

FRANKLIN UNIVERSAL TRUST  
Form N-Q  
July 29, 2014

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: 05/31/14

Item 1. Schedule of Investments.

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# Franklin Universal Trust

## Statement of Investments, May 31, 2014 (unaudited)

	Country	Shares	Value
<b>Common Stocks 40.7%</b>			
<b>Energy 1.8%</b>			
Spectra Energy Corp.	United States	92,350	\$ 3,747,563
<b>Materials 2.2%</b>			
BHP Billiton PLC, ADR	United Kingdom	25,185	1,577,840
Freeport-McMoRan Copper & Gold Inc., B	United States	80,380	2,736,939
NewPage Holdings Inc.	United States	2,400	216,000
			4,530,779
<b>Transportation 0.1%</b>			
aCEVA Holdings LLC	United Kingdom	179	201,859
<b>Utilities 36.6%</b>			
Alliant Energy Corp.	United States	40,000	2,332,000
American Electric Power Co. Inc.	United States	75,000	4,001,250
CenterPoint Energy Inc.	United States	169,800	4,095,576
CMS Energy Corp.	United States	65,000	1,933,750
Consolidated Edison Inc.	United States	42,000	2,310,420
Dominion Resources Inc.	United States	100,000	6,896,000
DTE Energy Co.	United States	25,000	1,903,000
Duke Energy Corp.	United States	92,520	6,576,322
Edison International	United States	75,000	4,135,500
Entergy Corp.	United States	50,000	3,771,000
Exelon Corp.	United States	55,000	2,025,650
FirstEnergy Corp.	United States	60,000	2,029,200
Great Plains Energy Inc.	United States	70,000	1,781,500
NextEra Energy Inc.	United States	50,000	4,868,000
PG&E Corp.	United States	50,000	2,293,500
Pinnacle West Capital Corp.	United States	70,000	3,879,400
PPL Corp.	United States	80,000	2,807,200
Public Service Enterprise Group Inc.	United States	45,000	1,753,200
Sempra Energy	United States	50,000	5,017,500
The Southern Co.	United States	108,500	4,750,130

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UIL Holdings Corp.	United States	40,000	1,478,800
Westar Energy Inc.	United States	60,000	2,163,000
Wisconsin Energy Corp.	United States	40,000	1,820,800
Xcel Energy Inc.	United States	60,000	1,845,600
			76,468,298
<b>Total Common Stocks (Cost \$49,353,892)</b>			<b>84,948,499</b>
<b>Convertible Preferred Stocks 0.2%</b>			
<b>Transportation 0.2%</b>			
aCEVA Holdings LLC, cvt. pfd., A-1	United Kingdom	6	8,820
aCEVA Holdings LLC, cvt. pfd., A-2	United Kingdom	388	436,961
<b>Total Convertible Preferred Stocks (Cost \$587,093)</b>			<b>445,781</b>
<b>Preferred Stocks (Cost \$290,000) 0.2%</b>			
<b>Diversified Financials 0.2%</b>			
GMAC Capital Trust I, 8.125%, pfd.	United States	11,600	314,592
			<b>Principal Amount*</b>
<b>Corporate Bonds 84.1%</b>			
<b>Automobiles &amp; Components 1.1%</b>			
The Goodyear Tire & Rubber Co., senior note, 6.50%, 3/01/21	United States	1,100,000	1,204,500
bInternational Automotive Components Group SA, senior secured note, 144A, 9.125%, 6/01/18	United States	1,100,000	1,176,313
			2,380,813
<b>Banks 2.6%</b>			
CIT Group Inc., senior note, 5.375%, 5/15/20	United States	500,000	536,875
5.00%, 8/15/22	United States	1,200,000	1,243,500
b 144A, 6.625%, 4/01/18	United States	300,000	336,750
cCitigroup Inc., junior sub. bond, M, 6.30% to 5/15/24, FRN thereafter, Perpetual	United States	1,100,000	1,121,484

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

# Franklin Universal Trust

## Statement of Investments, May 31, 2014

(unaudited) (continued)

cJPMorgan Chase & Co., junior sub. bond, 6.00% to 8/01/23, FRN thereafter, Perpetual	United States	900,000	914,625
Royal Bank of Scotland Group PLC, sub. note, 6.125%, 12/15/22	United Kingdom	900,000	982,688
5.125%, 5/28/24	United Kingdom	400,000	401,000
			5,536,922
<b>Capital Goods 2.1%</b>			
bAbengoa Finance SAU, senior note, 144A, 8.875%, 11/01/17	Spain	1,500,000	1,695,937
7.75%, 2/01/20	Spain	150,000	165,563
Navistar International Corp., senior note, 8.25%, 11/01/21	United States	900,000	937,125
bOshkosh Corp., senior note, 144A, 5.375%, 3/01/22	United States	500,000	515,625
b,dTransDigm Inc., senior sub. bond, 144A, 6.50%, 7/15/24	United States	200,000	203,250
senior sub. note, 144A, 6.00%, 7/15/22	United States	200,000	201,750
bZachry Holdings Inc., senior note, 144A, 7.50%, 2/01/20	United States	600,000	648,000
			4,367,250
<b>Commercial &amp; Professional Services 2.4%</b>			
ADS Waste Holdings Inc., senior note, 8.25%, 10/01/20	United States	1,500,000	1,631,250
bAlgeco Scotsman Global Finance PLC, senior secured note, first lien, 144A, 8.50%, 10/15/18	United Kingdom	900,000	955,687
United Rentals North America Inc., senior bond, 5.75%, 11/15/24	United States	600,000	621,750
West Corp., senior note, 7.875%, 1/15/19	United States	1,600,000	1,708,000
			4,916,687
<b>Consumer Durables &amp; Apparel 3.2%</b>			
KB Home, senior bond, 7.50%, 9/15/22	United States	1,100,000	1,215,500
senior note, 4.75%, 5/15/19	United States	200,000	201,000
senior note, 7.00%, 12/15/21	United States	300,000	324,750
M/I Homes Inc., senior note, 8.625%, 11/15/18	United States	600,000	643,500
bSIWF Merger Sub Inc., senior secured note, 144A, 6.25%, 6/01/21	United States	300,000	303,750
Standard Pacific Corp., senior note, 6.25%, 12/15/21	United States	700,000	754,250
bTaylor Morrison Communities Inc./Monarch Communities Inc., senior note, 144A, 7.75%, 4/15/20	United States	492,000	542,430
5.25%, 4/15/21	United States	400,000	406,000
5.625%, 3/01/24	United States	700,000	693,000
Toll Brothers Finance Corp., senior bond, 5.625%, 1/15/24	United States	700,000	738,500
Visant Corp., senior note, 10.00%, 10/01/17	United States	900,000	839,250
			6,661,930

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**Consumer Services 2.7%**

b24 Hour Holdings III LLC, senior note, 144A, 8.00%, 6/01/22	United States	400,000	401,500
Caesars Entertainment Operating Co. Inc., senior secured note, 11.25%, 6/01/17	United States	1,500,000	1,327,500
first lien, 9.00%, 2/15/20	United States	300,000	240,750
b,eFontainebleau Las Vegas, senior secured note, first lien, 144A, 11.00%, 6/15/15	United States	1,600,000	10,000
bLandry's Inc., senior note, 144A, 9.375%, 5/01/20	United States	900,000	997,875
MGM Resorts International, senior note, 6.875%, 4/01/16	United States	1,200,000	1,314,000
7.50%, 6/01/16	United States	800,000	890,000
bPNK Finance Corp., senior note, 144A, 6.375%, 8/01/21	United States	500,000	528,750
			5,710,375

**Diversified Financials 3.0%**

Ally Financial Inc., senior note, 5.50%, 2/15/17	United States	600,000	652,875
E*TRADE Financial Corp., senior note, 6.375%, 11/15/19	United States	800,000	873,000
General Motors Financial Co. Inc., senior note, 3.25%, 5/15/18	United States	400,000	407,000
GMAC Inc., sub. note, 8.00%, 12/31/18	United States	200,000	239,000
bNeuberger Berman Group LLC/Finance Corp., senior note, 144A, 5.875%, 3/15/22	United States	700,000	749,000
bNuveen Investments Inc., senior note, 144A, 9.50%, 10/15/20	United States	900,000	1,073,250
SLM Corp., senior note, 8.45%, 6/15/18	United States	900,000	1,061,437
5.50%, 1/15/19	United States	800,000	844,212

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# Franklin Universal Trust

## Statement of Investments, May 31, 2014 (unaudited) *(continued)*

4.875%, 6/17/19	United States	300,000	308,593
			6,208,367
<b>Energy 23.1%</b>			
Access Midstream Partner LP/ACMP Finance Corp., senior note, 6.125%, 7/15/22	United States	400,000	438,000
BreitBurn Energy Partners LP/Finance Corp., senior bond, 7.875%, 4/15/22	United States	700,000	756,000
senior note, 8.625%, 10/15/20	United States	600,000	658,500
Calumet Specialty Products Partners LP/Finance Corp., senior note, 9.625%, 8/01/20	United States	100,000	116,125
Carrizo Oil & Gas Inc., senior note, 8.625%, 10/15/18	United States	800,000	854,000
7.50%, 9/15/20	United States	300,000	330,000
CGG SA, senior note, 7.75%, 5/15/17	France	600,000	607,500
6.50%, 6/01/21	France	600,000	579,000
<sup>b</sup> 144A, 6.875%, 1/15/22	France	600,000	586,500
Chaparral Energy Inc., senior note, 9.875%, 10/01/20	United States	800,000	908,000
8.25%, 9/01/21	United States	200,000	219,500
7.625%, 11/15/22	United States	300,000	321,000
CHC Helicopter SA, senior secured note, first lien, 9.25%, 10/15/20	Canada	1,350,000	1,474,031
Chesapeake Energy Corp., senior note, 6.625%, 8/15/20	United States	1,700,000	1,967,750
4.875%, 4/15/22	United States	300,000	311,250
Clayton Williams Energy Inc., senior note, 7.75%, 4/01/19	United States	1,100,000	1,174,250
CONSOL Energy Inc., senior note, 8.25%, 4/01/20	United States	300,000	327,750
6.375%, 3/01/21	United States	300,000	319,500
<sup>b</sup> 144A, 5.875%, 4/15/22	United States	600,000	624,000
bDrill Rigs Holdings Inc., secured note, 144A, 6.50%, 10/01/17	United States	1,100,000	1,146,750
Eagle Rock Energy Partners LP/Finance Corp., senior note, 8.375%, 6/01/19	United States	1,100,000	1,197,625
El Paso Corp., senior bond, 6.50%, 9/15/20	United States	1,200,000	1,334,634
Energy Transfer Equity LP, senior bond, 5.875%, 1/15/24	United States	200,000	207,500
senior note, 7.50%, 10/15/20	United States	1,500,000	1,740,000
Energy XXI Gulf Coast Inc., senior note, 9.25%, 12/15/17	United States	1,300,000	1,405,625
bEnQuest PLC, senior note, 144A, 7.00%, 4/15/22	United Kingdom	400,000	413,250
EPL Oil & Gas Inc., senior note, 8.25%, 2/15/18	United States	800,000	864,000
bExpro Finance Luxembourg, senior secured note, 144A, 8.50%, 12/15/16	United Kingdom	1,307,000	1,366,737

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Goodrich Petroleum Corp., senior note, 8.875%, 3/15/19	United States	1,200,000	1,266,000
Halcon Resources Corp., senior note, 9.75%, 7/15/20	United States	1,000,000	1,100,000
8.875%, 5/15/21	United States	400,000	428,000
9.25%, 2/15/22	United States	200,000	215,500
bKinder Morgan Finance Co. LLC, senior secured note, 144A, 6.00%, 1/15/18	United States	1,200,000	1,321,099
Kodiak Oil & Gas Corp., senior note, 8.125%, 12/01/19	United States	700,000	780,500
5.50%, 1/15/21	United States	200,000	207,500
Linn Energy LLC/Finance Corp., senior note, 8.625%, 4/15/20	United States	1,000,000	1,088,750
7.75%, 2/01/21	United States	700,000	758,625
Martin Midstream Partners LP/Martin Midstream Finance Corp., senior note, 7.25%, 2/15/21	United States	1,000,000	1,057,500
Midstates Petroleum Co. Inc./LLC, senior note, 9.25%, 6/01/21	United States	700,000	756,000
bMurray Energy Corp., senior secured note, 144A, 8.625%, 6/15/21	United States	700,000	766,500
Oasis Petroleum Inc., senior note, 7.25%, 2/01/19	United States	200,000	214,000
6.50%, 11/01/21	United States	400,000	430,000
6.875%, 1/15/23	United States	200,000	218,500
b 144A, 6.875%, 3/15/22	United States	400,000	437,000
bOcean Rig UDW Inc., senior note, 144A, 7.25%, 4/01/19	United States	400,000	398,000
Offshore Group Investment Ltd., senior bond, first lien, 7.125%, 4/01/23	United States	700,000	710,500
senior secured note, first lien, 7.50%, 11/01/19	United States	700,000	737,625
PBF Holding Co. LLC, first lien, 8.25%, 2/15/20	United States	1,200,000	1,320,000
Penn Virginia Corp., senior note, 8.50%, 5/01/20	United States	700,000	781,375

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# Franklin Universal Trust

## Statement of Investments, May 31, 2014 (unaudited) *(continued)*

Penn Virginia Resource Partners LP/Finance Corp., senior note, 8.375%, 6/01/20	United States	470,000	534,625
6.50%, 5/15/21	United States	400,000	433,000
Plains Exploration & Production Co., senior note, 6.875%, 2/15/23	United States	1,000,000	1,141,250
QEP Resources Inc., senior note, 5.375%, 10/01/22	United States	700,000	712,250
5.25%, 5/01/23	United States	400,000	402,000
QR Energy LP/QRE Finance, senior note, 9.25%, 8/01/20	United States	1,000,000	1,075,000
b,f Quicksilver Resources Inc., secured note, second lien, 144A, FRN, 7.00%, 6/21/19	United States	1,200,000	1,182,000
Sabine Pass Liquefaction LLC, first lien, 5.625%, 2/01/21	United States	1,000,000	1,052,500
5.625%, 4/15/23	United States	500,000	515,000
b 144A, 6.25%, 3/15/22	United States	200,000	215,000
bSamson Investment Co., senior note, 144A, 9.75%, 2/15/20	United States	1,400,000	1,470,000
bSanchez Energy Corp., senior note, 144A, 7.75%, 6/15/21	United States	900,000	967,500
W&T Offshore Inc., senior note, 8.50%, 6/15/19	United States	1,200,000	1,305,000
			48,246,876
<b>Food, Beverage &amp; Tobacco 2.5%</b>			
Constellation Brands Inc., senior note, 4.25%, 5/01/23	United States	500,000	500,000
Del Monte Corp., senior note, 7.625%, 2/15/19	United States	1,072,000	1,117,560
bDole Food Co. Inc., senior secured note, 144A, 7.25%, 5/01/19	United States	800,000	811,000
bJBS USA LLC/Finance Inc., senior note, 144A, 8.25%, 2/01/20	United States	300,000	328,125
7.25%, 6/01/21	United States	700,000	759,500
bPost Holdings Inc., senior note, 144A, 6.75%, 12/01/21	United States	300,000	318,750
7.375%, 2/15/22	United States	800,000	870,000
d 6.00%, 12/15/22	United States	100,000	101,250
bSmithfield Foods Inc., senior note, 144A, 5.875%, 8/01/21	United States	300,000	318,562
			5,124,747
<b>Health Care Equipment &amp; Services 4.9%</b>			
Alere Inc., senior note, 7.25%, 7/01/18	United States	900,000	987,750
senior sub. note, 6.50%, 6/15/20	United States	100,000	105,750
Aviv Healthcare Properties LP/Aviv Healthcare Capital Corp., senior note, 7.75%, 2/15/19	United States	1,000,000	1,072,500
6.00%, 10/15/21	United States	100,000	106,000
CHS/Community Health Systems Inc., senior note, 8.00%, 11/15/19	United States	900,000	990,000

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senior note, 7.125%, 7/15/20	United States	400,000	434,500
<sup>b</sup> senior note, 144A, 6.875%, 2/01/22	United States	200,000	211,500
senior secured note, 5.125%, 8/15/18	United States	600,000	632,250
DaVita HealthCare Partners Inc., senior note, 5.75%, 8/15/22	United States	500,000	537,500
ExamWorks Group Inc., senior note, 9.00%, 7/15/19	United States	800,000	874,000
HCA Inc.,			
senior note, 6.50%, 2/15/16	United States	1,400,000	1,515,500
senior note, 5.875%, 5/01/23	United States	800,000	830,000
senior secured note, 5.875%, 3/15/22	United States	600,000	654,750
Tenet Healthcare Corp., senior note, 8.125%, 4/01/22	United States	1,000,000	1,140,000
<sup>b</sup> 144A, 5.00%, 3/01/19	United States	100,000	102,250
			10,194,250
<b>Materials 10.2%</b>			
ArcelorMittal, senior note, 6.00%, 3/01/21	Luxembourg	900,000	969,476
<sup>b</sup> Ardagh Packaging Finance PLC, senior note, 144A, 9.125%, 10/15/20	Luxembourg	500,000	552,500
<sup>b</sup> Ardagh Packaging Finance PLC/Ardagh MP Holdings USA Inc., senior note, 144A, 6.25%, 1/31/19	Luxembourg	200,000	207,500
7.00%, 11/15/20	Luxembourg	88,235	91,985
6.75%, 1/31/21	Luxembourg	200,000	208,375
<sup>b</sup> Barmingo Finance Pty. Ltd., senior note, 144A, 9.00%, 6/01/18	Australia	800,000	743,000
<sup>b</sup> BlueScope Steel Ltd./BlueScope Steel Finance, senior note, 144A, 7.125%, 5/01/18	Australia	1,400,000	1,512,000
<sup>b</sup> Cemex Finance LLC, senior secured note, 144A, 6.00%, 4/01/24	Mexico	600,000	618,750
<sup>b</sup> Cemex SAB de CV, senior secured note, 144A, 9.00%, 1/11/18	Mexico	1,500,000	1,626,562
<sup>b</sup> Constellium NV, senior note, 144A, 5.75%, 5/15/24	Netherlands	1,300,000	1,345,500

## Franklin Universal Trust

### Statement of Investments, May 31, 2014

**(unaudited)** *(continued)*

bEldorado Gold Corp., senior note, 144A, 6.125%, 12/15/20	Canada	1,000,000	1,005,000
bExopack Holding Corp., senior note, 144A, 10.00%, 6/01/18	United States	200,000	215,500
bFirst Quantum Minerals Ltd., senior note, 144A, 6.75%, 2/15/20	Canada	631,000	646,775
7.00%, 2/15/21	Canada	631,000	646,775
bFMG Resources (August 2006) Pty. Ltd., senior note, 144A, 6.875%, 2/01/18	Australia	1,000,000	1,050,000
8.25%, 11/01/19	Australia	300,000	327,375
bIneos Finance PLC, senior secured note, 144A, 7.50%, 5/01/20	Switzerland	800,000	874,000
bIneos Group Holdings SA, senior note, 144A, 6.125%, 8/15/18	Switzerland	300,000	311,625
5.875%, 2/15/19			