

FRANKLIN UNIVERSAL TRUST
Form N-Q
January 27, 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: 11/30/15

Item 1. Schedule of Investments.

Franklin Universal Trust

Statement of Investments, November 30, 2015 (unaudited)

| | Country | Shares | Value |
|--------------------------------------|----------------|---------|--------------|
| Common Stocks 46.2% | | | |
| Energy 1.4% | | | |
| Spectra Energy Corp. | United States | 92,350 | \$ 2,419,570 |
| Materials 0.8% | | | |
| BHP Billiton PLC, ADR | Australia | 25,185 | 610,736 |
| Freeport-McMoRan Inc., B | United States | 80,380 | 657,509 |
| aSouth32 Ltd., ADR | Australia | 10,074 | 42,512 |
| | | | 1,310,757 |
| Transportation 0.1% | | | |
| aCEVA Holdings LLC | United Kingdom | 179 | 92,407 |
| Utilities 43.9% | | | |
| Alliant Energy Corp. | United States | 40,000 | 2,407,600 |
| American Electric Power Co. Inc. | United States | 75,000 | 4,200,750 |
| CenterPoint Energy Inc. | United States | 169,800 | 2,878,110 |
| CMS Energy Corp. | United States | 65,000 | 2,276,300 |
| Consolidated Edison Inc. | United States | 42,000 | 2,610,300 |
| Dominion Resources Inc. | United States | 100,000 | 6,737,000 |
| DTE Energy Co. | United States | 25,000 | 2,012,250 |
| Duke Energy Corp. | United States | 80,060 | 5,424,865 |
| Edison International | United States | 75,000 | 4,452,000 |
| Entergy Corp. | United States | 50,000 | 3,331,500 |
| Exelon Corp. | United States | 55,000 | 1,502,050 |
| FirstEnergy Corp. | United States | 60,000 | 1,883,400 |
| Great Plains Energy Inc. | United States | 70,000 | 1,889,300 |
| NextEra Energy Inc. | United States | 50,000 | 4,993,000 |
| PG&E Corp. | United States | 50,000 | 2,636,500 |
| Pinnacle West Capital Corp. | United States | 70,000 | 4,435,200 |
| PPL Corp. | United States | 80,000 | 2,723,200 |
| Public Service Enterprise Group Inc. | United States | 45,000 | 1,759,500 |
| Sempra Energy | United States | 50,000 | 4,961,500 |

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| | | | |
|--|----------------|-----------|--------------------------|
| The Southern Co. | United States | 87,250 | 3,886,115 |
| aTalen Energy Corp. | United States | 9,992 | 77,838 |
| UIL Holdings Corp. | United States | 40,000 | 2,034,000 |
| WEC Energy Group Inc. | United States | 40,000 | 1,972,800 |
| Westar Energy Inc. | United States | 60,000 | 2,560,800 |
| Xcel Energy Inc. | United States | 60,000 | 2,139,600 |
| | | | 75,785,478 |
| Total Common Stocks (Cost \$47,699,704) | | | 79,608,212 |
| Convertible Preferred Stocks 0.1% | | | |
| Transportation 0.1% | | | |
| aCEVA Holdings LLC, cvt. pfd., A-1 | United Kingdom | 6 | 4,200 |
| aCEVA Holdings LLC, cvt. pfd., A-2 | United Kingdom | 388 | 200,031 |
| Total Convertible Preferred Stocks (Cost \$587,093) | | | 204,231 |
| | | | Principal Amount* |
| Corporate Bonds 86.4% | | | |
| Automobiles & Components 1.8% | | | |
| Fiat Chrysler Automobiles NV, senior note, 5.25%, 4/15/23 | United Kingdom | 1,700,000 | 1,689,375 |
| The Goodyear Tire & Rubber Co., senior note, 6.50%, 3/01/21 | United States | 1,100,000 | 1,165,659 |
| 5.125%, 11/15/23 | United States | 300,000 | 308,250 |
| | | | 3,163,284 |
| Banks 3.6% | | | |
| CIT Group Inc., senior note, 5.375%, 5/15/20 | United States | 500,000 | 528,750 |
| 5.00%, 8/15/22 | United States | 1,200,000 | 1,228,500 |
| ^b 144A, 6.625%, 4/01/18 | United States | 300,000 | 320,625 |
| cCitigroup Inc., junior sub. bond, M, 6.30% to 5/15/24, FRN thereafter, Perpetual | United States | 1,100,000 | 1,083,500 |

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

Franklin Universal Trust

Statement of Investments, November 30, 2015 (unaudited) *(continued)*

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|---|----------------|-----------|-----------|
| cJPMorgan Chase & Co., junior sub. bond, R, 6.00% to 8/01/23, FRN thereafter, Perpetual | United States | 900,000 | 911,700 |
| V, 5.00% to 7/30/19, FRN thereafter, Perpetual | United States | 800,000 | 769,000 |
| Royal Bank of Scotland Group PLC, sub. note, 6.125%, 12/15/22 | United Kingdom | 900,000 | 992,250 |
| 5.125%, 5/28/24 | United Kingdom | 400,000 | 411,750 |
| | | | 6,246,075 |
| Capital Goods 2.3% | | | |
| bBombardier Inc., senior bond, 144A, 7.50%, 3/15/25 | Canada | 1,700,000 | 1,275,000 |
| Navistar International Corp., senior bond, 8.25%, 11/01/21 | United States | 800,000 | 574,000 |
| Oshkosh Corp., senior note, 5.375%, 3/01/22 | United States | 500,000 | 507,500 |
| TransDigm Inc., senior sub. bond, 6.50%, 7/15/24 | United States | 200,000 | 198,000 |
| ^b senior sub. bond, 144A, 6.50%, 5/15/25 | United States | 100,000 | 98,625 |
| senior sub. note, 6.00%, 7/15/22 | United States | 700,000 | 691,250 |
| bZachry Holdings Inc., senior note, 144A, 7.50%, 2/01/20 | United States | 600,000 | 603,000 |
| | | | 3,947,375 |
| Commercial & Professional Services 1.0% | | | |
| bAcosta Inc., senior note, 144A, 7.75%, 10/01/22 | United States | 500,000 | 463,750 |
| IHS Inc., senior note, 5.00%, 11/01/22 | United States | 300,000 | 306,375 |
| United Rentals North America Inc., senior bond, 5.75%, 11/15/24 | United States | 1,000,000 | 1,015,000 |
| | | | 1,785,125 |
| Consumer Durables & Apparel 3.4% | | | |
| bJarden Corp., senior note, 144A, 5.00%, 11/15/23 | United States | 700,000 | 721,788 |
| KB Home, senior bond, 7.50%, 9/15/22 | United States | 1,100,000 | 1,116,500 |
| senior note, 4.75%, 5/15/19 | United States | 200,000 | 197,000 |
| senior note, 7.00%, 12/15/21 | United States | 300,000 | 300,750 |
| M/I Homes Inc., senior note, 8.625%, 11/15/18 | United States | 200,000 | 205,750 |
| bTaylor 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 | 500,000 |
| 5.625%, 3/01/24 | United States | 700,000 | 679,875 |
| Toll Brothers Finance Corp., senior bond, 5.625%, 1/15/24 | United States | 700,000 | 740,250 |
| Visant Corp., senior note, 10.00%, 10/01/17 | United States | 900,000 | 924,525 |
| | | | 5,789,438 |
| Consumer Services 5.2% | | | |
| b1011778 BC ULC/New Red Finance Inc., | | | |

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|---|---------------|-----------|-----------|
| secured note, second lien, 144A, 6.00%, 4/01/22 | Canada | 1,000,000 | 1,037,500 |
| senior secured note, first lien, 144A, 4.625%, 1/15/22 | Canada | 500,000 | 506,250 |
| b24 Hour Holdings III LLC, senior note, 144A, 8.00%, 6/01/22 | United States | 1,000,000 | 842,500 |
| dCaesars Entertainment Operating Co. Inc., senior secured note, first lien, 11.25%, 6/01/17 | United States | 500,000 | 387,500 |
| b,dFontainebleau Las Vegas, senior secured bond, first lien, 144A, 11.00%, 6/15/15 | United States | 1,600,000 | 200 |
| bInternational Game Technology PLC, senior secured bond, 144A, 6.50%, 2/15/25 | United States | 1,700,000 | 1,569,312 |
| bLandry's Inc., senior note, 144A, 9.375%, 5/01/20 | United States | 900,000 | 959,625 |
| MGM Resorts International, senior note, 6.875%, 4/01/16 | United States | 1,200,000 | 1,221,000 |
| 7.50%, 6/01/16 | United States | 800,000 | 823,000 |
| bSabre GBLB Inc., first lien, 144A, 5.375%, 4/15/23 | United States | 300,000 | 301,500 |
| bWynn Las Vegas LLC/Wynn Las Vegas Capital Corp., senior bond, 144A, 5.50%, 3/01/25 | United States | 800,000 | 723,000 |
| bWynn Macau Ltd., senior note, 144A, 5.25%, 10/15/21 | Macau | 600,000 | 542,250 |
| | | | 8,913,637 |

Diversified Financials 4.5%

| | | | |
|---|---------------|---------|---------|
| AerCap Ireland Capital Ltd./AerCap Global Aviation Trust, senior note, 4.25%, 7/01/20 | Netherlands | 800,000 | 813,000 |
| 4.625%, 10/30/20 | Netherlands | 200,000 | 205,750 |
| 5.00%, 10/01/21 | Netherlands | 500,000 | 519,063 |
| Ally Financial Inc., senior note, 5.50%, 2/15/17 | United States | 600,000 | 618,750 |
| eDeutsche Bank AG, sub. bond, 4.296% to 5/24/23, FRN thereafter, 5/24/28 | Germany | 900,000 | 850,725 |
| E*TRADE Financial Corp., senior note, 5.375%, 11/15/22 | United States | 300,000 | 318,000 |

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Statement of Investments, November 30, 2015 (unaudited) (continued)

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|--|---------------|-----------|-----------|
| 4.625%, 9/15/23 Navient Corp., senior note, | United States | 400,000 | 412,000 |
| 8.45%, 6/15/18 | United States | 900,000 | 947,250 |
| 5.50%, 1/15/19 | United States | 800,000 | 771,600 |
| 4.875%, 6/17/19 | United States | 800,000 | 750,000 |
| bNeuberger Berman Group LLC/Finance Corp., senior note, 144A, 5.875%, 3/15/22 | United States | 700,000 | 732,235 |
| bOneMain Financial Holdings Inc., senior note, 144A, 7.25%, 12/15/21 | United States | 800,000 | 816,000 |
| | | | 7,754,373 |
| Energy 12.8% | | | |
| BreitBurn Energy Partners LP/BreitBurn Finance Corp., senior bond, 7.875%, 4/15/22 | United States | 700,000 | 206,500 |
| senior note, 8.625%, 10/15/20 | United States | 600,000 | 219,000 |
| California Resources Corp., senior bond, 6.00%, 11/15/24 | United States | 600,000 | 360,375 |
| senior note, 5.50%, 9/15/21 | United States | 400,000 | 242,000 |
| bCalumet Specialty Products Partners LP/Calumet Finance Co., senior note, 144A, 7.75%, 4/15/23 | United States | 800,000 | 754,000 |
| CGG SA, senior note, 6.50%, 6/01/21 | France | 600,000 | 328,500 |
| 6.875%, 1/15/22 | France | 300,000 | 164,813 |
| Chaparral Energy Inc., senior bond, 8.25%, 9/01/21 | United States | 200,000 | 44,000 |
| senior bond, 7.625%, 11/15/22 | United States | 300,000 | 64,500 |
| senior note, 9.875%, 10/01/20 | United States | 800,000 | 220,000 |
| CHC Helicopter SA, senior secured note, first lien, 9.25%, 10/15/20 | Canada | 1,350,000 | 654,750 |
| Chesapeake Energy Corp., senior note, 6.625%, 8/15/20 | United States | 1,700,000 | 807,500 |
| 4.875%, 4/15/22 | United States | 300,000 | 128,438 |
| Clayton Williams Energy Inc., senior note, 7.75%, 4/01/19 | United States | 500,000 | 470,000 |
| Compressco Partners LP/Finance Corp., senior note, 7.25%, 8/15/22 | United States | 300,000 | 242,812 |
| CONSOL Energy Inc., senior note, 5.875%, 4/15/22 | United States | 800,000 | 528,000 |
| ^b 144A, 8.00%, 4/01/23 | United States | 800,000 | 568,000 |

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|---|----------------|-----------|-----------|
| bCrestwood Midstream Partners LP/Crestwood Midstream Finance Corp., senior note, 144A, 6.25%, 4/01/23 | United States | 500,000 | 427,500 |
| bDrill Rigs Holdings Inc., secured note, 144A, 6.50%, 10/01/17 | United States | 1,100,000 | 767,250 |
| Energy Transfer Equity LP, senior bond, 5.875%, 1/15/24 | United States | 200,000 | 184,395 |
| senior note, first lien, 7.50%, 10/15/20 | United States | 1,500,000 | 1,581,562 |
| Energy XXI Gulf Coast Inc., senior note, 9.25%, 12/15/17 | United States | 1,300,000 | 383,500 |
| bEnQuest PLC, senior note, 144A, 7.00%, 4/15/22 | United Kingdom | 600,000 | 364,125 |
| EPL Oil & Gas Inc., senior note, 8.25%, 2/15/18 | United States | 800,000 | 260,000 |
| bFerrellgas LP/Ferrellgas Finance Corp., senior note, 144A, 6.75%, 6/15/23 | United States | 900,000 | 809,820 |
| bGoodrich Petroleum Corp., secured note, second lien, 144A, 8.875%, 3/15/18 | United States | 600 f | 300,000 |
| Halcon Resources Corp., senior note, 9.75%, 7/15/20 | United States | 800,000 | 256,000 |
| ^b senior secured note, third lien, 144A, 13.00%, 2/15/22 | United States | 520,000 | 243,100 |
| bLinn Energy LLC/Finance Corp., senior secured note, second lien, 144A, 12.00%, 12/15/20 | United States | 900,000 | 562,500 |
| Martin Midstream Partners LP/Martin Midstream Finance Corp., senior note, 7.25%, 2/15/21 | United States | 1,000,000 | 953,750 |
| Memorial Resource Development Corp., senior note, 5.875%, 7/01/22 | United States | 500,000 | 468,750 |
| Midstates Petroleum Co. Inc./LLC, senior note, 9.25%, 6/01/21 | United States | 700,000 | 113,750 |
| bMurray Energy Corp., secured note, second lien, 144A, 11.25%, 4/15/21 | United States | 700,000 | 159,250 |
| Oasis Petroleum Inc., senior bond, 6.875%, 1/15/23 | United States | 200,000 | 173,500 |
| senior note, 7.25%, 2/01/19 | United States | 200,000 | 190,500 |
| senior note, 6.50%, 11/01/21 | United States | 400,000 | 342,000 |
| senior note, 6.875%, 3/15/22 | United States | 400,000 | 343,000 |
| bOcean Rig UDW Inc., senior note, 144A, 7.25%, 4/01/19 | United States | 400,000 | 190,000 |
| PBF Holding Co. LLC, first lien, 8.25%, 2/15/20 | United States | 1,200,000 | 1,258,500 |
| bPeabody Energy Corp., second lien, 144A, 10.00%, 3/15/22 | United States | 1,700,000 | 408,000 |
| Penn Virginia Corp., senior note, 8.50%, 5/01/20 | United States | 700,000 | 157,500 |
| QEP Resources Inc., senior bond, 5.375%, 10/01/22 | United States | 700,000 | 633,500 |

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Statement of Investments, November 30, 2015 (unaudited) (continued)

| | | | |
|---|---------------|-----------|------------|
| 5.25%, 5/01/23 | United States | 400,000 | 359,000 |
| b,d,gQuicksilver Resources Inc., secured note, second lien, 144A, FRN, 7.00%, 6/21/19 | United States | 400,000 | 122,000 |
| Sabine Pass Liquefaction LLC, first lien, 5.625%, 2/01/21 | United States | 1,000,000 | 972,500 |
| 6.25%, 3/15/22 | United States | 200,000 | 194,250 |
| 5.625%, 4/15/23 | United States | 500,000 | 463,750 |
| Sanchez Energy Corp., senior note, 7.75%, 6/15/21 | United States | 900,000 | 688,500 |
| 6.125%, 1/15/23 | United States | 300,000 | 207,750 |
| bUltra Petroleum Corp., senior bond, 144A, 6.125%, 10/01/24 | United States | 1,100,000 | 418,000 |
| W&T Offshore Inc., senior note, 8.50%, 6/15/19 | United States | 1,200,000 | 516,000 |
| WPX Energy Inc., senior note, 8.25%, 8/01/23 | United States | 600,000 | 562,500 |
| | | | 22,039,190 |

Food, Beverage & Tobacco 3.1%

| | | | |
|--|---------------|---------|-----------|
| Constellation Brands Inc., senior bond, 4.75%, 11/15/24 | United States | 400,000 | 412,000 |
| senior note, 4.25%, 5/01/23 | United States | 500,000 | 505,000 |
| ^e senior note, 4.75%, 12/01/25 | United States | 100,000 | 102,000 |
| Cott Beverages Inc., senior note, 6.75%, 1/01/20 | United States | 600,000 | 624,000 |
| bDole Food Co. Inc., senior secured note, 144A, 7.25%, 5/01/19 | United States | 300,000 | 300,750 |
| bJBS USA LLC/Finance Inc., senior bond, 144A, 5.875%, 7/15/24 | United States | 600,000 | 592,125 |
| senior note, 144A, 8.25%, 2/01/20 | United States | 300,000 | 315,750 |
| senior note, 144A, 7.25%, 6/01/21 | United States | 700,000 | 733,250 |
| Post Holdings Inc., senior note, 7.375%, 2/15/22 | United States | 800,000 | 835,752 |
| ^b 144A, 6.75%, 12/01/21 | United States | 500,000 | 511,250 |
| ^b 144A, 6.00%, 12/15/22 | United States | 300,000 | 297,000 |
| ^b 144A, 7.75%, 3/15/24 | United States | 100,000 | 104,250 |
| | | | 5,333,127 |

Health Care Equipment & Services 6.4%

| | | | |
|---|---------------|---------|---------|
| Alere Inc., senior note, 7.25%, 7/01/18 | United States | 900,000 | 933,894 |
| senior sub. note, 6.50%, 6/15/20 | United States | 100,000 | 99,500 |
| CHS/Community Health Systems Inc., senior note, 8.00%, 11/15/19 | United States | 900,000 | 915,750 |
| senior note, 7.125%, 7/15/20 | United States | 400,000 | 402,000 |
| senior note, 6.875%, 2/01/22 | United States | 200,000 | 194,500 |

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| senior secured note, first lien, 5.125%, 8/15/18 | United States | 600,000 | 615,000 |
| DaVita HealthCare Partners Inc., senior bond, 5.125%, 7/15/24 | United States | 400,000 | 399,750 |
| senior note, 5.75%, 8/15/22 | United States | 500,000 | 520,000 |
| HCA Inc., senior bond, 5.875%, 5/01/23 | United States | 800,000 | 830,000 |
| senior bond, 5.875%, 2/15/26 | United States | 1,400,000 | 1,422,750 |
| senior note, 6.50%, 2/15/16 | United States | 1,400,000 | 1,416,009 |
| senior secured bond, first lien, 5.875%, 3/15/22 | United States | 600,000 | 644,250 |
| bHologic Inc., senior note, 144A, 5.25%, 7/15/22 | United States | 500,000 | 521,875 |
| Tenet Healthcare Corp., senior note, 5.00%, 3/01/19 | United States | 800,000 | 774,000 |
| 5.50%, 3/01/19 | United States | 400,000 | 390,000 |
| 8.125%, 4/01/22 | United States | 1,000,000 | 1,003,750 |
| | | | 11,083,028 |
| Materials 11.8% | | | |
| ArcelorMittal, senior note, 6.50%, 3/01/21 | Luxembourg | 900,000 | 789,750 |
| 6.125%, 6/01/25 | Luxembourg | 300,000 | 237,000 |
| bArdagh Packaging Finance PLC, senior note, 144A, 9.125%, 10/15/20 | Luxembourg | 500,000 | 528,125 |
| bArdagh Packaging Finance PLC/Ardagh MP Holdings USA Inc., senior note, 144A, 6.25%, 1/31/19 | Luxembourg | 200,000 | 200,500 |
| 7.00%, 11/15/20 | Luxembourg | 88,235 | 88,346 |
| 6.75%, 1/31/21 | Luxembourg | 200,000 | 203,125 |
| 6.00%, 6/30/21 | Luxembourg | 500,000 | 495,000 |
| bBarmingo Finance Pty. Ltd., senior note, 144A, 9.00%, 6/01/18 | Australia | 800,000 | 648,400 |

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Statement of Investments, November 30, 2015

(unaudited) *(continued)*

| | | | |
|---|---------------|-----------|-----------|
| bBlue Cube Spinco Inc., senior bond, 144A, 10.00%, 10/15/25 | United States | 800,000 | 888,000 |
| bBlueScope Steel Ltd./BlueScope Steel Finance, senior note, 144A, 7.125%, 5/01/18 | Australia | 1,400,000 | 1,375,500 |
| bCemex Finance LLC, senior secured note, first lien, 144A, 6.00%, 4/01/24 | Mexico | 600,000 | 559,125 |
| bCemex SAB de CV, first lien, 144A, 5.70%, 1/11/25 | Mexico | 1,100,000 | 978,312 |
| bThe Chemours Co., senior bond, 144A, 7.00%, 5/15/25 | United States | 200,000 | 150,000 |
| senior note, 144A, 6.625%, 5/15/23 | United States | 1,100,000 | 830,500 |