel in considering whether to approve the continuation of each Management Agreement. Although the Management Agreements for the Funds were considered at the same Board meeting, the Board considered the information provided to it about the Funds together and with respect to each Fund separately as the Board deemed appropriate.

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

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

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

Nature, Extent and Quality of Services

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

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

market environment, as well as project initiatives and capital investments relating to the services provided to the Funds by the FT organization. The Board specifically noted FT's commitment to technological innovation and advancement, including its initiative to create a new enterprise-wide artificial intelligence platform.

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

Fund Performance

The Board reviewed and considered the performance results of each Fund over various time periods ended December 31, 2023. The Board considered the performance returns for each Fund in comparison to the performance returns of mutual funds deemed comparable to the Fund included in a universe (Performance Universe) selected by Broadridge Financial Solutions, Inc. (Broadridge), an independent provider of investment company data. The Board received a description of the methodology used by Broadridge to select the mutual funds included in a Performance Universe. The Board also reviewed and considered Fund performance reports provided and discussions that occurred with portfolio managers at Board meetings throughout the year. A summary of each Fund's performance results is below.

Franklin Biotechnology Discovery Fund - The Performance Universe for the Fund included the Fund and all retail and institutional health/biotechnology funds. The Board noted that the Fund's annualized total return for the one-year period was above the median and in the first (best) quintile of its Performance Universe, but for the three-, five- and 10-year periods was below the median of its Performance Universe. The Board discussed this performance with management and management explained that the Fund invests at least 80% of its net assets in securities of biotechnology companies and discovery research firms, while the Performance Universe is comprised mostly of general healthcare funds, noting that healthcare securities outperformed biotechnology securities during the reporting periods. Management also noted that the Fund outperformed its benchmark and narrow peer group of biotechnology-only sector funds in the one- and five-year periods ending December 31, 2023. The Board noted that the Fund's annualized total return for the one-year period ending December 31, 2023 was 18.40%. The Board concluded that the Fund's performance was satisfactory.

Franklin Natural Resources Fund - The Performance Universe for the Fund included the Fund and all retail and institutional global natural resources funds. The Board noted that the Fund's annualized total return for the one- and three-year periods was above the median of its Performance Universe, but for the five- and 10-year periods was below the median of its Performance Universe. The Board concluded that the Fund's performance was satisfactory.

Comparative Fees and Expenses

The Board reviewed and considered information regarding each Fund's actual total expense ratio and its various components, including, as applicable, management fees; transfer agent expenses; underlying fund expenses; Rule 12b-1 and non-Rule 12b-1 service fees; and other non-management fees. The Board also noted the quarterly and annual reports it receives on all marketing support payments made by FT to financial intermediaries. The Board considered the actual total expense ratio and, separately, the contractual management fee rate, without the effect of fee waivers, if any (Management Rate) of each Fund in comparison to the median expense ratio and median Management Rate, respectively, of other mutual funds deemed comparable to and with a similar expense structure to the Fund selected by Broadridge (Expense Group). Broadridge fee and expense data is based upon information taken from each fund's most recent annual or semi-annual report, which reflects historical asset levels that may be quite different from those currently existing, particularly in a period of market volatility. While recognizing such inherent limitation and the fact that expense ratios and Management Rates generally increase as assets decline and decrease as assets grow, the Board believed the independent analysis conducted by Broadridge to be an appropriate measure of comparative fees and expenses. The Broadridge Management Rate includes administrative charges, and the actual total expense ratio, for comparative consistency, was shown for Class A shares for each Fund and for each of the other funds in each Fund's respective Expense Group. The Board received a description of the methodology used by Broadridge to select the mutual funds included in an Expense Group.

The Expense Group for the Franklin Biotechnology Discovery Fund included the Fund and eight other health/biotechnology funds. The Expense Group for the Franklin Natural Resources Fund included the Fund, five other global natural resources funds and three natural resources funds. The Board noted that the Management Rates and actual

total expense ratios for the Funds were below the medians of their respective Expense Groups. The Board concluded that the Management Rates charged to the Funds are reasonable.

Profitability

The Board reviewed and considered information regarding the profits realized by the Manager and its affiliates in connection with the operation of each Fund. In this respect, the Board considered the Fund profitability analysis provided by the Manager that addresses the overall profitability of FT's US fund business, as well as its profits in providing investment management and other services to each of the individual funds during the 12-month period ended September 30, 2023, being the most recent fiscal year-end for FRI. The Board noted that although management continually makes refinements to its methodologies used in calculating profitability in response to organizational and product-related changes, the overall methodology has remained consistent with that used in the Funds' profitability report presentations from prior years. The Board also noted that an independent registered public accounting firm has been engaged by the Manager to periodically review and assess the allocation methodologies to be used solely by the Funds' Board with respect to the profitability analysis.

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

The Board also considered the extent to which the Manager and its affiliates might derive ancillary benefits from fund operations, including revenues generated from transfer agent services, potential benefits resulting from personnel and systems enhancements necessitated by fund growth, as well as increased leverage with service providers and counterparties. Based upon its consideration of all these

factors, the Board concluded that the level of profits realized by the Manager and its affiliates from providing services to each Fund was not excessive in view of the nature, extent and quality of services provided to each Fund.

Economies of Scale

The Board reviewed and considered the extent to which the Manager may realize economies of scale, if any, as each Fund grows larger and whether each Fund's management fee structure reflects any economies of scale for the benefit of shareholders. With respect to possible economies of scale, the Board noted the existence of management fee breakpoints, which operate generally to share any economies of scale with a Fund's shareholders by reducing the Fund's effective management fees as the Fund grows in size. The Board considered the Manager's view that any analyses of potential economies of scale in managing a particular fund are inherently limited in light of the joint and common costs and investments the Manager incurs across the FT family of funds as a whole. The Board noted that the Franklin Biotechnology Discovery Fund had experienced a significant decrease in assets and would not be expected to demonstrate additional economies of scale in the near term, but concluded that to the extent economies of scale may be realized by the Manager and its affiliates, each Fund's management fee structure provided a sharing of benefits with the Fund and its shareholders as the Fund grows.

Conclusion

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

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.



Annual Report and Shareholder Letter
Franklin Strategic Series

Investment Manager
Franklin Advisers, Inc.

Distributor
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