

FRANKLIN UNIVERSAL TRUST  
Form N-Q  
January 25, 2019

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF  
REGISTERED MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number 811-05569

**Franklin Universal Trust**

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(Exact name of registrant as specified in charter)

**One Franklin Parkway, San Mateo, CA**  
**94403-1906**

(Address of principal executive offices) (Zip code)

**Craig S. Tyle, One Franklin Parkway, San  
Mateo, CA 94403-1906**

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(Name and address of agent for service)

Registrant's telephone number, including area code: (650) 312-2000

Date of fiscal year end: 8/31

Date of reporting period: 11/30/18

Item 1. Schedule of Investments.

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**Statement of Investments, November 30, 2018 (unaudited)**

|  | Country        | Shares/<br>Warrants | Value     |
|--|----------------|---------------------|-----------|
| <b>Common Stocks and Other Equity Interests 44.0%</b>          |                |                     |           |
| <b>Energy 1.4%</b>   |                |                     |           |
| <sup>a</sup> Birch Permian Holdings Inc                        | United States  | 7,566               | \$ 83,226 |
| <sup>a</sup> Birch Permian Holdings Inc                        | United States  | 58,976              | 619,248   |
| <sup>a</sup> Chaparral Energy Inc                              | United States  | 5,868               | 90,954    |
| <sup>a,b</sup> Chaparral Energy Inc., A, 144A                  | United States  | 214                 | 2,129     |
| Enbridge Inc   | Canada         | 39,360              | 1,288,253 |
| <sup>a,c,d</sup> Energy XXI Gulf Coast Inc., wts., 12/30/21.   | United States  | 5,433               |           |
| <sup>a</sup> Goodrich Petroleum Corp                           | United States  | 19,379              | 279,445   |
| <sup>a</sup> Halcon Resources Corp                             | United States  | 52,355              | 146,594   |
| <sup>a</sup> Halcon Resources Corp., wts., 9/09/20             | United States  | 4,668               | 327       |
| <sup>a</sup> Midstates Petroleum Co. Inc                       | United States  | 325                 | 2,701     |
| <sup>a,c</sup> Midstates Petroleum Co. Inc., wts., 4/21/20     | United States  | 2,311               | 36        |
| <sup>a</sup> Riviera Resources Inc                             | United States  | 5,272               | 97,426    |
| <sup>a</sup> Roan Resources Inc                                | United States  | 5,272               | 54,249    |
|  |                |                     | 2,664,588 |
| <b>Materials 1.1%</b>  |                |                     |           |
| BHP Group PLC, ADR   | United Kingdom | 25,185              | 973,652   |
| Freeport-McMoRan Inc   | United States  | 80,380              | 959,737   |
| South32 Ltd., ADR  | Australia      | 10,074              | 113,383   |
| <sup>a</sup> Verso Corp., A                                    | United States  | 3,330               | 83,983    |
| <sup>a</sup> Verso Corp., wts., 7/25/23                        | United States  | 350                 | 2,170     |
|  |                |                     | 2,132,925 |
| <b>Pharmaceuticals, Biotechnology &amp; Life Sciences 0.0%</b> |                |                     |           |
| <sup>a</sup> Advanz Pharma Corp                                | Canada         | 3,236               | 64,299    |
| <b>Transportation 0.1%</b>                                     |                |                     |           |
| <sup>a</sup> CEVA Logistics AG                                 | Switzerland    | 5,770               | 172,416   |
| <b>Utilities 41.4%</b>   |                |                     |           |
| Alliant Energy Corp  | United States  | 80,000              | 3,631,200 |

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|                                     |               |         |           |
|-------------------------------------|---------------|---------|-----------|
| American Electric Power Co. Inc     | United States | 75,000  | 5,830,500 |
| CenterPoint Energy Inc              | United States | 122,800 | 3,439,628 |
| CMS Energy Corp                     | United States | 100,000 | 5,209,000 |
| Consolidated Edison Inc             | United States | 40,000  | 3,214,000 |
| Dominion Energy Inc                 | United States | 67,200  | 5,006,400 |
| DTE Energy Co                       | United States | 30,000  | 3,592,200 |
| Duke Energy Corp                    | United States | 46,060  | 4,079,534 |
| Edison International                | United States | 36,000  | 1,991,520 |
| Entergy Corp                        | United States | 30,000  | 2,611,800 |
| Evergy Inc                          | United States | 101,867 | 6,047,844 |
| Exelon Corp                         | United States | 80,000  | 3,711,200 |
| FirstEnergy Corp                    | United States | 60,000  | 2,269,800 |
| NextEra Energy Inc                  | United States | 34,800  | 6,323,508 |
| NiSource Inc                        | United States | 60,000  | 1,585,200 |
| <sup>a</sup> PG&E Corp              | United States | 30,000  | 791,400   |
| Pinnacle West Capital Corp          | United States | 44,800  | 4,003,328 |
| PPL Corp                            | United States | 24,500  | 749,455   |
| Public Service Enterprise Group Inc | United States | 45,000  | 2,515,500 |
| Sempra Energy.                      | United States | 50,000  | 5,761,000 |
| The Southern Co                     | United States | 68,250  | 3,230,272 |
| WEC Energy Group Inc                | United States | 40,000  | 2,899,200 |

Quarterly Statement of Investments | See Notes to Statement of Investments. | 1

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FRANKLIN UNIVERSAL TRUST  
STATEMENT OF INVESTMENTS (UNAUDITED)

|  | Country       | Shares/<br>Warrants          | Value      |
|--|---------------|------------------------------|------------|
| <b>Common Stocks and Other Equity Interests</b> (continued)  |               |                              |            |
| <b>Utilities</b> (continued)   |               |                              |            |
| Xcel Energy Inc  | United States | 60,000 \$                    | 3,147,000  |
|  |               |                              | 81,640,489 |
| <b>Total Common Stocks and Other Equity Interests</b><br><b>(Cost \$45,744,553)</b>                    |               |                              | 86,674,717 |
|  |               | <b>Principal<br/>Amount*</b> |            |
| <b>Corporate Bonds 85.6%</b>   |               |                              |            |
| <b>Automobiles &amp; Components 0.8%</b>   |               |                              |            |
| <sup>b</sup> Allison Transmission Inc., senior bond, 144A, 4.75%, 10/01/27                             | United States | \$ 600,000                   | 543,000    |
| The Goodyear Tire & Rubber Co., senior bond, 5.00%, 5/31/26  | United States | 1,100,000                    | 1,007,875  |
|  |               |                              | 1,550,875  |
| <b>Banks 1.9%</b>  |               |                              |            |
| CIT Group Inc., senior note, 5.25%, 3/07/25  | United States | 600,000                      | 604,380    |
| <sup>e</sup> Citigroup Inc., junior sub. bond, M, 6.30% to 5/15/24, FRN thereafter, Perpetual          | United States | 1,100,000                    | 1,068,375  |
| <sup>e</sup> JPMorgan Chase & Co.,<br>junior sub. bond, R, 6.00% to 8/01/23, FRN thereafter, Perpetual | United States | 900,000                      | 906,300    |
| junior sub. bond, V, 5.00% to 7/30/19, FRN thereafter, Perpetual.                                      | United States | 1,100,000                    | 1,097,635  |
|  |               |                              | 3,676,690  |
| <b>Capital Goods 5.4%</b>  |               |                              |            |
| <sup>b</sup> BBA U.S. Holdings Inc., senior note, 144A, 5.375%, 5/01/26.                               | United States | 500,000                      | 485,000    |
| <sup>b</sup> Beacon Roofing Supply Inc., senior note, 144A, 4.875%, 11/01/25                           | United States | 600,000                      | 546,750    |
| <sup>b</sup> BWX Technologies Inc., senior note, 144A, 5.375%, 7/15/26                                 | United States | 600,000                      | 585,000    |
| <sup>b</sup> Cloud Crane LLC, secured note, second lien, 144A, 10.125%, 8/01/24                        | United States | 300,000                      | 320,340    |
| CNH Industrial Capital LLC, senior note, 3.875%, 10/15/21  | United States | 300,000                      | 297,375    |
| H&E Equipment Services Inc., senior note, 5.625%, 9/01/25  | United States | 1,300,000                    | 1,217,125  |
| <sup>b</sup> HD Supply Inc., senior note, 144A, 5.375%, 10/15/26                                       | United States | 600,000                      | 582,180    |
| <sup>b</sup> Jeld-Wen Inc.,<br>senior bond, 144A, 4.875%, 12/15/27                                     | United States | 300,000                      | 262,500    |

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|  |               |           |            |
|--|---------------|-----------|------------|
| senior note, 144A, 4.625%, 12/15/25.                                       | United States | 300,000   | 269,250    |
| <sup>b</sup> Pisces Midco Inc., senior secured note, 144A, 8.00%, 4/15/26  | United States | 900,000   | 858,375    |
| <sup>b</sup> Stevens Holding Co. Inc., senior note, 144A, 6.125%, 10/01/26 | United States | 1,200,000 | 1,188,000  |
| Tennant Co., senior note, 5.625%, 5/01/25                                  | United States | 1,200,000 | 1,168,500  |
| <sup>b</sup> Terex Corp., senior note, 144A, 5.625%, 2/01/25.              | United States | 1,400,000 | 1,290,170  |
| <sup>b</sup> Vertiv Group Corp., senior note, 144A, 9.25%, 10/15/24.       | United States | 1,700,000 | 1,666,000  |
|  |               |           | 10,736,565 |
| <b>Commercial &amp; Professional Services 2.3%</b>                         |               |           |            |
| <sup>b</sup> Multi-Color Corp., senior note, 144A, 4.875%, 11/01/25        | United States | 1,100,000 | 990,000    |
| United Rentals North America Inc.,<br>senior bond, 5.75%, 11/15/24.        | United States | 1,400,000 | 1,396,500  |
| senior bond, 5.875%, 9/15/26.  | United States | 100,000   | 97,500     |
| senior bond, 5.50%, 5/15/27  | United States | 500,000   | 473,125    |
| <sup>b</sup> West Corp., senior note, 144A, 8.50%, 10/15/25                | United States | 1,800,000 | 1,494,000  |
|  |               |           | 4,451,125  |
| <b>Consumer Durables &amp; Apparel 3.5%</b>                                |               |           |            |
| <sup>b</sup> Ashton Woods USA LLC, senior note, 144A, 6.75%, 8/01/25       | United States | 1,500,000 | 1,357,500  |
| <sup>b</sup> Hanesbrands Inc., senior note, 144A, 4.625%, 5/15/24          | United States | 1,000,000 | 967,500    |
| PulteGroup Inc., senior bond, 5.00%, 1/15/27                               | United States | 1,500,000 | 1,398,750  |



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FRANKLIN UNIVERSAL TRUST  
STATEMENT OF INVESTMENTS (UNAUDITED)

|   | Country       | Principal Amount* | Value      |
|---|---------------|-------------------|------------|
| <b>Corporate Bonds</b> (continued)  |               |                   |            |
| <b>Consumer Durables &amp; Apparel</b> (continued)  |               |                   |            |
| <sup>b</sup> Taylor Morrison Communities Inc./Taylor Morrison Holdings II Inc., senior note, 144A, 5.25%, 4/15/21   | United States | \$ 400,000        | \$ 399,620 |
| senior note, 144A, 5.625%, 3/01/24  | United States | 600,000           | 579,000    |
| Toll Brothers Finance Corp., senior bond, 5.625%, 1/15/24.  | United States | 700,000           | 704,375    |
| Weekley Homes LLC/Weekley Finance Corp., senior note, 6.625%, 8/15/25   | United States | 1,700,000         | 1,585,250  |
|   |               |                   | 6,991,995  |
| <b>Consumer Services 6.1%</b>   |               |                   |            |
| <sup>b</sup> 1011778 BC ULC/New Red Finance Inc., senior secured note, first lien, 144A, 4.25%, 5/15/24             | Canada        | 900,000           | 853,875    |
| <sup>b</sup> 24 Hour Holdings III LLC, senior note, 144A, 8.00%, 6/01/22  | United States | 1,800,000         | 1,764,000  |
| <sup>b</sup> Ascend Learning LLC, senior note, 144A, 6.875%, 8/01/25  | United States | 1,200,000         | 1,170,000  |
| <sup>b</sup> Boyne USA Inc., secured note, second lien, 144A, 7.25%, 5/01/25  | United States | 1,500,000         | 1,567,500  |
| <sup>b</sup> Downstream Development Authority of the Quapaw Tribe of Oklahoma, secured note, 144A, 10.50%, 2/15/23. | United States | 1,500,000         | 1,522,500  |
| <sup>b</sup> Golden Nugget Inc., senior note, 144A, 6.75%, 10/15/24   | United States | 1,100,000         | 1,080,750  |
| senior note, 144A, 8.75%, 10/01/25  | United States | 600,000           | 604,500    |
| <sup>b</sup> International Game Technology PLC, senior secured note, first lien, 144A, 6.25%, 1/15/27.              | United States | 500,000           | 501,250    |
| <sup>b</sup> KFC Holding Co./Pizza Hut Holdings LLC/Taco Bell of America LLC, senior note, 144A, 5.00%, 6/01/24     | United States | 600,000           | 593,250    |
| senior note, 144A, 5.25%, 6/01/26   | United States | 600,000           | 589,872    |
| <sup>b</sup> Stars Group Holdings BV/Stars Group U.S. Co-Borrower LLC, senior note, 144A, 7.00%, 7/15/26            | Canada        | 600,000           | 599,250    |
| <sup>b</sup> Wynn Las Vegas LLC/Wynn Las Vegas Capital Corp., senior bond, 144A, 5.50%, 3/01/25.                    | United States | 1,300,000         | 1,241,500  |
|   |               |                   | 12,088,247 |
| <b>Diversified Financials 2.4%</b>  |               |                   |            |
| <sup>b</sup> FirstCash Inc., senior note, 144A, 5.375%, 6/01/24   | United States | 1,100,000         | 1,086,250  |
| <sup>b</sup> MSCI Inc., senior note, 144A, 5.375%, 5/15/27  | United States | 700,000           | 695,359    |
| Navient Corp.,  |               |                   |            |

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|                              |               |           |           |
|------------------------------|---------------|-----------|-----------|
| senior note, 6.625%, 7/26/21 | United States | 800,000   | 810,000   |
| senior note, 6.50%, 6/15/22  | United States | 500,000   | 502,500   |
| senior note, 7.25%, 9/25/23  | United States | 1,300,000 | 1,311,375 |
| senior note, 6.125%, 3/25/24 | United States | 400,000   | 376,000   |
|                              |               |           | 4,781,484 |

**Energy 10.6%**

|  |               |           |           |
|--|---------------|-----------|-----------|
| <sup>b</sup> Aker BP ASA, senior note, 144A, 5.875%, 3/31/25                                 | Norway        | 1,000,000 | 997,033   |
| Bill Barrett Corp., senior note, 8.75%, 6/15/25.   | United States | 1,700,000 | 1,666,000 |
| California Resources Corp.,<br><sup>b</sup> secured note, second lien, 144A, 8.00%, 12/15/22 | United States | 515,000   | 393,975   |
| senior bond, 6.00%, 11/15/24.  | United States | 15,000    | 10,894    |
| senior note, 5.50%, 9/15/21  | United States | 10,000    | 8,055     |
| Callon Petroleum Co., senior note, 6.375%, 7/01/26   | United States | 800,000   | 774,000   |
| Calumet Specialty Products Partners LP/Calumet Finance Corp., senior note,<br>7.75%, 4/15/23 | United States | 800,000   | 702,000   |
| Cheniere Corpus Christi Holdings LLC,<br>senior secured note, first lien, 7.00%, 6/30/24     | United States | 600,000   | 648,000   |
| senior secured note, first lien, 5.875%, 3/31/25   | United States | 1,000,000 | 1,032,500 |

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FRANKLIN UNIVERSAL TRUST  
STATEMENT OF INVESTMENTS (UNAUDITED)

|   | Country        | Principal Amount* | Value      |
|---|----------------|-------------------|------------|
| <b>Corporate Bonds</b> (continued)  |                |                   |            |
| <b>Energy</b> (continued)   |                |                   |            |
| Cheniere Energy Partners LP,<br>b senior note, 144A, 5.625%, 10/01/26.                            | United States  | \$ 700,000        | \$ 682,500 |
| senior secured note, first lien, 5.25%, 10/01/25  | United States  | 1,200,000         | 1,173,000  |
| Chesapeake Energy Corp., senior note, 7.50%, 10/01/26.  | United States  | 1,600,000         | 1,492,000  |
| Crestwood Midstream Partners LP/Crestwood Midstream Finance Corp.,<br>senior note, 6.25%, 4/01/23 | United States  | 500,000           | 498,750    |
| senior note, 5.75%, 4/01/25   | United States  | 800,000           | 772,000    |
| CSI Compressco LP/CSI Compressco Finance Inc., senior note, 7.25%, 8/15/22 .                      | United States  | 1,300,000         | 1,199,250  |
| b Diamondback Energy Inc., senior note, 144A, 4.75%, 11/01/24                                     | United States  | 900,000           | 875,250    |
| Energy Transfer LP,<br>senior bond, first lien, 7.50%, 10/15/20                                   | United States  | 1,200,000         | 1,269,000  |
| senior secured bond, first lien, 5.875%, 1/15/24  | United States  | 200,000           | 206,750    |
| b,f EnQuest PLC, senior note, 144A, PIK, 7.00%, 4/15/22   | United Kingdom | 688,666           | 510,474    |
| Ferrellgas LP/Ferrellgas Finance Corp., senior note, 6.75%, 6/15/23                               | United States  | 700,000           | 591,500    |
| Martin Midstream Partners LP/Martin Midstream Finance Corp., senior note,<br>7.25%, 2/15/21       | United States  | 600,000           | 585,000    |
| b,f Murray Energy Corp., secured note, 1.5 lien, 144A, PIK, 12.00%, 4/15/24                       | United States  | 746,536           | 446,988    |
| Oceaneering International Inc., senior note, 6.00%, 2/01/28                                       | United States  | 800,000           | 723,296    |
| QEP Resources Inc., senior bond, 5.375%, 10/01/22.  | United States  | 1,600,000         | 1,582,000  |
| Sanchez Energy Corp.,<br>senior note, 7.75%, 6/15/21  | United States  | 800,000           | 238,000    |
| senior note, 6.125%, 1/15/23  | United States  | 100,000           | 25,500     |
| b Sunoco LP/Sunoco Finance Corp., senior note, 144A, 4.875%, 1/15/23.                             | United States  | 700,000           | 684,250    |
| Weatherford International Ltd.,<br>senior note, 5.125%, 9/15/20                                   | United States  | 200,000           | 169,000    |
| senior note, 7.75%, 6/15/21   | United States  | 400,000           | 328,000    |
| senior note, 4.50%, 4/15/22   | United States  | 400,000           | 266,000    |
| senior note, 8.25%, 6/15/23   | United States  | 600,000           | 399,000    |
|   |                |                   | 20,949,965 |
| <b>Food &amp; Staples Retailing 0.3%</b>  |                |                   |            |
| b Aramark Services Inc., senior bond, 144A, 5.00%, 2/01/28  | United States  | 700,000           | 666,750    |

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**Food, Beverage & Tobacco 2.7%**

|   |               |           |           |
|---|---------------|-----------|-----------|
| B&G Foods Inc., senior note, 5.25%, 4/01/25                                     | United States | 1,200,000 | 1,138,620 |
| <sup>b</sup> Cott Holdings Inc., senior note, 144A, 5.50%, 4/01/25              | Canada        | 1,200,000 | 1,161,000 |
| <sup>b</sup> Lamb Weston Holdings Inc.,<br>senior note, 144A, 4.625%, 11/01/24. | United States | 700,000   | 678,125   |
| senior note, 144A, 4.875%, 11/01/26.  | United States | 1,000,000 | 977,750   |
| <sup>b</sup> Post Holdings Inc.,<br>senior bond, 144A, 5.00%, 8/15/26           | United States | 800,000   | 738,000   |
| senior bond, 144A, 5.625%, 1/15/28  | United States | 300,000   | 279,750   |
| senior note, 144A, 5.50%, 3/01/25   | United States | 400,000   | 383,000   |
|   |               |           | 5,356,245 |

**Health Care Equipment & Services 6.8%**

|   |               |           |           |
|---|---------------|-----------|-----------|
| <sup>b</sup> Avantor Inc., senior secured note, first lien, 144A, 6.00%, 10/01/24 | United States | 700,000   | 695,625   |
| <sup>b</sup> Catalent Pharma Solutions Inc., senior note, 144A, 4.875%, 1/15/26.  | United States | 1,400,000 | 1,333,500 |
| <sup>b</sup> Centene Corp., senior note, 144A, 5.375%, 6/01/26                    | United States | 1,700,000 | 1,714,875 |
| CHS/Community Health Systems Inc.,<br>senior note, 6.875%, 2/01/22                | United States | 175,000   | 86,879    |
| <sup>b</sup> senior note, 144A, 8.125%, 6/30/24                                   | United States | 718,000   | 551,065   |
| senior secured note, first lien, 6.25%, 3/31/23                                   | United States | 600,000   | 558,750   |

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FRANKLIN UNIVERSAL TRUST  
STATEMENT OF INVESTMENTS (UNAUDITED)

|   | Country       | Principal Amount* | Value        |
|---|---------------|-------------------|--------------|
| <b>Corporate Bonds</b> (continued)  |               |                   |              |
| <b>Health Care Equipment &amp; Services</b> (continued)   |               |                   |              |
| HCA Inc.,<br>senior bond, 5.875%, 2/15/26.  | United States | \$1,400,000       | \$ 1,445,500 |
| senior secured bond, first lien, 5.875%, 3/15/22  | United States | 600,000           | 625,050      |
| <sup>b</sup> MEDNAX Inc., senior note, 144A, 6.25%, 1/15/27   | United States | 1,500,000         | 1,498,125    |
| <sup>b</sup> MPH Acquisition Holdings LLC, senior note, 144A, 7.125%, 6/01/24                       | United States | 1,300,000         | 1,298,375    |
| <sup>b,f</sup> Polaris Intermediate Corp., senior note, 144A, PIK, 8.50%, 12/01/22                  | United States | 400,000           | 399,500      |
| Tenet Healthcare Corp.,<br>senior note, 5.50%, 3/01/19  | United States | 400,000           | 401,500      |
| senior note, 8.125%, 4/01/22  | United States | 1,000,000         | 1,040,000    |
| WellCare Health Plans Inc.,<br>senior note, 5.25%, 4/01/25  | United States | 1,200,000         | 1,194,000    |
| <sup>b</sup> senior note, 144A, 5.375%, 8/15/26   | United States | 500,000           | 497,590      |
|   |               |                   | 13,340,334   |
| <b>Household &amp; Personal Products 0.5%</b>   |               |                   |              |
| <sup>b</sup> Prestige Brands Inc., senior note, 144A, 6.375%, 3/01/24                               | United States | 900,000           | 896,062      |
| <b>Materials 10.5%</b>  |               |                   |              |
| <sup>f</sup> ARD Finance SA, secured note, PIK, 7.125%, 9/15/23                                     | Luxembourg    | 400,000           | 372,000      |
| <sup>b</sup> BWAY Holding Co., senior note, 144A, 7.25%, 4/15/25                                    | United States | 1,800,000         | 1,640,250    |
| The Chemours Co.,<br>senior note, 6.625%, 5/15/23   | United States | 569,000           | 578,958      |
| senior note, 5.375%, 5/15/27  | United States | 300,000           | 272,250      |
| <sup>b</sup> Crown Americas LLC/Crown Americas Capital Corp., senior note, 144A, 4.75%,<br>2/01/26. | United States | 700,000           | 676,410      |
| <sup>b</sup> Eldorado Gold Corp., senior note, 144A, 6.125%, 12/15/20                               | Canada        | 500,000           | 462,500      |
| <sup>b</sup> First Quantum Minerals Ltd.,<br>senior note, 144A, 7.00%, 2/15/21                      | Zambia        | 431,000           | 424,136      |
| senior note, 144A, 7.25%, 4/01/23   | Zambia        | 600,000           | 558,000      |
| senior note, 144A, 6.875%, 3/01/26  | Zambia        | 500,000           | 430,625      |
| <sup>b</sup> FMG Resources (August 2006) Pty. Ltd.,<br>senior note, 144A, 4.75%, 5/15/22            | Australia     | 800,000           | 769,320      |
| senior note, 144A, 5.125%, 3/15/23  | Australia     | 400,000           | 379,376      |

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|  |               |           |           |
|--|---------------|-----------|-----------|
| b Grinding Media Inc./MC Grinding Media Canada Inc., senior secured note, 144A,<br>7.375%, 12/15/23    | United States | 1,000,000 | 1,007,500 |
| b New Enterprise Stone & Lime Co., senior note, 144A, 6.25%, 3/15/26                                   | United States | 900,000   | 830,250   |
| b New Gold Inc., senior note, 144A, 6.375%, 5/15/25  | Canada        | 700,000   | 551,250   |
| b Northwest Acquisitions ULC/Dominion Finco Inc., secured note, second lien,<br>144A, 7.125%, 11/01/22 | Canada        | 400,000   | 397,000   |
| b Novelis Corp.,<br>senior bond, 144A, 5.875%, 9/30/26   | United States | 500,000   | 467,500   |
| senior note, 144A, 6.25%, 8/15/24  | United States | 700,000   | 694,750   |
| b OCI NV, senior note, 144A, 6.625%, 4/15/23.  | Netherlands   | 500,000   | 508,750   |
| b Owens-Brockway Glass Container Inc.,<br>senior note, 144A, 5.00%, 1/15/22                            | United States | 1,000,000 | 998,750   |
| senior note, 144A, 5.875%, 8/15/23   | United States | 500,000   | 501,875   |
| b Plastipak Holdings Inc., senior note, 144A, 6.25%, 10/15/25.   | United States | 1,200,000 | 1,086,000 |
| b Platform Specialty Products Corp.,<br>senior note, 144A, 6.50%, 2/01/22                              | United States | 600,000   | 613,500   |
| senior note, 144A, 5.875%, 12/01/25.   | United States | 1,000,000 | 980,000   |

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FRANKLIN UNIVERSAL TRUST  
STATEMENT OF INVESTMENTS (UNAUDITED)

|   | Country       | Principal Amount* | Value      |
|---|---------------|-------------------|------------|
| <b>Corporate Bonds</b> (continued)  |               |                   |            |
| <b>Materials</b> (continued)  |               |                   |            |
| Reynolds Group Issuer Inc./Reynolds Group Issuer LLC/Reynolds Group Issuer  |               |                   |            |
| Luxembourg SA,  |               |                   |            |
| <sup>b</sup> senior note, 144A, 7.00%, 7/15/24  | United States | \$ 200,000        | \$ 199,875 |
| senior secured note, first lien, 5.75%, 10/15/20  | United States | 484,554           | 484,554    |
| <sup>b</sup> senior secured note, first lien, 144A, 5.125%, 7/15/23   | United States | 1,000,000         | 977,500    |
| <sup>b</sup> Sealed Air Corp.,  |               |                   |            |
| senior bond, 144A, 5.50%, 9/15/25   | United States | 200,000           | 198,000    |
| senior note, 144A, 6.50%, 12/01/20  | United States | 400,000           | 417,000    |
| Steel Dynamics Inc.,  |               |                   |            |
| senior bond, 5.50%, 10/01/24.   | United States | 900,000           | 900,000    |
| senior bond, 5.00%, 12/15/26.   | United States | 700,000           | 674,625    |
| <sup>b</sup> SunCoke Energy Partners LP/SunCoke Energy Partners Finance Corp., senior note, 144A, 7.50%, 6/15/25. | United States | 1,600,000         | 1,576,000  |
|   |               |                   | 20,628,504 |
| <b>Media &amp; Entertainment 9.4%</b>   |               |                   |            |
| <sup>b</sup> Altice Luxembourg SA, senior secured note, 144A, 7.75%, 5/15/22                                      | Luxembourg    | 1,700,000         | 1,625,625  |
| AMC Networks Inc., senior note, 5.00%, 4/01/24.   | United States | 1,200,000         | 1,156,500  |
| CCO Holdings LLC/CCO Holdings Capital Corp.,  |               |                   |            |
| senior bond, 5.25%, 9/30/22   | United States | 1,700,000         | 1,709,562  |
| <sup>b</sup> senior bond, 144A, 5.75%, 2/15/26  | United States | 700,000           | 701,757    |
| Clear Channel Worldwide Holdings Inc.,  |               |                   |            |
| senior note, 6.50%, 11/15/22  | United States | 1,000,000         | 1,020,300  |
| senior sub. note, 7.625%, 3/15/20   | United States | 700,000           | 701,750    |
| CSC Holdings LLC,   |               |                   |            |
| <sup>b</sup> senior bond, 144A, 5.50%, 4/15/27  | United States | 500,000           | 481,250    |
| senior note, 6.75%, 11/15/21  | United States | 700,000           | 735,000    |
| senior note, 5.25%, 6/01/24   | United States | 700,000           | 666,750    |
| <sup>b</sup> senior note, 144A, 7.50%, 4/01/28  | United States | 500,000           | 516,563    |
| <sup>b</sup> senior secured note, first lien, 144A, 5.50%, 5/15/26  | United States | 1,200,000         | 1,161,000  |
| DISH DBS Corp.,   |               |                   |            |
| senior bond, 5.875%, 7/15/22.   | United States | 700,000           | 670,250    |

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|   |                |           |            |
|---|----------------|-----------|------------|
| senior note, 7.75%, 7/01/26   | United States  | 800,000   | 711,500    |
| <sup>b</sup> Gray Escrow Inc., senior note, 144A, 7.00%, 5/15/27                                      | United States  | 600,000   | 610,500    |
| Netflix Inc.,   |                |           |            |
| senior bond, 5.875%, 2/15/25.   | United States  | 1,100,000 | 1,124,750  |
| senior bond, 4.875%, 4/15/28.   | United States  | 200,000   | 185,000    |
| <sup>b</sup> senior bond, 144A, 5.875%, 11/15/28  | United States  | 200,000   | 199,000    |
| <sup>b</sup> Nexstar Broadcasting Inc., senior note, 144A, 5.625%, 8/01/24                            | United States  | 900,000   | 870,750    |
| <sup>b</sup> Sirius XM Radio Inc.,  |                |           |            |
| senior bond, 144A, 6.00%, 7/15/24   | United States  | 800,000   | 821,000    |
| senior bond, 144A, 5.375%, 4/15/25  | United States  | 700,000   | 691,250    |
| Tegna Inc., senior note, 5.125%, 7/15/20  | United States  | 800,000   | 801,000    |
| <sup>b</sup> Univision Communications Inc., senior secured bond, first lien, 144A, 6.75%,<br>9/15/22. | United States  | 116,000   | 117,450    |
| <sup>b</sup> Virgin Media Secured Finance PLC,  |                |           |            |
| senior secured bond, first lien, 144A, 5.50%, 1/15/25   | United Kingdom | 800,000   | 772,000    |
| senior secured bond, first lien, 144A, 5.50%, 8/15/26   | United Kingdom | 200,000   | 189,000    |
| <sup>b</sup> WMG Acquisition Corp.,   |                |           |            |
| secured note, first lien, 144A, 5.00%, 8/01/23.   | United States  | 200,000   | 198,000    |
| senior note, 144A, 5.625%, 4/15/22  | United States  | 82,000    | 83,025     |
|   |                |           | 18,520,532 |



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FRANKLIN UNIVERSAL TRUST  
STATEMENT OF INVESTMENTS (UNAUDITED)

|   | Country       | Principal Amount* | Value      |
|---|---------------|-------------------|------------|
| <b>Corporate Bonds</b> (continued)  |               |                   |            |
| <b>Pharmaceuticals, Biotechnology &amp; Life Sciences 3.3%</b>  |               |                   |            |
| Advanz Pharma Corp., senior note, first lien, 8.00%, 9/06/24  | Canada        | \$ 258,000        | \$ 249,615 |
| <sup>b</sup> Bausch Health Cos. Inc.,<br>senior note, 144A, 5.625%, 12/01/21.                                     | United States | 700,000           | 701,750    |
| senior note, first lien, 144A, 7.00%, 3/15/24   | United States | 200,000           | 209,750    |
| <sup>b</sup> Endo DAC/Endo Finance LLC/Endo Finco Inc.,<br>senior bond, 144A, 6.00%, 2/01/25                      | United States | 800,000           | 634,752    |
| senior note, 144A, 6.00%, 7/15/23   | United States | 1,000,000         | 835,140    |
| Horizon Pharma USA Inc., senior note, 6.625%, 5/01/23   | United States | 1,500,000         | 1,496,250  |
| <sup>b</sup> Jaguar Holding Co. II/Pharmaceutical Product Development LLC, senior note,<br>144A, 6.375%, 8/01/23. | United States | 700,000           | 693,000    |
| <sup>b</sup> Valeant Pharmaceuticals International, senior note, 144A, 9.25%, 4/01/26                             | United States | 1,500,000         | 1,600,785  |
|   |               |                   | 6,421,042  |
| <b>Real Estate 2.7%</b>   |               |                   |            |
| CyrusOne LP/CyrusOne Finance Corp., senior note, 5.00%, 3/15/24   | United States | 1,400,000         | 1,393,000  |
| Equinix Inc.,<br>senior bond, 5.375%, 4/01/23.  | United States | 1,300,000         | 1,316,250  |
| senior bond, 5.875%, 1/15/26.   | United States | 200,000           | 203,500    |
| <sup>b</sup> Five Point Operating Co. LP/Five Point Capital Corp., senior note, 144A, 7.875%,<br>11/15/25         | United States | 1,000,000         | 986,250    |
| MPT Operating Partnership LP/MPT Finance Corp.,<br>senior bond, 5.25%, 8/01/26                                    | United States | 300,000           | 294,750    |
| senior bond, 5.00%, 10/15/27.   | United States | 500,000           | 476,250    |
| senior note, 6.375%, 3/01/24  | United States | 600,000           | 624,000    |
|   |               |                   | 5,294,000  |
| <b>Retailing 1.2%</b>   |               |                   |            |
| <sup>b</sup> Party City Holdings Inc., senior note, 144A, 6.625%, 8/01/26   | United States | 1,400,000         | 1,354,780  |
| <sup>b</sup> PetSmart Inc.,<br>senior note, 144A, 7.125%, 3/15/23   | United States | 300,000           | 202,500    |
| senior note, 144A, 8.875%, 6/01/25  | United States | 300,000           | 204,750    |
| senior secured note, first lien, 144A, 5.875%, 6/01/25  | United States | 900,000           | 693,000    |
|   |               |                   | 2,455,030  |

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**Semiconductors & Semiconductor Equipment 0.7%**

|  |               |           |           |
|--|---------------|-----------|-----------|
| <sup>b</sup> Qorvo Inc., senior note, 144A, 5.50%, 7/15/26 | United States | 1,400,000 | 1,361,500 |
|--|---------------|-----------|-----------|

**Software & Services 2.2%**

|  |               |           |           |
|--|---------------|-----------|-----------|
| <sup>b</sup> First Data Corp., secured note, second lien, 144A, 5.75%, 1/15/24 | United States | 2,100,000 | 2,115,750 |
|--|---------------|-----------|-----------|

|  |               |           |           |
|--|---------------|-----------|-----------|
| Infor (U.S.) Inc., senior note, 6.50%, 5/15/22 | United States | 1,700,000 | 1,697,875 |
|--|---------------|-----------|-----------|

|  |               |         |         |
|--|---------------|---------|---------|
| <sup>b</sup> Symantec Corp., senior note, 144A, 5.00%, 4/15/25 | United States | 500,000 | 485,295 |
|--|---------------|---------|---------|

4,298,920

**Technology Hardware & Equipment 3.3%**

|  |               |           |           |
|--|---------------|-----------|-----------|
| <sup>b</sup> Blackboard Inc., secured note, second lien, 144A, 9.75%, 10/15/21 | United States | 1,542,000 | 1,102,530 |
|--|---------------|-----------|-----------|

|  |               |         |         |
|--|---------------|---------|---------|
| CDW LLC/CDW Finance Corp., senior note, 5.00%, 9/01/25 | United States | 700,000 | 685,125 |
|--|---------------|---------|---------|

|  |               |           |           |
|--|---------------|-----------|-----------|
| <sup>b</sup> CommScope Technologies LLC, senior bond, 144A, 6.00%, 6/15/25 | United States | 1,200,000 | 1,117,560 |
|--|---------------|-----------|-----------|

|  |               |         |         |
|--|---------------|---------|---------|
| <sup>b</sup> Dell International LLC/EMC Corp.,<br>senior note, 144A, 5.875%, 6/15/21 | United States | 200,000 | 203,307 |
|--|---------------|---------|---------|

|                                    |               |         |         |
|------------------------------------|---------------|---------|---------|
| senior note, 144A, 7.125%, 6/15/24 | United States | 200,000 | 209,788 |
|------------------------------------|---------------|---------|---------|

|   |               |         |         |
|---|---------------|---------|---------|
| senior secured bond, first lien, 144A, 6.02%, 6/15/26 | United States | 200,000 | 202,560 |
|---|---------------|---------|---------|

|  |               |           |           |
|--|---------------|-----------|-----------|
| <sup>b</sup> Itron Inc., senior note, 144A, 5.00%, 1/15/26 | United States | 1,800,000 | 1,679,634 |
|--|---------------|-----------|-----------|

|  |               |           |           |
|--|---------------|-----------|-----------|
| <sup>b</sup> Tempo Acquisition LLC/Tempo Acquisition Finance Corp., senior note, 144A,<br>6.75%, 6/01/25 | United States | 1,300,000 | 1,231,750 |
|--|---------------|-----------|-----------|

6,432,254

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FRANKLIN UNIVERSAL TRUST  
STATEMENT OF INVESTMENTS (UNAUDITED)

|  | Country              | Principal Amount* | Value      |
|--|----------------------|-------------------|------------|
| <b>Corporate Bonds (continued)</b>   |                      |                   |            |
| <b>Telecommunication Services 5.0%</b>   |                      |                   |            |
| <sup>b</sup> Block Communications Inc., senior note, 144A, 6.875%, 2/15/25   | United States        | \$ 300,000        | \$ 305,250 |
| <sup>b</sup> Digicel Group Ltd., senior note, 144A, 8.25%, 9/30/20   | Bermuda              | 900,000           | 601,875    |
| <sup>b</sup> Digicel Ltd.,<br>senior note, 144A, 6.00%, 4/15/21  | Bermuda              | 500,000           | 448,097    |
| senior note, 144A, 6.75%, 3/01/23  | Bermuda              | 300,000           | 241,821    |
| <sup>b</sup> DKT Finance ApS, senior secured note, first lien, 144A, 9.375%, 6/17/23                                       | Denmark              | 1,500,000         | 1,565,595  |
| Hughes Satellite Systems Corp., senior bond, 6.625%, 8/01/26   | United States        | 1,400,000         | 1,307,250  |
| Sprint Corp.,<br>senior bond, 7.875%, 9/15/23.   | United States        | 500,000           | 526,250    |
| senior bond, 7.125%, 6/15/24.  | United States        | 500,000           | 508,750    |
| senior note, 7.625%, 3/01/26   | United States        | 600,000           | 616,500    |
| <sup>b</sup> Sprint Spectrum Co. LLC/Sprint Spectrum Co. II LLC, senior secured bond, first<br>lien, 144A, 4.738%, 9/20/29 | United States        | 1,300,000         | 1,294,540  |
| T-Mobile USA Inc.,<br>senior bond, 6.50%, 1/15/24  | United States        | 200,000           | 206,500    |
| senior bond, 6.375%, 3/01/25.  | United States        | 500,000           | 515,625    |
| senior bond, 4.75%, 2/01/28  | United States        | 600,000           | 556,380    |
| senior note, 6.00%, 4/15/24  | United States        | 200,000           | 204,750    |
| <sup>b</sup> Zayo Group LLC/Zayo Capital Inc., senior note, 144A, 5.75%, 1/15/27.  | United States        | 1,000,000         | 957,500    |
|  |                      |                   | 9,856,683  |
| <b>Transportation 0.8%</b>   |                      |                   |            |
| <sup>b</sup> DAE Funding LLC,<br>senior note, 144A, 4.50%, 8/01/22   | United Arab Emirates | 700,000           | 672,000    |
| senior note, 144A, 5.00%, 8/01/24  | United Arab Emirates | 700,000           | 659,750    |
| <sup>b</sup> Park Aerospace Holdings Ltd., senior note, 144A, 5.50%, 2/15/24   | Ireland              | 300,000           | 300,093    |
|  |                      |                   | 1,631,843  |
| <b>Utilities 3.2%</b>  |                      |                   |            |
| Calpine Corp., senior bond, 5.75%, 1/15/25   | United States        | 1,800,000         | 1,660,500  |
| Clearway Energy Operating LLC,<br>senior bond, 5.375%, 8/15/24.  | United States        | 900,000           | 857,250    |
| senior bond, 5.00%, 9/15/26  | United States        | 900,000           | 821,250    |

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|  |               |           |                    |
|--|---------------|-----------|--------------------|
| b senior note, 144A, 5.75%, 10/15/25   | United States | 400,000   | 386,000            |
| Ferrellgas Partners LP/Ferrellgas Partners Finance Corp., senior note, 8.625%,<br>6/15/20. | United States | 800,000   | 606,000            |
| b InterGen NV, secured bond, 144A, 7.00%, 6/30/23  | Netherlands   | 400,000   | 367,000            |
| Talen Energy Supply LLC, senior note, 6.50%, 6/01/25                                       | United States | 2,300,000 | 1,681,875          |
|  |               |           | 6,379,875          |
| <b>Total Corporate Bonds (Cost \$176,612,071)</b>  |               |           | <b>168,766,520</b> |

**Shares**

**Escrows and Litigation Trusts 0.0%**

|   |               |           |                    |
|---|---------------|-----------|--------------------|
| a,c Midstates Petroleum Co. Inc./Midstates Petroleum Co. LLC, Escrow Account    | United States | 700,000   |                    |
| a,c NewPage Corp., Litigation Trust   | United States | 1,200,000 |                    |
| a Penn Virginia Corp., Escrow Account.  | United States | 700,000   | 2,100              |
| a,c T-Mobile USA Inc., Escrow Account   | United States | 1,500,000 |                    |
| a Vistra Energy Corp., Escrow Account   | United States | 700,000   | 3,500              |
| <b>Total Escrows and Litigation Trusts (Cost \$20,296)</b>                      |               |           | <b>5,600</b>       |
| <b>Total Investments before Short Term Investments<br/>(Cost \$222,376,920)</b> |               |           | <b>255,446,837</b> |

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FRANKLIN UNIVERSAL TRUST  
STATEMENT OF INVESTMENTS (UNAUDITED)

|   | Country       | Shares    | Value          |
|---|---------------|-----------|----------------|
| <b>Short Term Investments (Cost \$4,853,479) 2.5%</b>           |               |           |                |
| <b>Money Market Funds 2.5%</b>                                  |               |           |                |
| g,h Institutional Fiduciary Trust Money Market Portfolio, 1.91% | United States | 4,853,479 | \$ 4,853,479   |
| <b>Total Investments (Cost \$227,230,399) 132.1%</b>            |               |           | 260,300,316    |
| <b>Notes Payable (33.0)%</b>                                    |               |           | (65,005,619 )  |
| <b>Other Assets, less Liabilities 0.9%</b>                      |               |           | 1,725,963      |
| <b>Net Assets 100.0%</b>  |               |           | \$ 197,020,660 |

See Abbreviations on page 12.

Rounds to less than 0.1% of net assets.

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

<sup>a</sup>Non-income producing.

<sup>b</sup>Security was purchased pursuant to Rule 144A under the Securities Act of 1933 and 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. These securities have been deemed liquid under guidelines approved by the Fund's Board of Trustees. At

November 30, 2018, the aggregate value of these securities was \$98,625,671, representing 50.1% of net assets.

<sup>c</sup>Fair valued using significant unobservable inputs. See Note 5 regarding fair value measurements.

<sup>d</sup>See Note 3 regarding restricted securities.

<sup>e</sup>Perpetual security with no stated maturity date.

<sup>f</sup>Income may be received in additional securities and/or cash.

<sup>g</sup>See Note 4 regarding investments in affiliated management investment companies.

<sup>h</sup>The rate shown is the annualized seven-day effective yield at period end.

FRANKLIN UNIVERSAL TRUST

## Notes to Statement of Investments (unaudited)

### 1. ORGANIZATION

Franklin Universal Trust (Fund) is registered under the Investment Company Act of 1940 (1940 Act) as a closed-end management investment company and applies the specialized accounting and reporting guidance in U.S. Generally Accepted Accounting Principles (U.S. GAAP).

### 2. FINANCIAL INSTRUMENT VALUATION

The Fund's 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 Fund calculates 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. Senior fixed rate notes issued by the Fund are carried at cost. Under compliance policies and procedures approved by the Fund's Board of Trustees (the Board), the Fund's administrator has responsibility for oversight of valuation, including leading the cross-functional Valuation Committee (VC). The Fund may utilize independent pricing services, quotations from securities and financial instrument dealers, and other market sources to determine fair value.

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

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

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

The Fund has procedures to determine the fair value of financial instruments for which market prices are not reliable or readily available. Under these procedures, the Fund primarily employs a market-based approach which may use related or comparable assets or liabilities, recent transactions, market multiples, book values, 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.

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 Fund's business day. Occasionally, events 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 Fund's 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

FRANKLIN UNIVERSAL TRUST

NOTES TO STATEMENT OF INVESTMENTS (UNAUDITED)

potential for these differences, the VC monitors price movements following the close of trading in foreign stock markets through a series of country specific market proxies (such as baskets of American Depositary Receipts, futures contracts and exchange traded funds). These price movements are measured against established trigger thresholds for each specific market proxy to assist in determining if an event has occurred that may call into question the reliability of the values of the foreign securities held by the Fund. If such an event occurs, the securities may be valued using fair value procedures, which may include the use of independent pricing services.

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

**3. RESTRICTED SECURITIES**

At November 30, 2018, investments in restricted securities, excluding securities exempt from registration under the Securities Act of 1933 deemed to be liquid, were as follows:

| Warrants | Issuer   | Acquisition         |            |
|----------|--|---------------------|------------|
|          |  | Date                | Cost Value |
| 5,433    | Energy XXI Gulf Coast Inc., wts., 12/30/21 (Value is 0.0% of Net Assets) | 12/03/10 - 12/30/16 | \$ — \$ —  |

**4. INVESTMENTS IN AFFILIATED MANAGEMENT INVESTMENT COMPANIES**

The Fund invests in one or more affiliated management investment companies for purposes other than exercising a controlling influence over the management or policies. During the period ended November 30, 2018, the Fund held investments in affiliated management investment companies as follows:

| Non-Controlled<br>Affiliates   | Number of<br>Shares<br>Held  |                    |                     | Number<br>of<br>Shares<br>Held at<br>End<br>of Period | Value<br>at End<br>of Period | Dividend<br>Income | Net Change in              |  |
|--|------------------------------|--------------------|---------------------|---|------------------------------|--------------------|----------------------------|--|
|  | at<br>Beginning<br>of Period | Gross<br>Additions | Gross<br>Reductions |   |                              |                    | Realized<br>Gain<br>(Loss) | Unrealized<br>Appreciation<br>(Depreciation) |
| Institutional Fiduciary<br>Trust Money Market<br>Portfolio,<br>1.91% | 10,068,808                   | 4,070,354          | (9,285,683 )        | 4,853,479   | \$ 4,853,479                 | \$ 35,082          | \$ —                       | \$ —   |

**5. FAIR VALUE MEASUREMENTS**

The Fund follows a fair value hierarchy that distinguishes between market data obtained from independent sources (observable inputs) and the Fund's own market assumptions (unobservable inputs). These inputs are used in determining the value of the Fund's 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 Fund's 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.

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## FRANKLIN UNIVERSAL TRUST

## NOTES TO STATEMENT OF INVESTMENTS (UNAUDITED)

**5. FAIR VALUE MEASUREMENTS** (continued)

A summary of inputs used as of November 30, 2018, in valuing the Fund's assets carried at fair value, is as follows:

|   | Level 1       | Level 2        | Level 3        | Total          |
|---|---------------|----------------|----------------|----------------|
| <b>Assets:</b>                          |               |                |                |                |
| Investments in Securities: <sup>a</sup> |               |                |                |                |
| Equity Investments: <sup>b</sup>        |               |                |                |                |
| Energy.                                 | \$ 1,871,124  | \$ 793,428     | 36 c           | \$ 2,664,588   |
| All Other Equity Investments.           | 84,010,129    | —              | —              | 84,010,129     |
| Corporate Bonds                         | —             | 168,766,520    | —              | 168,766,520    |
| Escrows and Litigation Trusts           | —             | 5,600          | — <sup>c</sup> | 5,600          |
| Short Term Investments                  | 4,853,479     | —              | —              | 4,853,479      |
| Total Investments in Securities         | \$ 90,734,732 | \$ 169,565,548 | 36             | \$ 260,300,316 |

<sup>a</sup>For detailed categories, see the accompanying Statement of Investments.

<sup>b</sup>Includes common stocks as well as other equity interests.

<sup>c</sup>Includes securities determined to have no value at November 30, 2018.

A reconciliation of assets in which Level 3 inputs are used in determining fair value is presented when there are significant Level 3 financial instruments at the beginning and/or end of the period.

**6. NEW ACCOUNTING PRONOUNCEMENTS**

In March 2017, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2017-08, Receivables—Nonrefundable Fees and Other Costs (Subtopic 310-20): Premium Amortization on Purchased Callable Debt Securities. The amendments in the ASU shorten the amortization period for certain callable debt securities acquired at a premium, to be amortized to the earliest call date. The ASU does not require an accounting change for securities acquired at a discount, which continues to be amortized to maturity. The ASU is effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2018. Management has reviewed the requirements and believes the adoption of this ASU will not have a material impact on the financial statements.

**7. SUBSEQUENT EVENTS**

The Fund has evaluated subsequent events through the issuance of the Statement of Investments and determined that no events have occurred that require disclosure.

**ABBREVIATIONS****Selected Portfolio**

|            |                             |
|------------|-----------------------------|
| <b>ADR</b> | American Depositary Receipt |
| <b>FRN</b> | Floating Rate Note          |
| <b>PIK</b> | Payment-In-Kind             |

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For additional information on the Fund's significant accounting policies, please refer to the Fund's most recent semiannual or annual shareholder report.

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Item 2. Controls and Procedures.

**(a) Evaluation of Disclosure Controls and Procedures.** The Registrant maintains disclosure controls and procedures that are designed to provide reasonable assurance that information required to be disclosed in the Registrant's filings under the Securities Exchange Act of 1934, as amended, and the Investment Company Act of 1940 is recorded, processed, summarized and reported within the periods specified in the rules and forms of the Securities and Exchange Commission. Such information is accumulated and communicated to the Registrant's management, including its principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. The Registrant's management, including the principal executive officer and the principal financial officer, recognizes that any set of controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

Within 90 days prior to the filing date of this Quarterly Schedule of Portfolio Holdings on Form N-Q, the Registrant had carried out an evaluation, under the supervision and with the participation of the Registrant's management, including the Registrant's principal executive officer and the Registrant's principal financial officer, of the effectiveness of the design and operation of the Registrant's disclosure controls and procedures. Based on such evaluation, the Registrant's principal executive officer and principal financial officer concluded that the Registrant's disclosure controls and procedures are effective.

**(b) Changes in Internal Controls.** There have been no changes in the Registrant's internal control over financial reporting that occurred during the period covered by this report that has materially affected, or is reasonably likely to materially affect the internal control over financial reporting.

**Item 3. Exhibits.**

(a) Certification pursuant to Section 30a-2 under the Investment Company Act of 1940 of Matthew T. Hinkle, Chief Executive Officer - Finance and Administration, and Gaston Gardey, Chief Financial Officer and Chief Accounting Officer.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**Franklin Universal Trust**

By /s/MATTHEW T. HINKLE

Matthew T. Hinkle

Chief Executive Officer -

Finance and Administration

Date January 24, 2019

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Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By /s/MATTHEW T. HINKLE

Matthew T. Hinkle

Chief Executive Officer -

Finance and Administration

Date January 24, 2019

By -----/s/GASTON GARDEY

Gaston Gardey

Chief Financial Officer and

Chief Accounting Officer

Date January 24, 2019