

FRANKLIN UNIVERSAL TRUST  
Form N-Q  
July 28, 2016

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**

(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: 05/31/16

Item 1. Schedule of Investments.

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# Franklin Universal Trust

## Statement of Investments, May 31, 2016 (unaudited)

	Country	Shares	Value
<b>Common Stocks 44.0%</b>			
<b>Energy 1.6%</b>			
Spectra Energy Corp.	United States	92,350	\$ 2,942,271
<b>Materials 0.9%</b>			
BHP Billiton PLC, ADR	Australia	25,185	602,929
Freeport-McMoRan Inc., B	United States	80,380	890,610
<sup>a</sup> South32 Ltd., ADR	Australia	10,074	55,609
			1,549,148
<b>Transportation 0.0%†</b>			
<sup>a,b</sup> CEVA Holdings LLC	United Kingdom	179	62,800
<b>Utilities 41.5%</b>			
Alliant Energy Corp.	United States	80,000	2,964,000
American Electric Power Co. Inc.	United States	75,000	4,854,750
CenterPoint Energy Inc.	United States	122,800	2,766,684
CMS Energy Corp.	United States	65,000	2,718,300
Consolidated Edison Inc.	United States	42,000	3,076,920
Dominion Resources Inc.	United States	90,000	6,502,500
DTE Energy Co.	United States	25,000	2,267,000
Duke Energy Corp.	United States	57,560	4,502,919
Edison International	United States	61,000	4,369,430
Entergy Corp.	United States	30,000	2,277,600
Exelon Corp.	United States	55,000	1,884,850
FirstEnergy Corp.	United States	60,000	1,968,600
Great Plains Energy Inc.	United States	70,000	2,042,600
NextEra Energy Inc.	United States	41,500	4,984,980
PG&E Corp.	United States	50,000	3,004,000
Pinnacle West Capital Corp.	United States	56,000	4,121,040
PPL Corp.	United States	80,000	3,083,200
Public Service Enterprise Group Inc.	United States	45,000	2,013,750
Sempra Energy	United States	50,000	5,356,000

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The Southern Co.	United States	68,250	3,374,280
WEC Energy Group Inc.	United States	40,000	2,405,600
Westar Energy Inc.	United States	60,000	3,379,800
Xcel Energy Inc.	United States	60,000	2,482,200
			76,401,003
<b>Total Common Stocks (Cost \$41,906,498)</b>			80,955,222
<b>Convertible Preferred Stocks 0.1%</b>			
<b>Transportation 0.1%</b>			
a,b CEVA Holdings LLC, cvt. pfd., A-1	United Kingdom	6	3,150
a,b CEVA Holdings LLC, cvt. pfd., A-2	United Kingdom	388	135,943
<b>Total Convertible Preferred Stocks (Cost \$587,093)</b>			139,093
			Principal Amount*
<b>Corporate Bonds 84.8%</b>			
<b>Automobiles &amp; Components 2.2%</b>			
Fiat Chrysler Automobiles NV, senior note, 5.25%, 4/15/23	United Kingdom	2,000,000	1,995,449
The Goodyear Tire & Rubber Co., senior bond, 5.00%, 5/31/26	United States	600,000	608,250
senior note, 6.50%, 3/01/21	United States	1,100,000	1,154,450
senior note, 5.125%, 11/15/23	United States	300,000	308,250
			4,066,399
<b>Banks 3.5%</b>			
CIT Group Inc., senior note, 5.375%, 5/15/20	United States	500,000	522,500
5.00%, 8/15/22	United States	1,200,000	1,231,500
<sup>c</sup> 144A, 6.625%, 4/01/18	United States	300,000	317,157
<sup>d</sup> Citigroup Inc., junior sub. bond, M, 6.30% to 5/15/24, FRN thereafter, Perpetual	United States	1,100,000	1,100,000
<sup>d</sup> JPMorgan Chase & Co., junior sub. bond, R, 6.00% to 8/01/23, FRN thereafter, Perpetual	United States	900,000	931,218

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

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# Franklin Universal Trust

## Statement of Investments, May 31, 2016 (unaudited) *(continued)*

V, 5.00% to 7/30/19, FRN thereafter, Perpetual	United States	1,100,000	1,060,323
Royal Bank of Scotland Group PLC, sub. note, 6.125%, 12/15/22	United Kingdom	900,000	959,166
5.125%, 5/28/24	United Kingdom	400,000	396,446
			6,518,310
<b>Capital Goods 2.1%</b>			
<sup>c</sup> Bombardier Inc., senior bond, 144A, 7.50%, 3/15/25	Canada	1,200,000	1,062,000
<sup>c</sup> HD Supply Inc., senior note, 144A, 5.75%, 4/15/24	United States	400,000	417,000
Navistar International Corp., senior bond, 8.25%, 11/01/21	United States	800,000	570,160
Oshkosh Corp., senior note, 5.375%, 3/01/22	United States	500,000	518,750
TransDigm Inc., senior sub. bond, 6.50%, 7/15/24	United States	500,000	512,500
senior sub. bond, 6.50%, 5/15/25	United States	100,000	101,875
senior sub. note, 6.00%, 7/15/22	United States	700,000	715,750
			3,898,035
<b>Commercial &amp; Professional Services 1.3%</b>			
<sup>c</sup> Acosta Inc., senior note, 144A, 7.75%, 10/01/22	United States	1,000,000	967,500
United Rentals North America Inc., senior bond, 5.75%, 11/15/24	United States	1,400,000	1,410,500
5.875%, 9/15/26	United States	100,000	99,000
			2,477,000
<b>Consumer Durables &amp; Apparel 3.3%</b>			
<sup>c</sup> Hanesbrands Inc., senior note, 144A, 4.625%, 5/15/24	United States	1,000,000	1,005,000
KB Home, senior bond, 7.50%, 9/15/22	United States	1,100,000	1,127,500
senior note, 4.75%, 5/15/19	United States	200,000	200,500
senior note, 7.00%, 12/15/21	United States	300,000	304,500
<sup>c</sup> Newell Brands Inc., senior note, 144A, 5.00%, 11/15/23	United States	700,000	730,625
<sup>c</sup> Taylor Morrison Communities Inc./Monarch Communities Inc., senior note, 144A, 5.25%, 4/15/21	United States	400,000	403,000
5.875%, 4/15/23	United States	500,000	506,250
5.625%, 3/01/24	United States	1,000,000	985,000
Toll Brothers Finance Corp., senior bond, 5.625%, 1/15/24	United States	700,000	738,500
			6,000,875
<b>Consumer Services 4.1%</b>			
<sup>c</sup> 1011778 BC ULC/New Red Finance Inc.,			

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secured note, second lien, 144A, 6.00%, 4/01/22	Canada	1,000,000	1,038,750
senior secured note, first lien, 144A, 4.625%, 1/15/22	Canada	500,000	511,875
<sup>c</sup> 24 Hour Holdings III LLC, senior note, 144A, 8.00%, 6/01/22	United States	1,000,000	765,000
<sup>c,e</sup> Fontainebleau Las Vegas, senior secured bond, first lien, 144A, 11.00%, 6/15/15	United States	1,600,000	3,160
<sup>c</sup> International Game Technology PLC, senior secured bond, 144A, 6.50%, 2/15/25	United States	2,200,000	2,227,500
<sup>c</sup> Landry's Inc., senior note, 144A, 9.375%, 5/01/20	United States	900,000	946,125
<sup>c</sup> Wynn Las Vegas LLC/Wynn Las Vegas Capital Corp., senior bond, 144A, 5.50%, 3/01/25	United States	1,300,000	1,261,000
<sup>c</sup> Wynn Macau Ltd., senior note, 144A, 5.25%, 10/15/21	Macau	800,000	786,000
			7,539,410

**Diversified Financials 4.8%**

AerCap Ireland Capital Ltd./AerCap Global Aviation Trust, senior note, 4.25%, 7/01/20	Netherlands	800,000	822,556
4.625%, 10/30/20	Netherlands	200,000	207,866
5.00%, 10/01/21	Netherlands	500,000	525,752
Ally Financial Inc., senior note, 5.50%, 2/15/17	United States	600,000	612,116
Deutsche Bank AG, sub. bond, 4.296% to 5/24/23, FRN thereafter, 5/24/28	Germany	1,400,000	1,242,710
E*TRADE Financial Corp., senior note, 5.375%, 11/15/22	United States	300,000	315,000
4.625%, 9/15/23	United States	400,000	403,000
<sup>c</sup> Lincoln Finance Ltd., senior secured note, 144A, 7.375%, 4/15/21	Netherlands	800,000	856,000
Navient Corp., senior note, 8.45%, 6/15/18	United States	900,000	973,125
5.50%, 1/15/19	United States	800,000	803,000
4.875%, 6/17/19	United States	800,000	784,000
<sup>c</sup> Neuberger Berman Group LLC/Finance Corp., senior note, 144A, 5.875%, 3/15/22	United States	700,000	729,750



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### Statement of Investments, May 31, 2016 (unaudited) (continued)

<sup>c</sup> OneMain Financial Holdings Inc., senior note, 144A, 7.25%, 12/15/21	United States	600,000	606,000
			8,880,875
<b>Energy 10.6%</b>			
<sup>e</sup> BreitBurn Energy Partners LP/BreitBurn Finance Corp., senior bond, 7.875%, 4/15/22	United States	700,000	98,000
senior note, 8.625%, 10/15/20	United States	600,000	85,500
California Resources Corp., <sup>c</sup> secured note, second lien, 144A, 8.00%, 12/15/22	United States	615,000	448,181
senior bond, 6.00%, 11/15/24	United States	138,000	75,038
senior note, 5.50%, 9/15/21	United States	92,000	50,140
Calumet Specialty Products Partners LP/Calumet Finance Corp., senior note, 7.75%, 4/15/23	United States	800,000	534,000
<sup>c</sup> 144A, 11.50%, 1/15/21	United States	300,000	327,000
CGG SA, senior note, 6.50%, 6/01/21	France	600,000	258,000
6.875%, 1/15/22	France	300,000	129,000
<sup>e</sup> Chaparral Energy Inc., senior bond, 8.25%, 9/01/21	United States	200,000	95,500
senior bond, 7.625%, 11/15/22	United States	300,000	143,250
senior note, 9.875%, 10/01/20	United States	800,000	388,000
<sup>e</sup> CHC Helicopter SA, senior secured note, first lien, 9.25%, 10/15/20	Canada	1,350,000	604,125
<sup>c</sup> Cheniere Corpus Christi Holdings LLC, senior secured note, 144A, 7.00%, 6/30/24	United States	600,000	615,750
<sup>c</sup> Chesapeake Energy Corp., secured note, second lien, 144A, 8.00%, 12/15/22	United States	1,006,000	811,087
Clayton Williams Energy Inc., senior note, 7.75%, 4/01/19	United States	500,000	380,000
Compressco Partners LP/Finance Corp., senior note, 7.25%, 8/15/22	United States	300,000	244,500
CONSOL Energy Inc., senior note, 5.875%, 4/15/22	United States	300,000	246,000
8.00%, 4/01/23	United States	800,000	692,000
<sup>c</sup> Crestwood Midstream Partners LP/Crestwood Midstream Finance Corp., senior note, 144A, 6.25%, 4/01/23	United States	500,000	470,000

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Energy Transfer Equity LP, senior note, first lien, 7.50%, 10/15/20	United States	1,500,000	1,537,500
senior secured bond, first lien, 5.875%, 1/15/24	United States	200,000	184,500
<sup>e</sup> Energy XXI Gulf Coast Inc., senior note, 9.25%, 12/15/17	United States	1,300,000	84,500
<sup>c</sup> EnQuest PLC, senior note, 144A, 7.00%, 4/15/22	United Kingdom	600,000	375,000
<sup>e</sup> EPL Oil & Gas Inc., senior note, 8.25%, 2/15/18	United States	800,000	68,000
<sup>c</sup> Ferrellgas LP/Ferrellgas Finance Corp., senior note, 144A, 6.75%, 6/15/23	United States	900,000	834,750
<sup>b,e</sup> Goodrich Petroleum Corp., secured note, second lien, 144A, 8.875%, 3/15/18	United States	600 <sup>f</sup>	90,000
Halcon Resources Corp., senior note, 9.75%, 7/15/20	United States	800,000	162,000
<sup>c</sup> senior secured note, third lien, 144A, 13.00%, 2/15/22	United States	520,000	287,300
<sup>c,e</sup> Linn Energy LLC/Finance Corp., senior secured note, second lien, 144A, 12.00%, 12/15/20	United States	1,100,000	308,000
Martin Midstream Partners LP/Martin Midstream Finance Corp., senior note, 7.25%, 2/15/21	United States	1,000,000	932,500
Memorial Resource Development Corp., senior note, 5.875%, 7/01/22	United States	400,000	398,750
<sup>e</sup> Midstates Petroleum Co. Inc./LLC, senior note, 9.25%, 6/01/21	United States	700,000	10,500
<sup>c</sup> Murray Energy Corp., secured note, second lien, 144A, 11.25%, 4/15/21	United States	700,000	136,500
PBF Holding Co. LLC, first lien, 8.25%, 2/15/20	United States	1,200,000	1,252,500
<sup>c,e</sup> Peabody Energy Corp., secured note, second lien, 144A, 10.00%, 3/15/22	United States	1,700,000	250,750
<sup>e</sup> Penn Virginia Corp., senior note, 8.50%, 5/01/20	United States	700,000	217,000
QEP Resources Inc., senior bond, 5.375%, 10/01/22	United States	700,000	654,500
Sabine Pass Liquefaction LLC, first lien, 5.625%, 2/01/21	United States	1,000,000	1,026,250
6.25%, 3/15/22	United States	200,000	205,500
5.625%, 4/15/23	United States	500,000	507,500
Sanchez Energy Corp., senior note, 7.75%, 6/15/21	United States	900,000	693,000
6.125%, 1/15/23	United States	100,000	72,500
<sup>c,e</sup> Ultra Petroleum Corp., senior bond, 144A, 6.125%, 10/01/24	United States	700,000	378,000
W&T Offshore Inc., senior note, 8.50%, 6/15/19	United States	1,200,000	282,000
Weatherford International LLC, senior note, 6.35%, 6/15/17	United States	200,000	203,000
Weatherford International Ltd., senior note, 6.00%, 3/15/18	United States	100,000	99,000
9.625%, 3/01/19	United States	600,000	594,000

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### Statement of Investments, May 31, 2016 (unaudited) (continued)

5.125%, 9/15/20	United States	200,000	163,000
4.50%, 4/15/22	United States	400,000	312,000
WPX Energy Inc., senior note, 8.25%, 8/01/23	United States	500,000	489,375
			19,504,746
<b>Food, Beverage &amp; Tobacco 3.1%</b>			
Constellation Brands Inc., senior bond, 4.75%, 11/15/24	United States	400,000	422,500
senior note, 4.25%, 5/01/23	United States	500,000	517,500
senior note, 4.75%, 12/01/25	United States	100,000	105,063
Cott Beverages Inc., senior note, 6.75%, 1/01/20	United States	600,000	629,250
<sup>c</sup> Dole Food Co. Inc., senior secured note, 144A, 7.25%, 5/01/19	United States	300,000	297,750
<sup>c</sup> JBS USA LLC/Finance Inc., senior bond, 144A, 5.875%, 7/15/24	United States	900,000	888,750
senior note, 144A, 8.25%, 2/01/20	United States	300,000	313,875
senior note, 144A, 7.25%, 6/01/21	United States	800,000	828,000
Post Holdings Inc., senior note, 7.375%, 2/15/22	United States	800,000	848,000
<sup>c</sup> 144A, 6.75%, 12/01/21	United States	500,000	528,750
<sup>c</sup> 144A, 6.00%, 12/15/22	United States	300,000	307,125
<sup>c</sup> 144A, 7.75%, 3/15/24	United States	100,000	108,750
			5,795,313
<b>Health Care Equipment &amp; Services 5.0%</b>			
<sup>c</sup> Acadia Healthcare Co. Inc., senior note, 144A, 6.50%, 3/01/24	United States	400,000	416,112
CHS/Community Health Systems Inc., senior note, 8.00%, 11/15/19	United States	900,000	893,250
senior note, 7.125%, 7/15/20	United States	400,000	373,000
senior note, 6.875%, 2/01/22	United States	200,000	172,878
senior secured note, first lien, 5.125%, 8/15/18	United States	121,000	123,403
DaVita HealthCare Partners Inc., senior bond, 5.125%, 7/15/24	United States	400,000	406,150
senior note, 5.75%, 8/15/22	United States	500,000	525,625
HCA Inc., senior bond, 5.875%, 5/01/23	United States	800,000	849,000
senior bond, 5.875%, 2/15/26	United States	1,400,000	1,452,500
senior secured bond, first lien, 5.875%, 3/15/22	United States	600,000	649,500
<sup>c,g</sup> MPH Acquisition Holdings LLC, senior note, 144A, 7.125%, 6/01/24	United States	300,000	309,000
Tenet Healthcare Corp., senior note,			

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5.00%, 3/01/19	United States	1,100,000	1,067,000
5.50%, 3/01/19	United States	400,000	393,000
8.125%, 4/01/22	United States	1,000,000	1,011,250
<sup>c</sup> Vizient Inc., senior note, 144A, 10.375%, 3/01/24	United States	600,000	643,500
			9,285,168
<b>Materials 14.2%</b>			
<sup>c</sup> American Builders & Contractors Supply Co. Inc., senior note, 144A, 5.625%, 4/15/21	United States	900,000	938,250
ArcelorMittal, senior note, 6.50%, 3/01/21	France	900,000	936,315
6.125%, 6/01/25	France	300,000	294,000
<sup>c</sup> Ardagh Packaging Finance PLC, senior note, 144A, 9.125%, 10/15/20	Luxembourg	500,000	523,750
<sup>c</sup> Ardagh Packaging Finance PLC/Ardagh MP Holdings USA Inc., senior note, 144A, 6.25%, 1/31/19	Luxembourg	200,000	203,500
7.00%, 11/15/20	Luxembourg	88,235	86,691
6.75%, 1/31/21	Luxembourg	400,000	405,000
6.00%, 6/30/21	Luxembourg	500,000	495,000
<sup>c</sup> Barmenco Finance Pty. Ltd., senior note, 144A, 9.00%, 6/01/18	Australia	800,000	630,000
<sup>c</sup> Blue Cube Spinco Inc., senior bond, 144A, 10.00%, 10/15/25	United States	800,000	938,000
<sup>c</sup> BlueScope Steel Ltd./BlueScope Steel Finance, senior note, 144A, 7.125%, 5/01/18	Australia	1,400,000	1,452,500
6.50%, 5/15/21	Australia	1,500,000	1,547,535
<sup>c</sup> Cemex Finance LLC, senior secured note, first lien, 144A, 6.00%, 4/01/24	Mexico	600,000	588,360
<sup>c</sup> Cemex SAB de CV, first lien, 144A, 5.70%, 1/11/25	Mexico	1,100,000	1,040,941
The Chemours Co., senior bond, 7.00%, 5/15/25	United States	200,000	176,750
senior note, 6.625%, 5/15/23	United States	1,100,000	992,750
<sup>c</sup> Eldorado Gold Corp., senior note, 144A, 6.125%, 12/15/20	Canada	1,000,000	945,000

## Franklin Universal Trust

### Statement of Investments, May 31, 2016 (unaudited) *(continued)*

<sup>c</sup> First Quantum Minerals Ltd., senior note, 144A,

6.75%, 2/15/20

Canada

631,000

507,955

7.00%, 2/15/21

Canada

1,131,000

898,438

<sup>c</sup> FMG Resources (August 2006) Pty. Ltd., senior secured note, 144A,

9.75%, 3/01/22

Australia

1,200,000

1,279,800