

SECURITIES AND EXCHANGE COMMISSION

FORM N-Q

Quarterly schedule of portfolio holdings of registered management investment company filed
on Form N-Q

Filing Date: **2013-01-28** | Period of Report: **2012-11-30**
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FILER

FRANKLIN UNIVERSAL TRUST

CIK: [833040](#) | IRS No.: **943077602** | State of Incorporation: **MA** | Fiscal Year End: **0831**
Type: **N-Q** | Act: **40** | File No.: [811-05569](#) | Film No.: **13551993**

Mailing Address

*ONE FRANKLIN PARKWAY
SAN MATEO CA 94403-1906*

Business Address

*ONE FRANKLIN PARKWAY
SAN MATEO CA 94403-1906
650-312-2000*

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 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
(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: 11/30/12

Item 1. Schedule of Investments.

Franklin Universal Trust

Statement of Investments, November 30, 2012 (unaudited)

| | Country | Shares | Value |
|--|----------------|-----------|--------------|
| Common Stocks 35.4% | | | |
| Energy 1.3% | | | |
| Spectra Energy Corp. | United States | 92,350 | \$ 2,581,183 |
| Utilities 34.1% | | | |
| Alliant Energy Corp. | United States | 72,900 | 3,267,378 |
| American Electric Power Co. Inc. | United States | 75,000 | 3,198,750 |
| CenterPoint Energy Inc. | United States | 169,800 | 3,350,154 |
| Consolidated Edison Inc. | United States | 42,000 | 2,343,180 |
| Dominion Resources Inc. | United States | 100,000 | 5,111,000 |
| Duke Energy Corp. | United States | 92,520 | 5,904,626 |
| Edison International | United States | 75,000 | 3,411,000 |
| Entergy Corp. | United States | 50,000 | 3,177,000 |
| Exelon Corp. | United States | 55,000 | 1,662,100 |
| FirstEnergy Corp. | United States | 60,000 | 2,547,600 |
| Great Plains Energy Inc. | United States | 70,000 | 1,417,500 |
| NextEra Energy Inc. | United States | 50,000 | 3,435,500 |
| NV Energy Inc. | United States | 80,000 | 1,466,400 |
| PG&E Corp. | United States | 50,000 | 2,047,500 |
| Pinnacle West Capital Corp. | United States | 70,000 | 3,602,200 |
| PPL Corp. | United States | 80,000 | 2,348,000 |
| Public Service Enterprise Group Inc. | United States | 45,000 | 1,354,050 |
| Sempra Energy | United States | 50,000 | 3,421,000 |
| The Southern Co. | United States | 108,500 | 4,725,175 |
| UIL Holdings Corp. | United States | 40,000 | 1,434,800 |
| Westar Energy Inc. | United States | 60,000 | 1,722,000 |
| Wisconsin Energy Corp. | United States | 40,000 | 1,501,200 |
| Xcel Energy Inc. | United States | 60,000 | 1,623,000 |
| | | | 64,071,113 |
| Total Common Stocks (Cost \$42,747,633) | | | |
| | | | 66,652,296 |
| Preferred Stocks (Cost \$290,000) 0.2% | | | |
| Diversified Financials 0.2% | | | |
| GMAC Capital Trust I, 8.125%, pfd. | United States | 11,600 | 302,180 |
| Corporate Bonds 84.1% | | | |
| Automobiles & Components 2.1% | | | |
| Exide Technologies, senior secured note, 8.625%, 2/01/18 | United States | 500,000 | 407,500 |
| Ford Motor Credit Co. LLC, senior note, 7.00%, 4/15/15 | United States | 500,000 | 556,732 |
| 6.625%, 8/15/17 | United States | 500,000 | 582,767 |
| 8.125%, 1/15/20 | United States | 500,000 | 636,946 |
| 5.875%, 8/02/21 | United States | 500,000 | 573,570 |
| The Goodyear Tire & Rubber Co., senior note, 8.25%, 8/15/20 | United States | 100,000 | 110,000 |
| ^a International Automotive Components Group SL, senior secured note, 144A, 9.125%, 6/01/18 | United States | 1,100,000 | 1,028,500 |
| | | | 3,896,015 |
| Banks 1.5% | | | |
| CIT Group Inc., senior note, 5.375%, 5/15/20 | United States | 500,000 | 536,250 |
| 5.00%, 8/15/22 | United States | 1,000,000 | 1,052,645 |
| ^a 144A, 6.625%, 4/01/18 | United States | 300,000 | 337,500 |
| ^b Royal Bank of Scotland Group PLC, sub. note, 6.125%, 12/15/22 | United Kingdom | 900,000 | 919,688 |
| | | | 2,846,083 |
| Capital Goods 3.2% | | | |
| ^a Abengoa Finance SAU, senior note, 144A, 8.875%, 11/01/17 | Spain | 1,500,000 | 1,342,500 |
| ^a Allison Transmission Holdings Inc., senior note, 144A, 7.125%, 5/15/19 | United States | 500,000 | 535,000 |
| Case New Holland Inc., senior note, 7.75%, 9/01/13 | United States | 500,000 | 523,750 |
| 7.875%, 12/01/17 | United States | 800,000 | 946,000 |
| The Manitowoc Co. Inc., senior note, 8.50%, 11/01/20 | United States | 400,000 | 450,000 |

Franklin Universal Trust

Statement of Investments, November 30, 2012 (unaudited) (continued)

| | | | |
|---|----------------|-----------|-----------|
| Meritor Inc., senior note, 10.625%, 3/15/18 | United States | 1,200,000 | 1,251,000 |
| Navistar International Corp., senior note, 8.25%, 11/01/21 | United States | 400,000 | 384,000 |
| Terex Corp., senior note, 6.00%, 5/15/21 | United States | 500,000 | 520,000 |
| | | | 5,952,250 |
| Commercial & Professional Services 2.5% | | | |
| *ADS Waste Escrow Corp., senior note, 144A, 8.25%, 10/01/20 | United States | 1,400,000 | 1,466,500 |
| *Algeco Scotsman Global Finance PLC, secured note, 144A, 8.50%, 10/15/18 | United Kingdom | 1,100,000 | 1,137,810 |
| United Rentals North America Inc., senior sub. note, 8.375%, 9/15/20 | United States | 1,500,000 | 1,663,120 |
| UR Merger Sub Corp., senior note, 8.25%, 2/01/21 | United States | 400,000 | 450,000 |
| | | | 4,717,430 |
| Consumer Durables & Apparel 3.2% | | | |
| Jarden Corp., senior sub. note, 7.50%, 5/01/17 | United States | 1,500,000 | 1,696,870 |
| KB Home, senior bond, 7.50%, 9/15/22 | United States | 600,000 | 654,000 |
| M/I Homes Inc., senior note, 8.625%, 11/15/18 | United States | 700,000 | 761,250 |
| Shea Homes LP/Funding Corp., senior secured note, 8.625%, 5/15/19 | United States | 700,000 | 773,500 |
| *Taylor Morrison Communities Inc./Monarch Communities Inc., senior note, 144A, 7.75%, 4/15/20 | United States | 700,000 | 738,500 |
| Visant Corp., senior note, 10.00%, 10/01/17 | United States | 1,500,000 | 1,312,500 |
| | | | 5,936,620 |
| Consumer Services 3.5% | | | |
| ClubCorp Club Operations Inc., senior note, 10.00%, 12/01/18 | United States | 1,000,000 | 1,116,250 |
| *Fontainebleau Las Vegas, 144A, 11.00%, 6/15/15 | United States | 1,600,000 | 1,000,000 |
| Harrah's Operating Co. Inc., senior secured note, 11.25%, 6/01/17 | United States | 1,500,000 | 1,619,060 |
| MGM Resorts International, senior note, 6.875%, 4/01/16 | United States | 1,200,000 | 1,263,000 |
| 7.50%, 6/01/16 | United States | 800,000 | 854,000 |
| Pinnacle Entertainment Inc., senior note, 8.625%, 8/01/17 | United States | 500,000 | 541,870 |
| senior sub. note, 7.75%, 4/01/22 | United States | 200,000 | 215,000 |
| *Shingle Springs Tribal Gaming Authority, senior note, 144A, 9.375%, 6/15/15 | United States | 900,000 | 875,250 |
| | | | 6,485,440 |
| Diversified Financials 2.3% | | | |
| Ally Financial Inc., senior note, 5.50%, 2/15/17 | United States | 500,000 | 532,900 |
| E*TRADE Financial Corp., senior note, 6.375%, 11/15/19 | United States | 600,000 | 608,250 |
| GMAC Inc., sub. note, 8.00%, 12/31/18 | United States | 200,000 | 231,750 |
| International Lease Finance Corp., senior note, 8.25%, 12/15/20 | United States | 300,000 | 349,770 |
| *senior secured note, 144A, 6.75%, 9/01/16 | United States | 1,200,000 | 1,344,000 |
| *Neuberger Berman Group LLC/Finance Corp., senior note, 144A, 5.875%, 3/15/22 | United States | 500,000 | 525,000 |
| *Nuveen Investments Inc., senior note, 144A, 9.50%, 10/15/20 | United States | 700,000 | 710,500 |
| | | | 4,302,170 |
| Energy 22.1% | | | |
| Alpha Natural Resources Inc., senior note, 6.25%, 6/01/21 | United States | 100,000 | 88,500 |
| Antero Resources Finance Corp., senior note, 9.375%, 12/01/17 | United States | 1,000,000 | 1,105,000 |
| 7.25%, 8/01/19 | United States | 100,000 | 108,500 |
| BreitBurn Energy Partners LP/Finance Corp., senior note, 8.625%, 10/15/20 | United States | 600,000 | 649,500 |
| *144A, 7.875%, 4/15/22 | United States | 500,000 | 516,250 |
| Calumet Specialty Products Partners LP/Finance Corp., senior note, 9.375%, 5/01/19 | United States | 900,000 | 974,250 |
| *144A, 9.625%, 8/01/20 | United States | 100,000 | 109,000 |
| Carrizo Oil & Gas Inc., senior note, 8.625%, 10/15/18 | United States | 800,000 | 854,000 |
| 7.50%, 9/15/20 | United States | 200,000 | 204,000 |
| Chaparral Energy Inc., senior note, 9.875%, 10/01/20 | United States | 800,000 | 906,000 |
| 8.25%, 9/01/21 | United States | 200,000 | 216,000 |
| 7.625%, 11/15/22 | United States | 100,000 | 103,250 |
| CHC Helicopter SA, senior secured note, first lien, 9.25%, 10/15/20 | Canada | 1,500,000 | 1,530,000 |
| Chesapeake Energy Corp., senior note, 6.625%, 8/15/20 | United States | 1,700,000 | 1,789,250 |
| Chesapeake Midstream Partners LP/CHKM Finance Corp., senior note, 6.125%, 7/15/22 | United States | 400,000 | 426,000 |



Franklin Universal Trust

Statement of Investments, November 30, 2012 (unaudited) (continued)

| | | | |
|--|----------------|-----------|-----------|
| Clayton Williams Energy Inc., senior note, 7.75%, 4/01/19 | United States | 1,000,000 | 1,002.50 |
| Compagnie Generale de Geophysique-Veritas, senior note, 7.75%, 5/15/17 | France | 600,000 | 624.37 |
| 6.50%, 6/01/21 | France | 400,000 | 422.00 |
| CONSOL Energy Inc., senior note, 8.00%, 4/01/17 | United States | 500,000 | 537.50 |
| 8.25%, 4/01/20 | United States | 300,000 | 321.75 |
| 6.375%, 3/01/21 | United States | 100,000 | 101.25 |
| *Drill Rigs Holdings Inc., secured note, 144A, 6.50%, 10/01/17 | United States | 500,000 | 498.75 |
| Eagle Rock Energy Partners LP/Finance Corp., senior note, 8.375%, 6/01/19 | United States | 600,000 | 612.00 |
| *144A, 8.375%, 6/01/19 | United States | 500,000 | 510.00 |
| El Paso Corp., senior bond, 6.50%, 9/15/20 | United States | 1,200,000 | 1,352.22 |
| Energy Transfer Equity LP, senior note, 7.50%, 10/15/20 | United States | 1,500,000 | 1,710.00 |
| Energy XXI Gulf Coast Inc., senior note, 9.25%, 12/15/17 | United States | 1,300,000 | 1,472.25 |
| Enterprise Products Operating LLC, junior sub. note, 7.034% to 1/15/18, FRN thereafter, 1/15/68 | United States | 1,200,000 | 1,354.46 |
| *EPL Oil & Gas Inc., senior note, 144A, 8.25%, 2/15/18 | United States | 600,000 | 598.50 |
| *Expro Finance Luxembourg, senior secured note, 144A, 8.50%, 12/15/16 | United Kingdom | 1,307,000 | 1,349.47 |
| Goodrich Petroleum Corp., senior note, 8.875%, 3/15/19 | United States | 1,000,000 | 947.50 |
| *Halcon Resources Corp., senior note, 144A, 9.75%, 7/15/20 | United States | 1,000,000 | 1,065.00 |
| 8.875%, 5/15/21 | United States | 100,000 | 103.75 |
| *Kinder Morgan Finance Co. LLC, senior secured note, 144A, 6.00%, 1/15/18 | United States | 1,200,000 | 1,318.32 |
| Kodiak Oil & Gas Corp., senior note, 8.125%, 12/01/19 | United States | 700,000 | 764.75 |
| Linn Energy LLC/Finance Corp., senior note, 8.625%, 4/15/20 | United States | 1,000,000 | 1,097.50 |
| 7.75%, 2/01/21 | United States | 500,000 | 530.00 |
| Martin Midstream Partners LP, senior note, 8.875%, 4/01/18 | United States | 350,000 | 372.75 |
| Oasis Petroleum Inc., senior note, 7.25%, 2/01/19 | United States | 200,000 | 214.00 |
| 6.50%, 11/01/21 | United States | 400,000 | 423.00 |
| 6.875%, 1/15/23 | United States | 200,000 | 212.50 |
| Offshore Group Investment Ltd., *first lien, 144A, 7.50%, 11/01/19 | United States | 700,000 | 707.00 |
| senior secured note, 11.50%, 8/01/15 | United States | 586,000 | 646.06 |
| *PBF Holding Co. LLC, senior secured note, 144A, 8.25%, 2/15/20 | United States | 900,000 | 949.50 |
| *Penn Virginia Resource Partners LP/Finance Corp. II, senior note, 144A, 8.375%, 6/01/20 | United States | 600,000 | 633.00 |
| Plains Exploration & Production Co., senior note, 7.625%, 6/01/18 | United States | 1,000,000 | 1,065.00 |
| 6.875%, 2/15/23 | United States | 1,000,000 | 1,031.25 |
| QEP Resources Inc., senior note, 5.375%, 10/01/22 | United States | 700,000 | 742.00 |
| 5.25%, 5/01/23 | United States | 300,000 | 316.50 |
| QR Energy LP/QRE Finance, senior note, 9.25%, 8/01/20 | United States | 800,000 | 824.00 |
| Quicksilver Resources Inc., senior note, 8.25%, 8/01/15 | United States | 1,500,000 | 1,387.50 |
| *Samson Investment Co., senior note, 144A, 9.75%, 2/15/20 | United States | 1,300,000 | 1,381.25 |
| *SandRidge Energy Inc., senior note, 144A, 8.00%, 6/01/18 | United States | 1,500,000 | 1,593.75 |
| W&T Offshore Inc., senior note, 8.50%, 6/15/19 | United States | 600,000 | 633.00 |
| *144A, 8.50%, 6/15/19 | United States | 500,000 | 527.50 |
| | | | 41,532.94 |
| Food & Staples Retailing 0.9% | | | |
| Rite Aid Corp., senior secured note, 9.75%, 6/12/16 | United States | 1,100,000 | 1,199.00 |
| 8.00%, 8/15/20 | United States | 500,000 | 563.75 |
| | | | 1,762.75 |
| Food, Beverage & Tobacco 2.1% | | | |
| *Agrokor DD, senior note, 144A, 8.875%, 2/01/20 | Croatia | 300,000 | 317.43 |
| *CEDC Finance Corp. International Inc., senior secured note, 144A, 9.125%, 12/01/16 | Russia | 500,000 | 258.75 |
| Dean Foods Co., senior note, 9.75%, 12/15/18 | United States | 100,000 | 113.25 |
| Del Monte Corp., senior note, 7.625%, 2/15/19 | United States | 1,500,000 | 1,548.75 |



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Statement of Investments, November 30, 2012 (unaudited) (continued)

| | | | |
|---|----------------|-----------|------------|
| JBS USA LLC/Finance Inc., senior note, 11.625%, 5/01/14 | United States | 1,000,000 | 1,128,750 |
| *144A, 8.25%, 2/01/20 | United States | 300,000 | 312,750 |
| Pinnacle Foods Finance LLC/Pinnacle Foods Finance Corp., senior note, 9.25%, 4/01/15 | United States | 116,000 | 118,610 |
| 8.25%, 9/01/17 | United States | 100,000 | 105,500 |
| | | | 3,903,798 |
| Health Care Equipment & Services 5.2% | | | |
| ^{a,b} Alere Inc., senior note, 144A, 7.25%, 7/01/18 | United States | 900,000 | 904,500 |
| Aviv Healthcare Properties LP/Aviv Healthcare Capital Corp., senior note, 7.75%, 2/15/19 | United States | 1,000,000 | 1,055,000 |
| CHS/Community Health Systems Inc., senior note, 8.00%, 11/15/19 | United States | 900,000 | 981,000 |
| senior note, 7.125%, 7/15/20 | United States | 200,000 | 211,750 |
| senior secured note, 5.125%, 8/15/18 | United States | 600,000 | 633,000 |
| DaVita HealthCare Partners Inc., senior note, 5.75%, 8/15/22 | United States | 500,000 | 525,000 |
| DJO Finance LLC/DJO Finance Corp., *secured note, 144A, 8.75%, 3/15/18 | United States | 300,000 | 328,500 |
| senior note, 7.75%, 4/15/18 | United States | 300,000 | 281,250 |
| Emergency Medical Services Corp., senior note, 8.125%, 6/01/19 | United States | 1,100,000 | 1,179,750 |
| ExamWorks Group Inc., senior note, 9.00%, 7/15/19 | United States | 600,000 | 639,000 |
| HCA Inc., senior note, 6.50%, 2/15/16 | United States | 1,400,000 | 1,529,500 |
| 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 | 655,500 |
| Health Management Associates Inc., senior note, 7.375%, 1/15/20 | United States | 100,000 | 108,500 |
| | | | 9,862,250 |
| Materials 9.5% | | | |
| ArcelorMittal, senior note, 6.00%, 3/01/21 | Luxembourg | 400,000 | 399,673 |
| *Ardagh Packaging Finance PLC, senior note, 144A, 9.125%, 10/15/20 | Luxembourg | 500,000 | 540,000 |
| *Cemex SAB de CV, senior secured note, 144A, 9.00%, 1/11/18 | Mexico | 1,500,000 | 1,587,720 |
| Euramax International Inc., senior secured note, 9.50%, 4/01/18 | United States | 600,000 | 562,500 |
| Exopack Holding Corp., senior note, 10.00%, 6/01/18 | United States | 800,000 | 732,000 |
| *FMG Resources August 2006 Pty. Ltd., senior note, 144A, 7.00%, 11/01/15 | Australia | 400,000 | 408,714 |
| 6.875%, 2/01/18 | Australia | 1,000,000 | 988,750 |
| 8.25%, 11/01/19 | Australia | 300,000 | 308,250 |
| *Ineos Finance PLC, senior secured note, 144A, 7.50%, 5/01/20 | United Kingdom | 800,000 | 830,000 |
| *Ineos Group Holdings Ltd., senior secured note, 144A, 8.50%, 2/15/16 | United Kingdom | 700,000 | 689,500 |
| *Inmet Mining Corp., senior note, 144A, 8.75%, 6/01/20 | Canada | 1,000,000 | 1,085,000 |
| *Kinove German Bondco GmbH, senior secured note, 144A, 9.625%, 6/15/18 | Germany | 700,000 | 758,625 |
| *MacDermid Inc., senior sub. note, 144A, 9.50%, 4/15/17 | United States | 1,400,000 | 1,463,000 |
| *NewPage Corp., senior secured note, 11.375%, 12/31/14 | United States | 1,200,000 | 585,000 |
| Novelis Inc., senior note, 8.75%, 12/15/20 | Canada | 600,000 | 675,000 |
| Olin Corp., senior bond, 5.50%, 8/15/22 | United States | 1,400,000 | 1,459,500 |
| *Perstorp Holding AB, first lien, 144A, 8.75%, 5/15/17 | Sweden | 1,500,000 | 1,517,813 |
| Reynolds Group Issuer Inc./LLC/SA, *secured note, 144A, 5.75%, 10/15/20 | United States | 500,000 | 512,500 |
| senior note, 8.50%, 5/15/18 | United States | 1,000,000 | 1,022,500 |
| senior note, 9.00%, 4/15/19 | United States | 200,000 | 207,000 |
| senior note, 9.875%, 8/15/19 | United States | 100,000 | 106,500 |
| senior note, 8.25%, 2/15/21 | United States | 500,000 | 498,750 |
| *Sealed Air Corp., senior note, 144A, 8.125%, 9/15/19 | United States | 400,000 | 446,000 |
| 6.50%, 12/01/20 | United States | 200,000 | 209,500 |
| 8.375%, 9/15/21 | United States | 300,000 | 339,000 |
| | | | 17,932,795 |
| Media 6.9% | | | |
| *Bresnan Broadband Holdings LLC, senior note, 144A, 8.00%, 12/15/18 | United States | 400,000 | 434,000 |
| Cablevision Systems Corp., senior note, 8.625%, 9/15/17 | United States | 500,000 | 576,250 |
| Clear Channel Communications Inc., senior note, 9.00%, 3/01/21 | United States | 1,700,000 | 1,508,750 |
| Clear Channel Worldwide Holdings Inc., *senior note, 144A, 6.50%, 11/15/22 | United States | 500,000 | 505,000 |
| senior sub. note, 7.625%, 3/15/20 | United States | 500,000 | 492,500 |



Franklin Universal Trust

Statement of Investments, November 30, 2012 (unaudited) (continued)

| | | | |
|--|---------------|-----------|------------|
| *CSC Holdings Inc., senior note, 144A, 6.75%, 11/15/21 | United States | 600,000 | 663,000 |
| DISH DBS Corp., senior note, 7.125%, 2/01/16 | United States | 1,500,000 | 1,689,375 |
| 6.75%, 6/01/21 | United States | 500,000 | 567,500 |
| Media General Inc., senior secured note, 11.75%, 2/15/17 | United States | 600,000 | 691,500 |
| *Radio One Inc., senior sub. note, PIK, 15.00%, 5/24/16 | United States | 1,117,676 | 1,005,900 |
| *Univision Hessen/NRW, senior secured note, 144A, 8.125%, 12/01/17 | Germany | 800,000 | 865,312 |
| *Univision Communications Inc., secured bond, 144A, 6.75%, 9/15/22 | United States | 300,000 | 304,500 |
| senior secured note, 144A, 6.875%, 5/15/19 | United States | 1,000,000 | 1,035,000 |
| senior secured note, 144A, 7.875%, 11/01/20 | United States | 200,000 | 214,500 |
| *UPCB Finance III Ltd., senior secured note, 144A, 6.625%, 7/01/20 | Netherlands | 1,000,000 | 1,077,500 |
| *WMG Acquisition Corp., secured note, 144A, 6.00%, 1/15/21 | United States | 1,300,000 | 1,339,000 |
| | | | 12,969,500 |
| Pharmaceuticals, Biotechnology & Life Sciences 2.3% | | | |
| Endo Health Solutions Inc., senior note, 7.00%, 7/15/19 | United States | 200,000 | 214,500 |
| *inVentiv Health Inc., senior note, 144A, 10.00%, 8/15/18 | United States | 900,000 | 787,500 |
| *Jaguar Holding Co. I, senior note, 144A, PIK, 9.375%, 10/15/17 | United States | 400,000 | 414,000 |
| *Jaguar Holding Co. II/Merger Sub Inc., senior note, 144A, 9.50%, 12/01/19 | United States | 400,000 | 452,000 |
| *Par Pharmaceutical Cos. Inc., senior note, 144A, 7.375%, 10/15/20 | United States | 1,400,000 | 1,387,750 |
| *VPI Escrow Corp., senior note, 144A, 6.375%, 10/15/20 | United States | 1,100,000 | 1,174,250 |
| | | | 4,430,000 |
| Real Estate 0.2% | | | |
| Forest City Enterprises Inc., senior note, 7.625%, 6/01/15 | United States | 319,000 | 320,125 |
| Retailing 1.3% | | | |
| *Academy Ltd./Finance Corp., senior note, 144A, 9.25%, 8/01/19 | United States | 800,000 | 886,000 |
| Michaels Stores Inc., senior note, 7.75%, 11/01/18 | United States | 1,400,000 | 1,524,250 |
| | | | 2,410,250 |
| Semiconductors & Semiconductor Equipment 0.8% | | | |
| Advanced Micro Devices Inc., senior note, 8.125%, 12/15/17 | United States | 100,000 | 93,750 |
| Freescale Semiconductor Inc., senior note, 8.05%, 2/01/20 | United States | 600,000 | 577,500 |
| senior note, 10.75%, 8/01/20 | United States | 504,000 | 531,000 |
| *senior secured note, 144A, 9.25%, 4/15/18 | United States | 300,000 | 324,375 |
| | | | 1,526,625 |
| Software & Services 2.6% | | | |
| *Ceridian Corp., secured note, 144A, 8.875%, 7/15/19 | United States | 400,000 | 430,000 |
| First Data Corp., senior bond, 12.625%, 1/15/21 | United States | 900,000 | 951,750 |
| senior note, 9.875%, 9/24/15 | United States | 131,000 | 134,600 |
| *senior secured bond, 144A, 8.25%, 1/15/21 | United States | 800,000 | 802,000 |
| Sitel LLC/Finance Corp., senior note, 11.50%, 4/01/18 | United States | 700,000 | 500,500 |
| *senior secured note, 144A, 11.00%, 8/01/17 | United States | 200,000 | 202,000 |
| Sterling International Inc., senior note, 11.00%, 10/01/19 | United States | 400,000 | 408,000 |
| West Corp., senior note, 7.875%, 1/15/19 | United States | 1,400,000 | 1,424,500 |
| | | | 4,853,350 |
| Technology Hardware & Equipment 1.0% | | | |
| CDW LLC/Finance Corp., senior note, 8.50%, 4/01/19 | United States | 1,300,000 | 1,407,250 |
| *CommScope Inc., senior note, 144A, 8.25%, 1/15/19 | United States | 500,000 | 546,250 |
| | | | 1,953,500 |
| Telecommunication Services 7.5% | | | |
| Cricket Communications Inc., senior note, 7.75%, 10/15/20 | United States | 1,500,000 | 1,563,750 |
| Crown Castle International Corp., senior bond, 7.125%, 11/01/19 | United States | 100,000 | 110,750 |
| *senior bond, 144A, 5.25%, 1/15/23 | United States | 200,000 | 209,750 |
| senior note, 9.00%, 1/15/15 | United States | 800,000 | 853,000 |
| *CyrusOne LP/Finance Corp., senior note, 144A, 6.375%, 11/15/22 | United States | 300,000 | 312,000 |
| *Digicel Group Ltd., senior note, 144A, 8.25%, 9/30/20 | Jamaica | 900,000 | 960,750 |
| *eAccess Ltd., senior note, 144A, 8.25%, 4/01/18 | Japan | 700,000 | 790,125 |
| Frontier Communications Corp., senior note, 8.50%, 4/15/20 | United States | 800,000 | 918,000 |



Franklin Universal Trust

Statement of Investments, November 30, 2012 (unaudited) (continued)

| | | | |
|---|----------------|-----------|---------------|
| 9.25%, 7/01/21 | United States | 200,000 | 234,50 |
| 8.75%, 4/15/22 | United States | 700,000 | 803,25 |
| 7.125%, 1/15/23 | United States | 200,000 | 212,25 |
| Intelsat Jackson Holdings SA, senior note, 7.50%, 4/01/21 | Luxembourg | 1,500,000 | 1,612,50 |
| *144A, 7.25%, 10/15/20 | Luxembourg | 200,000 | 214,50 |
| *144A, 6.625%, 12/15/22 | Luxembourg | 500,000 | 501,25 |
| Intelsat Luxembourg SA, senior note, 11.25%, 2/04/17 | Luxembourg | 100,000 | 106,37 |
| MetroPCS Wireless Inc., senior note, 7.875%, 9/01/18 | United States | 200,000 | 217,00 |
| *Sprint Nextel Corp., senior note, 144A, 9.00%, 11/15/18 | United States | 2,000,000 | 2,470,00 |
| 7.00%, 3/01/20 | United States | 400,000 | 464,00 |
| *Wind Acquisition Finance SA, senior secured note, 144A, 11.75%, 7/15/17 | Italy | 1,500,000 | 1,539,37 |
| | | | 14,093,12 |
| Transportation 1.4% | | | |
| *CEVA Group PLC, senior secured note, 144A, 8.375%, 12/01/17 | United Kingdom | 400,000 | 390,25 |
| 11.50%, 4/01/18 | United Kingdom | 800,000 | 692,00 |
| Hertz Corp., senior note, 7.50%, 10/15/18 | United States | 600,000 | 660,00 |
| 6.75%, 4/15/19 | United States | 800,000 | 868,00 |
| *144A, 6.75%, 4/15/19 | United States | 100,000 | 108,50 |
| | | | 2,718,75 |
| Utilities 2.0% | | | |
| *Calpine Corp., senior secured note, 144A, 7.875%, 7/31/20 | United States | 434,000 | 483,91 |
| 7.50%, 2/15/21 | United States | 902,000 | 1,001,22 |
| 7.875%, 1/15/23 | United States | 452,000 | 506,24 |
| CMS Energy Corp., senior note, 8.75%, 6/15/19 | United States | 500,000 | 657,36 |
| *Texas Competitive Electric Holdings Co. LLC/Texas Competitive Electric Holdings Finance Inc., senior secured note, 144A, 11.50%, 10/01/20 | United States | 1,400,000 | 1,043,00 |
| | | | 3,691,73 |
| | | | 158,097,77 |
| Total Corporate Bonds (Cost \$150,204,135) | | | |
| Senior Floating Rate Interests 0.6% | | | |
| Capital Goods 0.3% | | | |
| Navistar Inc., Tranche B Term Loan, 7.00%, 8/17/17 | United States | 500,000 | 502,29 |
| Utilities 0.3% | | | |
| Texas Competitive Electric Holdings Co. LLC, 2017 Term Loan, 4.709% - 4.81%, 10/10/17 | United States | 954,192 | 621,28 |
| | | | 1,123,57 |
| Total Senior Floating Rate Interests (Cost \$1,303,856) | | | |
| Total Investments before Short Term Investments (Cost \$194,545,624) | | | 226,175,82 |
| | | | Shares |
| Short Term Investments (Cost \$2,568,002) 1.4% | | | |
| Money Market Funds 1.4% | | | |
| * ^h Institutional Fiduciary Trust Money Market Portfolio | United States | 2,568,002 | 2,568,00 |
| Total Investments (Cost \$197,113,626) 121.7% | | | 228,743,83 |
| Notes Payable (22.3)% | | | (42,000,000) |
| Other Assets, less Liabilities 0.6% | | | 1,221,55 |
| Net Assets 100.0% | | | \$ 187,965,39 |

^aThe principal amount is stated in U.S. dollars unless otherwise indicated.

^aSecurity was purchased pursuant to Rule 144A under the Securities Act of 1933 and 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. These securities have been deemed liquid under guidelines approved by the Fund's Board of Trustees. At November 30, 2012, the aggregate value of these securities was \$61,240,241, representing 32.58% of net assets.

^bSecurity purchased on a when-issued basis.

Franklin Universal Trust

Statement of Investments, November 30, 2012 (unaudited) *(continued)*

[†]Defaulted security or security for which income has been deemed uncollectible.

[‡]Income may be received in additional securities and/or cash.

^{*}At November 30, 2012, pursuant to the Fund's policies and the requirements of applicable securities law, the Fund may be restricted from trading this security for a limited extended period of time due to ownership limits and/or potential possession of material non-public information.

[†]The coupon rate shown represents the rate at period end.

[‡]Non-income producing.

^{*}The Institutional Fiduciary Trust Money Market Portfolio is managed by the Fund's investment manager.

ABBREVIATIONS

Selected Portfolio

FRN - Floating Rate Note

PIK - Payment-In-Kind

Franklin Universal Trust

Notes to Statement of Investments (unaudited)

1. ORGANIZATION

Franklin Universal Trust (Fund) is registered under the Investment Company Act of 1940, as amended, as a closed-end investment company.

2. FINANCIAL INSTRUMENT VALUATION

The Fund's 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. Senior Fixed Rate Notes are carried at cost. Under procedures approved by the Fund's Board of Trustees (the Board), the Fund's administrator, investment manager and other affiliates have formed the Valuation and Liquidity Oversight Committee (VLOC). The VLOC provides administration and oversight of the Fund's valuation policies and procedures, which are approved annually by the Board. Among other things, these procedures allow the Fund to utilize independent pricing services, quotations from securities and financial instrument dealers, and other market sources to determine fair value. Equity securities listed on an exchange or on the NASDAQ National Market System are valued at the last quoted sale price or the official closing price of the day, respectively. Over-the-counter (OTC) securities are valued within the range of the most recent quoted bid and ask prices. Securities that trade in multiple markets or on multiple exchanges are valued according to the broadest and most representative market. Certain equity securities are valued based upon fundamental characteristics or relationships to similar securities. Investments in open-end mutual funds are valued at the closing net asset value.

Debt securities generally trade in the OTC market rather than on a securities exchange. The Fund's 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.

The Fund has procedures to determine the fair value of financial instruments for which market prices are not reliable or readily available. Under these procedures, the VLOC convenes on a regular basis to review such financial instruments and considers a number of factors, including significant unobservable valuation inputs, when arriving at fair value. The VLOC primarily employs 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. The VLOC employs various methods for calibrating these valuation approaches including a regular review of key inputs and assumptions, transactional back-testing or disposition analysis, and reviews of any related market activity.

3. INCOME TAXES

At November 30, 2012, the cost of investments and net unrealized appreciation (depreciation) for income tax purposes were as follows:

| | |
|--|-----------------------|
| Cost of investments | <u>\$ 197,098,162</u> |
| Unrealized appreciation | \$ 36,010,308 |
| Unrealized depreciation | <u>(4,364,639)</u> |
| Net unrealized appreciation (depreciation) | <u>\$ 31,645,669</u> |

4. FAIR VALUE MEASUREMENTS

The Fund follows a fair value hierarchy that distinguishes between market data obtained from independent sources (observable inputs) and the Fund's own market assumptions (unobservable inputs). These inputs are used in determining the value of the Fund's 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 Fund's own assumptions in determining the fair value of financial instruments)

The inputs or methodology used for valuing financial instruments are not an indication of the risk associated with investing in those financial instruments.

For movements between the levels within the fair value hierarchy, the Fund has adopted a policy of recognizing the transfers as of the date of the underlying event which caused the movement.

A summary of inputs used as of November 30, 2012, in valuing the Fund's assets carried at fair value, is as follows:

| | Level 1 | Level 2 | Level 3 | Total |
|-----------------------------------|----------------------|-----------------------|-------------|-----------------------|
| Assets: | | | | |
| Investments in Securities: | | | | |
| Equity Investments ^{a,b} | \$ 66,954,476 | \$ - | \$ - | \$ 66,954,476 |
| Corporate Bonds | - | 158,097,776 | - | 158,097,776 |
| Senior Floating Rate Interests | - | 1,123,577 | - | 1,123,577 |
| Short Term Investments | 2,568,002 | - | - | 2,568,002 |
| Total Investments in Securities | <u>\$ 69,522,478</u> | <u>\$ 159,221,353</u> | <u>\$ -</u> | <u>\$ 228,743,831</u> |

^a Includes common and preferred stocks.

^b For detailed categories, see the accompanying Statement of Investments.

5. NEW ACCOUNTING PRONOUNCEMENTS

In December 2011, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2011-11, Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities. The amendments in the ASU enhance disclosures about offsetting of financial assets and liabilities to enable investors to understand the effect of these arrangements on a fund's financial position. The ASU is effective for interim and annual reporting periods beginning on or after January 1, 2013. The Fund believes the adoption of this ASU will not have a material impact on its financial statements.

6. SUBSEQUENT EVENTS

The Fund has evaluated subsequent events through the issuance of the Statement of Investments and determined that no events have occurred that require disclosure.

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

Item 2. Controls and Procedures.

(a) Evaluation of Disclosure Controls and Procedures. The Registrant maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Registrant's filings under the Securities Exchange Act of 1934 and the Investment Company Act of 1940 is recorded, processed, summarized and reported within the periods specified in the rules and forms of the Securities and Exchange Commission. Such information is accumulated and communicated to the Registrant's management, including its principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. The Registrant's management, including the principal executive officer and the principal financial officer, recognizes that any set of controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

Within 90 days prior to the filing date of this Quarterly Schedule of Portfolio Holdings on Form N-Q, the Registrant had carried out an evaluation, under the supervision and with the participation of the Registrant's management, including the Registrant's principal executive officer and the Registrant's principal financial officer, of the effectiveness of the design and operation of the Registrant's disclosure controls and procedures. Based on such evaluation, the Registrant's principal executive officer and principal financial officer concluded that the Registrant's disclosure controls and procedures are effective.

(b) Changes in Internal Controls. There have been no changes in the Registrant's internal controls or in other factors that could materially affect the internal controls over financial reporting subsequent to the date of their evaluation in connection with the preparation of this Quarterly Schedule of Portfolio Holdings on Form N-Q.

Item 3. Exhibits.

(a) Certification pursuant to Section 30a-2 under the Investment Company Act of 1940 of Laura F. Ferguson, Chief Executive Officer - Finance and Administration, and Gaston Gardey, Chief Financial Officer and Chief Accounting Officer.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Franklin Universal Trust

By /s/LAURA F. FERGERSON
Laura F. Fergerson
Chief Executive Officer -
Finance and Administration
Date January 25, 2013

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By /s/LAURA F. FERGERSON
Laura F. Fergerson
Chief Executive Officer -
Finance and Administration
Date January 25, 2013

By /s/GASTON GARDEY
Gaston Gardey
Chief Financial Officer and
Chief Accounting Officer
Date January 25, 2013

I, Laura F. Fergerson, certify that:

1. I have reviewed this report on Form N-Q of **Franklin Universal Trust**;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the schedules of investments included in this report fairly present in all material respects the investments of the registrant as of the end of the fiscal quarter for which the report is filed;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) and internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of a date within 90 days prior to the filing date of this report, based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

1/25/2013

S\LAURA F. FERGERSON

Laura F. Fergerson
Chief Executive Officer - Finance and Administration

I, Gaston Gardey, certify that:

1. I have reviewed this report on Form N-Q of **Franklin Universal Trust**;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the schedules of investments included in this report fairly present in all material respects the investments of the registrant as of the end of the fiscal quarter for which the report is filed;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) and internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of a date within 90 days prior to the filing date of this report, based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

1/25/2013

S\GASTON GARDEY

Gaston Gardey
Chief Financial Officer and Chief Accounting Officer