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FRANKLIN UNIVERSAL TRUST  
Form 40-17F2  
July 14, 2005

U.S. SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM N-17F-2

CERTIFICATE OF ACCOUNTING OF SECURITIES AND SIMILAR INVESTMENTS IN THE  
CUSTODY OF MANAGEMENT INVESTMENT COMPANIES

PURSUANT TO RULE N-17F-2

1. Investment Company Act File Number: 811-05569 Date Examination completed: June 15, 2003

2. State Identification Number:

|    |    |    |             |    |    |
|----|----|----|-------------|----|----|
| AL | AK | AZ | AR          | CA | CO |
| CT | DE | DC | FL          | GA | HI |
| ID | IL | IN | IA          | KS | KY |
| LA | ME | MD | MA          | MI | MN |
| MS | MO | MT | NE          | NV | NH |
| NJ | NM | NY | NC          | ND | OH |
| OK | OR | PA | RI          | SC | SD |
| TN | TX | UT | VT          | VA | WA |
| WV | WI | WY | PUERTO RICO |    |    |

3. Exact name of investment company as specified in registration statement:

FRANKLIN UNIVERSAL TRUST

4. Address of principal executive office: (number, street, city, state, zip code)

One Franklin Parkway San Mateo, CA 94403

REPORT OF INDEPENDENT AUDITORS

To the Board of Trustees of:

The Franklin Templeton Funds:

We have examined management's assertion, included in the accompanying Management Statement Regarding Compliance With Certain Provisions of the Investment Company Act of 1940, that the funds in Attachment I (hereafter referred to as the

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"Funds") complied with the requirements of subsections (b) and (c) of Rule 17f-2 under the Investment Company Act of 1940 (the "Act") as of April 30, 2003. Management is responsible for the Funds' compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the Funds' compliance based on our examination.

Our examination was made in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Funds' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. Included among our procedures were the following tests performed as of April 30, 2003, and with respect to agreement of security purchases and sales, for the periods indicated:

- o Inspection of the records of Franklin/Templeton Investors Services, Inc. as they pertain to the security positions owned by the Funds and held in book entry form.
- o Reconciliation of such security positions to the books and records of the Funds.
- o Agreement of a sample of security purchases and sales since our last report to the books and records of the Funds.

We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination of the Funds' compliance with specified requirements.

In our opinion, management's assertion that the Funds were in compliance with the requirements of subsections (b) and (c) of Rule 17f-2 of the Investment Company Act of 1940 as of April 30, 2003 with respect to securities reflected in the investment accounts of the Funds are fairly stated, in all material respects.

This report is intended solely for the information and use of management and the Board of Directors and the Securities and Exchange Commission and is not intended to be and should not be used by anyone other than these specified parties.

/S/ PRICEWATERHOUSECOOPERS LLP

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PricewaterhouseCoopers LLP  
San Francisco, California  
June 15, 2003

Management Statement Regarding Compliance With Certain Provisions of the Investment Company Act of 1940

We, as members of management of Franklin Templeton Funds indicated in Attachment I (the "Funds"), are responsible for complying with the requirements of subsections (b) and (c) of Rule 17f-2, "Custody of Investments by Registered Management Investment Companies," of the Investment Company Act of 1940. We are also responsible for establishing and maintaining effective internal controls over compliance with those requirements. We have performed an evaluation of the Funds' compliance with the requirements of subsections (b) and (c) of Rule 17f-2 as of April 30, 2003 and for the periods indicated.

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Based on this evaluation, we assert that the Funds were in compliance with the requirements of subsection (b) and (c) of Rule 17f-2 of the Investment Company Act of 1940 as of April 30, 2003 and for the periods indicated with respect to securities reflected in the investment accounts of the Funds.

By:

/S/ KIMBERLY H. MONASTERIO

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 Kimberley H. Monasterio  
 Principal Accounting Officer

Attachment I

| Fund  | Period Covered                    |
|---|-----------------------------------|
| -----   |                                   |
| Franklin Value Investors Trust                        |                                   |
| Franklin MicroCap Value Fund                          | February 1, 2003 - April 30, 2003 |
| Franklin Value Fund                                   | February 1, 2003 - April 30, 2003 |
| Franklin Large Cap Growth Fund                        | February 1, 2003 - April 30, 2003 |
| Franklin Balance Sheet Investment Fund                | February 1, 2003 - April 30, 2003 |
| Franklin Investors Securities Trust                   |                                   |
| Franklin Total Return Fund                            | February 1, 2003 - April 30, 2003 |
| Franklin Floating Rate Daily Access Fund              | February 1, 2003 - April 30, 2003 |
| Franklin Short Intermediate U.S. Government Sec. Fund | February 1, 2003 - April 30, 2003 |
| Franklin Convertible Securities Fund                  | February 1, 2003 - April 30, 2003 |
| Franklin Custodian Funds                              |                                   |
| Franklin Growth Series                                | March 1, 2003 - April 30, 2003    |
| Franklin Utilities Series                             | March 1, 2003 - April 30, 2003    |
| Franklin Dyna Tech Series                             | March 1, 2003 - April 30, 2003    |
| Franklin Income Series                                | March 1, 2003 - April 30, 2003    |
| Franklin U.S. Government Securities Fund              | March 1, 2003 - April 30, 2003    |
| Franklin Gold and Precious Metals Fund                | February 1, 2003 - April 30, 2003 |

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|                                       |                                   |
|---------------------------------------|-----------------------------------|
| Franklin Capital Growth Fund          | February 1, 2003 - April 30, 2003 |
| Franklin Universal Trust              | November 1, 2002 - April 30, 2003 |
| Franklin Strategic Mortgage Portfolio | November 1, 2002 - April 30, 2003 |
| Franklin Floating Rate Trust          | February 1, 2003 - April 30, 2003 |