

Franklin Utilities Fund



Sector | Fact Sheet as of September 30, 2022

Investment Overview

The fund seeks capital appreciation and current income by investing predominantly in the securities of public utility companies, with a focus on companies operating in the U.S. electricity and gas sectors.

Average Annual Total Returns (%)

	Without Sales Charges					With Sales Charges					Inception Date
	1-Yr	3-Yr	5-Yr	10-Yr	Inception	1-Yr	3-Yr	5-Yr	10-Yr	Inception	
Advisor Class	5.82	2.92	7.24	9.21	9.76	5.82	2.92	7.24	9.21	9.76	9/30/1948
Class A	5.56	2.67	7.00	8.99	9.67	1.60	1.37	6.18	8.58	9.61	9/30/1948
Class C	5.11	2.26	6.56	8.50	8.54	4.11	2.26	6.56	8.50	8.54	5/1/1995
Class R	5.26	2.41	6.72	8.66	8.64	5.26	2.41	6.72	8.66	8.64	9/30/1948
Class R6	5.90	2.99	7.33	9.31	10.09	5.90	2.99	7.33	9.31	10.09	9/30/1948
Benchmark 1	5.58	3.66	7.82	9.85	—	5.58	3.66	7.82	9.85	—	—
Benchmark 2	-15.47	8.16	9.24	11.70	—	-15.47	8.16	9.24	11.70	—	—

Cumulative Total Returns (% Without Sales Charge)

	3-Mo	YTD	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Advisor Class	-6.22	-6.29	18.19	-1.79	26.93	2.89	10.76	17.96	-7.31	25.42	13.96	5.77
Class A	-6.30	-6.49	17.86	-2.00	26.62	2.67	10.56	17.77	-7.39	25.18	13.70	5.64
Class C	-6.38	-6.77	17.44	-2.41	26.16	2.19	10.02	17.13	-7.84	24.54	13.19	5.08
Class R	-6.34	-6.65	17.53	-2.21	26.30	2.35	10.23	17.36	-7.75	24.77	13.35	5.23
Class R6	-6.20	-6.24	18.16	-1.66	27.10	2.92	10.88	18.09	-7.15	25.49	14.04	5.93
Benchmark 1	-5.99	-6.51	17.67	0.48	26.35	4.11	12.11	16.29	-4.85	28.98	13.21	1.29
Benchmark 2	-4.88	-23.87	28.71	18.40	31.49	-4.38	21.83	11.96	1.38	13.69	32.39	16.00

Performance data quoted represents past performance, which does not guarantee future results. Current performance may be lower or higher than the figures shown. Principal value and investment returns will fluctuate, and investors' shares, when redeemed, may be worth more or less than the original cost. Performance would have been lower if fees had not been waived in various periods. Total returns assume the reinvestment of all distributions and the deduction of all fund expenses. Returns with sales charge reflect a deduction of the stated maximum sales charge. An investor cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses or sales charges. Returns for periods of less than one year are not annualized. All classes of shares may not be available to all investors or through all distribution channels. For current month-end performance, please visit www.franklintempleton.com.

The fund began offering Advisor Class shares on 12/31/1996, the fund began offering R Class shares on 1/2/2002, the fund began offering R6 Class shares on 5/1/2013, and the fund began offering A Class shares on 9/10/2018. Performance quotations have been calculated as follows: (a) for Advisor Class periods prior to 12/31/1996, a restated figure is used based on the fund's Class A1 performance; for R Class periods prior to 1/2/2002, a restated figure is used based on the fund's Class A1 performance; for R6 Class periods prior to 5/1/2013, a restated figure is used based on the fund's Class Advisor performance; for A Class periods prior to 9/10/2018, a restated figure is used based on the fund's Class A1 performance. The performance was adjusted to take into account differences in class-specific operating expenses and maximum sales charges. (b) For periods after share class offering, performance for the specific share class is used, reflecting the expenses and maximum sales charges applicable to that class.

Share Class Details

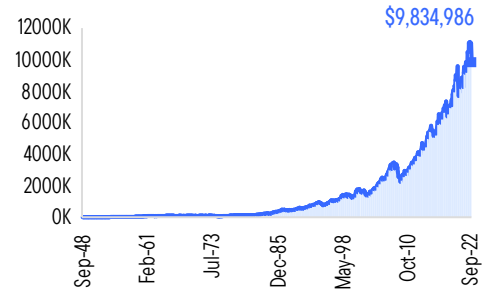
	CUSIP	Ticker	Sales Charges (%)		Expenses (%)	
			Max	CDSC	Gross	Net
Advisor Class	353 496 854	FRUAX	0.00	—	0.57	0.57
Class A	353 496 474	FKUQX	3.75	—	0.82	0.82
Class C	353 496 706	FRUSX	0.00	1.00	1.22	1.22
Class R	353 496 698	FRURX	0.00	—	1.07	1.07
Class R6	353 496 615	FUFRX	0.00	—	0.57	0.50

Gross expenses are the fund's total annual operating expenses as of the fund's prospectus available at the time of publication. Actual fees may be higher and may impact portfolio returns. Net expenses reflect contractual fee waivers, expense caps and/or reimbursements, which cannot be terminated prior to without Board consent.

There is a 1% CDSC on any Class C shares you sell within 12 months of purchase.

Growth of \$10,000

Advisor Class Shares—Inception through September 30, 2022
Excluding Effects of Sales Charges



Fund Overview

Dividend Frequency, if any	Quarterly
Morningstar Category	Utilities
Lipper Classification	Utility Funds
Turnover (fiscal yr)	5%

Benchmark(s)

- 1—S&P 500 Utilities Index
- 2—S&P 500 Index

Fund Characteristics

	Fund
Total Net Assets	\$6.45 Billion
Number of Issuers	46
Average Market Cap (Millions)	\$43,819
Price to Book	1.92x
Price to Earnings (12-Month Trailing)	20.30x

Risk Statistics (3-Year—Advisor Class vs. S&P 500 Utilities Index)

	Fund	Benchmark 1
Beta	0.97	—
R-Squared	0.99	—
Sharpe Ratio	0.13	0.16
Standard Deviation (%)	18.70	19.22
Alpha (%)	-0.64	—
Information Ratio	-0.31	—
Tracking Error	2.34	—

Top Equity Issuers (% of Total)

	Fund
NEXTERA ENERGY INC	11.78
SOUTHERN CO/THE	4.32
SEMPRA ENERGY	4.19
DOMINION ENERGY INC	4.07
DUKE ENERGY CORP	3.90
CMS ENERGY CORP	3.88
EDISON INTERNATIONAL	3.77
EXELON CORP	3.69
AMERICAN ELECTRIC POWER CO INC	3.69
ENTERGY CORP	3.43

Sector Allocation (% of Total)

	Fund	Benchmark 1
Electric Utilities	57.55	60.29
Multi-Utilities	30.01	33.98
Oil & Gas Storage & Transportation	3.78	0.00
Construction & Engineering	1.87	0.00
Gas Utilities	1.72	1.54
Independent Power Producers & Energy Traders	1.47	1.63
Water Utilities	1.27	2.56
Integrated Telecommunication Services	0.92	0.00
Renewable Electricity	0.30	0.00
Cash & Cash Equivalents	1.12	0.00

Portfolio Management

	Years with Firm	Years of Experience
John Kohli, CFA	30	30
Blair Schmicker, CFA	15	18

What should I know before investing?

All investments involve risks, including possible loss of principal. Investing in a fund concentrating in the utilities sector involves special risks, including increased susceptibility to adverse economic and regulatory developments affecting the sector. Stocks historically have outperformed other asset classes over the long term, but tend to fluctuate more dramatically over the short term. Securities issued by utility companies have been historically sensitive to interest rate changes. When interest rates fall, utility securities prices, and thus a utilities fund's share price, tend to rise; when interest rates rise, their prices generally fall. The manager's portfolio selection strategy is not solely based on ESG considerations, and therefore the issuers in which the fund invests may not be considered ESG-focused companies. Integrating ESG considerations into the investment process is not a guarantee that better performance will be achieved. These and other risks are described more fully in the fund's prospectus.

Glossary

Beta A measure of the fund's volatility relative to the market, as represented by the stated Index. A beta greater than 1.00 indicates volatility greater than the market. **R-squared** measures the strength of the linear relationship between the fund and its benchmark. R-squared at 1 implies perfect linear relationship and zero implies no relationship exists. **Sharpe Ratio** refers to a risk-adjusted measure calculated using standard deviation and excess returns to determine reward per unit of risk. The higher the ratio, the greater the risk-adjusted performance. **Standard Deviation** measure of the degree to which a fund's return varies from the average of its previous returns. The larger the standard deviation, the greater the likelihood (and risk) that a fund's performance will fluctuate from the average return. **Alpha** is the annualized percentage difference between a portfolio's actual returns and its expected performance given its level of market risk, as measured by beta. **Information Ratio** In investing terminology, the ratio of expected return to risk. Usually, this statistical technique is used to measure a manager's performance against a benchmark. This measure explicitly relates the degree by which an investment has beaten the benchmark to the consistency by which the investment has beaten the benchmark. **Tracking Error** measure of the deviation of the return of a fund compared to the return of a benchmark over a fixed period of time. Expressed as a percentage. The more passively the investment fund is managed, the smaller the tracking error. **Turnover** is a measure of the fund's trading activity which represents the portion of the fund's holdings that has changed over a twelve-month period through the fiscal year end. There is no assurance that the fund will maintain its current level of turnover. **Price to Book** The price per share of a stock divided by its book value (i.e., net worth) per share. For a portfolio, the value represents a weighted average of the stocks it holds. **Price to Earnings (12-Month Trailing)** is the share price of a stock, divided by its per-share earnings over the past year. For a portfolio, the value represents a weighted average of the stocks it holds.

Important Information

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Before investing, carefully consider a fund's investment objectives, risks, charges and expenses. You can find this and other information in each prospectus, or summary prospectus, if available, at www.franklintempleton.com. Please read it carefully.