

FRANKLIN UNIVERSAL TRUST  
Form N-Q  
July 27, 2007

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  
-----

(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: 5/31/07  
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Item 1. Schedule of Investments.

Franklin Universal Trust

QUARTERLY STATEMENT OF INVESTMENTS  
MAY 31, 2007

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[LOGO] (R)  
FRANKLIN TEMPLETON  
INVESTMENTS

FRANKLIN o Templeton o Mutual Series

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Franklin Universal Trust

STATEMENT OF INVESTMENTS, MAY 31, 2007 (UNAUDITED)

	COUNTRY
-----	
LONG TERM INVESTMENTS 125.2%	
COMMON STOCKS 39.2%	
NON-ENERGY MINERALS 1.1%	
AngloGold Ashanti Ltd., ADR .....	South Africa
Barrick Gold Corp. ....	Canada
PRODUCER MANUFACTURING 0.0% a	
b Harvard Industries Inc. ....	United States
b,c,d VS Holdings Inc. ....	United States
UTILITIES 38.1%	
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
Spectra Energy Corp. ....	United States
TXU Corp. ....	United States
TOTAL COMMON STOCKS (COST \$48,157,075) .....	
CORPORATE BONDS 84.0%	

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COMMERCIAL SERVICES 6.8%	
f ARAMARK Corp., senior note, 144A, 8.50%, 2/01/15 .....	United States
Dex Media West LLC, senior sub. note, 9.875%, 8/15/13 .....	United States
Iron Mountain Inc., senior sub. note, 8.75%, 7/15/18 .....	United States
JohnsonDiversey Inc., senior sub. note, B, 9.625%, 5/15/12 .....	United States
Lamar Media Corp., senior sub. note, 6.625%, 8/15/15 .....	United States
R.H. Donnelley Corp., senior note, 8.875%, 1/15/16 .....	United States
f Rental Service Corp., senior note, 144A, 9.50%, 12/01/14 .....	United States

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Franklin Universal Trust

STATEMENT OF INVESTMENTS, MAY 31, 2007 (UNAUDITED) (CONTINUED)

-----		COUNTRY
-----		-----
LONG TERM INVESTMENTS (CONTINUED)		
CORPORATE BONDS (CONTINUED)		
COMMUNICATIONS 8.8%		
f Digicel Group Ltd., senior note, 144A, 8.875%, 1/15/15 .....		Jamaica
Dobson Cellular Systems Inc., senior secured note, 9.875%, 11/01/12 .....		United States
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
f MetroPCS Wireless Inc., senior note, 144A, 9.25%, 11/01/14 .....		United States
Millicom International Cellular SA, senior note, 10.00%, 12/01/13 .....		Luxembourg
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
CONSUMER DURABLES 6.2%		
Beazer Homes USA Inc., senior note, 8.125%, 6/15/16 .....		United States
Ford Motor Credit Co. LLC, 5.625%, 10/01/08 .....		United States
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
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

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CONSUMER NON-DURABLES 2.7%		
	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,	
	7.00%, 8/01/11 .....	United States
	7.75%, 5/15/13 .....	United States
	Spectrum Brands Inc., senior sub. note, 7.375%, 2/01/15 .....	United States
CONSUMER SERVICES 11.5%		
c,d,g	Atherton Franchise Capital, 13.073%, 12/01/08 .....	United States
	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
	CCH II LLC, senior note, 10.25%, 9/15/10 .....	United States
	EchoStar DBS Corp., senior note, 7.125%, 2/01/16 .....	United States
f,h	Fontainebleau Las Vegas, 144A, 10.25%, 6/15/15 .....	United States
	LIN Television Corp., senior sub. note, 6.50%, 5/15/13 .....	United States
	MGM MIRAGE, senior note,	
	6.875%, 4/01/16 .....	United States
	7.50%, 6/01/16 .....	United States

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Franklin Universal Trust

STATEMENT OF INVESTMENTS, MAY 31, 2007 (UNAUDITED) (CONTINUED)

		COUNTRY
-----		
LONG TERM INVESTMENTS (CONTINUED)		
CORPORATE BONDS (CONTINUED)		
CONSUMER SERVICES (CONTINUED)		
	Quebecor Media Inc., senior note, 7.75%, 3/15/16 .....	Canada
	Radio One Inc., senior sub. note, 6.375%, 2/15/13 .....	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
f	Univision Communications Inc., senior note, 144A, PIK, 9.75%, 3/15/15 ..	United States
ELECTRONIC TECHNOLOGY 7.7%		
	DRS Technologies Inc., senior sub. note, 7.625%, 2/01/18 .....	United States
f	Freescale Semiconductor Inc., senior note, 144A, 8.875%, 12/15/14 .....	United States
f	Hawker Beechcraft Acquisition Co., senior note, 144A,	
	8.50%, 4/01/15 .....	United States
	PIK, 8.875%, 4/01/15 .....	United States

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L-3 Communications Corp., senior sub. note, 6.375%, 10/15/15 .....	United States
f NXP BV/NXP Funding LLC, senior secured note, 144A, 7.875%, 10/15/14 .....	Netherlands
Sanmina-SCI Corp., senior sub. note, 6.75%, 3/01/13 .....	United States
8.125%, 3/01/16 .....	United States
Solectron Global Finance Ltd., senior sub. note, 8.00%, 3/15/16 .....	United States
f TransDigm Inc., senior sub. note, 144A, 7.75%, 7/15/14 .....	United States
ENERGY MINERALS 4.3%	
Chesapeake Energy Corp., senior note, 6.25%, 1/15/18 .....	United States
Mariner Energy Inc., senior note, 7.50%, 4/15/13 .....	United States
f Petroplus Finance Ltd., senior note, 144A, 6.75%, 5/01/14 .....	Switzerland
Pogo Producing Co., senior sub. note, 7.875%, 5/01/13 .....	United States
6.875%, 10/01/17 .....	United States
f Tesoro Corp., senior note, 144A, 6.50%, 6/01/17 .....	United States
FINANCE 2.6%	
GMAC LLC, 6.875%, 8/28/12 .....	United States
United Rentals North America Inc., senior sub. note, 7.75%, 11/15/13 ....	United States
HEALTH SERVICES 6.2%	
DaVita Inc., senior sub. note, 7.25%, 3/15/15 .....	United States
HCA Inc., senior note, 6.50%, 2/15/16 .....	United States
Tenet Healthcare Corp., senior note, 7.375%, 2/01/13 .....	United States

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Franklin Universal Trust

STATEMENT OF INVESTMENTS, MAY 31, 2007 (UNAUDITED) (CONTINUED)

		COUNTRY
-----		
LONG TERM INVESTMENTS (CONTINUED)		
CORPORATE BONDS (CONTINUED)		
HEALTH SERVICES (CONTINUED)		
f,i U.S. Oncology Holdings Inc., senior note, 144A, FRN, 9.797%, 3/15/12 ....	United States	
f United Surgical Partners International Inc., senior sub. note, 144A, PIK, 9.25%, 5/01/17 .....	United States	
Vanguard Health Holding Co. II LLC, senior sub. note, 9.00%, 10/01/14 .....	United States	
INDUSTRIAL SERVICES 3.9%		
Allied Waste North America Inc., senior secured note, 6.875%, 6/01/17 ...	United States	
Compagnie Generale de Geophysique-Veritas, senior note,		

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7.50%, 5/15/15 .....	France
7.75%, 5/15/17 .....	France
Copano Energy LLC, senior note, 8.125%, 3/01/16 .....	United States
Markwest Energy Partners LP, senior note, 6.875%, 11/01/14 .....	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
NON-ENERGY MINERALS 1.7%	
Freeport-McMoRan Copper & Gold Inc., senior note, 8.375%, 4/01/17 .....	United States
Novelis Inc., senior note, 7.25%, 2/15/15 .....	Canada
PROCESS INDUSTRIES 9.6%	
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
f Huntsman International LLC, senior note, 144A, 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
Owens-Brockway Glass Container Inc., senior note, 6.75%, 12/01/14 .....	United States
f Verso Paper Holdings LLC, senior secured note, 144A, 9.125%, 8/01/14 ....	United States

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Franklin Universal Trust

STATEMENT OF INVESTMENTS, MAY 31, 2007 (UNAUDITED) (CONTINUED)

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	COUNTRY
LONG TERM INVESTMENTS (CONTINUED)	
CORPORATE BONDS (CONTINUED)	
PRODUCER MANUFACTURING 2.5%	
Greenbrier Cos. Inc., senior note, 8.375%, 5/15/15 .....	United States
RBS Global & Rexnord Corp., senior note, 9.50%, 8/01/14 .....	United States
f TRW Automotive Inc., senior note, 144A, 7.25%, 3/15/17 .....	United States
REAL ESTATE INVESTMENT TRUST 1.2%	
Host Marriott LP, senior note,	

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M, 7.00%, 8/15/12 .....	United States
O, 6.375%, 3/15/15 .....	United States
RETAIL TRADE 1.3%	
f Michaels Stores Inc., senior note, 144A, 10.00%, 11/01/14 .....	United States
TECHNOLOGY SERVICES 1.4%	
d, g PSINet Inc.,	
10.50%, 12/01/06 .....	United States
senior note, 11.00%, 8/01/09 .....	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
TRANSPORTATION 0.7%	
Great Lakes Dredge & Dock Co., senior sub. note, 7.75%, 12/15/13 .....	United States
UTILITIES 4.9%	
Aquila Inc., senior note, 14.875%, 7/01/12 .....	United States
Dynegy Inc., senior note, 8.75%, 2/15/12 .....	United States
f Edison Mission Energy, senior note, 144A, 7.00%, 5/15/17 .....	United States
NRG Energy Inc., senior note, 7.375%,	
2/01/16 .....	United States
1/15/17 .....	United States
TOTAL CORPORATE BONDS (COST \$174,423,986) .....	
FOREIGN GOVERNMENT AND AGENCY SECURITIES 2.0%	
GOVERNMENT BONDS 2.0%	
Eskom Holdings Ltd., 11.00%, 6/01/07 .....	South Africa
Eskom Holdings Ltd., 11.00%, 6/01/08 .....	South Africa
Eskom Holdings Ltd., 11.00%, 6/01/09 .....	South Africa
Government of Mexico, 11.375%, 9/15/16 .....	Mexico
TOTAL FOREIGN GOVERNMENT AND AGENCY SECURITIES	
(COST \$3,516,223) .....	
TOTAL LONG TERM INVESTMENTS (COST \$226,097,284) .....	

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Franklin Universal Trust

STATEMENT OF INVESTMENTS, MAY 31, 2007 (UNAUDITED) (CONTINUED)

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COUNTRY

SHORT TERM INVESTMENT (COST \$2,197,959) 1.0%	
MONEY MARKET FUND 1.0%	
j Franklin Institutional Fiduciary Trust Money Market Portfolio, 4.83% ....	United States
TOTAL INVESTMENTS (COST \$228,295,243) 126.2% .....	
NOTES PAYABLE (26.0)% .....	
OTHER ASSETS, LESS LIABILITIES (0.2)% .....	
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 May 31, 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 May 31, 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 May 31, 2007, the aggregate value of these securities was \$39,941,250, representing 18.9% of net assets.

g Defaulted security.

h Security purchased on a when-issued or delayed delivery basis.

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

j 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.

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

Franklin Universal Trust



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### NOTES TO STATEMENT OF INVESTMENTS (UNAUDITED)

#### 1. ORGANIZATION

Franklin Universal Trust (the 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

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NOTES TO STATEMENT OF INVESTMENTS (UNAUDITED) (CONTINUED)

2. SECURITY VALUATION (CONTINUED)

against established trigger thresholds for each specific market proxy 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 May 31, 2007, the cost of investments and net unrealized appreciation (depreciation) for income tax purposes were as follows:

Cost of investments .....	\$228,562,862	=====
Unrealized appreciation .....	\$ 47,707,826	
Unrealized depreciation .....	(9,507,976)	-----
Net unrealized appreciation (depreciation) .....	\$ 38,199,850	=====

4. RESTRICTED SECURITIES

At May 31, 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 DATES	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
TOTAL RESTRICTED SECURITIES (0.01% of Net Assets).....			

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.

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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

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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.

FRANKILN UNIVERSAL TRUST

By /S/JIMMY D. GAMBILL

-----

Jimmy D. Gambill

Chief Executive Officer - Finance and Administration

Date July 26, 2007

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 July 26, 2007

By /S/GALEN G. VETTER

-----

Galen G. Vetter

Chief Financial Officer

Date July 26, 2007

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### Exhibit A

I, Jimmy D. Gambill, 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.

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7/26/2007

/S/JIMMY D. GAMBILL

Jimmy D. Gambill  
Chief Executive Officer - Finance and Administration

I, Galen G. Vetter, 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,

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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.

7/26/2007

/S/GALEN G. VETTER

Galen G. Vetter  
Chief Financial Officer