FRANKLIN TEMPLETON

Franklin Strategic Series

Financial Statements and Other Important Information

Annual | August 31, 2025

Franklin Templeton SMACS: Series CH

Franklin Templeton SMACS: Series E

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Franklin Templeton SMACS: Series I

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Financial Highlights

Franklin Templeton SMACS: Series CH

	Year Ended August 31,				
	2025	2024	2023	2022	2021
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	$8.96	$8.52	$8.85	$10.51	$9.82
Income from investment operations[a]:					
Net investment income[b]	0.48	0.45	0.39	0.36	0.35
Net realized and unrealized gains (losses)	(0.60)	0.43	(0.32)	(1.66)	0.69
Total from investment operations	(0.12)	0.88	0.07	(1.30)	1.04
Less distributions from:					
Net investment income	(0.47)	(0.44)	(0.40)	(0.36)	(0.35)
Net asset value, end of year	$8.37	$8.96	$8.52	$8.85	$10.51
Total return	(1.39)%	10.75%	0.85%	(12.61)%	10.75%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	0.55%	0.50%	2.48%	2.37%	3.11%
Expenses net of waiver and payments by affiliates[c]	—%	—%	—%	—%	—%
Net investment income	5.49%	5.27%	4.56%	3.71%	3.44%
Supplemental data					
Net assets, end of year (000's)	$27,407	$22,910	$3,898	$2,957	$3,512
Portfolio turnover rate	28.21%	38.97%	45.25%	5.65%	2.74%

[a]The 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.
[b]Based on average daily shares outstanding.
[c]Benefit of expense reduction rounds to less than 0.01%.

Schedule of Investments, August 31, 2025

Franklin Templeton SMACS: Series CH

	Principal Amount	Value
Corporate Bonds 0.9%		
Diversified Consumer Services 0.9%		
Grand Canyon University, Secured Note, 5.125%, 10/01/28	$250,000	$246,235
Total Corporate Bonds (Cost $232,858)		**246,235**
Municipal Bonds 96.9%		
Arizona 1.9%		
[a]Maricopa County Industrial Development Authority, Grand Canyon University Obligated Group, Revenue, 144A, 2024, 7.375%, 10/01/29	505,000	530,416
California 94.3%		
[a]California Community College Financing Authority, NCCD-Napa Valley Properties LLC, Revenue, 144A, 2022 A, 5.75%, 7/01/60	500,000	409,437
[a]California Community Housing Agency,		
Annadel Apartments, Revenue, 144A, 2019 A, 5%, 4/01/49	1,200,000	971,942
Brio Apartments & Next on Lex Apartments, Revenue, 144A, 2021 A-2, 4%, 8/01/47	200,000	146,021
Mira Vista Hills Apartments, Revenue, 144A, 2021 A, 4%, 2/01/56	300,000	147,469
Serenity at Larkspur Apartments, Revenue, 144A, 2020 A, 5%, 2/01/50	1,000,000	649,521
[b] Twin Creek Apartments, Revenue, Senior Lien, 144A, 2022 A-2, 8.06%, 8/01/65	1,250,000	42,561
California Educational Facilities Authority, St. Mary's College of California, Revenue, 2023 A, Refunding, 5.5%, 10/01/53	1,000,000	938,948
[a]California Enterprise Development Authority, Real Journey Academies Obligated Group, Revenue, 144A, 2024 A, 5%, 6/01/54	500,000	445,162
[a,c]California Infrastructure & Economic Development Bank, Desertxpress Enterprises LLC, Revenue, 144A, 2025 A, Refunding, Mandatory Put, 9.5%, 1/01/35	285,000	262,068
California Municipal Finance Authority,		
[d] 8%, 12/01/42	600,000	603,985
[a] Revenue, 144A, 2025 B, 7.375%, 8/01/37	300,000	300,130
Special Tax, 2024 D, 5%, 9/01/54	380,000	361,084
[a] Ascent 613, Revenue, 144A, 2025 A, 5.375%, 1/01/55	500,000	454,326
BOLD Program, Special Tax, 2022 B, Refunding, 6%, 9/01/52	150,000	155,471
BOLD Program, Special Tax, 2022 C, 6.25%, 9/01/52	150,000	157,635
BOLD Program, Special Tax, 2022 D, 6.125%, 9/01/52	150,000	156,553
BOLD Program, Special Tax, 2023 A, 5.5%, 9/01/53	100,000	102,346
BOLD Program, Special Tax, 2023 C, 5.25%, 9/01/53	1,000,000	994,391
BOLD Program, Special Tax, 2024 A, 5%, 9/01/48	100,000	97,793
[a] Claremont Graduate University, Revenue, 144A, 2020 B, Refunding, 5%, 10/01/49	125,000	108,719
Community Facilities District No. 2021-6 Improvement Area No. 2, Special Tax, 2022, 6%, 9/01/52	150,000	155,471
[e] Community Facilities District No. 2022-6 Improvement Area No. 2, Special Tax, 2025, 5.375%, 9/01/55	200,000	198,670
Community Facilities District No. 2023-5 Area No. 1, Special Tax, 2023, 5.8%, 9/01/53	1,000,000	1,036,295
Community Facilities District No. 2023-5 Improvement Area No. 2, Special Tax, 2024, 5%, 9/01/54	500,000	475,110
[a,b] IH Parkside Fairfield LLC, Revenue, 144A, 2023 B, 2.617%, 9/01/43	250,000	178,109
[a] St. Mary and All Angels Christian Church, Revenue, 144A, 2024 A, 5.75%, 5/01/54	200,000	193,819
[a] Westside Neighborhood School, Revenue, 144A, 2024, 6.375%, 6/15/64	250,000	257,616
[a]California Public Finance Authority, Kendal at Sonoma Obligated Group, Revenue, 144A, 2021 A, Refunding, 5%, 11/15/46	1,250,000	1,088,226
[a]California School Finance Authority,		
Integrity Charter School, Revenue, 144A, 2024, 5.6%, 7/01/64	500,000	445,460
Orange County Educational Arts Academy, Revenue, 144A, 2023 A, Refunding, 5.875%, 6/01/53	100,000	96,017
California Statewide Communities Development Authority,		
Special Tax, 2023 A, 5.25%, 9/01/51	100,000	100,347
Community Facilities District No. 2021-1, Special Tax, 2023, 5%, 9/01/53	150,000	145,847
Community Facilities District No. 2022-03, Special Tax, 2023, 5%, 9/01/53	150,000	145,202

Franklin Templeton SMACS: Series CH (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
California (continued)		
California Statewide Communities Development Authority, (continued)		
Community Facilities District No. 2022-07 Improvement Area No. 1, Special Tax, 2023, 5%, 9/01/53	$150,000	$146,713
Community Facilities District No. 2023-08 Improvement Area No. 1, Special Tax, 2025, 5.25%, 9/01/55	300,000	292,918
Community Facilities District No. 2024-9, Special Tax, 2024, 5%, 9/01/54	100,000	95,447
Community Infrastructure Program Assessment District No. 20-02, Special Assessment, 2023, 5.75%, 9/02/53	1,000,000	1,010,298
[c] Foothill Oak Park Apartments LLC, Revenue, 2025 H-S-A, Mandatory Put, 7.5%, 3/01/36	300,000	295,311
[a] Loma Linda University Medical Center Obligated Group, Revenue, 144A, 2016 A, 5.25%, 12/01/56	250,000	228,236
[a] NCCD-Hooper Street LLC, Revenue, 144A, 2019, 5.25%, 7/01/49	100,000	94,964
[a] NCCD-Hooper Street LLC, Revenue, 144A, 2019, 5.25%, 7/01/52	200,000	187,273
Chino Community Facilities District, Community Facilities District No. 2021-1, Special Tax, 2023, 5.625%, 9/01/53	1,000,000	1,029,586
[a]City & County of San Francisco,		
Community Facilities District No. 2016-1 Improvement Area No. 2, Special Tax, 144A, 2023 A, 5.25%, 9/01/48	965,000	961,793
District No. 2020-1 Shoreline Tax Zone 1, Special Tax, 144A, 2023 C, 5.75%, 9/01/53	1,500,000	1,536,800
City of Dublin, Community Facilities District No. 2015-1 Improvement Area No. 5, Special Tax, 2023, 5.375%, 9/01/51	1,250,000	1,262,951
City of Lake Elsinore, Community Facilities District No. 2006-8, Special Tax, 2023, 5%, 9/01/53	150,000	145,631
City of Rancho Cordova, Arista Del Sol Community Facilities District No. 2022-1 Improvement Area No. 1, Special Tax, 2023, 5.375%, 9/01/53	200,000	202,047
[a]CSCDA Community Improvement Authority,		
CTR City Anaheim, Revenue, 144A, 2020 A, 5%, 1/01/54	400,000	346,165
Dublin, Revenue, 144A, 2021 B, 4%, 2/01/57	140,000	100,461
Galt Community Facilities District, City of Galt Community Facilities District No. 2020-2 Improvement Area No. 1, Special Tax, 2023 A, 6%, 9/01/53	1,500,000	1,559,936
Lammersville Joint Unified School District, Community Facilities District No. 2024-1, Special Tax, 2025, 5.25%, 9/01/55	250,000	247,393
[a]Los Angeles Housing Authority, Housing Pathways, Inc., Revenue, 144A, 2024 B, 6%, 12/01/62	600,000	545,652
Moreno Valley Unified School District,		
Community Facilities District No. 2022-1, Special Tax, 2025, 5.125%, 9/01/55	250,000	240,203
Community Facilities District No. 2023-1, Special Tax, 2025, 5%, 9/01/55	250,000	239,159
Orange County Community Facilities District, Community Facilities District No. 2023-1, Special Tax, 2023 A, 5.5%, 8/15/53	1,000,000	1,016,144
River Islands Public Financing Authority,		
Community Facilities District 2023-1 Area No. 1, Special Tax, 2023, 5.625%, 9/01/53	1,000,000	1,014,545
Community Facilities District No. 2023-1 Improvement Area No. 2, Special Tax, 2024, 5%, 9/01/54	670,000	631,008
Root Creek Water District, Community Facilities District No. 2016-1 Improvement Area No. 3, Special Tax, 2025, 5.25%, 9/01/55	225,000	219,689
Washington Township Health Care District, Revenue, 2023 A, 5.75%, 7/01/48	150,000	155,482
		25,827,556
Florida 0.2%		
[a,c]Florida Development Finance Corp., AAF Operations Holdings LLC, Revenue, 144A, 2024, Refunding, Mandatory Put, 14%, 7/15/28	100,000	62,000

Franklin Templeton SMACS: Series CH (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
U.S. Territories 0.5%		
Puerto Rico 0.5%		
GDB Debt Recovery Authority of Puerto Rico, 7.5%, 8/20/40	$135,148	$130,497
Total Municipal Bonds (Cost $26,780,073)		**26,550,469**
Total Long Term Investments (Cost $27,012,931)		**26,796,704**
Short Term Investments 1.5%		
Municipal Bonds 1.5%		
California 1.5%		
[f]Los Angeles Department of Water & Power, Power System, Revenue, 2023 F-1, Refunding, SPA JPMorgan Chase Bank NA, Daily VRDN and Put, 2.75%, 7/01/48	400,000	400,000
Total Municipal Bonds (Cost $400,000)		**400,000**
Total Short Term Investments (Cost $400,000)		**400,000**
Total Investments (Cost $27,412,931) 99.3%		**$27,196,704**
Other Assets, less Liabilities 0.7%		**210,147**
Net Assets 100.0%		**$27,406,851**

See Abbreviations on page 47.

[a] Security 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 August 31, 2025, the aggregate value of these securities was $10,790,363, representing 39.4% of net assets.
[b] The rate shown represents the yield at period end.
[c] The maturity date shown represents the mandatory put date.
[d] Fair valued using significant unobservable inputs. See Note 12 regarding fair value measurements.
[e] Security purchased on a when-issued basis. See Note 1(c).
[f] Variable rate demand notes (VRDN) are obligations which contain a floating or variable interest rate adjustment formula and an unconditional right of demand to receive payment of the principal balance plus accrued interest at specified dates. Unless otherwise noted, the coupon rate is determined based on factors including supply and demand, underlying credit, tax treatment, and current short term rates. The coupon rate shown represents the rate at period end.

Financial Highlights

Franklin Templeton SMACS: Series E

	Year Ended August 31,				
	2025	2024	2023	2022	2021
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	$12.77	$11.56	$11.29	$12.77	$10.15
Income from investment operations[a]:					
Net investment income[b]	0.33	0.37	0.42	0.37	0.35
Net realized and unrealized gains (losses)	1.18	1.60	0.75	(0.31)	2.72
Total from investment operations	1.51	1.97	1.17	0.06	3.07
Less distributions from:					
Net investment income	(0.80)	(0.76)	(0.72)	(0.83)	(0.45)
Net realized gains	—	—	(0.18)	(0.71)	—
Tax return of capital	—	—	(—)[c]	—	—
Total distributions	(0.80)	(0.76)	(0.90)	(1.54)	(0.45)
Net asset value, end of year	$13.48	$12.77	$11.56	$11.29	$12.77
Total return	12.34%	17.78%	10.81%	0.38%	30.95%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	0.08%	0.10%	0.27%	1.36%	2.19%
Expenses net of waiver and payments by affiliates	—%	—%	—%[d]	—%	—%[d]
Net investment income	2.62%	3.12%	3.70%	3.11%	3.05%
Supplemental data					
Net assets, end of year (000's)	$413,849	$217,932	$61,992	$12,863	$5,155
Portfolio turnover rate	103.34%	93.40%	123.80%	117.70%	49.90%

[a]The 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.
[b]Based on average daily shares outstanding.
[c]Amount rounds to less than $0.01 per share.
[d]Benefit of expense reduction rounds to less than 0.01%.

Schedule of Investments, August 31, 2025

Franklin Templeton SMACS: Series E

	Country	Shares	Value
Common Stocks 41.3%			
Aerospace & Defense 5.7%			
[a]Boeing Co. (The)	United States	15,000	$3,520,200
Northrop Grumman Corp.	United States	10,000	5,900,400
TransDigm Group, Inc.	United States	10,000	13,988,800
			23,409,400
Banks 2.9%			
Fifth Third Bancorp	United States	135,000	6,178,950
Truist Financial Corp.	United States	69,000	3,230,580
US Bancorp	United States	50,000	2,441,500
			11,851,030
Biotechnology 1.0%			
AbbVie, Inc.	United States	20,000	4,208,000
Capital Markets 0.7%			
BlackRock, Inc.	United States	2,500	2,817,850
Electric Utilities 1.1%			
NextEra Energy, Inc.	United States	25,002	1,801,394
Xcel Energy, Inc.	United States	40,000	2,895,600
			4,696,994
Energy Equipment & Services 2.2%			
Schlumberger NV	United States	245,000	9,025,800
Ground Transportation 1.0%			
Norfolk Southern Corp.	United States	15,000	4,199,700
Health Care Equipment & Supplies 2.1%			
Abbott Laboratories	United States	20,000	2,653,200
Medtronic plc	United States	65,000	6,032,650
			8,685,850
Health Care Providers & Services 2.5%			
UnitedHealth Group, Inc.	United States	33,000	10,225,710
Hotels, Restaurants & Leisure 1.5%			
McDonald's Corp.	United States	20,000	6,270,800
Interactive Media & Services 1.0%			
Alphabet, Inc., A	United States	20,000	4,258,200
IT Services 1.6%			
Accenture plc, A	Ireland	25,000	6,499,250
Machinery 0.6%			
Caterpillar, Inc.	United States	6,000	2,514,240
Media 0.6%			
Comcast Corp., A	United States	70,000	2,377,900
Metals & Mining 0.6%			
Newmont Corp.	United States	35,000	2,604,000
Oil, Gas & Consumable Fuels 4.9%			
Chevron Corp.	United States	25,000	4,015,000
Shell plc	United States	225,000	8,284,358
TotalEnergies SE, ADR	France	130,000	8,157,500
			20,456,858
Pharmaceuticals 3.8%			
AstraZeneca plc, ADR	United Kingdom	45,000	3,595,500
Bristol-Myers Squibb Co.	United States	36,987	1,745,047
Merck & Co., Inc.	United States	80,000	6,729,600

Franklin Templeton SMACS: Series E (continued)

	Country	Shares	Value
Common Stocks (continued)			
Pharmaceuticals (continued)			
Pfizer, Inc..	United States	150,000	$3,714,000
			15,784,147
Semiconductors & Semiconductor Equipment 3.7%			
Analog Devices, Inc.	United States	21,200	5,327,772
Broadcom, Inc.	United States	20,000	5,947,800
Marvell Technology, Inc.	United States	62,000	3,897,630
			15,173,202
Software 0.6%			
Salesforce, Inc..	United States	10,000	2,562,500
Tobacco 3.2%			
Philip Morris International, Inc.	United States	80,000	13,370,400
Total Common Stocks (Cost $149,233,582)			**170,991,831**
[b]**Equity-Linked Securities 48.1%**			
Aerospace & Defense 1.9%			
[c]Citigroup Global Markets Holdings, Inc. into Boeing Co. (The), 144A, 8.5%, 12/08/25.	United States	24,452	4,399,641
[c]Goldman Sachs Bank USA into RTX Corp., 144A, 7.5%, 3/31/26	United States	25,000	3,561,539
			7,961,180
Air Freight & Logistics 0.2%			
[c]Toronto-Dominion Bank (The) into United Parcel Service, Inc., 144A, 10%, 8/05/26	United States	10,000	917,655
Banks 1.8%			
[c]JPMorgan Chase Bank NA into Truist Financial Corp., 144A, 9.5%, 3/02/26	United States	12,000	557,564
[c]Mizuho Markets Cayman LP into US Bancorp, 144A, 9%, 2/25/26	United States	65,000	3,172,772
[c]UBS AG into Bank of America Corp., 144A, 8%, 1/28/26	United States	78,000	3,852,306
			7,582,642
Biotechnology 0.7%			
[c]Mizuho Markets Cayman LP into Amgen, Inc., 144A, 10%, 6/15/26	United States	10,400	3,054,847
Broadline Retail 1.9%			
[c]Barclays Bank plc into Amazon.com, Inc., 144A, 10%, 3/25/26.	United States	12,500	2,758,147
[c]Toronto-Dominion Bank (The) into Amazon.com, Inc., 144A, 10%, 3/31/26	United States	22,800	4,978,100
			7,736,247
Chemicals 0.1%			
[c]BofA Finance LLC into Albemarle Corp., 144A, 12.5%, 8/28/26	United States	5,000	415,739
Communications Equipment 0.7%			
[c]Royal Bank of Canada into Cisco Systems, Inc., 144A, 7.5%, 3/18/26	United States	30,000	2,044,832
[c]Royal Bank of Canada into Cisco Systems, Inc., 144A, 8%, 9/17/25	United States	15,000	831,313
			2,876,145
Consumer Staples Distribution & Retail 0.8%			
[c]Toronto-Dominion Bank (The) into Target Corp., 144A, 12%, 6/30/26	United States	25,000	2,481,907

Franklin Templeton SMACS: Series E (continued)

	Country	Shares	Value
[b]**Equity-Linked Securities** (continued)			
Consumer Staples Distribution & Retail (continued)			
[c]UBS AG into Target Corp., 144A, 10%, 9/15/25	United States	7,300	$718,723
			3,200,630
Containers & Packaging 0.3%			
[c]BNP Paribas SA into International Paper Co., 144A, 9%, 10/20/25	United States	26,000	1,305,681
Energy Equipment & Services 1.2%			
[c]Barclays Bank plc into Halliburton Co., 144A, 10%, 5/21/26	United States	186,567	4,062,519
[c]Wells Fargo Bank NA into Schlumberger NV, 144A, 10%, 11/26/25	United States	25,000	937,558
			5,000,077
Health Care Equipment & Supplies 0.2%			
[c]Toronto-Dominion Bank (The) into Medtronic plc, 144A, 8%, 4/13/26	United States	8,000	754,845
Health Care Providers & Services 1.4%			
[c]Citigroup Global Markets Holdings, Inc. into UnitedHealth Group, Inc., 144A, 9%, 1/27/26	United States	1,780	584,117
[c]JPMorgan Chase Bank NA into CVS Health Corp., 144A, 9%, 11/25/25	United States	30,000	2,059,459
[c]Merrill Lynch BV into UnitedHealth Group, Inc., 144A, 10%, 7/01/26	United States	1,854	591,990
[c]Wells Fargo Bank NA into CVS Health Corp., 144A, 10%, 4/09/26	United States	33,000	2,416,341
			5,651,907
Hotels, Restaurants & Leisure 1.7%			
[c]Toronto-Dominion Bank (The) into Starbucks Corp., 144A, 9%, 1/12/26	United States	50,000	4,544,715
[c]Wells Fargo Bank NA into Starbucks Corp., 144A, 9%, 8/10/26	United States	25,500	2,340,723
			6,885,438
Interactive Media & Services 2.7%			
[c]Barclays Bank plc into Alphabet, Inc., 144A, 8.5%, 4/23/26	United States	4,850	868,188
[c]UBS AG into Alphabet, Inc., 144A, 9%, 4/16/26	United States	20,000	3,518,432
[c]Wells Fargo Bank NA into Alphabet, Inc., 144A, 9%, 3/31/26	United States	36,000	6,755,374
			11,141,994
IT Services 1.6%			
[c]Citigroup Global Markets Holdings, Inc. into International Business Machines Corp., 144A, 8.5%, 8/21/26	United States	13,500	3,319,175
[c]UBS AG into Accenture plc, 144A, 8%, 7/13/26	Ireland	12,400	3,380,855
			6,700,030
Machinery 1.4%			
[c]Toronto-Dominion Bank (The) into Caterpillar, Inc., 144A, 7.5%, 2/25/26	United States	15,000	5,810,115
Media 0.6%			
[c]Merrill Lynch BV into Comcast Corp., 144A, 8.5%, 6/22/26	United States	64,923	2,256,537
Metals & Mining 5.0%			
[c]BNP Paribas Issuance BV into Freeport-McMoRan, Inc., 144A, 10%, 8/28/26	United States	19,000	820,477
[c]Citigroup Global Markets Holdings, Inc. into Freeport-McMoRan, Inc., 144A, 12%, 6/09/26	United States	149,300	6,462,117
[c]Citigroup Global Markets Holdings, Inc. into Newmont Corp., 144A, 9.5%, 2/18/26	United States	19,000	945,120
[c]J.P. Morgan Structured Products BV into Freeport-McMoRan, Inc., 144A, 10%, 5/19/26	United States	107,000	4,484,373

Franklin Templeton SMACS: Series E (continued)

	Country	Shares	Value
[b]**Equity-Linked Securities** (continued)			
Metals & Mining (continued)			
[c]Merrill Lynch BV into Freeport-McMoRan, Inc., 144A, 10%, 5/12/26	United States	22,869	$954,951
[c]Mizuho Markets Cayman LP into Freeport-McMoRan, Inc., 144A, 10%, 12/24/25	United States	20,000	896,452
[c]Morgan Stanley Finance LLC into Freeport-McMoRan, Inc., 144A, 10%, 11/18/26	United States	142,593	5,911,250
			20,474,740
Oil, Gas & Consumable Fuels 0.6%			
[c]JPMorgan Chase Bank NA into Exxon Mobil Corp., 144A, 8.5%, 11/03/25	United States	2,500	288,490
[c]Mizuho Markets Cayman LP into Exxon Mobil Corp., 144A, 8.5%, 4/07/26	United States	20,000	2,334,093
			2,622,583
Semiconductors & Semiconductor Equipment 14.8%			
[c]Bank of America NA into Microchip Technology, Inc., 144A, 11%, 9/03/26	United States	19,651	1,279,686
[c]Barclays Bank plc into Microchip Technology, Inc., 144A, 10%, 6/23/26	United States	16,000	1,077,790
[c]Barclays Bank plc into Micron Technology, Inc., 144A, 10%, 9/08/26	United States	32,500	3,854,053
[c]BNP Paribas Issuance BV into Advanced Micro Devices, Inc., 144A, 10%, 3/02/26	United States	27,000	3,691,148
[c]BNP Paribas Issuance BV into Applied Materials, Inc., 144A, 10%, 12/10/25	United States	26,000	4,354,853
[c]BNP Paribas Issuance BV into Microchip Technology, Inc., 144A, 11%, 5/18/26	United States	153,820	9,164,172
[c]Citigroup Global Markets Holdings, Inc. into Intel Corp., 144A, 10%, 3/03/26	United States	19,000	481,607
[c]Goldman Sachs Bank USA into Applied Materials, Inc., 144A, 10%, 5/05/26	United States	29,000	4,454,631
[c]Goldman Sachs International Bank into Texas Instruments, Inc., 144A, 9%, 11/10/25	United States	8,000	1,428,960
[c]J.P. Morgan Structured Products BV into Taiwan Semiconductor Manufacturing Co. Ltd., 144A, 10%, 4/15/26	Taiwan	15,000	3,104,666
[c]JPMorgan Chase Bank NA into Analog Devices, Inc., 144A, 9%, 2/19/26	United States	13,000	2,991,400
[c]Merrill Lynch BV into Advanced Micro Devices, Inc., 144A, 11%, 5/06/26	United States	53,614	5,959,374
[c]Mizuho Markets Cayman LP into Analog Devices, Inc., 144A, 8.5%, 5/18/26	United States	13,000	2,912,390
[c]Mizuho Markets Cayman LP into Intel Corp., 144A, 10%, 12/08/25	United States	125,200	3,107,997
[c]Royal Bank of Canada into Microchip Technology, Inc., 144A, 11%, 5/05/26	United States	62,000	3,385,303
[c]Royal Bank of Canada into Texas Instruments, Inc., 144A, 8.5%, 8/20/26	United States	12,500	2,439,794
[c]Royal Bank of Canada into Texas Instruments, Inc., 144A, 9%, 7/21/26	United States	7,000	1,476,863
[c]Toronto-Dominion Bank (The) into Intel Corp., 144A, 10.5%, 9/01/26	United States	23,000	564,631
[c]UBS AG into Marvell Technology, Inc., 144A, 12%, 5/14/26	United States	67,000	4,218,968
[c]Wells Fargo Bank NA into QUALCOMM, Inc., 144A, 10%, 10/22/25	United States	7,500	1,228,108
			61,176,394
Software 3.2%			
[c]Barclays Bank plc into Salesforce, Inc., 144A, 10%, 4/01/26	United States	10,000	2,671,472
[c]Merrill Lynch BV into Microsoft Corp, 144A, 7.5%, 10/06/25	United States	5,000	2,362,217

Franklin Templeton SMACS: Series E (continued)

	Country	Shares	Value
[b]**Equity-Linked Securities** (continued)			
Software (continued)			
[c]Royal Bank of Canada into Oracle Corp., 144A, 10%, 5/13/26	United States	31,000	$5,104,291
[c]Wells Fargo Bank NA into Salesforce, Inc., 144A, 9%, 6/15/26	United States	12,000	3,169,026
			13,307,006
Specialty Retail 2.0%			
[c]Barclays Bank plc into Home Depot, Inc. (The), 144A, 7%, 2/25/26	United States	7,000	2,874,146
[c]Goldman Sachs Bank USA into Home Depot, Inc. (The), 144A, 8%, 5/18/27	United States	10,000	3,912,896
[c]J.P. Morgan Structured Products BV into Home Depot, Inc. (The), 144A, 8%, 10/15/25	United States	4,100	1,648,862
			8,435,904
Technology Hardware, Storage & Peripherals 1.1%			
[c]Barclays Bank plc into Dell Technologies Inc, 144A, 12%, 9/03/25	United States	18,000	2,444,367
[c]Merrill Lynch BV into Dell Technologies, Inc., 144A, 12%, 3/09/26	United States	7,000	882,659
[c]Mizuho Markets Cayman LP into Hewlett Packard Enterprise Co., 144A, 9.5%, 9/30/25	United States	64,000	1,322,060
			4,649,086
Textiles, Apparel & Luxury Goods 2.2%			
[c]Goldman Sachs International Bank into NIKE, Inc., 144A, 9%, 3/31/26	United States	50,000	3,922,095
[c]Merrill Lynch BV into NIKE, Inc., 144A, 9%, 8/10/26	United States	23,000	1,798,694
[c]Royal Bank of Canada into NIKE, Inc., 144A, 10%, 12/24/25	United States	43,000	3,377,687
			9,098,476
Total Equity-Linked Securities (Cost $183,804,872)			**199,015,898**
Convertible Preferred Stocks 9.5%			
Aerospace & Defense 5.4%			
Boeing Co. (The), 6%	United States	300,000	22,326,000
Chemicals 2.2%			
Albemarle Corp., 7.25%	United States	225,000	8,883,000
Electric Utilities 1.9%			
NextEra Energy, Inc., 7.234%	United States	175,000	7,959,000
Total Convertible Preferred Stocks (Cost $32,528,410)			**39,168,000**
Total Long Term Investments (Cost $365,566,864)			**409,175,729**

Short Term Investments 0.7%

	Country	Shares	Value
Money Market Funds 0.7%			
[d,e]Institutional Fiduciary Trust - Money Market Portfolio, 4.25%	United States	2,925,813	2,925,813
Total Money Market Funds (Cost $2,925,813)			**2,925,813**
Total Short Term Investments (Cost $2,925,813)			**2,925,813**
Total Investments (Cost $368,492,677) 99.6%			**$412,101,542**
Other Assets, less Liabilities 0.4%			**1,747,891**
Net Assets 100.0%			**$413,849,433**

Franklin Templeton SMACS: Series E (continued)

See Abbreviations on page 47.

[a] Non-income producing.
[b] See Note 1(e) regarding equity-linked securities.
[c] Security 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 August 31, 2025, the aggregate value of these securities was $199,015,898, representing 48.1% of net assets.
[d] See Note 3(d) regarding investments in affiliated management investment companies.
[e] The rate shown is the annualized seven-day effective yield at period end.

Financial Highlights

Franklin Templeton SMACS: Series H

	Year Ended August 31,				
	2025	2024	2023	2022	2021
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	$9.41	$8.86	$9.03	$10.57	$9.75
Income from investment operations[a]:					
Net investment income[b]	0.47	0.48	0.38	0.31	0.32
Net realized and unrealized gains (losses)	(0.54)	0.53	(0.18)	(1.54)	0.82
Total from investment operations	(0.07)	1.01	0.20	(1.23)	1.14
Less distributions from:					
Net investment income	(0.47)	(0.46)	(0.37)	(0.31)	(0.32)
Net asset value, end of year	$8.87	$9.41	$8.86	$9.03	$10.57
Total return	(0.84)%	11.79%	2.36%[c]	(11.82)%[c]	11.88%[c]
Ratios to average net assets					
Expenses before waiver and payments by affiliates	0.85%	0.85%	1.88%	2.51%	3.44%
Expenses net of waiver and payments by affiliates	—%[d]	—%[d]	—%	—%[d]	—%[d]
Net investment income	5.20%	5.33%	4.34%	3.14%	3.16%
Supplemental data					
Net assets, end of year (000's)	$26,831	$12,653	$10,059	$3,019	$3,187
Portfolio turnover rate	7.25%	42.17%	11.82%	6.89%	5.37%

[a]The 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.
[b]Based on average daily shares outstanding.
[c]Total return excluding payments by Advisers for acquired fund fees and expenses is 2.25% for the year ended August 31, 2023, (11.90)% for the year ended August 31, 2022 and 11.78% for the year ended August 31, 2021. See Note 3e.
[d]Benefit of expense reduction rounds to less than 0.01%.

Schedule of Investments, August 31, 2025

Franklin Templeton SMACS: Series H

	Shares	Value
Management Investment Companies 2.0%		
Capital Markets 2.0%		
[a]Franklin Dynamic Municipal Bond ETF	22,000	$531,300
Total Management Investment Companies (Cost $520,916)		**531,300**
	Principal Amount	
Corporate Bonds 0.9%		
Diversified Consumer Services 0.9%		
Grand Canyon University, Secured Note, 5.125%, 10/01/28	$250,000	246,234
Total Corporate Bonds (Cost $232,858)		**246,234**
Municipal Bonds 97.2%		
Alabama 3.2%		
Homewood Educational Building Authority, CHF - Horizons II LLC, Revenue, 2024 C, 5%, 10/01/56	300,000	269,970
MidCity Improvement District,		
Assessment Area, Special Assessment, 2022, 4.5%, 11/01/42	150,000	126,272
Assessment Area, Special Assessment, 2022, 4.75%, 11/01/49	100,000	81,910
Mobile County Industrial Development Authority, AM/NS Calvert LLC, Revenue, 2024 B, 4.75%, 12/01/54	260,000	226,276
Southeast Energy Authority A Cooperative District, Revenue, 2024 A, 5%, 11/01/35	150,000	155,245
		859,673
Arizona 3.7%		
[b]Maricopa County Industrial Development Authority, Grand Canyon University Obligated Group, Revenue, 144A, 2024, 7.375%, 10/01/29	405,000	425,383
[b]Sierra Vista Industrial Development Authority,		
American Leadership Academy, Inc., Revenue, 144A, 2023, 5.75%, 6/15/58	150,000	143,807
[c] Georgetown Community Development Authority, Revenue, 144A, 2021 A, 0.522%, 10/01/56	250,000	193,093
Tempe Industrial Development Authority, Tempe Life Care Village Obligated Group, Revenue, 2019, 5%, 12/01/50	250,000	217,999
		980,282
Arkansas 0.6%		
Arkansas Development Finance Authority, United States Steel Corp., Revenue, 2023, 5.7%, 5/01/53	150,000	150,959
California 6.2%		
[d]California Community Choice Financing Authority, Revenue, 2023 C, Mandatory Put, 5.25%, 10/01/31	130,000	136,744
[b]California Community Housing Agency,		
Arbors Apartments, Revenue, 144A, 2020 A, 5%, 8/01/50	125,000	111,281
Aster Apartments, Revenue, Junior Lien, 144A, 2021 A-2, 4%, 2/01/43	230,000	201,718
Fountains at Emerald Park, Revenue, Junior Lien, 144A, 2021 A-2, 4%, 8/01/46	195,000	158,461
Verdant at Green Valley Apartments, Revenue, 144A, 2019 A, 5%, 8/01/49	105,000	92,015
[b,d]California Infrastructure & Economic Development Bank, Desertxpress Enterprises LLC, Revenue, 144A, 2025 A, Refunding, Mandatory Put, 9.5%, 1/01/35	215,000	197,701
[b,c]California Municipal Finance Authority, IH Parkside Fairfield LLC, Revenue, 144A, 2023 B, 2.617%, 9/01/43	150,000	106,865
[b]CMFA Special Finance Agency, Solana at Grand, Revenue, Junior Lien, 144A, 2021 A-2, 4%, 8/01/45	100,000	83,851
[b]CMFA Special Finance Agency VII, Breakwater Apartments (The), Revenue, 144A, 2021 A-2, 4%, 8/01/47	195,000	172,183
[b]CMFA Special Finance Agency VIII, Elan Huntington Beach, Revenue, Junior Lien, 144A, 2021 A-2, 4%, 8/01/47	125,000	108,097

Franklin Templeton SMACS: Series H (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
California (continued)		
[b]CMFA Special Finance Agency XII, Allure Apartments, Revenue, 144A, 2022 A-2, 4.375%, 8/01/49	$100,000	$80,933
[b]CSCDA Community Improvement Authority,		
Renaissance at City Center, Revenue, 144A, 2020 A, 5%, 7/01/51	110,000	98,382
Waterscape Apartments, Revenue, 144A, 2021 B, 4%, 9/01/46	135,000	106,326
		1,654,557
Colorado 1.9%		
Colorado Health Facilities Authority,		
BSLC II Obligated Group, Revenue, Second Tier, 2025, 5.25%, 9/15/45	195,000	186,112
Christian Living Neighborhoods Obligated Group, Revenue, 2019, Refunding, 4%, 1/01/38	100,000	89,989
Denver Health & Hospital Authority, Revenue, 2019 A, Refunding, 4%, 12/01/39	250,000	225,106
		501,207
Connecticut 0.4%		
Stamford Housing Authority, TJH Senior Living LLC Obligated Group, Revenue, 2025 A, Refunding, 6.5%, 10/01/55	100,000	98,822
Florida 26.5%		
Avenir Community Development District, Parcel A-18, Special Assessment, 2024 A, 6%, 5/01/55	100,000	96,029
[b]Babcock Ranch Community Independent Special District, Assessment Area, Special Assessment, 144A, 2024, 5.25%, 5/01/55	150,000	141,064
Bella Tara Community Development District, Assessment Area 1, Special Assessment, 2025, 6.125%, 5/01/56	100,000	99,922
Bridle Creek Community Development District, Special Assessment, 2025, 6.375%, 5/01/56	160,000	159,876
[b]Capital Projects Finance Authority, PRG - UnionWest Properties LLC, Revenue, Senior Lien, 144A, 2024 A-1, 5%, 6/01/58	250,000	224,272
Chaparral Palm Bay Community Development District, Assessment Area 2, Special Assessment, 2024, 5.5%, 5/01/55	100,000	93,539
Charlotte County Industrial Development Authority, MSKP Town & Country Utility LLC, Revenue, 2025, 6.125%, 10/01/55	150,000	151,465
Cypress Bluff Community Development District, Assessment Area 1, Special Assessment, 2025, 5.55%, 5/01/55	100,000	93,967
[b,e]Deering Park Stewardship District, DPSD JV1 No. 1 Assessment Area, Special Assessment, 144A, 2025, 6%, 5/01/45	115,000	115,248
Epperson North Community Development District, Assessment Area 4, Special Assessment, 2024, 5.6%, 5/01/55	110,000	102,968
[b]Everlands Community Development District, Assessment Area 2 Phase 2, Special Assessment, 144A, 2024, 5.5%, 6/15/54	150,000	140,012
[b]Florida Development Finance Corp.,		
[d] AAF Operations Holdings LLC, Revenue, 144A, 2024, Refunding, Mandatory Put, 14%, 7/15/28	100,000	62,000
Mayflower Retirement Center, Inc. Obligated Group, Revenue, 144A, 2021 A, Refunding, 4%, 6/01/55	100,000	67,099
Fox Branch Ranch Community Development District, Assessment Area 1, Special Assessment, 2025, 5.4%, 5/01/55	100,000	92,941
[b]Gas Worx Community Development District, Special Assessment, 144A, 2025, 6%, 5/01/57	150,000	146,457
GIR East Community Development District, Assessment Area 1, Special Assessment, 2025, 5.5%, 5/01/55	100,000	91,854
Hammock Oaks Community Development District, Assessment Area 2, Special Assessment, 2024, 5.85%, 5/01/44	125,000	121,886
[b]Hillcrest Preserve Community Development District, Special Assessment, 144A, 2024, 5.3%, 5/01/54	180,000	163,163

Franklin Templeton SMACS: Series H (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Florida (continued)		
[b]K-Bar Ranch III Community Development District, Special Assessment, 144A, 2025, 6.125%, 5/01/55	$110,000	$110,804
Kindred Community Development District II, Special Assessment, 2021, 3.125%, 5/01/41	100,000	81,575
Kings Creek I Community Development District, Assessment Area 1, Special Assessment, 2025, 6%, 5/01/55	100,000	97,603
Kingston One Community Development District, Assessment Area 1 - 2025 Project, Special Assessment, 2025, 6%, 5/01/57	130,000	127,996
Kissimmee Park Community Development District, Assessment Area 1, Special Assessment, 2025, 6.125%, 5/01/56	100,000	99,922
[b]Knightsbridge Community Development District, Special Assessment, 144A, 2024, 5.5%, 6/15/54	135,000	131,055
Lakeside Preserve Community Development District, Special Assessment, 2023, 6.375%, 5/01/54	100,000	102,049
Langley South Community Development District, Assessment Area 1, Special Assessment, 2024, 5.4%, 5/01/55	85,000	79,224
Lee County Industrial Development Authority, Shell Point Obligated Group, Revenue, 2024 C, 5%, 11/15/54	270,000	246,754
Marion Ranch Community Development District, Special Assessment, 2024, 5.7%, 5/01/44	95,000	92,816
North AR-1 Pasco Community Development District, Assessment Area 3, Special Assessment, 2023, 6%, 5/01/54	70,000	69,842
North Loop Community Development District, Special Assessment, 2023, 6.625%, 5/01/54	130,000	135,361
Pacific Ace Community Development District, Special Assessment, 2024, 5.5%, 5/01/55	125,000	118,753
Palermo Community Development District,		
Special Assessment, 2023, 5%, 6/15/43	100,000	97,034
Assessment Area 2, Special Assessment, 2025, 5.5%, 6/15/55	100,000	98,154
Palm Coast Park Community Development District, Special Assessment, 2023, 5.6%, 5/01/53	100,000	96,917
Parker Pointe Community Development District, Special Assessment, 2024, 5.5%, 5/01/44	100,000	96,223
Parrish Lakes Community Development District, Assessment Area 2, Special Assessment, 2023 A, 5.625%, 5/01/53	90,000	87,653
Pasadena Ridge Community Development District, Assessment Area 1, Special Assessment, 2024, 5.375%, 5/01/55	105,000	96,537
Preserve at Savannah Lakes Community Development District, Assessment Area 1, Special Assessment, 2024, 5.45%, 5/01/44	140,000	136,878
Prosperity Lakes Community Development District, Assessment Area 1, Special Assessment, 2023, 6.125%, 12/15/53	160,000	165,794
Quail Roost Community Development District, Expansion Area, Special Assessment, 2021, 4%, 12/15/51	70,000	56,321
Reflection Bay Community Development District, Special Assessment, 2025, 5.875%, 5/01/55	160,000	155,364
Regal Village Community Development District, Special Assessment, 2024, 5.5%, 5/01/54	145,000	137,283
Ridge at Apopka Community Development District, Parcel 2, Special Assessment, 2023, 5.75%, 5/01/53	100,000	99,647
River Hall Community Development District, Assessment Area 4, Special Assessment, 2023 A, 6.5%, 5/01/54	105,000	108,097
River Landing Community Development District, Assessments, Special Assessment, 2025, 5.45%, 5/01/55	100,000	93,505
[b]Saltmeadows Community Development District, Assessment Area 2, Special Assessment, 144A, 2025, 6%, 5/01/55	150,000	149,029
Savanna Lakes Community Development District, Assessment Area 2, Special Assessment, 2024, 5.5%, 6/15/54	135,000	127,422

Franklin Templeton SMACS: Series H (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Florida (continued)		
Sawgrass Village Community Development District,		
Assessment Area 1, Special Assessment, 2023, 5.75%, 5/01/53	$100,000	$97,359
Assessment Area 2, Special Assessment, 2023, 6.375%, 11/01/53	155,000	157,987
[b]Seaton Creek Reserve Community Development District, Assessment Area 1, Special Assessment, 144A, 2023, 5.5%, 6/15/53	100,000	98,225
Seminole Palms Community Development District, Special Assessment, 2023, 5.5%, 5/01/43	95,000	94,824
Springs at Lake Alfred Community Development District, Assessment Area 1, Special Assessment, 2024, 5.6%, 5/01/54	145,000	137,173
Stonegate Preserve Community Development District,		
Special Assessment, 2023, 6.125%, 12/15/53	150,000	155,634
Special Assessment, 2025, 5.875%, 6/15/55	125,000	122,697
Twisted Oaks Pointe Community Development District,		
Assessment Area 1, Special Assessment, 2023, 5.375%, 5/01/43	100,000	97,863
Assessment Area 2, Special Assessment, 2023, 6.125%, 5/01/54	75,000	75,535
V-Dana Community Development District, Assessment Area 2, Special Assessment, 2025, 5.55%, 5/01/55	100,000	94,099
[b]Wellness Ridge Community Development District, Assessment Area 2, Special Assessment, 144A, 2024, 5.2%, 6/15/55	100,000	90,903
[b]West Port East Community Development District, Assessment Area 1, Special Assessment, 144A, 2025, 6%, 5/01/55	120,000	118,247
Westwood of Pasco Community Development District, Assessments, Special Assessment, 2023, 5.625%, 5/01/53	130,000	128,016
Winding Oaks Community Development District, Special Assessment, 2024, 5.7%, 5/01/55	100,000	93,932
[b]Woodland Preserve Community Development District, Assessment Area 1, Special Assessment, 144A, 2025, 5.5%, 5/01/55	100,000	93,539
		7,115,407
Georgia 0.9%		
Georgia Housing & Finance Authority, Revenue, 2025 C, 5.125%, 12/01/50	250,000	250,868
Illinois 10.5%		
Chicago Board of Education, Dedicated Capital Improvement Tax, Revenue, 2023, 5.75%, 4/01/48	225,000	229,219
City of Chicago, GO, 2025 A, 6%, 1/01/50	350,000	356,672
Illinois Finance Authority, Westminster Village, Inc. Obligated Group, Revenue, 2018 A, Refunding, 5%, 5/01/48	100,000	81,756
Illinois Housing Development Authority, Revenue, 2024 I, Refunding, GNMA Insured, 4.625%, 4/01/50	250,000	236,014
State of Illinois,		
GO, 2020 C, 4.25%, 10/01/45	100,000	86,871
GO, 2021 A, 4%, 3/01/41	360,000	319,205
GO, 2024 B, 5.25%, 5/01/47	1,500,000	1,510,862
		2,820,599
Indiana 0.7%		
[b]City of Goshen, Green Oaks of Goshen LLC, Revenue, 144A, 2021 A, 5%, 8/01/41	100,000	81,548
Indianapolis Local Public Improvement Bond Bank, Revenue, Senior Lien, 2023 E, 6.125%, 3/01/57	110,000	112,551
		194,099
Iowa 1.7%		
Iowa Finance Authority,		
Iowa Fertilizer Co. LLC, Revenue, 2022, Pre-Refunded, 5%, 12/01/50	235,000	266,838
Lifespace Communities, Inc. Obligated Group, Revenue, 2016 A, 5%, 5/15/36	100,000	100,147

Franklin Templeton SMACS: Series H (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Iowa (continued)		
Iowa Higher Education Loan Authority, University of Dubuque, Revenue, 2025, 6%, 10/01/55	$100,000	$101,887
		468,872
Louisiana 2.7%		
Calcasieu Parish Memorial Hospital Service District, Southwest Louisiana Healthcare System Obligated Group, Revenue, 2019, Refunding, 5%, 12/01/39	100,000	94,118
Lakeshore Villages Master Community Development District, Special Assessment, 2025, 6%, 6/01/54	170,000	169,593
[b]Louisiana Local Government Environmental Facilities & Community Development Authority, Parish of St. Martin, Revenue, 144A, 2019, 4.4%, 11/01/44	135,000	122,576
Louisiana Public Facilities Authority,		
[b] Acadiana Renaissance Charter Academy, Revenue, 144A, 2025, 6%, 6/15/59	100,000	96,218
Calcasieu Bridge Partners LLC, Revenue, Senior Lien, 2024, 5.75%, 9/01/64	255,000	254,604
		737,109
Maryland 1.2%		
Maryland Economic Development Corp., Morgan View & Thurgood Marshall Student Housing, Revenue, 2020, 4.25%, 7/01/50	170,000	143,983
[b]Town of La Plata, Heritage Green Special Taxing District, Special Tax, 144A, 2023 A, 6.5%, 2/15/53	190,000	183,109
		327,092
Michigan 1.4%		
City of Detroit, GO, 2023 C, 6%, 5/01/43	100,000	106,846
Michigan Finance Authority, Provident Group - HFH Energy LLC, Revenue, 2024, 4.375%, 2/28/54	295,000	260,921
		367,767
Minnesota 0.4%		
City of Apple Valley, PHS Apple Valley Senior Housing, Inc., Revenue, 2021, 4%, 9/01/36	105,000	96,919
Nevada 0.3%		
Henderson Local Improvement Districts, Local Improvement District No. T-22, Special Assessment, 2023, 5.25%, 3/01/53	100,000	92,315
New Hampshire 1.8%		
New Hampshire Business Finance Authority,		
Greater Raleigh Area Christian Education, Inc., Revenue, 2025, 6%, 8/01/65	250,000	241,198
Presbyterian Homes Obligated Group, Revenue, 2023 A, 5.25%, 7/01/48	250,000	240,316
		481,514
New York 4.8%		
New York City Housing Development Corp., 8 Spruce NY Owner LLC, Revenue, 2024, F, Refunding, 5.25%, 12/15/31	250,000	256,639
New York Transportation Development Corp.,		
Delta Air Lines, Inc., Revenue, 2020, 4%, 10/01/30	100,000	100,226
Delta Air Lines, Inc., Revenue, 2020, 4.375%, 10/01/45	460,000	399,561
JFK International Air Terminal LLC, Revenue, 2022, 5%, 12/01/41	185,000	183,889
JFK NTO LLC, Revenue, 2024, 5.5%, 6/30/60	250,000	240,620
[b]Oneida Indian Nation of New York, Revenue, 144A, 2024 B, 6%, 9/01/43	100,000	104,591
		1,285,526
Ohio 1.5%		
Buckeye Tobacco Settlement Financing Authority, Revenue, Senior Lien, 2020 B-2, 2, Refunding, 5%, 6/01/55	200,000	161,822
Ohio Housing Finance Agency, Revenue, 2023 C, 8%, 8/01/34	100,000	102,082

Franklin Templeton SMACS: Series H (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Ohio (continued)		
Summit County Development Finance Authority, UAkronPark, Inc., Revenue, 2023, 6%, 12/01/58	$125,000	$128,837
		392,741
Oklahoma 0.5%		
Tulsa Municipal Airport Trust Trustees, American Airlines, Inc., Revenue, 2025, Refunding, 6.25%, 12/01/40	135,000	146,361
Pennsylvania 1.8%		
[b]Allentown Commercial and Industrial Development Authority, Executive Education Academy Charter School, Revenue, 144A, 2024, Refunding, 5%, 7/01/59	250,000	218,491
Berks County Municipal Authority (The),		
Tower Health Obligated Group, Revenue, 2024 A-1, 8%, 6/30/34	18,000	18,420
Tower Health Obligated Group, Revenue, 2024 A-2, 6%, 6/30/34	8,000	8,326
Tower Health Obligated Group, Revenue, 2024 A-3, 5%, 6/30/39	120,000	107,513
[c] Tower Health Obligated Group, Revenue, 2024 B-1, 1.368%, 6/30/44	59,000	41,396
Philadelphia Authority for Industrial Development, St. Joseph's University, Revenue, 2022, 5.5%, 11/01/60	90,000	91,215
		485,361
South Dakota 0.5%		
South Dakota Housing Development Authority, Revenue, 2024 C, Refunding, GNMA Insured, 4.5%, 11/01/44	150,000	145,250
Texas 11.6%		
[b]Arlington Higher Education Finance Corp.,		
BASIS Texas Charter Schools, Inc., Revenue, 144A, 2024, 4.875%, 6/15/59	100,000	85,055
[f] BASIS Texas Charter Schools, Inc., Revenue, 144A, 2025, Refunding, 5.875%, 6/15/65	150,000	147,158
[b]City of Anna, Woods at Lindsey Place (The) Public Improvement District Area 1, Special Assessment, 144A, 2023, 5.875%, 9/15/53	116,000	116,498
[b]City of Austin, Whisper Valley Public Improvement District Improvement Area No. 2, Special Assessment, 144A, 2022, 5.5%, 11/01/51	100,000	97,046
[b]City of Celina,		
Lakes at Mustang Ranch Public Improvement District Phases 8-9, Special Assessment, 144A, 2025, 5.625%, 9/01/55	150,000	141,227
Pravin Public Improvement District, Special Assessment, 144A, 2023, 6.75%, 9/01/53	100,000	96,136
[b]City of Fate, Williamsburg Public Improvement District No. 1 Phase 3B, Special Assessment, 144A, 2023, 5.375%, 8/15/53	100,000	96,315
City of Houston Airport System, United Airlines, Inc., Revenue, 2024 B, 5.5%, 7/15/39	350,000	363,640
[b]City of Hutto, Emory Crossing Public Improvement District Improvement Area No. 2, Special Assessment, 144A, 2023, 5.625%, 9/01/58	115,000	111,564
[b]City of Kyle,		
6 Creeks Public Improvement District Improvement Area No. 5, Special Assessment, 144A, 2025, 5.375%, 9/01/50	141,000	129,667
Southwest Kyle Public Improvement District No. 1 Improvement Area No. 2, Special Assessment, 144A, 2023, 6.75%, 9/01/48	100,000	101,694
[b]City of Manor, EntradenGlen Public Improvement District Improvement Area No. 1, Special Assessment, 144A, 2025, 7%, 9/15/55	100,000	99,500
[b]City of Princeton, Southbridge Public Improvement District Improvement Area No. 2, Special Assessment, 144A, 2024, 5.5%, 9/01/54	132,000	121,802
[b]City of Tomball, Raburn Reserve Public Improvement District Area No. 2, Special Assessment, 144A, 2023, 5.75%, 9/15/52	112,000	108,299
[b]County of Bastrop, Double Eagle Ranch Public Improvement District Improvement Area No. 2, Special Assessment, 144A, 2024, 5.25%, 9/01/44	105,000	99,657
[b]County of Denton,		
Green Meadows Public Improvement District Major Improvement Area, Special Assessment, 144A, 2025, 6.125%, 12/31/55	100,000	99,241

Franklin Templeton SMACS: Series H (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
Texas (continued)		
[b]County of Denton, (continued)		
Tabor Ranch Public Improvement District Improvement Area No. 1, Special Assessment, Senior Lien, 144A, 2024 A, 5.625%, 12/31/54	$106,000	$99,799
[b]County of Hays, La Cima Public Improvement District, Special Assessment, 144A, 2020, 3.25%, 9/15/30	100,000	93,522
County of Montgomery, Crockett Meadows Public Improvement District Improvement Area No. 1, Special Assessment, 2025, 5.5%, 9/15/54	123,000	114,271
[b]East Waller County Management District, Sofi Lakes Sections 1 & 2 Assessments, Special Assessment, 144A, 2025, 6.25%, 9/15/55	131,000	129,076
EP Cimarron Ventanas PFC, Revenue, 2024, Refunding, 4.125%, 12/01/39	250,000	234,063
Harris County Municipal Utility District No. 540, GO, 2022, 5.5%, 9/01/49	100,000	90,928
New Hope Cultural Education Facilities Finance Corp.,		
NCCD-College Station Properties LLC, Revenue, A, 5%, 7/01/47	50,000	46,000
Quality Senior Housing Foundation of East Texas, Inc., Revenue, 2019 A-1, 5%, 12/01/39	85,000	80,781
Quality Senior Housing Foundation of East Texas, Inc., Revenue, Second Tier, 2019 B, 5.5%, 12/01/54	180,000	157,777
Walden Pond Fresh Water Supply District, GO, 2022, 6.25%, 9/01/47	45,000	43,652
		3,104,368
Washington 0.7%		
Washington State Housing Finance Commission,		
Eastside Retirement Association Obligated Group, Revenue, 2023 A, Refunding, 5%, 7/01/48	120,000	113,574
[b] Presbyterian Retirement Communities Northwest Obligated Group, Revenue, 144A, 2019 A, 5%, 1/01/55	100,000	85,500
		199,074
Wisconsin 3.5%		
Public Finance Authority,		
[b] Foundation Academy Charter School A NJ Nonprofit Corp., Revenue, 144A, 2024, 5%, 7/01/60	300,000	254,823
[b] Friends Homes Obligated Group, Revenue, 144A, 2019, Refunding, 5%, 9/01/49	125,000	111,387
KSU Bixby Real Estate Foundation LLC, Revenue, 2025 B, 5.5%, 6/15/55	100,000	98,408
RED River Valley Alliance LLC, Revenue, 2021, 4%, 9/30/51	345,000	268,329
SR 400 Peach Partners LLC, Revenue, Senior Lien, 2025, 6.5%, 12/31/65	100,000	105,255
Wisconsin Health & Educational Facilities Authority, PHW Menomonee Falls, Inc., Revenue, 2024, 6.125%, 10/01/59	100,000	100,097
		938,299
U.S. Territories 8.2%		
District of Columbia 0.9%		
District of Columbia,		
International School Obligated Group, Revenue, 2019, 5%, 7/01/49	140,000	131,817
Plenary Infrastructure DC LLC, Revenue, 2022 A, 5.5%, 8/31/33	100,000	111,598
		243,415
Puerto Rico 7.3%		
Commonwealth of Puerto Rico,		
GO, 2022 A-1, 4%, 7/01/41	223,382	194,497
GO, 2022 A-1, 4%, 7/01/46	515,826	426,326

Franklin Templeton SMACS: Series H (continued)

	Principal Amount	Value
Municipal Bonds (continued)		
U.S. Territories (continued)		
Puerto Rico (continued)		
GDB Debt Recovery Authority of Puerto Rico, 7.5%, 8/20/40	$84,468	$81,561
Puerto Rico Sales Tax Financing Corp., Sales Tax, Revenue, A-1, 5%, 7/01/58	1,362,000	1,249,306
		1,951,690
Total U.S. Territories		2,195,105
Total Municipal Bonds (Cost $26,930,718)		**26,090,146**
Total Long Term Investments (Cost $27,684,492)		**26,867,680**
Short Term Investments 0.4%		
Municipal Bonds 0.4%		
Colorado 0.4%		
[g]Colorado Health Facilities Authority, Intermountain Healthcare Obligated Group, Revenue, 2024 D, Daily VRDN and Put, 3.85%, 5/15/64	100,000	100,000
Total Municipal Bonds (Cost $100,000)		**100,000**
Total Short Term Investments (Cost $100,000)		**100,000**
Total Investments (Cost $27,784,492) 100.5%		**$26,967,680**
Other Assets, less Liabilities (0.5)%		**(136,610)**
Net Assets 100.0%		**$26,831,070**

See Abbreviations on page 47.

[a] See Note 3(d) regarding investments in affiliated management investment companies.
[b] Security 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 August 31, 2025, the aggregate value of these securities was $7,362,712, representing 27.4% of net assets.
[c] The rate shown represents the yield at period end.
[d] The maturity date shown represents the mandatory put date.
[e] Security purchased on a when-issued basis. See Note 1(c).
[f] A portion or all of the security purchased on a delayed delivery basis. See Note 1(c).
[g] Variable rate demand notes (VRDN) are obligations which contain a floating or variable interest rate adjustment formula and an unconditional right of demand to receive payment of the principal balance plus accrued interest at specified dates. Unless otherwise noted, the coupon rate is determined based on factors including supply and demand, underlying credit, tax treatment, and current short term rates. The coupon rate shown represents the rate at period end.

Financial Highlights

Franklin Templeton SMACS: Series I

	Year Ended August 31,				
	2025	2024	2023	2022	2021
Per share operating performance					
(for a share outstanding throughout the year)					
Net asset value, beginning of year	$8.11	$7.78	$7.83	$9.73	$8.95
Income from investment operations[a]:					
Net investment income[b]	0.61	0.61	0.64	0.65	0.66
Net realized and unrealized gains (losses)	(0.03)	0.33	(0.07)	(1.85)	0.78
Total from investment operations	0.58	0.94	0.57	(1.20)	1.44
Less distributions from:					
Net investment income	(0.62)	(0.61)	(0.62)	(0.70)	(0.66)
Tax return of capital	—	—	(—)[c]	(—)[c]	—
Total distributions	(0.62)	(0.61)	(0.62)	(0.70)	(0.66)
Net asset value, end of year	$8.07	$8.11	$7.78	$7.83	$9.73
Total return	7.57%	12.71%	7.57%	(12.87)%	16.48%
Ratios to average net assets					
Expenses before waiver and payments by affiliates	0.06%	0.08%	0.20%	1.27%	3.10%
Expenses net of waiver and payments by affiliates	—%	—%	—%[d]	—%	—%[d]
Net investment income	7.68%	7.81%	8.24%	7.72%	7.01%
Supplemental data					
Net assets, end of year (000's)	$615,016	$373,874	$109,051	$19,910	$3,699
Portfolio turnover rate	52.45%	16.69%	27.73%	30.22%	32.50%

[a]The 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.
[b]Based on average daily shares outstanding.
[c]Amount rounds to less than $0.01 per share.
[d]Benefit of expense reduction rounds to less than 0.01%.

Schedule of Investments, August 31, 2025

Franklin Templeton SMACS: Series I

	Shares	Value
Common Stocks 0.4%		
Banks 0.4%		
Bank of America Corp.	45,000	$2,283,300
Pharmaceuticals 0.0%†		
[a,b]Mallinckrodt ARD LLC	1,196	117,208
Total Common Stocks (Cost $1,346,417)		2,400,508

	Principal Amount	Value
Corporate Bonds 76.6%		
Aerospace & Defense 3.0%		
[c]Bombardier, Inc., Senior Note, 144A, 8.75%, 11/15/30	$1,500,000	1,618,406
[c]TransDigm, Inc.,		
Senior Secured Note, 144A, 6.75%, 8/15/28	1,500,000	1,543,931
Senior Secured Note, 144A, 6.875%, 12/15/30	2,500,000	2,594,262
Senior Secured Note, 144A, 6.625%, 3/01/32	8,000,000	8,247,552
Senior Sub. Note, 144A, 6.75%, 1/31/34	4,250,000	4,390,215
		18,394,366
Automobile Components 0.7%		
[c]Dornoch Debt Merger Sub, Inc., Senior Note, 144A, 6.625%, 10/15/29	5,000,000	4,345,632
Automobiles 0.3%		
[c]Rivian Holdings LLC / Rivian LLC / Rivian Automotive LLC, Senior Secured Note, 144A, 10%, 1/15/31	2,000,000	1,891,250
Banks 1.2%		
Bank of America Corp., Sub. Bond, 5.425% to 8/14/34, FRN thereafter, 8/15/35	50,000	50,346
Barclays plc,		
[d]Junior Sub. Bond, 7.625% to 9/14/35, FRN thereafter, Perpetual	2,000,000	2,070,884
Sub. Bond, 7.119% to 6/26/33, FRN thereafter, 6/27/34	200,000	221,248
[d]Citigroup, Inc., GG, Junior Sub. Bond, 6.875% to 8/14/30, FRN thereafter, Perpetual	5,000,000	5,100,045
Fifth Third Bancorp, Senior Note, 6.339% to 7/26/28, FRN thereafter, 7/27/29	50,000	52,787
Wells Fargo & Co., Senior Bond, 6.491% to 10/22/33, FRN thereafter, 10/23/34	100,000	110,009
		7,605,319
Building Products 1.0%		
[c]Camelot Return Merger Sub, Inc., Senior Secured Note, 144A, 8.75%, 8/01/28	800,000	770,506
[c]EMRLD Borrower LP / Emerald Co-Issuer, Inc., Senior Secured Note, 144A, 6.625%, 12/15/30	2,000,000	2,056,552
[c]Quikrete Holdings, Inc., Senior Secured Note, 144A, 6.375%, 3/01/32	3,000,000	3,095,928
		5,922,986
Capital Markets 0.4%		
Charles Schwab Corp. (The), Senior Note, 5.643% to 5/18/28, FRN thereafter, 5/19/29	50,000	52,022
[d]Goldman Sachs Group, Inc. (The), Junior Sub. Bond, 6.85% to 2/09/30, FRN thereafter, Perpetual	2,000,000	2,064,746
Morgan Stanley,		
Senior Bond, 6.627% to 10/31/33, FRN thereafter, 11/01/34	100,000	111,052
Sub. Bond, 5.948% to 1/18/33, FRN thereafter, 1/19/38	50,000	51,971
		2,279,791
Chemicals 4.0%		
Celanese US Holdings LLC,		
Senior Bond, 6.879%, 7/15/32	2,000,000	2,067,284
Senior Bond, 7.2%, 11/15/33	3,500,000	3,644,039
Senior Note, 7.05%, 11/15/30	1,000,000	1,040,512
FMC Corp., Sub. Bond, 8.45% to 10/31/30, FRN thereafter, 11/01/55	5,000,000	5,236,425

Franklin Templeton SMACS: Series I (continued)

	Principal Amount	Value
Corporate Bonds (continued)		
Chemicals (continued)		
[c]Qnity Electronics, Inc.,		
Senior Note, 144A, 6.25%, 8/15/33	$1,000,000	$1,034,973
Senior Secured Note, 144A, 5.75%, 8/15/32	1,500,000	1,526,744
[c]Rain Carbon, Inc., Senior Secured Note, 144A, 12.25%, 9/01/29	3,500,000	3,762,010
[c]SCIH Salt Holdings, Inc., Senior Note, 144A, 6.625%, 5/01/29	6,000,000	6,030,600
		24,342,587
Commercial Services & Supplies 0.4%		
[c]RR Donnelley & Sons Co., Senior Secured Note, 144A, 9.5%, 8/01/29	2,500,000	2,538,664
Communications Equipment 3.5%		
[c]CommScope LLC,		
Senior Note, 144A, 8.25%, 3/01/27	11,000,000	11,138,831
Senior Secured Note, 144A, 9.5%, 12/15/31	10,000,000	10,348,170
		21,487,001
Consumer Finance 0.6%		
AerCap Ireland Capital DAC / AerCap Global Aviation Trust, Senior Bond, 5.3%, 1/19/34	200,000	202,930
Ford Motor Credit Co. LLC, Senior Note, 7.2%, 6/10/30	3,000,000	3,188,812
[c]Macquarie Airfinance Holdings Ltd., Senior Note, 144A, 6.4%, 3/26/29	50,000	52,628
		3,444,370
Containers & Packaging 5.2%		
[c]Ardagh Metal Packaging Finance USA LLC / Ardagh Metal Packaging Finance plc, Senior Note, 144A, 4%, 9/01/29	2,500,000	2,296,097
[c]Ardagh Packaging Finance plc / Ardagh Holdings USA, Inc.,		
Senior Note, 144A, 5.25%, 8/15/27	8,700,000	3,841,485
Senior Secured Note, 144A, 4.125%, 8/15/26	6,000,000	5,705,700
[c]Clydesdale Acquisition Holdings, Inc., Senior Secured Note, 144A, 6.75%, 4/15/32	2,500,000	2,570,375
[c]Mauser Packaging Solutions Holding Co.,		
Secured Note, 144A, 9.25%, 4/15/27	10,000,000	9,963,908
Senior Secured Note, 144A, 7.875%, 4/15/27	5,500,000	5,572,342
[c]Toucan FinCo Ltd. / Toucan FinCo Can, Inc. / Toucan FinCo US LLC, Senior Secured Note, 144A, 9.5%, 5/15/30	2,000,000	2,000,370
		31,950,277
Diversified REITs 0.0%[†]		
[c]VICI Properties LP / VICI Note Co., Inc., Senior Bond, 144A, 4.625%, 12/01/29	50,000	49,501
Diversified Telecommunication Services 3.5%		
[c]CCO Holdings LLC / CCO Holdings Capital Corp.,		
Senior Bond, 144A, 5.125%, 5/01/27	5,000,000	4,977,927
Senior Note, 144A, 6.375%, 9/01/29	11,000,000	11,174,911
[c]Connect Holding II LLC, Senior Secured Note, 144A, 10.5%, 4/03/31	5,500,000	5,418,756
		21,571,594
Electric Utilities 1.7%		
[c]NRG Energy, Inc.,		
Senior Bond, 144A, 6.25%, 11/01/34	3,000,000	3,077,616
Senior Note, 144A, 6%, 2/01/33	3,000,000	3,042,264
Senior Secured Bond, 144A, 7%, 3/15/33	50,000	54,688
Pacific Gas and Electric Co., Senior Bond, 6.4%, 6/15/33	50,000	53,152
PG&E Corp., Senior Secured Note, 5%, 7/01/28	50,000	49,462
[c]Vistra Operations Co. LLC,		
Senior Note, 144A, 6.875%, 4/15/32	4,000,000	4,200,528

Franklin Templeton SMACS: Series I (continued)

	Principal Amount	Value
Corporate Bonds (continued)		
Electric Utilities (continued)		
[c]Vistra Operations Co. LLC, (continued)		
Senior Secured Bond, 144A, 6.95%, 10/15/33	$50,000	$55,269
		10,532,979
Electrical Equipment 0.0%†		
Regal Rexnord Corp., Senior Note, 6.05%, 4/15/28	50,000	51,786
Energy Equipment & Services 1.1%		
[c]Weatherford International Ltd., Senior Note, 144A, 8.625%, 4/30/30	6,500,000	6,665,964
Entertainment 0.0%†		
[c]Netflix, Inc., Senior Bond, 144A, 5.375%, 11/15/29	100,000	104,814
Food Products 0.4%		
JBS USA Holding Lux SARL / JBS USA Food Co. / JBS Lux Co. SARL, Senior Note, 5.75%, 4/01/33	50,000	51,827
[c]Post Holdings, Inc.,		
Senior Bond, 144A, 5.5%, 12/15/29	500,000	498,802
Senior Secured Note, 144A, 6.25%, 2/15/32	2,000,000	2,057,032
		2,607,661
Ground Transportation 0.0%†		
[c]Ashtead Capital, Inc., Senior Bond, 144A, 5.95%, 10/15/33	200,000	209,354
Health Care Equipment & Supplies 1.1%		
[c]Medline Borrower LP,		
Senior Note, 144A, 5.25%, 10/01/29	5,000,000	4,954,714
Senior Secured Note, 144A, 3.875%, 4/01/29	2,000,000	1,921,744
		6,876,458
Health Care Providers & Services 17.3%		
[c]CHS/Community Health Systems, Inc.,		
144A, 10.75%, 6/15/33	17,500,000	17,832,676
Secured Note, 144A, 6.875%, 4/15/29	15,000,000	11,939,603
Secured Note, 144A, 6.125%, 4/01/30	10,000,000	7,196,174
Senior Secured Note, 144A, 10.875%, 1/15/32	16,000,000	16,951,696
Senior Secured Note, 144A, 9.75%, 1/15/34	7,500,000	7,605,283
[c]DaVita, Inc.,		
Senior Bond, 144A, 3.75%, 2/15/31	6,000,000	5,478,771
Senior Note, 144A, 6.875%, 9/01/32	3,000,000	3,105,876
Senior Note, 144A, 6.75%, 7/15/33	500,000	518,602
[c]Kedrion SpA, Senior Secured Note, 144A, 6.5%, 9/01/29	1,000,000	982,845
Tenet Healthcare Corp.,		
Senior Note, 6.125%, 10/01/28	8,000,000	8,010,776
Senior Secured Note, 6.125%, 6/15/30	11,000,000	11,182,127
Senior Secured Note, 6.75%, 5/15/31	15,000,000	15,600,585
		106,405,014
Hotels, Restaurants & Leisure 8.5%		
[c]Caesars Entertainment, Inc.,		
Senior Note, 144A, 6%, 10/15/32	8,000,000	7,848,786
Senior Secured Note, 144A, 7%, 2/15/30	4,500,000	4,656,343
[c]Carnival Corp.,		
Senior Note, 144A, 6%, 5/01/29	5,000,000	5,067,960
Senior Note, 144A, 6.125%, 2/15/33	8,500,000	8,733,997
[c]Fertitta Entertainment LLC / Fertitta Entertainment Finance Co., Inc., Senior Note, 144A, 6.75%, 1/15/30	8,000,000	7,530,238
[c]Mohegan Tribal Gaming Authority / MS Digital Entertainment Holdings LLC, Senior Secured Note, 144A, 8.25%, 4/15/30	3,000,000	3,102,285

Franklin Templeton SMACS: Series I (continued)

	Principal Amount	Value
Corporate Bonds (continued)		
Hotels, Restaurants & Leisure (continued)		
[c]NCL Corp. Ltd., Senior Note, 144A, 6.75%, 2/01/32	$750,000	$773,954
[c]Wynn Macau Ltd., Senior Note, 144A, 5.625%, 8/26/28	3,500,000	3,482,660
[c]Wynn Resorts Finance LLC / Wynn Resorts Capital Corp., Senior Note, 144A, 7.125%, 2/15/31	10,000,000	10,770,420
		51,966,643
Household Durables 0.9%		
Newell Brands, Inc.,		
[c] Senior Note, 144A, 8.5%, 6/01/28	1,750,000	1,851,894
Senior Note, 6.375%, 5/15/30	2,000,000	1,977,458
Shea Homes LP / Shea Homes Funding Corp., Senior Note, 4.75%, 4/01/29	1,500,000	1,465,615
		5,294,967
Household Products 0.2%		
[c]Energizer Holdings, Inc., Senior Note, 144A, 6.5%, 12/31/27	1,500,000	1,514,752
Independent Power and Renewable Electricity Producers 2.6%		
[c]Calpine Corp., Senior Note, 144A, 4.625%, 2/01/29	6,000,000	5,932,287
[c,d]Vistra Corp., Junior Sub. Bond, 144A, 8% to 10/14/26, FRN thereafter, Perpetual	10,000,000	10,214,010
		16,146,297
Media 0.5%		
[c]Stagwell Global LLC, Senior Note, 144A, 5.625%, 8/15/29	200,000	193,066
[c]Univision Communications, Inc., Senior Secured Note, 144A, 9.375%, 8/01/32	2,500,000	2,634,292
		2,827,358
Metals & Mining 2.6%		
[c]Alcoa Nederland Holding BV, Senior Note, 144A, 4.125%, 3/31/29	750,000	722,828
ArcelorMittal SA, Senior Bond, 6.8%, 11/29/32	50,000	55,398
[c]Cleveland-Cliffs, Inc., Senior Note, 144A, 7.375%, 5/01/33	8,000,000	7,975,905
[c]Fortescue Treasury Pty. Ltd.,		
Senior Bond, 144A, 4.375%, 4/01/31	800,000	761,213
Senior Bond, 144A, 6.125%, 4/15/32	6,000,000	6,161,760
[c]Mineral Resources Ltd., Senior Note, 144A, 8.5%, 5/01/30	550,000	571,354
		16,248,458
Oil, Gas & Consumable Fuels 7.5%		
[c]Calumet Specialty Products Partners LP / Calumet Finance Corp.,		
Senior Note, 144A, 11%, 4/15/26	310,000	312,958
Senior Note, 144A, 8.125%, 1/15/27	7,500,000	7,487,078
Senior Note, 144A, 9.75%, 7/15/28	3,000,000	2,947,032
Senior Secured Note, 144A, 9.25%, 7/15/29	3,000,000	3,075,000
Cheniere Corpus Christi Holdings LLC, Senior Secured Note, 3.7%, 11/15/29	100,000	97,179
[c]CITGO Petroleum Corp., Senior Secured Note, 144A, 6.375%, 6/15/26	1,000,000	1,001,694
Energy Transfer LP, Senior Bond, 6.55%, 12/01/33	50,000	54,192
[c]Hilcorp Energy I LP / Hilcorp Finance Co.,		
Senior Bond, 144A, 7.25%, 2/15/35	3,000,000	2,929,231
Senior Note, 144A, 6%, 4/15/30	1,000,000	990,279
[c]Matador Resources Co., Senior Note, 144A, 6.5%, 4/15/32	4,000,000	4,060,820
Occidental Petroleum Corp., Senior Note, 8.875%, 7/15/30	50,000	57,574
[c]Venture Global LNG, Inc.,		
[d] Junior Sub. Bond, 144A, 9% to 9/29/29, FRN thereafter, Perpetual	7,000,000	6,955,703
Senior Secured Note, 144A, 8.125%, 6/01/28	10,000,000	10,368,280
Senior Secured Note, 144A, 9.875%, 2/01/32	3,000,000	3,268,512
[c]Venture Global Plaquemines LNG LLC, Senior Secured Bond, 144A, 7.75%, 5/01/35	2,000,000	2,228,148

Franklin Templeton SMACS: Series I (continued)

	Principal Amount	Value
Corporate Bonds (continued)		
Oil, Gas & Consumable Fuels (continued)		
Williams Cos., Inc. (The), Senior Bond, 5.65%, 3/15/33	$100,000	$104,144
		45,937,824
Passenger Airlines 3.4%		
[c,e]American Airlines Group, Inc., Senior Secured Note, 144A, PIK, 10.75%, 2/15/26	5,000,000	5,012,500
[c]American Airlines, Inc., Senior Secured Note, 144A, 8.5%, 5/15/29	10,000,000	10,485,710
American Airlines, Inc. / AAdvantage Loyalty IP Ltd.,		
[c] Senior Secured Note, 144A, 5.5%, 4/20/26	1,000,000	1,002,614
[c]Delta Air Lines, Inc. / SkyMiles IP Ltd., Senior Secured Note, 144A, 4.75%, 10/20/28	50,000	50,295
[c]JetBlue Airways Corp. / JetBlue Loyalty LP, Senior Secured Note, 144A, 9.875%, 9/20/31	4,500,000	4,475,089
		21,026,208
Personal Care Products 0.5%		
[c]Opal Bidco SAS, Senior Secured Note, 144A, 6.5%, 3/31/32	3,000,000	3,054,747
Pharmaceuticals 1.5%		
[c]1261229 BC Ltd., Senior Secured Note, 144A, 10%, 4/15/32	5,000,000	5,195,730
[c]Endo Finance Holdings, Inc., Senior Secured Note, 144A, 8.5%, 4/15/31	2,000,000	2,131,714
Teva Pharmaceutical Finance Netherlands III BV, Senior Note, 8.125%, 9/15/31	1,500,000	1,706,046
		9,033,490
Semiconductors & Semiconductor Equipment 0.0%†		
Micron Technology, Inc., Senior Bond, 5.875%, 2/09/33	200,000	210,062
Software 0.8%		
[c]McAfee Corp., Senior Note, 144A, 7.375%, 2/15/30	5,000,000	4,623,128
Specialized REITs 0.4%		
American Tower Corp., Senior Note, 4.05%, 3/15/32	50,000	48,203
[c]Millrose Properties, Inc., Senior Note, 144A, 6.375%, 8/01/30	2,500,000	2,524,187
		2,572,390
Specialty Retail 0.0%†		
Lowe's Cos., Inc., Senior Bond, 5%, 4/15/33	60,000	61,064
Technology Hardware, Storage & Peripherals 0.0%†		
Hewlett Packard Enterprise Co., Senior Bond, 5%, 10/15/34	50,000	49,175
HP, Inc., Senior Bond, 5.5%, 1/15/33	80,000	82,209
		131,384
Textiles, Apparel & Luxury Goods 1.5%		
[c,e]Beach Acquisition Bidco LLC, Senior Note, 144A, PIK, 10%, 7/15/33	6,500,000	6,915,707
[c]Hanesbrands, Inc., Senior Note, 144A, 9%, 2/15/31	2,000,000	2,128,238
		9,043,945
Tobacco 0.0%†		
BAT Capital Corp., Senior Bond, 6.421%, 8/02/33	50,000	54,535
Trading Companies & Distributors 0.3%		
[c]Herc Holdings, Inc., Senior Note, 144A, 7%, 6/15/30	2,000,000	2,082,838
[c]United Rentals North America, Inc., Senior Secured Note, 144A, 6%, 12/15/29	50,000	51,290
		2,134,128
Total Corporate Bonds (Cost $460,164,229)		**471,158,748**

Franklin Templeton SMACS: Series I (continued)

	Principal Amount	Value
[f]**Senior Floating Rate Interests 1.8%**		
Containers & Packaging 0.4%		
[g]Clydesdale Acquisition Holdings, Inc., First Lien, 2025 Incremental Closing Date CME Term Loan, B, 7.566%, (1-month SOFR + 3.25%), 4/01/32	$2,457,045	$2,457,376
Health Care Providers & Services 0.1%		
[g]MPH Acquisition Holdings LLC, First Lien, Exchange First Out CME Term Loan, 8.058%, (3-month SOFR + 3.75%), 12/31/30	536,057	537,130
IT Services 1.0%		
[g]X Corp., First Lien, CME Term Loan, B1, 10.958%, (3-month SOFR + 6.5%), 10/26/29	5,969,388	5,843,613
Personal Care Products 0.3%		
[g]Opal LLC, First Lien, CME Term Loan, B2, 7.435%, (6-month SOFR + 3.25%), 4/23/32	2,000,000	2,014,060
Total Senior Floating Rate Interests (Cost $10,769,897)		**10,852,179**
Mortgage-Backed Securities 18.9%		
Federal Home Loan Mortgage Corp. (FHLMC) Fixed Rate 8.6%		
FHLMC Pool, 30 Year, 5%, 5/01/53 - 11/01/54	6,370,598	6,291,545
FHLMC Pool, 30 Year, 5%, 12/01/54	10,608,429	10,470,863
FHLMC Pool, 30 Year, 5.5%, 7/01/53	5,624,347	5,683,884
FHLMC Pool, 30 Year, 5.5%, 12/01/54	10,325,120	10,392,945
FHLMC Pool, 30 Year, 5.5%, 11/01/53 - 2/01/55	11,126,833	11,202,029
FHLMC Pool, 30 Year, 6%, 6/01/53	2,437,430	2,500,428
FHLMC Pool, 30 Year, 6%, 2/01/55	6,612,867	6,760,774
		53,302,468
Federal National Mortgage Association (FNMA) Fixed Rate 2.6%		
FNMA, 30 Year, 5%, 5/01/53 - 11/01/53	6,199,677	6,141,493
FNMA, 30 Year, 5.5%, 11/01/54	3,707,994	3,732,352
FNMA, 30 Year, 6%, 8/01/55	5,968,874	6,100,824
		15,974,669
Government National Mortgage Association (GNMA) Fixed Rate 7.7%		
GNMA II, Single-family, 30 Year, 5.5%, 3/20/55	5,676,272	5,723,368
GNMA II, Single-family, 30 Year, 5.5%, 5/20/55	8,977,226	9,051,710
GNMA II, Single-family, 30 Year, 5.5%, 6/20/55	3,730,497	3,761,449
GNMA II, Single-family, 30 Year, 6%, 2/20/55	4,838,163	4,938,715
GNMA II, Single-family, 30 Year, 6%, 3/20/55	9,112,864	9,301,233
GNMA II, Single-family, 30 Year, 6%, 1/20/55 - 6/20/55	7,038,685	7,186,625
GNMA II, Single-family, 30 Year, 6%, 8/20/55	7,116,646	7,267,879
		47,230,979
Total Mortgage-Backed Securities (Cost $114,882,753)		**116,508,116**
	Shares	
Escrows and Litigation Trusts 0.0%		
[a,b]Endo, Inc., Escrow Account	300,000	—
Total Escrows and Litigation Trusts (Cost $–)		**—**
Total Long Term Investments (Cost $587,163,296)		**600,919,551**

Franklin Templeton SMACS: Series I (continued)

Short Term Investments 0.5%

	Shares	Value
Money Market Funds 0.5%		
[h,i]Institutional Fiduciary Trust - Money Market Portfolio, 4.25%	2,921,629	$2,921,629
Total Money Market Funds (Cost $2,921,629)		**2,921,629**
Total Short Term Investments (Cost $2,921,629)		**2,921,629**
Total Investments (Cost $590,084,925) 98.2%		**$603,841,180**
Other Assets, less Liabilities 1.8%		**11,174,984**
Net Assets 100.0%		**$615,016,164**

See Abbreviations on page 47.

[†] Rounds to less than 0.1% of net assets.
[a] Fair valued using significant unobservable inputs. See Note 12 regarding fair value measurements.
[b] Non-income producing.
[c] Security 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 August 31, 2025, the aggregate value of these securities was $404,871,067, representing 65.8% of net assets.
[d] Perpetual security with no stated maturity date.
[e] Income may be received in additional securities and/or cash.
[f] See Note 1(f) regarding senior floating rate interests.
[g] The coupon rate shown represents the rate inclusive of any caps or floors, if applicable, in effect at period end.
[h] See Note 3(d) regarding investments in affiliated management investment companies.
[i] The rate shown is the annualized seven-day effective yield at period end.

Statements of Assets and Liabilities

August 31, 2025

	Franklin Templeton SMACS: Series CH	Franklin Templeton SMACS: Series E	Franklin Templeton SMACS: Series H	Franklin Templeton SMACS: Series I
Assets:				
Investments in securities:				
Cost - Unaffiliated issuers	$27,412,931	$365,566,864	$27,263,576	$587,163,296
Cost - Non-controlled affiliates (Note 3d)	—	2,925,813	520,916	2,921,629
Value - Unaffiliated issuers	$27,196,704	$409,175,729	$26,436,380	$600,919,551
Value - Non-controlled affiliates (Note 3d)	—	2,925,813	531,300	2,921,629
Cash	28,195	1,125	37,810	12,792
Foreign currency, at value (cost $–, $114, $– and $–, respectively)	—	117	—	—
Receivables:				
Capital shares sold	—	1,090,291	23,322	1,450,980
Dividends and interest	545,843	847,984	394,864	9,999,910
Affiliates	38,186	69,608	53,432	87,906
Total assets	27,808,928	414,110,667	27,477,108	615,392,768
Liabilities:				
Payables:				
Investment securities purchased	197,500	—	262,156	—
Capital shares redeemed	—	178,519	189,327	266,029
Transfer agent fees	889	13,963	767	15,077
Professional fees	56,575	62,097	56,574	85,521
Trustees' fees and expenses	329	297	323	309
Distributions to shareholders	133,035	—	123,643	461
Accrued expenses and other liabilities	13,749	6,358	13,248	9,207
Total liabilities	402,077	261,234	646,038	376,604
Net assets, at value	$27,406,851	$413,849,433	$26,831,070	$615,016,164
Net assets consist of:				
Paid-in capital	$27,820,811	$374,669,116	$27,805,788	$602,607,905
Total distributable earnings (losses)	(413,960)	39,180,317	(974,718)	12,408,259
Net assets, at value	$27,406,851	$413,849,433	$26,831,070	$615,016,164
Shares outstanding	3,272,997	30,690,975	3,025,034	76,172,912
Net asset value per share[a]	$8.37	$13.48	$8.87	$8.07

[a]Net asset value per share may not recalculate due to rounding.

Statements of Operations

for the year ended August 31, 2025

	Franklin Templeton SMACS: Series CH	Franklin Templeton SMACS: Series E	Franklin Templeton SMACS: Series H	Franklin Templeton SMACS: Series I
Investment income:				
Dividends: (net of foreign taxes of $–, $283,533, $– and $–, respectively)				
Unaffiliated issuers	$—	$7,847,820	$—	$71,720
Non-controlled affiliates (Note 3d)	—	148,996	21,184	216,570
Interest:				
Unaffiliated issuers	1,479,743	32,913	1,036,139	36,915,550
Other income[a]	—	14,159	1,642	19,043
Total investment income	1,479,743	8,043,888	1,058,965	37,222,883
Expenses:				
Transfer agent fees (Note 3c)	4,707	74,189	3,879	89,012
Custodian fees (Note 4)	—	2,881	—	3,867
Reports to shareholders fees	2,189	6,169	1,536	6,171
Registration and filing fees	32,421	50,415	32,002	65,468
Professional fees	77,426	86,504	77,115	104,356
Trustees' fees and expenses	623	3,421	534	5,298
Pricing fees	24,623	3,300	50,232	8,997
Other	6,969	8,574	7,337	11,761
Total expenses	148,958	235,453	172,635	294,930
Expense reductions (Note 4)	(349)	—	(264)	—
Expenses waived/paid by affiliates (Note 3d and 3e)	(148,609)	(235,453)	(172,371)	(294,930)
Net expenses	—	—	—	—
Net investment income	1,479,743	8,043,888	1,058,965	37,222,883
Realized and unrealized gains (losses):				
Net realized gain (loss) from:				
Investments:				
Unaffiliated issuers	(123,303)	8,964,439	18,698	1,474,162
Non-controlled affiliates (Note 3d)	—	—	50	—
Foreign currency transactions	—	22,941	—	—
Futures contracts	—	—	—	(1,027,010)
Net realized gain (loss)	(123,303)	8,987,380	18,748	447,152
Net change in unrealized appreciation (depreciation) on:				
Investments:				
Unaffiliated issuers	(1,774,015)	23,985,791	(1,377,571)	887,591
Non-controlled affiliates (Note 3d)	—	—	(7,110)	—
Translation of other assets and liabilities denominated in foreign currencies	—	3,037	—	—
Written options	—	100,718	—	—
Futures contracts	—	—	—	225,182
Net change in unrealized appreciation (depreciation)	(1,774,015)	24,089,546	(1,384,681)	1,112,773
Net realized and unrealized gain (loss)	(1,897,318)	33,076,926	(1,365,933)	1,559,925
Net increase (decrease) in net assets resulting from operations	$(417,575)	$41,120,814	$(306,968)	$38,782,808

[a]Other income includes payments by Advisers for acquired fund fees and expenses (See Note 3e).

Statements of Changes in Net Assets

	Franklin Templeton SMACS: Series CH		Franklin Templeton SMACS: Series E	
	Year Ended August 31, 2025	**Year Ended August 31, 2024**	**Year Ended August 31, 2025**	**Year Ended August 31, 2024**
Increase (decrease) in net assets:				
Operations:				
Net investment income	$1,479,743	$1,008,621	$8,043,888	$4,217,015
Net realized gain (loss)	(123,303)	113,039	8,987,380	3,490,113
Net change in unrealized appreciation (depreciation)	(1,774,015)	1,841,890	24,089,546	18,221,254
Net increase (decrease) in net assets resulting from operations.	(417,575)	2,963,550	41,120,814	25,928,382
Distributions to shareholders	(1,467,378)	(999,563)	(19,727,030)	(8,954,982)
Capital share transactions (Note 2).	6,382,300	17,047,897	174,524,065	138,966,409
Net increase (decrease) in net assets	4,497,347	19,011,884	195,917,849	155,939,809
Net assets:				
Beginning of year	22,909,504	3,897,620	217,931,584	61,991,775
End of year	$27,406,851	$22,909,504	$413,849,433	$217,931,584

Statements of Changes in Net Assets (continued)

	Franklin Templeton SMACS: Series H		Franklin Templeton SMACS: Series I	
	Year Ended August 31, 2025	**Year Ended August 31, 2024**	**Year Ended August 31, 2025**	**Year Ended August 31, 2024**
Increase (decrease) in net assets:				
Operations:				
Net investment income	$1,058,965	$616,049	$37,222,883	$18,607,654
Net realized gain (loss)	18,748	(128,925)	447,152	2,249,814
Net change in unrealized appreciation (depreciation)	(1,384,681)	892,548	1,112,773	12,458,862
Net increase (decrease) in net assets resulting from operations.	(306,968)	1,379,672	38,782,808	33,316,330
Distributions to shareholders	(1,045,091)	(591,419)	(38,285,671)	(19,258,918)
Capital share transactions (Note 2).	15,530,069	1,805,810	240,644,721	250,765,768
Net increase (decrease) in net assets	14,178,010	2,594,063	241,141,858	264,823,180
Net assets:				
Beginning of year	12,653,060	10,058,997	373,874,306	109,051,126
End of year	$26,831,070	$12,653,060	$615,016,164	$373,874,306

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 twelve separate funds, four 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 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, exchange traded funds, and derivative financial instruments listed on an exchange or on the NASDAQ National Market System are valued at the last quoted sale price or the official closing price of the day, respectively. Foreign equity securities are valued as of the close of trading on the foreign stock exchange on which the security is primarily traded, or as of 4 p.m. Eastern time. The value is then converted into its U.S. dollar equivalent at the foreign exchange rate in effect at 4 p.m. Eastern time on the day that the value of the security is determined. Over-the-counter (OTC) securities are valued within the range of the most recent quoted bid and ask prices. Securities that trade in multiple markets or on multiple exchanges are valued according to the broadest and most representative market. Certain equity securities are valued based upon fundamental characteristics or relationships to similar securities.

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

Investments in open-end mutual funds are valued at the closing NAV.

Certain derivative financial instruments trade in the OTC market. The Funds' pricing services use various techniques including industry standard option pricing models and proprietary discounted cash flow models to determine the fair value of those instruments. The Funds' net benefit or obligation under the derivative contract, as measured by the fair value of the contract, is included in net assets.

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 Fund. 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 August 31, 2025, 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 When-Issued, Forward Commitment or Delayed Delivery Basis

Certain or all Funds may purchase securities on a when-issued, forward commitment or 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. Derivative Financial Instruments

Certain or all Funds invested in derivative financial instruments in order to manage risk or gain exposure to various other investments or markets. Derivatives are financial contracts based on an underlying or notional amount, require no initial investment or an initial net investment that is smaller than would normally be required to have a similar response to changes in market factors, and require or permit net settlement. Derivatives contain various risks including the potential inability of the counterparty to fulfill their obligations under the terms of the contract, the potential for an illiquid secondary market, and/or the potential for market movements which expose the Fund to gains or losses in excess of the amounts shown in the Statements of

1. Organization and Significant Accounting Policies
(continued)

d. Derivative Financial Instruments (continued)

Assets and Liabilities. Realized gain and loss and unrealized appreciation and depreciation on these contracts for the period are included in the Statements of Operations.

Collateral requirements differ by type of derivative. Collateral or initial margin requirements are set by the broker or exchange clearing house for exchange traded and centrally cleared derivatives. Initial margin deposited is held at the exchange and can be in the form of cash and/or securities.

Certain or all Funds entered into exchange traded futures contracts primarily to manage and/or gain exposure to interest rate risk. A futures contract is an agreement between the Fund and a counterparty to buy or sell an asset at a specified price on a future date. Required initial margins are pledged by the Fund, and the daily change in fair value is accounted for as a variation margin payable or receivable in the Statements of Assets and Liabilities. Futures contracts outstanding at period end, if any, are listed in the Funds' Schedules of Investments.

Certain or all Funds purchased or wrote exchange traded option contracts primarily to manage and/or gain exposure to equity price risk. An option is a contract entitling the holder to purchase or sell a specific amount of shares or units of an asset or notional amount of a swap (swaption), at a specified price. When an option is purchased or written, an amount equal to the premium paid or received is recorded as an asset or liability, respectively. Upon exercise of an option, the acquisition cost or sales proceeds of the underlying investment is adjusted by any premium received or paid. Upon expiration of an option, any premium received or paid is recorded as a realized gain or loss. Upon closing an option other than through expiration or exercise, the difference between the premium received or paid and the cost to close the position is recorded as a realized gain or loss. Option contracts outstanding at period end, if any, are listed in the Funds' Schedules of Investments.

See Note 10 regarding other derivative information.

e. Equity-Linked Securities

Certain or all Funds invest in equity-linked securities. Equity-linked securities are hybrid financial instruments that generally combine both debt and equity characteristics into a single note form. Income received from equity-linked securities is recorded as realized gains in the Statements of Operations and may be based on the performance of an underlying equity security, an equity index, or an option position. The risks of investing in equity-linked securities include unfavorable price movements in the underlying security and the credit risk of the issuing financial institution. There may be no guarantee of a return of principal with equity-linked securities and the appreciation potential may be limited. Equity-linked securities may be more volatile and less liquid than other investments held by the Funds.

f. Senior Floating Rate Interests

Certain or all Funds invest in senior secured corporate loans that pay interest at rates which are periodically reset by reference to a base lending rate plus a spread. These base lending rates are generally the prime rate offered by a designated U.S. bank or the Secured Overnight Financing Rate (SOFR). Senior secured corporate loans often require prepayment of principal from excess cash flows or at the discretion of the borrower. As a result, actual maturity may be substantially less than the stated maturity. Senior secured corporate loans in which the Funds invest are generally readily marketable, but may be subject to certain restrictions on resale.

g. 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 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.

1. Organization and Significant Accounting Policies
(continued)

g. Income and Deferred Taxes (continued)

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 August 31, 2025, 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.

h. 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. Paydown gains and losses are recorded as an adjustment to interest income. Certain or all Funds may receive other income from investments in senior secured corporate loans or unfunded commitments, including amendment fees, consent fees or commitment fees. These fees are recorded as income when received by the Funds. Facility fees are recognized as income over the expected term of the loan. 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. Dividends from net investment income are normally declared daily; these dividends may be reinvested or paid monthly to shareholders for Franklin Templeton SMACS: Series CH and Franklin Templeton SMACS: Series H, and recorded on ex-dividend date for Franklin Templeton SMACS: Series E and Franklin Templeton SMACS: Series I. Distributions from realized capital gains and other distributions, if any, 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.

i. 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.

j. 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 August 31, 2025, there were an unlimited number of shares authorized (without par value). Transactions in the Funds' shares were as follows:

	Franklin Templeton SMACS: Series CH		Franklin Templeton SMACS: Series E	
	Shares	**Amount**	**Shares**	**Amount**
Year ended August 31, 2025				
Shares sold	1,560,906	$13,711,654	17,441,028	$222,731,933
Shares issued in reinvestment of distributions	53	474	48	602
Shares redeemed	(846,140)	(7,329,828)	(3,811,874)	(48,208,470)
Net increase (decrease)	714,819	$6,382,300	13,629,202	$174,524,065
Year ended August 31, 2024				
Shares sold	2,515,268	$20,611,055	13,297,447	$158,010,193
Shares redeemed	(414,471)	(3,563,158)	(1,599,105)	(19,043,784)
Net increase (decrease)	2,100,797	$17,047,897	11,698,342	$138,966,409

	Franklin Templeton SMACS: Series H		Franklin Templeton SMACS: Series I	
	Shares	**Amount**	**Shares**	**Amount**
Year ended August 31, 2025				
Shares sold	2,030,344	$18,797,350	39,769,515	$318,217,572
Shares issued in reinvestment of distributions	50	478	193	1,539
Shares redeemed	(350,266)	(3,267,759)	(9,715,769)	(77,574,390)
Net increase (decrease)	1,680,128	$15,530,069	30,053,939	$240,644,721
Year ended August 31, 2024				
Shares sold	743,279	$6,665,954	36,341,570	$283,974,624
Shares redeemed	(533,815)	(4,860,144)	(4,247,905)	(33,208,856)
Net increase (decrease)	209,464	$1,805,810	32,093,665	$250,765,768

3. Transactions with Affiliates

Franklin Resources, Inc. is the holding company for various subsidiaries that together are referred to as Franklin Templeton. Certain officers and trustees of the Trust are also officers and/or directors of the following subsidiaries:

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

a. Management Fees

Advisers provides investment management services to the Funds. The Funds do not pay a fee for these services.

3. Transactions with Affiliates (continued)

b. Administrative Fees

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

c. Transfer Agent Fees

The Funds pay transfer agent fees, calculated monthly and paid monthly, to Investor Services for its performance of shareholder servicing obligations. 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. In addition, the Fund reimburses Investor Services for out of pocket expenses incurred and reimburses shareholder servicing fees paid to third parties.

For the year ended August 31, 2025, the Funds paid transfer agent fees as noted in the Statements of Operations of which the following amounts were retained by Investor Services:

	Franklin Templeton SMACS: Series CH	Franklin Templeton SMACS: Series E	Franklin Templeton SMACS: Series H	Franklin Templeton SMACS: Series I
Transfer agent fees	$4,070	$64,538	$3,570	$83,862

d. 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. Advisers has contractually agreed to reimburse expenses of the Funds in an amount equal to fees indirectly borne by the Funds on assets invested in the affiliated management investment companies, as noted in the Statements of Operations. During the year ended August 31, 2025, 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 Templeton SMACS: Series E								
Non-Controlled Affiliates								
								Dividends
Institutional Fiduciary Trust - Money Market Portfolio, 4.25%.	$1,129,213	$238,711,128	$(236,914,528)	$—	$—	$2,925,813	2,925,813	$148,996
Total Affiliated Securities	$1,129,213	$238,711,128	$(236,914,528)	$—	$—	$2,925,813		$148,996
Franklin Templeton SMACS: Series H								
Non-Controlled Affiliates								
								Dividends
Franklin Dynamic Municipal Bond ETF	$421,260	$599,500	$(482,400)	$50	$(7,110)	$531,300	22,000	$21,184
Total Affiliated Securities	$421,260	$599,500	$(482,400)	$50	$(7,110)	$531,300		$21,184

3. Transactions with Affiliates (continued)

d. Investments in Affiliated Management Investment Companies (continued)

	Value at Beginning of Year	Purchases	Sales	Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Value at End of Year	Number of Shares Held at End of Year	Investment Income
Franklin Templeton SMACS: Series I								
Non-Controlled Affiliates								
								Dividends
Institutional Fiduciary Trust - Money Market Portfolio, 4.25%.	$2,116,283	$243,462,441	$(242,657,095)	$—	$—	$2,921,629	2,921,629	$216,570
Total Affiliated Securities . . .	$2,116,283	$243,462,441	$(242,657,095)	$—	$—	$2,921,629		$216,570

e. Waiver and Expense Reimbursements

Advisers has contractually agreed in advance to waive or limit its fees and to assume as its own expense certain expenses otherwise payable by the Funds so that the operating expenses (excluding certain non-routine expenses or costs, including those relating to litigation, indemnification, reorganizations, and liquidations) and acquired fund fees and expenses of the Funds do not exceed 0.00% based on the average net assets of each class until December 31, 2025. Total expenses waived or paid are not subject to recapture subsequent to the Funds' fiscal year end.

Acquired fund fees and expenses are indirect expenses, and therefore Advisers may make payments, if necessary, to the Funds to offset these estimated indirect expenses. Payments by Advisers for the year ended August 31, 2025, are reflected as other income in the Statements of Operations.

f. Interfund Transactions

Certain or all Funds engaged in purchases and sales of investments with funds or other accounts that have common investment managers (or affiliated investment managers), directors, trustees or officers. These purchases, sales and the related net realized gains (losses), if any, for the year ended August 31, 2025, were as follows:

	Franklin Templeton SMACS: Series CH	Franklin Templeton SMACS: Series H
Purchases	$8,015,000	$10,620,000
Sales	$7,870,000	$10,815,000
Net Realized Gains (Losses).	—	—

4. Expense Offset Arrangement

Franklin Templeton SMACS: Series CH and Franklin Templeton SMACS: Series H have entered into an arrangement with their custodian whereby credits realized as a result of uninvested cash balances are used to reduce a portion of the Funds' custodian expenses. During the year ended August 31, 2025, the custodian fees were reduced as noted in the Statements of Operations.

5. Income Taxes

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

At August 31, 2025, the capital loss carryforwards were as follows:

	Franklin Templeton SMACS: Series CH	Franklin Templeton SMACS: Series E	Franklin Templeton SMACS: Series H	Franklin Templeton SMACS: Series I
Capital loss carryforwards not subject to expiration:				
Short term	$103,150	$2,428,166	$35,455	$842,302
Long term	124,544	—	142,795	—
Total capital loss carryforwards	$227,694	$2,428,166	$178,250	$842,302

During the year ended August 31, 2025, the utilized capital loss carryforwards were as follows:

	Franklin Templeton SMACS: Series H
Capital loss utilized carryforwards	$34,106

The tax character of distributions paid during the years ended August 31, 2025 and 2024, was as follows:

	Franklin Templeton SMACS: Series CH		Franklin Templeton SMACS: Series E	
	2025	2024	2025	2024
Distributions paid from:				
Ordinary income	$53,936	$15,566	$19,727,030	$8,954,982
Tax exempt income	1,413,442	983,997	—	—
	$1,467,378	$999,563	$19,727,030	$8,954,982

	Franklin Templeton SMACS: Series H		Franklin Templeton SMACS: Series I	
	2025	2024	2025	2024
Distributions paid from:				
Ordinary income	$46,839	$18,417	$38,285,671	$19,258,918
Tax exempt income	998,252	573,002	—	—
	$1,045,091	$591,419	$38,285,671	$19,258,918

5. Income Taxes (continued)

At August 31, 2025, the cost of investments, net unrealized appreciation (depreciation), undistributed tax exempt income and undistributed ordinary income for income tax purposes were as follows:

	Franklin Templeton SMACS: Series CH	Franklin Templeton SMACS: Series E	Franklin Templeton SMACS: Series H	Franklin Templeton SMACS: Series I
Cost of investments	$27,383,354	$370,964,194	$27,751,506	$590,590,158
Unrealized appreciation	$657,131	$48,759,671	$304,517	$17,251,262
Unrealized depreciation	(843,781)	(7,622,323)	(1,088,343)	(4,000,240)
Net unrealized appreciation (depreciation)	$(186,650)	$41,137,348	$(783,826)	$13,251,022
Distributable earnings:				
Undistributed ordinary income	$—	$465,697	$—	$—
Undistributed tax exempt income	133,418	—	111,002	—
Total distributable earnings	$133,418	$465,697	$111,002	$—

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, bond discounts and premiums and equity-linked securities.

6. Investment Transactions

Purchases and sales of investments and ETFs (excluding short term securities) for the year ended August 31, 2025, were as follows:

	Franklin Templeton SMACS: Series CH	Franklin Templeton SMACS: Series E	Franklin Templeton SMACS: Series H	Franklin Templeton SMACS: Series I
Purchases	$13,484,752	$484,136,937	$17,360,484	$482,987,107
Sales	$7,461,358	$313,697,029	$1,424,437	$249,768,448

7. Credit Risk

At August 31, 2025, certain or all Funds had a portion of their portfolio invested in high yield or other securities rated below investment grade as determined by Nationally Recognized Statistical Credit Ratings Organizations and/or internally, by investment management and unrated securities. These securities may be more sensitive to economic conditions causing greater price volatility and are potentially subject to a greater risk of loss due to default than higher rated securities.

	Franklin Templeton SMACS: Series CH	Franklin Templeton SMACS: Series H	Franklin Templeton SMACS: Series I
Credit risk	55.3%	43.2%	76.7%

8. Concentration of Risk

Franklin Templeton SMACS: Series CH invests a large percentage of its total assets in obligations of issuers within California and U.S. territories. Such concentration may subject the Fund to risks associated with industrial or regional matters, and economic, political or legal developments occurring within California and U.S. territories. Investments in these securities are sensitive to interest rate changes and credit risk of the issuer and may subject the Fund to increased market volatility. The market for these investments may be limited, which may make them difficult to buy or sell.

9. Unfunded Loan Commitments

Certain or all Funds enter into certain credit agreements, all or a portion of which may be unfunded. The Funds are obligated to fund these loan commitments at the borrowers' discretion. Unfunded loan commitments and funded portions of credit agreements are marked to market daily and any unrealized appreciation or depreciation is included in the Statements of Assets and Liabilities and the Statements of Operations. Funded portions of credit agreements are presented in the Schedules of Investments.

At August 31, 2025, unfunded commitments were as follows:

Borrower	Unfunded Commitment
Franklin Templeton SMACS: Series I	
Clydesdale Acquisition Holdings, Inc.	$42,955
	$42,955

10. Other Derivative Information

For the year ended August 31, 2025, the effect of derivative contracts in the Statements of Operations was as follows:

Derivative Contracts Not Accounted for as Hedging Instruments	Statement of Operations Location	Net Realized Gain (Loss) for the Year	Statement of Operations Location	Net Change in Unrealized Appreciation (Depreciation) for the Year
Franklin Templeton SMACS: Series E				
	Net realized gain (loss) from:		Net change in unrealized appreciation (depreciation) on:	
Equity contracts				
	Written options	$—	Written options	$100,718
Total		$—		$100,718
Franklin Templeton SMACS: Series I				
	Net realized gain (loss) from:		Net change in unrealized appreciation (depreciation) on:	
Interest rate contracts				
	Futures contracts	(1,027,010)	Futures contracts	225,182
Total		$(1,027,010)		$225,182

For the year ended August 31, 2025, the average month end notional amount of futures contracts and options were as follows:

	Franklin Templeton SMACS: Series E	Franklin Templeton SMACS: Series I
Futures contracts	$–	$8,267,668
Options	769	–

10. Other Derivative Information (continued)

See Note 1(d) regarding derivative financial instruments.

11. 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 $2.995 billion (Global Credit Facility) which matures on January 30, 2026. 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 may, 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 August 31, 2025, the Funds did not use the Global Credit Facility.

12. 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 August 31, 2025, in valuing the Funds' assets carried at fair value, is as follows:

	Level 1	Level 2	Level 3	Total
Franklin Templeton SMACS: Series CH				
Assets:				
Investments in Securities:[a]				
Corporate Bonds	$—	$246,235	$—	$246,235
Municipal Bonds:				
Arizona	—	530,416	—	530,416
California	—	25,223,571	603,985	25,827,556
Florida	—	62,000	—	62,000
U.S. Territories				
Puerto Rico	—	130,497	—	130,497
Short Term Investments	—	400,000	—	400,000
Total Investments in Securities	$—	$26,592,719	$603,985	$27,196,704

12. Fair Value Measurements (continued)

	Level 1	Level 2	Level 3	Total
Franklin Templeton SMACS: Series E				
Assets:				
Investments in Securities:				
Common Stocks:				
Aerospace & Defense	$23,409,400	$—	$—	$23,409,400
Banks	11,851,030	—	—	11,851,030
Biotechnology	4,208,000	—	—	4,208,000
Capital Markets	2,817,850	—	—	2,817,850
Electric Utilities	4,696,994	—	—	4,696,994
Energy Equipment & Services	9,025,800	—	—	9,025,800
Ground Transportation	4,199,700	—	—	4,199,700
Health Care Equipment & Supplies	8,685,850	—	—	8,685,850
Health Care Providers & Services	10,225,710	—	—	10,225,710
Hotels, Restaurants & Leisure	6,270,800	—	—	6,270,800
Interactive Media & Services	4,258,200	—	—	4,258,200
IT Services	6,499,250	—	—	6,499,250
Machinery	2,514,240	—	—	2,514,240
Media	2,377,900	—	—	2,377,900
Metals & Mining	2,604,000	—	—	2,604,000
Oil, Gas & Consumable Fuels	12,172,500	8,284,358	—	20,456,858
Pharmaceuticals	15,784,147	—	—	15,784,147
Semiconductors & Semiconductor Equipment	15,173,202	—	—	15,173,202
Software	2,562,500	—	—	2,562,500
Tobacco	13,370,400	—	—	13,370,400
Equity-Linked Securities	—	199,015,898	—	199,015,898
Convertible Preferred Stocks	39,168,000	—	—	39,168,000
Short Term Investments	2,925,813	—	—	2,925,813
Total Investments in Securities	$204,801,286	$207,300,256[b]	$—	$412,101,542
Franklin Templeton SMACS: Series H				
Assets:				
Investments in Securities:[a]				
Management Investment Companies	531,300	—	—	531,300
Corporate Bonds	—	246,234	—	246,234
Municipal Bonds	—	26,090,146	—	26,090,146
Short Term Investments	—	100,000	—	100,000
Total Investments in Securities	$531,300	$26,436,380	$—	$26,967,680
Franklin Templeton SMACS: Series I				
Assets:				
Investments in Securities:				
Common Stocks:				
Banks	2,283,300	—	—	2,283,300
Pharmaceuticals	—	—	117,208	117,208
Corporate Bonds	—	471,158,748	—	471,158,748
Senior Floating Rate Interests	—	10,852,179	—	10,852,179
Mortgage-Backed Securities	—	116,508,116	—	116,508,116
Escrows and Litigation Trusts	—	—	—[c]	—
Short Term Investments	2,921,629	—	—	2,921,629
Total Investments in Securities	$5,204,929	$598,519,043	$117,208	$603,841,180

[a]For detailed categories, see the accompanying Schedule of Investments.
[b]Includes foreign securities valued at $8,284,358, 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 financial instruments determined to have no value.

12. Fair Value Measurements (continued)

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 August 31, 2025, the reconciliation is as follows:

	Balance at Beginning of Year	Purchases[a]	Sales[b]	Transfer Into Level 3	Transfer Out of Level 3	Net Accretion (Amortization)	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 Templeton SMACS: Series CH										
Assets:										
Investments in Securities:										
Municipal Bonds:										
United States .	$14,263	$600,000	$(8,372)	$—	$—	$—	$(53,586)	$51,680	$603,985	$3,985
Total Investments in Securities	$14,263	$600,000	$(8,372)	$—	$—	$—	$(53,586)	$51,680	$603,985	$3,985

[a]Purchases include all purchases of securities and securities received in corporate actions.
[b]Sales include all sales of securities, maturities, paydowns and securities tendered in corporate actions.

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 August 31, 2025, are as follows:

Description	Fair Value at End of Year	Valuation Technique	Unobservable Inputs	Amount (Weighted Average)	Impact to Fair Value if Input Increases[a]
Franklin Templeton SMACS: Series CH					
Assets:					
Investments in Securities:					
Municipal Bonds					
California	$603,985	Discounted cash flow	Discount rate	8.2%	Decrease
All Other Investments	—				
Total	$603,985				

[a]Represents 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.

13. Operating Segments

The Funds have adopted the FASB Accounting Standards Update (ASU) 2023-07, *Segment Reporting (Topic 280) - Improvements to Reportable Segment Disclosures.* The update is limited to disclosure requirements and does not impact the Funds' financial position or results of operations.

Each Fund operates as a single operating segment, which is an investment portfolio. The portfolio managers assigned to the Fund within the Funds' Investment manager serve as the Chief Operating Decision Maker (“CODM”) and are responsible for evaluating each Fund's operating results and allocating resources in accordance with each Fund’s investment strategy. Internal reporting provided to the CODM aligns with the accounting policies and measurement principles used in the financial statements.

13. Operating Segments (continued)

For information regarding segment assets, segment profit or loss, and significant expenses, refer to the Statements of Assets and Liabilities and the Statements of Operations, along with the related notes to the financial statements. The Schedules of Investments provides details of the Funds' investments that generate returns such as interest, dividends, and realized and unrealized gains or losses. Performance metrics, including portfolio turnover and expense ratios, are disclosed in the Financial Highlights.

14. 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
CME	Chicago Mercantile Exchange
ETF	Exchange-Traded Fund
FHLMC	Federal Home Loan Mortgage Corp.
FNMA	Federal National Mortgage Association
FRN	Floating Rate Note
GNMA	Government National Mortgage Association
GO	General Obligation
PIK	Payment-In-Kind
REIT	Real Estate Investment Trust
SOFR	Secured Overnight Financing Rate
SPA	Standby Purchase Agreement

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Franklin Strategic Series and Shareholders of Franklin Templeton SMACS: Series CH, Franklin Templeton SMACS: Series E, Franklin Templeton SMACS: Series H and Franklin Templeton SMACS: Series I

Opinions on the Financial Statements

We have audited the accompanying statements of assets and liabilities, including the schedules of investments, of Franklin Templeton SMACS: Series CH, Franklin Templeton SMACS: Series E, Franklin Templeton SMACS: Series H and Franklin Templeton SMACS: Series I (four of the funds constituting Franklin Strategic Series, hereafter collectively referred to as the "Funds") as of August 31, 2025, the related statements of operations for the year ended August 31, 2025, the statements of changes in net assets for each of the two years in the period ended August 31, 2025, including the related notes, and the financial highlights for each of the five years in the period ended August 31, 2025 (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 August 31, 2025, 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 August 31, 2025 and each of the financial highlights for each of the five years in the period ended August 31, 2025 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 August 31, 2025 by correspondence with the custodian, transfer agent, agent banks 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
October 20, 2025

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

Tax Information (unaudited)

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

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

The Funds hereby report the following amounts, or if subsequently determined to be different, the maximum allowable amounts, for the fiscal year ended August 31, 2025:

	Pursuant to:	**Franklin Templeton SMACS: Series CH**	**Franklin Templeton SMACS: Series E**
Income Eligible for Dividends Received Deduction (DRD)	§854(b)(1)(A)	—	$3,547,473
Qualified Dividend Income Earned (QDI)	§854(b)(1)(B)	—	$5,164,644
Exempt-Interest Dividends Distributed	§852(b)(5)(A)	$1,413,442	—
Section 163(j) Interest Dividends Earned	§163(j)	—	$51,753

	Pursuant to:	**Franklin Templeton SMACS: Series H**	**Franklin Templeton SMACS: Series I**
Income Eligible for Dividends Received Deduction (DRD)	§854(b)(1)(A)	—	$71,719
Qualified Dividend Income Earned (QDI)	§854(b)(1)(B)	—	$71,719
Exempt-Interest Dividends Distributed	§852(b)(5)(A)	$998,252	—
Section 163(j) Interest Dividends Earned	§163(j)	—	$37,053,495
Interest Earned from Federal Obligations	Note (1)	—	$4,216,619

Note (1) - The Law varies in each state as to whether and what percentage of dividend income attributable to Federal obiligations is exempt from state income tax. Shareholders are advised to consult with their tax advisors to determine if any portion of the dividends received is exempt from state income taxes.

Changes In and Disagreements with Accountants

For the period covered by this report

Not applicable.

Results of Meeting(s) of Shareholders

For the period covered by this report

Not applicable.

Remuneration Paid to Directors, Officers and Others

For the period covered by this report

Refer to the financial statements included herein. Remuneration to officers is paid by the Fund's investment manager according to the terms of the agreement.

Board Approval of Management and Subadvisory Agreements

For the period covered by this report

BOARD APPROVAL OF INVESTMENT MANAGEMENT AGREEMENTS

(unaudited)

FRANKLIN STRATEGIC SERIES

Franklin Templeton SMACS: Series CH
Franklin Templeton SMACS: Series E
Franklin Templeton SMACS: Series H
Franklin Templeton SMACS: Series I
(each a Fund)

At an in-person meeting held on April 15, 2025 (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 to consider the renewal 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 continuance 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 also considered prior to and at the Meeting. The Board further 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 the information it received 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 acquired third-party fund families into the FT family of funds and management's continued development of strategies to address evolving changes in domestic policy 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 its evaluation of ways to incorporate private assets into more traditional investment vehicles. The Board specifically noted FT's commitment to technological innovation and advancement, including its continued focus on developing potential use cases for tokenization and the blockchain and the use of artificial intelligence tools to help streamline day-to-day tasks.

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, 2024. 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 Templeton SMACS: Series CH and Franklin Templeton SMACS: Series H - The Performance Universe for the Franklin Templeton SMACS: Series CH included the Fund and all retail and institutional California municipal debt funds. The Performance Universe for the Franklin Templeton SMACS: Series H included the Fund and all retail and institutional high yield municipal debt funds. The Board noted that the Funds' annualized total returns for the one-, three- and five-year periods were above the medians of their respective Performance Universes. The Board concluded that each Fund's performance was satisfactory.

Franklin Templeton SMACS: Series E - The Performance Universe for the Fund included the Fund and all retail and institutional equity income funds. The Board noted that the Fund's annualized total return for the three- and five-year periods was above the median of its Performance Universe, but for the one-year period was below the median of its Performance Universe. The Board further noted that, although below median, the Fund's annualized total return for the one-year period was 11.38%. The Board concluded that the Fund's performance was satisfactory.

Franklin Templeton SMACS: Series I - The Performance Universe for the Fund included the Fund and all retail and institutional short high yield funds. The Board noted that the Fund's annualized total return for the one-year period was above the median of its Performance Universe, but for the three- and five-year periods was below the median of its Performance Universe. The Board discussed the Fund's performance with management and management explained that the Fund is used as a completion portfolio in the Franklin Income SMA and that performance should be evaluated within the context of performance of the Franklin Income SMA, which outperformed its blended benchmark, the 50% MSCI USA High Dividend Yield Index + 25% Bloomberg High Yield Very Liquid Index + 25% Bloomberg US Aggregate Index, over the three- and five-year periods. Management further explained that the Fund's Performance Universe is not a direct comparison to the Fund as it includes funds that invest in short duration high yield bonds, whereas the Fund invests in securitized instruments, treasuries, and corporate bonds. The Board noted that the Fund's performance was positive for all reporting periods. 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 considered the actual total expense ratio and, separately, the actual management fee rate (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 (i) Class A1, Class S, Class Z, Investor Class and Fund Class shares for other funds in the Franklin Templeton SMACS: Series CH Expense Group with multiple classes of shares; (ii) Investor Class, Retail Class and Institutional Class shares for other funds in the Franklin Templeton SMACS: Series E Expense Group with multiple classes of shares; (iii) Class S, Class Z, Member Class and Investor Class shares for other funds in the Franklin Templeton SMACS: Series H Expense Group with multiple classes of shares; and (iv) Class P, Investor Class, and Open Class and Retail Class shares for other funds in the Franklin Templeton SMACS: Series I Expense Group with multiple classes of shares. The Board received a description of the methodology used by Broadridge to select the mutual funds included in an Expense Group.

The Expense Group for the Franklin Templeton SMACS: Series CH included the Fund and 10 other California municipal debt funds. The Expense Group for the Franklin Templeton SMACS: Series E included the Fund and nine other equity income funds. The Expense Group for the Franklin Templeton SMACS: Series H included the Fund and seven other high yield municipal debt funds. The Expense Group for the Franklin Templeton SMACS: Series I included the Fund and 12 high yield funds. The Board noted that the actual total expense ratios for the Funds were below the medians and in the first quintile (least expensive) of their respective Expense Groups. The Board also noted that the Manager provides general investment management and administrative services to each Fund for a zero management fee. The Board further noted that each Fund's actual total expense ratio reflected an expense cap on operating expenses. The Board also noted that the Manager assumes certain expenses incurred by each Fund (including acquired fund fees and expenses, but excluding certain non-routine expenses, such as those relating to litigation, indemnification, reorganizations and liquidations) so that total annual fund operating expenses do not exceed 0.00%. The Board concluded that each Fund's zero contractual management fee is 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, 2024, 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. In connection with this review, the Board noted that because each Fund pays a zero management fee, the consideration of possible economies of scale in the future was not relevant.

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 continuance of each Management Agreement for an additional one-year period.

FRANKLIN TEMPLETON

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