FRANKLIN UNIVERSAL TRUST
Form N-Q
January 28, 2008

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: 312/650-2000

Date of fiscal year end: 8/31

Date of reporting period: 11/30/07

Item 1. Schedule of Investments.

Franklin Universal Trust

QUARTERLY STATEMENT OF INVESTMENTS
NOVEMBER 30, 2007

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FRANKLIN TEMPLETON
INVESTMENTS

FRANKLIN o Templeton o Mutual Series

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Franklin Universal Trust

STATEMENT OF INVESTMENTS, NOVEMBER 30, 2007 (UNAUDITED)

	COUNTRY
LONG TERM INVESTMENTS 126.0%	
COMMON STOCKS 40.9%	
AUTOMOBILES & COMPONENTS 0.0% a	
b Harvard Industries Inc.	United States
COMMERCIAL SERVICES & SUPPLIES 0.0% a	
b,c,d VS Holdings Inc.	United States
ENERGY 0.8%	
Spectra Energy Corp.	United States
MATERIALS 1.5%	
AngloGold Ashanti Ltd., ADR	South Africa
Barrick Gold Corp.	Canada
UTILITIES 38.6%	
Alliant Energy Corp.	United States
Ameren Corp.	United States
American Electric Power Co. Inc.	United States
Atmos Energy Corp.	United States
CenterPoint Energy Inc.	United States
Constellation Energy Group	United States
Dominion Resources Inc.	United States
DTE Energy Co.	United States
Duke Energy Corp.	United States
Edison International	United States
Entergy Corp.	United States
Exelon Corp.	United States
FirstEnergy Corp.	United States
FPL Group Inc.	United States
NSTAR	United States
Pinnacle West Capital Corp.	United States
Progress Energy Inc.	United States
Public Service Enterprise Group Inc.	United States
The Southern Co.	United States
TOTAL COMMON STOCKS (COST $45,083,071)	

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PR
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	CORPORATE BONDS 85.0%	
	AUTOMOBILES & COMPONENTS 3.9%	
f	Allison Transmission Inc., senior note, 144A, 11.00%, 11/01/15	United States
	Ford Motor Credit Co. LLC,	
	7.80%, 6/01/12	United States
	senior note, 9.875%, 8/10/11	United States
	General Motors Corp., senior deb., 8.25%, 7/15/23	United States
f	TRW Automotive Inc., senior note, 144A, 7.25%, 3/15/17	United States

Franklin Universal Trust

STATEMENT OF INVESTMENTS, NOVEMBER 30, 2007 (UNAUDITED) (CONTINUED)

		COUNTRY	PR
	LONG TERM INVESTMENTS (CONTINUED)		
	CORPORATE BONDS (CONTINUED)		
	CAPITAL GOODS 6.1%		
	DRS Technologies Inc., senior sub. note, 7.625%, 2/01/18	United States	
	Greenbrier Cos. Inc., senior note, 8.375%, 5/15/15	United States	
	L-3 Communications Corp., senior sub. note, 6.375%, 10/15/15	United States	
	RBS Global & Rexnord Corp., senior note, 9.50%, 8/01/14	United States	
	RSC Equipment Rental Inc., senior note, 9.50%, 12/01/14	United States	
	United Rentals North America Inc., senior sub. note, 7.75%,		
	11/15/13	United States	
	COMMERCIAL SERVICES & SUPPLIES 2.9%		
	Allied Waste North America Inc., senior secured note, 6.875%,		
	6/01/17	United States	
	ARAMARK Corp., senior note, 8.50%, 2/01/15	United States	
f	Ceva Group PLC, senior note, 144A, 10.00%, 9/01/14	United Kingdom	
	JohnsonDiversey Inc., senior sub. note, B, 9.625%, 5/15/12	United States	
	CONSUMER DURABLES & APPAREL 3.5%		
	Beazer Homes USA Inc., senior note, 8.125%, 6/15/16	United States	
	Jarden Corp., senior sub. note, 7.50%, 5/01/17	United States	
	Jostens IH Corp., senior sub. note, 7.625%, 10/01/12	United States	
	KB Home, senior note,		
	6.25%, 6/15/15	United States	
	7.25%, 6/15/18	United States	
	Visant Holding Corp., senior note, 8.75%, 12/01/13	United States	
	CONSUMER SERVICES 4.4%		

c,d,g	Atherton Franchise Capital, 13.073%, 12/01/08	United States
f	Fontainebleau Las Vegas, 144A, 10.25%, 6/15/15	United States
	MGM MIRAGE, senior note,	
	6.875%, 4/01/16	United States
	7.50%, 6/01/16	United States
f	Outback Steakhouse Inc., senior note, 144A, 10.00%, 6/15/15	United States
	Royal Caribbean Cruises Ltd., senior note,	
	8.00%, 5/15/10	United States
	6.875%, 12/01/13	United States
	Station Casinos Inc., senior sub. note,	
	6.50%, 2/01/14	United States
	6.875%, 3/01/16	United States
	DIVERSIFIED FINANCIALS 1.5%	
	GMAC LLC, 6.875%, 8/28/12	United States
	ENERGY 8.8%	
f	Bristow Group Inc., senior note, 144A, 7.50%, 9/15/17	United States
	Chesapeake Energy Corp., senior note, 6.25%, 1/15/18	United States

Franklin Universal Trust

STATEMENT OF INVESTMENTS, NOVEMBER 30, 2007 (UNAUDITED) (CONTINUED)

		COUNTRY	PR
	LONG TERM INVESTMENTS (CONTINUED)		
	CORPORATE BONDS (CONTINUED)		
	ENERGY (CONTINUED)		
	Compagnie Generale de Geophysique-Veritas, senior note,		
	7.50%, 5/15/15	France	
	7.75%, 5/15/17	France	
	Copano Energy LLC, senior note, 8.125%, 3/01/16	United States	
	El Paso Corp., senior note, 6.875%, 6/15/14	United States	
	Mariner Energy Inc., senior note, 7.50%, 4/15/13	United States	
	Markwest Energy Partners LP, senior note, 6.875%, 11/01/14	United States	
f	Petroplus Finance Ltd., senior note, 144A, 6.75%, 5/01/14	Switzerland	
f	Tesoro Corp., senior note, 144A, 6.50%, 6/01/17	United States	
	The Williams Cos. Inc.,		
	8.75%, 3/15/32	United States	
	senior note, 7.625%, 7/15/19	United States	
	senior note, 7.875%, 9/01/21	United States	
	FOOD, BEVERAGE & TOBACCO 2.3%		
	Dole Foods Co., senior note, 7.25%, 6/15/10	United States	
	Reynolds American Inc., senior secured note, 7.625%, 6/01/16	United States	
	Smithfield Foods Inc., senior note, 7.75%,		
	5/15/13	United States	

	7/01/17	United States
	HEALTH CARE EQUIPMENT & SERVICES 6.3%	
f	FMC Finance III SA, senior note, 144A, 6.875%, 7/15/17	Germany
	HCA Inc., senior note, 6.50%, 2/15/16	United States
	Tenet Healthcare Corp., senior note, 7.375%, 2/01/13	United States
h	U.S. Oncology Holdings Inc., senior note, FRN, 10.759%, 3/15/12	United States
	United Surgical Partners International Inc., senior sub. note, PIK, 9.25%, 5/01/17	United States
	Vanguard Health Holding Co. II LLC, senior sub. note, 9.00%, 10/01/14	United States
	MATERIALS 11.2%	
	Buckeye Technologies Inc., senior sub. note, 8.00%, 10/15/10	United States
	Crown Americas Inc., senior note, 7.75%, 11/15/15	United States
	Freeport-McMoRan Copper & Gold Inc., senior note, 8.375%, 4/01/17	United States
	Huntsman International LLC, senior sub. note, 7.875%, 11/15/14	United States
f	Ineos Group Holdings PLC, 144A, 8.50%, 2/15/16	United Kingdom
	JSG Funding PLC, senior sub. note, 7.75%, 4/01/15	Ireland
	Lyondell Chemical Co., senior note, 8.00%, 9/15/14	United States
	6.875%, 6/15/17	United States
f	MacDermid Inc., senior sub. note, 144A, 9.50%, 4/15/17	United States
	Nalco Co., senior sub. note, 8.875%, 11/15/13	United States

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STATEMENT OF INVESTMENTS, NOVEMBER 30, 2007 (UNAUDITED) (CONTINUED)

		COUNTRY	PR
	LONG TERM INVESTMENTS (CONTINUED)		
	CORPORATE BONDS (CONTINUED)		
	MATERIALS (CONTINUED)		
	Novelis Inc., senior note, 7.25%, 2/15/15	Canada	
	Owens-Brockway Glass Container Inc., senior note, 6.75%, 12/01/14	United States	
	MEDIA 11.4%		
	Cablevision Systems Corp., senior note, B, 8.00%, 4/15/12	United States	
	CanWest Media Inc., senior sub. note, 8.00%, 9/15/12	Canada	
	CSC Holdings Inc., senior note, 6.75%, 4/15/12	United States	
	CCH II LLC, senior note, 10.25%, 9/15/10	United States	
	Dex Media West LLC, senior sub. note, 9.875%, 8/15/13	United States	
	EchoStar DBS Corp., senior note, 7.125%, 2/01/16	United States	
	IDEARC Inc., senior note, 8.00%, 11/15/16	United States	

Lamar Media Corp., senior sub. note, 6.625%, 8/15/15	United States
LIN Television Corp., senior sub. note, 6.50%, 5/15/13	United States
Quebecor Media Inc.,	
f 144A, 7.75%, 3/15/16	Canada
senior note, 7.75%, 3/15/16	Canada
R.H. Donnelley Corp., senior note, 8.875%, 1/15/16	United States
Radio One Inc., senior sub. note, 6.375%, 2/15/13	United States
f Univision Communications Inc., senior note, 144A, PIK, 9.75%, 3/15/15	United States
REAL ESTATE 1.0%	
Host Marriott LP, senior note,	
M, 7.00%, 8/15/12	United States
O, 6.375%, 3/15/15	United States
RETAILING 2.2%	
f Dollar General Corp., senior note, 144A, 10.625%, 7/15/15	United States
Michaels Stores Inc., senior note, 10.00%, 11/01/14	United States
SEMICONDUCTORS & SEMICONDUCTOR EQUIPMENT 1.3%	
Freescale Semiconductor Inc., senior note, 8.875%, 12/15/14	United States
NXP BV/NXP Funding LLC, senior secured note, 7.875%, 10/15/14	Netherlands
SOFTWARE & SERVICES 3.4%	
f First Data Corp., senior note, 144A, 9.875%, 9/24/15	United States
Iron Mountain Inc., senior sub. note, 8.75%, 7/15/18	United States
d,g PSINet Inc.,	
10.50%, 12/01/06	United States
senior note, 11.00%, 8/01/09	United States

Franklin Universal Trust

STATEMENT OF INVESTMENTS, NOVEMBER 30, 2007 (UNAUDITED) (CONTINUED)

	COUNTRY	PR
LONG TERM INVESTMENTS (CONTINUED)		
CORPORATE BONDS (CONTINUED)		
SOFTWARE & SERVICES (CONTINUED)		
SunGard Data Systems Inc.,		
senior note, 9.125%, 8/15/13	United States	
senior sub. note, 10.25%, 8/15/15	United States	

TECHNOLOGY HARDWARE & EQUIPMENT 1.0%	
Sanmina-SCI Corp.,	
f,h senior note, 144A, FRN, 8.444%, 6/15/14	United States
senior sub. note, 6.75%, 3/01/13	United States
senior sub. note, 8.125%, 3/01/16	United States
TELECOMMUNICATION SERVICES 6.8%	
f Digicel Group Ltd., senior note, 144A, 8.875%, 1/15/15	Jamaica
Inmarsat Finance II PLC, senior note, zero cpn. to 11/15/08, 10.375% thereafter, 11/15/12	United Kingdom
Intelsat Subsidiary Holding Co. Ltd., senior note, 8.25%, 1/15/13	Bermuda
MetroPCS Wireless Inc., senior note, 9.25%, 11/01/14	United States
Qwest Communications International Inc., senior note, 7.50%, 2/15/14	United States
f Wind Acquisition Finance SA, senior note, 144A, 10.75%, 12/01/15	Italy
Windstream Corp., senior note, 8.625%, 8/01/16	United States
TRANSPORTATION 0.8%	
TransDigm Inc., senior sub. note, 7.75%, 7/15/14	United States
UTILITIES 6.2%	
Aquila Inc., senior note, 14.875%, 7/01/12	United States
Dynegy Holdings Inc., senior note, 8.75%, 2/15/12	United States
Edison Mission Energy, senior note, 7.00%, 5/15/17	United States
NRG Energy Inc., senior note, 7.375%,	
2/01/16	United States
1/15/17	United States
f Texas Competitive Electric Holdings Co. LLC, senior note, 144A,10.25%, 11/01/15	United States
TOTAL CORPORATE BONDS (COST $174,252,549)	
FOREIGN GOVERNMENT AND AGENCY SECURITIES 0.1%	
GOVERNMENT BONDS 0.1%	
Eskom Holdings Ltd., 11.00%,	
6/01/08	South Africa
6/01/09	South Africa
TOTAL FOREIGN GOVERNMENT AND AGENCY SECURITIES (COST $425,225)	
TOTAL LONG TERM INVESTMENTS (COST $219,760,845)	

Franklin Universal Trust

STATEMENT OF INVESTMENTS, NOVEMBER 30, 2007 (UNAUDITED) (CONTINUED)

	COUNTRY
SHORT TERM INVESTMENT (COST $2,571,977) 1.3%	
MONEY MARKET FUND 1.3%	
i Franklin Institutional Fiduciary Trust Money Market Portfolio, 4.61%	United States
TOTAL INVESTMENTS (COST $222,332,822) 127.3%	
NOTES PAYABLE (28.1)%	
OTHER ASSETS, LESS LIABILITIES 0.8%	
NET ASSETS 100.0%	

CURRENCY ABBREVIATIONS

ZAR - South African Rand

SELECTED PORTFOLIO ABBREVIATIONS

ADR - American Depository Receipt
FRN - Floating Rate Note
PIK - Payment-In-Kind

a Rounds to less than 0.1% of net assets.

b Non-income producing for the twelve months ended November 30, 2007.

c See Note 4 regarding restricted securities.

d Security has been deemed illiquid because it may not be able to be sold within seven days. At November 30, 2007, the aggregate value of these securities was $29,259, representing 0.01% of net assets.

e The principal amount is stated in U.S. dollars unless otherwise indicated.

f Security 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, 2007, the aggregate value of these securities was $28,569,000, representing 14.58% of net assets.

g Defaulted security.

h The coupon rate shown represents the rate at period end.

i The Franklin Institutional Fiduciary Trust Money Market Portfolio is managed by the Fund's investment manager. The rate shown is the annualized seven-day yield at period end.

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 diversified, closed-end investment company.

2. SECURITY VALUATION

Securities listed on a securities 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 securities and listed securities for which there is no reported sale 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. Investments in open-end mutual funds are valued at the closing net asset value.

Corporate debt securities and Government securities, generally trade in the over-the-counter market rather than on a securities exchange. The Fund may utilize independent pricing services, quotations from bond dealers, and information with respect to bond and note transactions, to assist in determining a current market value for each security. The Fund's pricing services may use valuation models or matrix pricing which considers information with respect to comparable bond and note transactions, quotations from bond dealers, or by reference to other securities that are considered comparable in such characteristics as rating, interest rate and maturity date, option adjusted spread models, prepayment projections, interest rate spreads and yield curves, to determine current value.

Foreign securities are valued as of the close of trading on the foreign stock exchange on which the security is primarily traded, or the NYSE, whichever is earlier. If no sale is reported at that time, the foreign security will be valued within the range of the most recent quoted bid and ask prices. The value is then converted into its U.S. dollar equivalent at the foreign exchange rate in effect at the close of the NYSE on the day that the value of the foreign security is determined.

The Fund has procedures to determine the fair value of individual securities and other assets for which market prices are not readily available or which may not be reliably priced. Methods for valuing these securities may include: fundamental analysis, matrix pricing, discounts from market prices of similar securities, or discounts applied due to the nature and duration of restrictions on the disposition of the securities. Due to the inherent uncertainty of valuations of such securities, the fair values may differ significantly from the values that would have been used had a ready market for such investments existed. Occasionally, events occur between the time at which trading in a security is completed and the close of the NYSE that might call into question the availability (including the reliability) of the value of a portfolio security held by the Fund. The investment manager monitors price movements following the close of trading in foreign stock markets through a series of country specific market proxies (such as baskets of American Depository Receipts, futures contracts and exchange traded funds). These price movements are measured against established trigger thresholds for each specific market proxy

Franklin Universal Trust

NOTES TO STATEMENT OF INVESTMENTS (UNAUDITED) (CONTINUED)

2. SECURITY VALUATION (CONTINUED)

to assist in determining if an event has occurred. If such an event occurs, the securities may be valued using fair value procedures, which may include the use of independent pricing services. All security valuation procedures are approved by the Fund's Board of Trustees.

3. INCOME TAXES

At November 30, 2007, the cost of investments and net unrealized appreciation (depreciation) for income tax purposes were as follows:

Cost of investments	$ 222,620,370
Unrealized appreciation	$ 42,179,115
Unrealized depreciation	(15,361,377)
Net unrealized appreciation (depreciation)	$ 26,817,738

4. RESTRICTED SECURITIES

At November 30, 2007, the Fund held investments in restricted securities, excluding 144A securities deemed to be liquid, valued in accordance with procedures approved by the Fund's Board of Trustees as reflecting fair value, as follows:

PRINCIPAL AMOUNT/ SHARES	ISSUER	ACQUISITION DATE	COST	VALUE
721,603	Atherton Franchise Capital, 13.073%, 12/01/08	4/28/94	$ 721,603	$ 28,8
181,875	VS Holdings Inc.	12/06/01	181,875	
	TOTAL RESTRICTED SECURITIES (0.01% of Net Assets)			$ 28,8

5. NEW ACCOUNTING PRONOUNCEMENT

In September 2006, the Financial Accounting Standards Board (FASB) issued FASB Statement No. 157, "Fair Value Measurement" (SFAS 157), which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. SFAS 157 is effective for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. The Fund believes the adoption of SFAS 157 will have no material impact on its financial statements.

For information on the Fund's policy regarding other 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 significant changes in the Registrant's internal controls or in other factors that could significantly affect the internal controls 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 Jimmy D. Gambill, Chief Executive Officer - Finance and Administration, and Galen G. Vetter, Chief Financial 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/JIMMY D. GAMBILL

Jimmy D. Gambill

Chief Executive Officer -
Finance and Administration
Date January 25, 2008

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/JIMMY D. GAMBILL

Jimmy D. Gambill
Chief Executive Officer -
Finance and Administration
Date January 25, 2008

By /s/GALEN G. VETTER

Galen G. Vetter
Chief Financial Officer
Date January 25, 2008