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FRANKLIN UNIVERSAL TRUST  
Form N-Q  
January 29, 2010

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF  
REGISTERED MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number 811-05569  
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FRANKLIN UNIVERSAL TRUST  
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(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  
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Date of fiscal year end: 8/31  
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Date of reporting period: 11/30/09  
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Item 1. Schedule of Investments.

Franklin Universal Trust

STATEMENT OF INVESTMENTS, NOVEMBER 30, 2009 (UNAUDITED)

	COUNTRY -----
COMMON STOCKS 32.5%	
AUTOMOBILES & COMPONENTS 0.0%(a)	
(b, c) Harvard Industries Inc.	United States
COMMERCIAL & PROFESSIONAL SERVICES 0.0%	
(b, d) VS Holdings Inc.	United States
ENERGY 1.1%	
Spectra Energy Corp.	United States
MEDIA 0.1%	
(b) Charter Communications Inc., A	United States
UTILITIES 31.3%	
Alliant Energy Corp.	United States
Ameren Corp.	United States

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	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
	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
	Great Plains Energy Inc.	United States
	Pinnacle West Capital Corp.	United States
	Progress Energy Inc.	United States
	Public Service Enterprise Group Inc.	United States
	Sempra Energy	United States
	The Southern Co.	United States
	Westar Energy Inc.	United States
	Wisconsin Energy Corp.	United States
	Xcel Energy Inc.	United States
	 TOTAL COMMON STOCKS (COST \$43,445,727)	
	 PREFERRED STOCKS (COST \$214,420) 0.2%	
	DIVERSIFIED FINANCIALS 0.2%	
(e)	GMAC Inc., 7.00%, pfd., 144A	United States
	 (g) SENIOR FLOATING RATE INTERESTS (COST \$997,459) 0.6%	
	MATERIALS 0.6%	
	Novelis Corp., U.S. Term Loan, 2.24% - 2.29%, 7/07/14	United States
	 CORPORATE BONDS 91.1%	
	AUTOMOBILES & COMPONENTS 3.8%	
	Ford Motor Credit Co. LLC,	
	7.80%, 6/01/12	United States
	senior note, 9.875%, 8/10/11	United States
(e)	TRW Automotive Inc., senior note, 144A, 7.25%, 3/15/17	United States
	 CAPITAL GOODS 4.9%	
(e)	Allison Transmission Inc., senior note, 144A, 11.00%, 11/01/15	United States

Quarterly Statement of Investments See Notes to Statements of Investments

Franklin Universal Trust

STATEMENT OF INVESTMENTS, NOVEMBER 30, 2009 (UNAUDITED) (CONTINUED)

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	Case New Holland Inc., senior note, 7.125%, 3/01/14	United States
(e)	144A, 7.75%, 9/01/13	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
COMMERCIAL & PROFESSIONAL SERVICES 2.2%		
	ARAMARK Corp., senior note, 8.50%, 2/01/15	United States
(e)	Casella Waste Systems Inc., senior secured note, 144A, 11.00%, 7/15/14	United States
(e)	Clean Harbors Inc., senior secured note, 144A, 7.625%, 8/15/16	United States
	Iron Mountain Inc., senior sub. note, 8.75%, 7/15/18	United States
(e, h)	JohnsonDiversey Holdings Inc., senior note, 144A, PIK, 10.50%, 5/15/20	United States
CONSUMER DURABLES & APPAREL 3.1%		
	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 4.6%		
(d, i)	Atherton Franchise Capital, 13.073%, 12/01/08	United States
(e, i)	Fontainebleau Las Vegas, 144A, 10.25%, 6/15/15	United States
(e)	Harrah's Operating Escrow, senior secured note, 144A, 11.25%, 6/01/17	United States
	MGM MIRAGE, senior note, 6.875%, 4/01/16	United States
	7.50%, 6/01/16	United States
(e)	Norwegian Cruise Line Ltd., senior secured note, 144A, 11.75%, 11/15/16	United States
	Pinnacle Entertainment Inc., senior note, 144A, 8.625%, 8/01/17	United States
	senior sub. note, 8.25%, 3/15/12	United States
(i)	Station Casinos Inc., senior note, 7.75%, 8/15/16	United States
	senior sub. note, 6.50%, 2/01/14	United States
	senior sub. note, 6.875%, 3/01/16	United States
(e)	Universal City Development, senior note, 144A, 8.875%, 11/15/15	United States
	senior sub. note, 144A, 10.875%, 11/15/16	United States
DIVERSIFIED FINANCIALS 1.7%		
(e)	GMAC LLC, senior note, 144A, 6.875%, 8/28/12	United States
ENERGY 13.0%		
(e)	Antero Resources Finance, senior note, 144A, 9.375%, 12/01/17	United States
(e)	Arch Coal Inc., senior note, 144A, 8.75%, 8/01/16	United States
	Berry Petroleum Co., senior note, 10.25%, 6/01/14	United States
	Chesapeake Energy Corp., senior note, 6.25%, 1/15/18	United States
	Compagnie Generale de Geophysique-Veritas, senior note, 7.50%, 5/15/15	France
	7.75%, 5/15/17	France

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	Concho Resources Inc., senior note, 8.625%, 10/01/17	United States
	Copano Energy LLC, senior note, 8.125%, 3/01/16	United States
	El Paso Corp., senior note, 12.00%, 12/12/13	United States
(g)	Enterprise Products Operating LLC, junior sub. note, FRN, 7.034%, 1/15/68	United States
(e)	General Maritime Corp., senior note, 144A, 12.00%, 11/15/17	United States
(e)	Holly Corp., senior note, 144A, 9.875%, 6/15/17	United States

Franklin Universal Trust

STATEMENT OF INVESTMENTS, NOVEMBER 30, 2009 (UNAUDITED) (CONTINUED)

	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
(e)	OPTI Canada Inc., senior secured note, 144A, 9.00%, 12/15/12	Canada
	Plains Exploration & Production Co., senior note, 7.625%, 6/01/18	United States
	Quicksilver Resources Inc., senior note, 8.25%, 8/01/15	United States
(e)	SandRidge Energy Inc., senior note, 144A, 8.00%, 6/01/18	United States
	Tesoro Corp., senior note, 6.50%, 6/01/17	United States

FOOD & STAPLES RETAILING 1.6%		
	Duane Reade Inc., senior secured note, 144A, 11.75%, 8/01/15	United States
(e)	Rite Aid Corp., senior secured note, 9.75%, 6/12/16	United States
	SUPERVALU Inc., senior note, 8.00%, 5/01/16	United States

FOOD, BEVERAGE & TOBACCO 2.5%		
	Alliance One International Inc., senior note, 144A, 10.00%, 7/15/16	United States
(e, j)	CEDC Finance Corp. International Inc., senior secured note, 144A, 9.125%, 12/01/16	United States
(e)	Cott Beverages Inc., senior note, 144A, 8.375%, 11/15/17	United States
(e)	Dole Food Co. Inc., senior note, 144A, 13.875%, 3/15/14	United States
(e)	JBS USA LLC, senior note, 144A, 11.625%, 5/01/14	United States

HEALTH CARE EQUIPMENT & SERVICES 8.3%		
	FMC Finance III SA, senior note, 6.875%, 7/15/17	Germany
(e)	Fresenius US Finance II, senior note, 144A, 9.00%, 7/15/15	Germany
	HCA Inc., senior note, 6.50%, 2/15/16	United States
(h)	senior secured note, PIK, 9.625%, 11/15/16	United States
	Tenet Healthcare Corp., senior note, 7.375%, 2/01/13	United States
(h)	United Surgical Partners International Inc., senior sub. note, PIK, 9.25%, 5/01/17	United States
(g, h)	US Oncology Holdings Inc., senior note, PIK, FRN, 6.428%, 3/15/12	United States
	Vanguard Health Holding Co. II LLC, senior sub. note, 9.00%, 10/01/14	United States

MATERIALS 10.5%		
	Associated Materials LLC, senior secured note, 144A, 9.875%, 11/15/16	United States
(e)	Ball Corp., senior note, 7.125%, 9/01/16	United States

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	7.375%, 9/01/19	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
(e)	Ineos Group Holdings PLC, senior secured note, 144A, 8.50%, 2/15/16	United Kingdom
(e)	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
	NewPage Corp., senior secured note, 10.00%, 5/01/12	United States
(e)	144A, 11.375%, 12/31/14	United States
(e)	Novelis Inc., senior note, 144A, 11.50%, 2/15/15	Canada
	Owens-Brockway Glass Container Inc., senior note, 6.75%, 12/01/14	United States
	Solo Cup Co., senior secured note, 144A, 10.50%, 11/01/13	United States
	senior sub. note, 8.50%, 2/15/14	United States
	Solutia Inc., senior note, 8.75%, 11/01/17	United States
	Teck Resources Ltd., senior secured note, 10.75%, 5/15/19	Canada
	Weyerhaeuser Co., senior note, 7.375%, 10/01/19	United States

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STATEMENT OF INVESTMENTS, NOVEMBER 30, 2009 (UNAUDITED) (CONTINUED)

	MEDIA 10.4%	
(e)	Cablevision Systems Corp., senior note, 144A, 8.625%, 9/15/17	United States
(e)	CCH II LLC/CCH II Capital Corp., senior note, 144A, 13.50%, 11/30/16	United States
(e)	CSC Holdings Inc., senior note, 144A, 8.50%, 4/15/14	United States
(i, k)	Dex Media Inc., senior disc. note, 9.00%, 11/15/13	United States
	senior note, B, 8.00%, 11/15/13	United States
(i, k)	Dex Media West Finance, senior sub. note, 9.875%, 8/15/13	United States
	EchoStar DBS Corp., senior note, 7.125%, 2/01/16	United States
	Lamar Media Corp., senior sub. note, B, 6.625%, 8/15/15	United States
	LIN Television Corp., senior sub. note, 6.50%, 5/15/13	United States
	Quebecor Media Inc., senior note, 7.75%, 3/15/16	Canada
	Radio One Inc., senior sub. note, 6.375%, 2/15/13	United States
(e)	Sinclair Television Group Inc., senior secured note, 144A, 9.25%, 11/01/17	United States
(e, h)	Univision Communications Inc., senior note, 144A, PIK, 10.50%, 3/15/15	United States
(e)	UPC Germany GmbH, senior secured bond, 144A, 8.125%, 12/01/17	Germany
(e)	UPC Holding BV, senior note, 144A, 9.875%, 4/15/18	Netherlands
(e)	WMG Acquisition Corp., senior secured note, 144A, 9.50%, 6/15/16	United States
	PHARMACEUTICALS, BIOTECHNOLOGY & LIFE SCIENCES 0.2%	
(e)	Talecris Biotherapeutics Holdings Corp., senior note, 144A, 7.75%, 11/15/16	United States
	REAL ESTATE 1.2%	
(e)	FelCor Lodging Trust Inc., senior secured note, 144A, 10.00%, 10/01/14	United States
	Forest City Enterprises Inc., senior note, 7.625%, 6/01/15	United States

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	RETAILING 1.4%	
	Michaels Stores Inc., senior note, 10.00%, 11/01/14	United States
(e)	QVC Inc., senior secured note, 144A, 7.50%, 10/01/19	United States
	SEMICONDUCTORS & SEMICONDUCTOR EQUIPMENT 1.0%	
(e)	Advanced Micro Devices Inc., senior note, 144A, 8.125%, 12/15/17	United States
	Freescale Semiconductor Inc., senior note, 8.875%, 12/15/14	United States
	SOFTWARE & SERVICES 2.2%	
	First Data Corp., senior note, 9.875%, 9/24/15	United States
	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 1.9%	
	Jabil Circuit Inc., senior note, 7.75%, 7/15/16	United States
	Sanmina-SCI Corp.,	
(e, g)	senior note, 144A, FRN, 3.049%, 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
(e)	ViaSat Inc., senior note, 144A, 8.875%, 9/15/16	United States
	TELECOMMUNICATION SERVICES 8.6%	
(e)	CC Holdings GS V LLC, senior secured note, 144A, 7.75%, 5/01/17	United States
	Crown Castle International Corp.,	
	senior bond, 7.125%, 11/01/19	United States
Franklin Universal Trust		
STATEMENT OF INVESTMENTS, NOVEMBER 30, 2009 (UNAUDITED) (CONTINUED)		
	senior note, 9.00%, 1/15/15	United States
(e)	Digicel Group Ltd., senior note, 144A, 8.875%, 1/15/15	Jamaica
	Inmarsat Finance PLC, senior note, 10.375%, 11/15/12	United Kingdom
	Intelsat Bermuda Ltd., senior note, 11.25%, 6/15/16	Bermuda
	Intelsat Subsidiary Holding Co. Ltd., senior note, 8.50%, 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
(e)	SBA Telecommunications Inc., senior note, 144A, 8.25%, 8/15/19	United States
(e)	Wind Acquisition Finance SA, senior note, 144A, 12.00%, 12/01/15	Italy
(e)	Windstream Corp., senior note, 144A, 7.875%, 11/01/17	United States
	TRANSPORTATION 1.2%	
(e)	Ceva Group PLC, senior note, 144A, 10.00%, 9/01/14	United Kingdom
(e)	Delta Air Lines Inc., senior secured note, 144A, 9.50%, 9/15/14	United States

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UTILITIES 6.8%	
The AES Corp., senior note, 8.00%, 6/01/20	United States
Ameren Corp., senior note, 8.875%, 5/15/14	United States
Aquila Inc., senior note, 11.875%, 7/01/12	United States
CMS Energy Corp., senior note, 8.75%, 6/15/19	United States
Dynegy Holdings Inc., senior note, 8.75%, 2/15/12	United States
NRG Energy Inc., senior note, 7.375%, 2/01/16	United States
1/15/17	United States
Texas Competitive Electric Holdings Co. LLC, senior note, A, 10.25%, 11/01/15	United States

TOTAL CORPORATE BONDS (COST \$146,760,617)

TOTAL INVESTMENTS BEFORE SHORT TERM INVESTMENTS (COST \$191,418,223)

	COUNTRY
	-----
SHORT TERM INVESTMENTS (COST \$1,405,386) 0.9%	
MONEY MARKET FUNDS 0.9%	
(1) Institutional Fiduciary Trust Money Market Portfolio, 0.00%	United States
TOTAL INVESTMENTS (COST \$192,823,609) 125.3%	
NOTES PAYABLE (26.7)%	
OTHER ASSETS, LESS LIABILITIES 1.4%	
NET ASSETS 100.0%	

- (a) Rounds to less than 0.1% of net assets.
- (b) Non-income producing.
- (c) Security has been deemed illiquid because it may not be able to be sold within seven days. At November 30, 2009, the value of this security was \$1,096, representing less than 0.01% of net assets.
- (d) See Note 4 regarding restricted securities.
- (e) 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, 2009, the aggregate value of these securities was \$44,051,330, representing 28.04% of net assets.
- (f) The principal amount is stated in U.S. dollars unless otherwise indicated.
- (g) The coupon rate shown represents the rate at period end.
- (h) Income may be received in additional securities and/or cash.

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- (i) Defaulted security or security for which income has been deemed uncollectible.
- (j) Security purchased on a when-issued basis.
- (k) See Note 5 regarding other considerations.
- (l) The 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.

Franklin Universal Trust

STATEMENT OF INVESTMENTS, NOVEMBER 30, 2009 (UNAUDITED) (CONTINUED)

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. SECURITY VALUATION

Equity and other 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. 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.

Corporate debt 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.

Senior secured corporate loans with floating or variable interest rates generally trade in the over-the-counter market rather than on a securities exchange. The Fund may utilize independent pricing services, quotations from loan dealers and other financial institutions, and information with respect to



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bond and note transactions, to assist in determining a current market value for each security. The Fund's pricing services use independent market quotations from loan dealers or financial institutions and may incorporate valuation methodologies that consider multiple bond characteristics such as dealer quotes, issuer type, coupon, maturity, weighted average maturity, interest rate spreads and yield curves, cash flow and credit risk/quality analysis, to determine current value.

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 based upon the underlying investment book value, anticipated future cash flows, market changes in comparable or similar securities, 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. 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, 2009, the cost of investments and net unrealized appreciation (depreciation) for income tax purposes were as follows:

Franklin Universal Trust

Cost of investments	\$193,422,434
	=====
Unrealized appreciation	\$ 19,094,528
Unrealized depreciation	(15,671,577)
	-----
Net unrealized appreciation (depreciation)	\$ 3,422,951
	=====

### 4. RESTRICTED SECURITIES

At November 30, 2009, 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
721,603	Atherton Franchise Capital, 13.073%, 12/01/08	4/28/94	\$721,603
181,875	VS Holdings Inc.	12/06/01	181,875

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TOTAL RESTRICTED SECURITIES (0.00% of Net Assets) (a)

(a) Rounds to less than 0.01% of net assets.

### 5. OTHER CONSIDERATIONS

From time to time, officers, directors or employees of the Fund's Investment Manager may have discussions or enter into agreements with issuers, underwriters or creditors' committees which, pursuant to the Fund's policies and requirements of applicable securities laws, could prevent the Fund from trading in the securities of such company for limited or extended periods of time.

### 6. 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 investments and are summarized in the following fair value hierarchy:

- Level 1 - quoted prices in active markets for identical securities
- Level 2 - other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speed, credit risk, etc.)
- Level 3 - significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

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

The following is a summary of the inputs used as of November 30, 2009, in valuing the Fund's assets and liabilities carried at fair value:

Franklin Universal Trust

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
	-----	-----	-----	-----
<b>ASSETS:</b>				
Investments in Securities:				
Equity Investments:(a)				
Automobiles & Components	\$ --	\$ --	\$1,096	\$ 1,096
Commercial & Professional Services	--	--	--(b)	--(b)
Diversified Financials	--	365,476	--	365,476
Other Equity Investments(c)	51,065,803	--	--	51,065,803
Senior Floating Rate Interests	--	892,414	--	892,414
Corporate Bonds	--	143,107,994	7,216	143,115,210
Short Term Investments	1,405,386	--	--	1,405,386
	-----	-----	-----	-----
Total Investments in Securities	\$52,471,189	\$144,365,884	\$8,312	\$196,845,385
	-----	-----	-----	-----

(a) Includes common and preferred stock as well as other equity investments.

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- (b) Includes security determined to have no value at November 30, 2009.
- (c) For detailed industry descriptions, see the accompanying Statement of Investments.

At November 30, 2009, the reconciliation of assets in which significant unobservable inputs (Level 3) were used in determining fair value, is as follows:

	BALANCE AT BEGINNING OF PERIOD -----	NET REALIZED GAIN (LOSS) -----	NET CHANGE IN UNREALIZED APPRECIATION (DEPRECIATION) -----	NET PURCHASES (SALES) -----	TRANSFER (OUT) LEVEL 3 -----
ASSETS					
Equity Investments:					
Automobiles & Components	\$1,096	\$--	\$--	\$--	\$--
Corporate Bonds	7,216	--	--	--	--
Total	\$8,312	\$--	\$--	\$--	\$--
	-----	---	---	---	---

### 7. SUBSEQUENT EVENTS

The Fund has evaluated subsequent events through January 22, 2010, the issuance date of the financial statements and determined that no events have occurred that require disclosure.

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

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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 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. Ferguson  
Chief Executive Officer -  
Finance and Administration  
Date January 27, 2010

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

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Laura F. Ferguson  
Chief Executive Officer -  
Finance and Administration  
Date January 27, 2010

By /s/GASTON GARDEY

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Gaston Gardey  
Chief Financial Officer and  
Chief Accounting Officer  
Date January 27, 2010