

# Statements of Investments (unaudited)

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**Not FDIC Insured | May Lose Value | No Bank Guarantee**

## Statement of Investments (unaudited), August 31, 2021

## Franklin Payout 2021 Fund

|  | Country       | Principal Amount <sup>1</sup> | Value            |
|--|---------------|-------------------------------|------------------|
| <b>Corporate Bonds 42.7%</b>   |               |                               |                  |
| <b>Aerospace &amp; Defense 2.4%</b>  |               |                               |                  |
| Boeing Co. (The), Senior Note, 2.35%, 10/30/21 . . . . .                     | United States | 100,000                       | \$100,331        |
| <b>Beverages 2.4%</b>  |               |                               |                  |
| PepsiCo, Inc., Senior Note, 1.7%, 10/06/21 . . . . .                         | United States | 100,000                       | 100,018          |
| <b>Biotechnology 3.7%</b>  |               |                               |                  |
| AbbVie, Inc., Senior Note, 3.375%, 11/14/21 . . . . .                        | United States | 50,000                        | 50,320           |
| Gilead Sciences, Inc., Senior Note, 4.4%, 12/01/21 . . . . .                 | United States | 100,000                       | 100,000          |
|  |               |                               | 150,320          |
| <b>Chemicals 2.4%</b>  |               |                               |                  |
| Air Products and Chemicals, Inc., Senior Note, 3%, 11/03/21 . . . . .        | United States | 100,000                       | 100,474          |
| <b>Consumer Finance 4.9%</b>   |               |                               |                  |
| Caterpillar Financial Services Corp., Senior Note, 1.931%, 10/01/21          | United States | 100,000                       | 100,153          |
| John Deere Capital Corp., Senior Note, 3.15%, 10/15/21 . . . . .             | United States | 100,000                       | 100,340          |
|  |               |                               | 200,493          |
| <b>Diversified Telecommunication Services 2.5%</b>                           |               |                               |                  |
| <sup>a</sup> Telstra Corp. Ltd., Senior Bond, 144A, 4.8%, 10/12/21 . . . . . | Australia     | 100,000                       | 100,503          |
| <b>Electrical Equipment 2.4%</b>   |               |                               |                  |
| Emerson Electric Co., Senior Note, 2.625%, 12/01/21 . . . . .                | United States | 100,000                       | 100,414          |
| <b>Food &amp; Staples Retailing 2.4%</b>                                     |               |                               |                  |
| Kroger Co. (The), Senior Note, 2.95%, 11/01/21 . . . . .                     | United States | 50,000                        | 50,111           |
| Walgreens Boots Alliance, Inc., Senior Note, 3.3%, 11/18/21 . . . . .        | United States | 50,000                        | 50,068           |
|  |               |                               | 100,179          |
| <b>Food Products 1.2%</b>  |               |                               |                  |
| General Mills, Inc., Senior Bond, 3.15%, 12/15/21 . . . . .                  | United States | 50,000                        | 50,126           |
| <b>Health Care Providers &amp; Services 2.4%</b>                             |               |                               |                  |
| UnitedHealth Group, Inc., Senior Note, 3.375%, 11/15/21 . . . . .            | United States | 100,000                       | 100,247          |
| <b>Household Products 1.2%</b>   |               |                               |                  |
| Clorox Co. (The), Senior Bond, 3.8%, 11/15/21 . . . . .                      | United States | 50,000                        | 50,360           |
| <b>Insurance 3.7%</b>  |               |                               |                  |
| <sup>a</sup> New York Life Global Funding, Secured Note, 144A, 1.7%, 9/14/21 | United States | 100,000                       | 100,044          |
| Prudential Financial, Inc., Senior Note, 4.5%, 11/16/21 . . . . .            | United States | 50,000                        | 50,419           |
|  |               |                               | 150,463          |
| <b>Oil, Gas &amp; Consumable Fuels 2.5%</b>                                  |               |                               |                  |
| TotalEnergies Capital SA, Senior Bond, 4.25%, 12/15/21 . . . . .             | France        | 100,000                       | 101,172          |
| <b>Pharmaceuticals 2.5%</b>  |               |                               |                  |
| Johnson & Johnson, Senior Note, 2.45%, 12/05/21 . . . . .                    | United States | 100,000                       | 100,598          |
| <b>Road &amp; Rail 1.2%</b>  |               |                               |                  |
| Norfolk Southern Corp., Senior Bond, 3.25%, 12/01/21 . . . . .               | United States | 50,000                        | 50,000           |
| <b>Semiconductors &amp; Semiconductor Equipment 2.4%</b>                     |               |                               |                  |
| Intel Corp., Senior Bond, 3.3%, 10/01/21 . . . . .                           | United States | 100,000                       | 100,255          |
| <b>Tobacco 2.5%</b>  |               |                               |                  |
| Philip Morris International, Inc., Senior Note, 2.9%, 11/15/21 . . . . .     | United States | 100,000                       | 100,541          |
| <b>Total Corporate Bonds (Cost \$1,751,591)</b> . . . . .                    |               |                               | <b>1,756,494</b> |

Franklin Payout 2021 Fund (continued)

|  | Country                    | Principal Amount <sup>†</sup> | Value              |
|--|----------------------------|-------------------------------|--------------------|
| <b>Foreign Government and Agency Securities 4.9%</b>                                 |                            |                               |                    |
| Equinor ASA, Senior Note, 2.75%, 11/10/21 . . . . .                                  | Norway                     | 100,000                       | \$100,483          |
| European Investment Bank, Senior Note, 2.125%, 10/15/21 . . . . .                    | Supranational <sup>Ⓟ</sup> | 100,000                       | 100,247            |
| <b>Total Foreign Government and Agency Securities (Cost \$200,006)</b> . . . . .     |                            |                               | <b>200,730</b>     |
| <b>U.S. Government and Agency Securities 17.6%</b>                                   |                            |                               |                    |
| FFCB, 2%, 12/01/21 . . . . .   | United States              | 200,000                       | 200,980            |
| FHLB, 2.625%, 12/10/21 . . . . .   | United States              | 200,000                       | 201,421            |
| U.S. Treasury Notes,<br>1.875%, 11/30/21 . . . . .                                   | United States              | 160,000                       | 160,721            |
| 2.125%, 12/31/21 . . . . .   | United States              | 160,000                       | 161,096            |
| <b>Total U.S. Government and Agency Securities (Cost \$720,203)</b> . . . . .        |                            |                               | <b>724,218</b>     |
| <b>Municipal Bonds 2.4%</b>  |                            |                               |                    |
| <b>California 2.4%</b>   |                            |                               |                    |
| State of California, GO, 5.7%, 11/01/21 . . . . .                                    | United States              | 100,000                       | 100,920            |
| <b>Total Municipal Bonds (Cost \$100,500)</b> . . . . .                              |                            |                               | <b>100,920</b>     |
| <b>Total Long Term Investments (Cost \$2,772,300)</b> . . . . .                      |                            |                               | <b>2,782,362</b>   |
| <b>Short Term Investments 32.5%</b>  |                            |                               |                    |
|  | Country                    | Shares                        | Value              |
| <b>Money Market Funds 32.5%</b>  |                            |                               |                    |
| <sup>Ⓒ</sup> Institutional Fiduciary Trust - Money Market Portfolio, 0.01% . . . . . | United States              | 1,340,136                     | 1,340,136          |
| <b>Total Money Market Funds (Cost \$1,340,136)</b> . . . . .                         |                            |                               | <b>1,340,136</b>   |
| <b>Total Short Term Investments (Cost \$1,340,136)</b> . . . . .                     |                            |                               | <b>1,340,136</b>   |
| <b>Total Investments (Cost \$4,112,436) 100.1%</b> . . . . .                         |                            |                               | <b>\$4,122,498</b> |
| <b>Other Assets, less Liabilities (0.1%)</b> . . . . .                               |                            |                               | <b>(4,795)</b>     |
| <b>Net Assets 100.0%</b> . . . . .   |                            |                               | <b>\$4,117,703</b> |

See Abbreviations on page 9.

<sup>†</sup>The principal amount is stated in U.S. dollars unless otherwise indicated.

<sup>Ⓟ</sup>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, 2021, the aggregate value of these securities was \$200,547, representing 4.9% of net assets.

<sup>Ⓟ</sup>A supranational organization is an entity formed by two or more central governments through international treaties.

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

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

## Statement of Investments (unaudited), August 31, 2021

## Franklin Payout 2022 Fund

|   | Country       | Principal Amount <sup>1</sup> | Value     |
|---|---------------|-------------------------------|-----------|
| <b>Corporate Bonds 59.0%</b>  |               |                               |           |
| <b>Aerospace &amp; Defense 2.8%</b>   |               |                               |           |
| General Dynamics Corp., Senior Bond, 2.25%, 11/15/22 . . . . .                                    | United States | 100,000                       | \$101,930 |
| <b>Air Freight &amp; Logistics 2.8%</b>   |               |                               |           |
| United Parcel Service, Inc., Senior Note, 2.45%, 10/01/22 . . . . .                               | United States | 100,000                       | 102,426   |
| <b>Banks 9.8%</b>   |               |                               |           |
| Bank of America Corp., Senior Note, 2.503%, 10/21/22 . . . . .                                    | United States | 100,000                       | 100,306   |
| Bank of Montreal, Senior Note, 2.55%, 11/06/22 . . . . .  | Canada        | 100,000                       | 102,525   |
| Citigroup, Inc., Senior Note, 2.7%, 10/27/22 . . . . .  | United States | 50,000                        | 51,323    |
| JPMorgan Chase & Co., Senior Note, 3.25%, 9/23/22 . . . . .                                       | United States | 100,000                       | 103,227   |
|   |               |                               | 357,381   |
| <b>Biotechnology 1.4%</b>   |               |                               |           |
| AbbVie, Inc., Senior Note, 2.9%, 11/06/22 . . . . .   | United States | 50,000                        | 51,469    |
| <b>Capital Markets 1.5%</b>   |               |                               |           |
| Morgan Stanley, Sub. Bond, 4.875%, 11/01/22 . . . . .   | United States | 50,000                        | 52,573    |
| <b>Consumer Finance 5.7%</b>  |               |                               |           |
| American Express Co., Senior Note, 2.65%, 12/02/22 . . . . .                                      | United States | 100,000                       | 103,040   |
| Caterpillar Financial Services Corp., Senior Note, 2.55%, 11/29/22                                | United States | 100,000                       | 102,875   |
|   |               |                               | 205,915   |
| <b>Electric Utilities 1.4%</b>  |               |                               |           |
| AEP Texas, Inc., Senior Note, 2.4%, 10/01/22 . . . . .  | United States | 50,000                        | 51,061    |
| <b>Energy Equipment &amp; Services 2.8%</b>   |               |                               |           |
| <sup>a</sup> Schlumberger Finance Canada Ltd., Senior Note, 144A, 2.65%,<br>11/20/22 . . . . .    | United States | 100,000                       | 102,470   |
| <b>Entertainment 2.8%</b>   |               |                               |           |
| TWDC Enterprises 18 Corp., Senior Note, 2.35%, 12/01/22 . . . . .                                 | United States | 100,000                       | 102,600   |
| <b>Food &amp; Staples Retailing 2.8%</b>  |               |                               |           |
| Walmart, Inc., Senior Note, 2.35%, 12/15/22 . . . . .   | United States | 100,000                       | 102,624   |
| <b>Health Care Providers &amp; Services 4.2%</b>  |               |                               |           |
| CVS Health Corp., Senior Note, 4.75%, 12/01/22 . . . . .  | United States | 50,000                        | 52,135    |
| UnitedHealth Group, Inc., Senior Note, 2.375%, 10/15/22 . . . . .                                 | United States | 100,000                       | 102,407   |
|   |               |                               | 154,542   |
| <b>Household Products 2.8%</b>  |               |                               |           |
| Colgate-Palmolive Co., Senior Note, 2.25%, 11/15/22 . . . . .                                     | United States | 100,000                       | 102,529   |
| <b>Insurance 5.6%</b>   |               |                               |           |
| <sup>a</sup> MassMutual Global Funding II, Senior Secured Note, 144A, 2.5%,<br>10/17/22 . . . . . | United States | 100,000                       | 102,558   |
| <sup>a</sup> Swiss Re Treasury US Corp., Senior Note, 144A, 2.875%, 12/06/22                      | Switzerland   | 100,000                       | 102,809   |
|   |               |                               | 205,367   |
| <b>IT Services 4.2%</b>   |               |                               |           |
| Fiserv, Inc., Senior Note, 3.5%, 10/01/22 . . . . .   | United States | 50,000                        | 51,335    |
| International Business Machines Corp., Senior Note, 2.875%,<br>11/09/22 . . . . .                 | United States | 100,000                       | 103,053   |
|   |               |                               | 154,388   |
| <b>Multi-Utilities 1.4%</b>   |               |                               |           |
| Public Service Enterprise Group, Inc., Senior Note, 2.65%, 11/15/22                               | United States | 50,000                        | 51,234    |

Franklin Payout 2022 Fund (continued)

|   | Country                    | Principal<br>Amount <sup>a</sup> | Value            |
|---|----------------------------|----------------------------------|------------------|
| <b>Corporate Bonds (continued)</b>  |                            |                                  |                  |
| <b>Oil, Gas &amp; Consumable Fuels 1.4%</b>   |                            |                                  |                  |
| ONEOK Partners LP, Senior Bond, 3.375%, 10/01/22 . . . . .                                      | United States              | 50,000                           | \$51,189         |
| <b>Professional Services 1.4%</b>   |                            |                                  |                  |
| Equifax, Inc., Senior Note, 3.3%, 12/15/22 . . . . .  | United States              | 50,000                           | 51,477           |
| <b>Technology Hardware, Storage &amp; Peripherals 1.4%</b>                                      |                            |                                  |                  |
| NetApp, Inc., Senior Note, 3.25%, 12/15/22 . . . . .  | United States              | 50,000                           | 51,262           |
| <b>Tobacco 2.8%</b>   |                            |                                  |                  |
| Philip Morris International, Inc., Senior Note, 2.5%, 11/02/22 . . . . .                        | United States              | 100,000                          | 102,361          |
| <b>Total Corporate Bonds (Cost \$2,099,080)</b> . . . . .                                       |                            |                                  | <b>2,154,798</b> |
| <b>Foreign Government and Agency Securities 5.6%</b>  |                            |                                  |                  |
| International Bank for Reconstruction & Development, Senior Note,<br>1.875%, 10/07/22 . . . . . | Supranational <sup>b</sup> | 100,000                          | 101,942          |
| International Finance Corp., Senior Note, 2%, 10/24/22 . . . . .                                | Supranational <sup>b</sup> | 100,000                          | 102,144          |
| <b>Total Foreign Government and Agency Securities (Cost \$198,588)</b> . . . . .                |                            |                                  | <b>204,086</b>   |
| <b>U.S. Government and Agency Securities 18.0%</b>  |                            |                                  |                  |
| FHLB,   |                            |                                  |                  |
| 1.875%, 12/09/22 . . . . .  | United States              | 150,000                          | 153,317          |
| 2.5%, 12/09/22 . . . . .  | United States              | 150,000                          | 154,580          |
| U.S. Treasury Notes,  |                            |                                  |                  |
| 1.625%, 11/15/22 . . . . .  | United States              | 170,000                          | 173,118          |
| 2%, 11/30/22 . . . . .  | United States              | 170,000                          | 174,022          |
| <b>Total U.S. Government and Agency Securities (Cost \$635,203)</b> . . . . .                   |                            |                                  | <b>655,037</b>   |
| <b>Asset-Backed Securities 4.2%</b>   |                            |                                  |                  |
| <b>Banks 1.4%</b>   |                            |                                  |                  |
| Capital One Multi-Asset Execution Trust, 2017-A6, A6, 2.29%,<br>7/15/25 . . . . .               | United States              | 50,000                           | 51,101           |
| <b>Consumer Finance 2.8%</b>  |                            |                                  |                  |
| American Express Credit Account Master Trust, 2017-7, A, 2.35%,<br>5/15/25 . . . . .            | United States              | 100,000                          | 102,448          |
| <b>Total Asset-Backed Securities (Cost \$147,176)</b> . . . . .                                 |                            |                                  | <b>153,549</b>   |
| <b>Total Long Term Investments (Cost \$3,080,047)</b> . . . . .                                 |                            |                                  | <b>3,167,470</b> |

**Franklin Payout 2022 Fund** (continued)

**Short Term Investments 13.4%**

|  | Country       | Shares  | Value              |
|--|---------------|---------|--------------------|
| <b>Money Market Funds 13.4%</b>  |               |         |                    |
| <sup>c,d</sup> Institutional Fiduciary Trust - Money Market Portfolio, 0.01% . . . . . | United States | 488,479 | \$488,479          |
| <b>Total Money Market Funds (Cost \$488,479)</b> . . . . .                             |               |         | <b>488,479</b>     |
| <b>Total Short Term Investments (Cost \$488,479)</b> . . . . .                         |               |         | <b>488,479</b>     |
| <b>Total Investments (Cost \$3,568,526) 100.2%</b> . . . . .                           |               |         | <b>\$3,655,949</b> |
| <b>Other Assets, less Liabilities (0.2)%</b> . . . . .                                 |               |         | <b>(6,114)</b>     |
| <b>Net Assets 100.0%</b> . . . . .   |               |         | <b>\$3,649,835</b> |

See Abbreviations on page 9.

<sup>†</sup>The principal amount is stated in U.S. dollars unless otherwise indicated.

<sup>a</sup>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, 2021, the aggregate value of these securities was \$307,837, representing 8.4% of net assets.

<sup>b</sup>A supranational organization is an entity formed by two or more central governments through international treaties.

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

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

# Notes to Statements of Investments (unaudited)

## 1. Organization

Franklin Fund Allocator Series (Trust) is registered under the Investment Company Act of 1940 (1940 Act) as an open-end management investment company, consisting of twenty-one separate funds, two of which are included in this report (Funds) and applies the specialized accounting and reporting guidance in U.S. Generally Accepted Accounting Principles (U.S. GAAP).

## 2. 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 Funds' administrator has responsibility for oversight of valuation, 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.

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.

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, 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.

## 3. Novel Coronavirus Pandemic

The global outbreak of the novel coronavirus disease, known as COVID-19, has caused adverse effects on many companies, sectors, nations, regions and the markets in general, and may continue for an unpredictable duration. The effects of this pandemic may materially impact the value and performance of the Funds, their ability to buy and sell fund investments at appropriate valuations and their ability to achieve their investment objectives.

## 4. 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. During the period ended August 31, 2021, investments in affiliated management investment companies were as follows:

**4. Investments in Affiliated Management Investment Companies** (continued)

|  | Value at<br>Beginning<br>of Period | Purchases        | Sales             | Realized Gain<br>(Loss) | Net Change<br>in<br>Unrealized<br>Appreciation<br>(Depreciation) | Value<br>at End<br>of Period | Number of<br>Shares Held<br>at End<br>of Period | Investment<br>Income |
|--|------------------------------------|------------------|-------------------|-------------------------|--|------------------------------|---|----------------------|
| <b>Franklin Payout 2021 Fund</b>                                     |                                    |                  |                   |                         |  |                              |   |                      |
| <b>Non-Controlled Affiliates</b>                                     |                                    |                  |                   |                         |  |                              |   |                      |
|  |                                    |                  |                   |                         |  |                              |   | Dividends            |
| Institutional Fiduciary Trust -<br>Money Market Portfolio, 0.01% . . | \$593,455                          | \$768,452        | \$(21,771)        | \$—                     | \$—  | \$1,340,136                  | 1,340,136                                       | \$21                 |
| <b>Total Affiliated Securities . . . .</b>                           | <b>\$593,455</b>                   | <b>\$768,452</b> | <b>\$(21,771)</b> | <b>\$—</b>              | <b>\$—</b>   | <b>\$1,340,136</b>           |   | <b>\$21</b>          |
| <b>Franklin Payout 2022 Fund</b>                                     |                                    |                  |                   |                         |  |                              |   |                      |
| <b>Non-Controlled Affiliates</b>                                     |                                    |                  |                   |                         |  |                              |   |                      |
|  |                                    |                  |                   |                         |  |                              |   | Dividends            |
| Institutional Fiduciary Trust -<br>Money Market Portfolio, 0.01% . . | \$290,824                          | \$224,490        | \$(26,835)        | \$—                     | \$—  | \$488,479                    | 488,479   | \$9                  |
| <b>Total Affiliated Securities . . . .</b>                           | <b>\$290,824</b>                   | <b>\$224,490</b> | <b>\$(26,835)</b> | <b>\$—</b>              | <b>\$—</b>   | <b>\$488,479</b>             |   | <b>\$9</b>           |

**5. 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, 2021, in valuing the Funds' assets and liabilities carried at fair value, is as follows:

|  | Level 1            | Level 2            | Level 3    | Total              |
|--|--------------------|--------------------|------------|--------------------|
| <b>Franklin Payout 2021 Fund</b>                   |                    |                    |            |                    |
| <b>Assets:</b>                                     |                    |                    |            |                    |
| Investments in Securities: <sup>a</sup>            |                    |                    |            |                    |
| Corporate Bonds . . . . .                          | \$—                | \$1,756,494        | \$—        | \$1,756,494        |
| Foreign Government and Agency Securities . . . . . | —                  | 200,730            | —          | 200,730            |
| U.S. Government and Agency Securities . . . . .    | —                  | 724,218            | —          | 724,218            |
| Municipal Bonds . . . . .                          | —                  | 100,920            | —          | 100,920            |
| Short Term Investments . . . . .                   | 1,340,136          | —                  | —          | 1,340,136          |
| <b>Total Investments in Securities . . . . .</b>   | <b>\$1,340,136</b> | <b>\$2,782,362</b> | <b>\$—</b> | <b>\$4,122,498</b> |



**5. Fair Value Measurements** (continued)

|  | Level 1          | Level 2            | Level 3    | Total              |
|--|------------------|--------------------|------------|--------------------|
| <b>Franklin Payout 2022 Fund</b>                   |                  |                    |            |                    |
| <b>Assets:</b>                                     |                  |                    |            |                    |
| Investments in Securities: <sup>a</sup>            |                  |                    |            |                    |
| Corporate Bonds . . . . .                          | \$—              | \$2,154,798        | \$—        | \$2,154,798        |
| Foreign Government and Agency Securities . . . . . | —                | 204,086            | —          | 204,086            |
| U.S. Government and Agency Securities . . . . .    | —                | 655,037            | —          | 655,037            |
| Asset-Backed Securities . . . . .                  | —                | 153,549            | —          | 153,549            |
| Short Term Investments . . . . .                   | 488,479          | —                  | —          | 488,479            |
| Total Investments in Securities . . . . .          | <u>\$488,479</u> | <u>\$3,167,470</u> | <u>\$—</u> | <u>\$3,655,949</u> |

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

**6. Subsequent Events**

The Funds have evaluated subsequent events through the issuance of the Statements of Investments and determined that no events have occurred that require disclosure, except for the following:

On July 14, 2021, the Board approved a proposal to liquidate the Funds. The Funds liquidated on September 28, 2021.

**Selected Portfolio**

|             |   |
|-------------|---|
| <b>FFCB</b> | Federal Farm Credit Banks Funding Corp. |
| <b>FHLB</b> | Federal Home Loan Banks                 |
| <b>GO</b>   | General Obligation                      |

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

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