

FRANKLIN RESOURCES INC

Form 424B5

March 25, 2015

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**The information in this preliminary prospectus supplement and the accompanying prospectus is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and they are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.**

Filed Pursuant to Rule 424(b)(5)  
Registration No. 333-183969

**SUBJECT TO COMPLETION, DATED MARCH 25, 2015**

**PRELIMINARY PROSPECTUS SUPPLEMENT**

(To Prospectus Dated September 19, 2012)

\$

**Franklin Resources, Inc.**

**% Notes due 2025**

The % Notes due 2025 will bear interest at the rate of % per year and will mature on , 2025. Interest on the notes is payable semi-annually in arrears on and of each year, commencing , 2015.

The notes will be unsecured and unsubordinated obligations of our company and will rank equal in right of payment with all our other unsecured and unsubordinated indebtedness from time to time outstanding. The notes will be issued only in registered form in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

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We may redeem the notes in whole or in part at any time at the redemption price set forth under Description of the Notes Optional Redemption of Notes.

**Investing in the notes involves risks. See Risk Factors beginning on page S-8 of this prospectus supplement.**

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

	<b>Per Note</b>	<b>Total</b>
Public Offering Price	%	\$
Underwriting Discount	%	\$
Proceeds to Franklin Resources, Inc. (before expenses)	%	\$
Interest on the notes will accrue from _____, 2015.		

The underwriters expect to deliver the notes to purchasers on or about \_\_\_\_\_, 2015, only in book-entry form through the facilities of The Depository Trust Company.

*Joint Book-Running Managers*

**BofA Merrill Lynch**

**Morgan Stanley**

**Citigroup**

*Co-Managers*

**HSBC**

**J.P. Morgan**

**UBS Investment Bank**



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We are responsible for the information contained and incorporated by reference in this prospectus supplement, the accompanying prospectus and in any related free writing prospectus we prepare or authorize. We have not, and the underwriters have not, authorized anyone to provide you with different information, and we and the underwriters take no responsibility for any other information that others may give you. We are not, and the underwriters are not, making an offer of these securities in any state where the offer is not permitted. You should assume that the information contained in this prospectus supplement or the accompanying prospectus and the documents incorporated by reference herein and therein is accurate only as of the respective date of the applicable document.

Any investor purchasing the notes in this offering is solely responsible for ensuring that any offer or resale of the notes it purchased in this offering occurs in compliance with applicable laws and regulations.

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**ABOUT THIS PROSPECTUS SUPPLEMENT**

This document is in two parts. The first part, the prospectus supplement, describes the specific terms of the notes we are offering and certain other matters relating to Franklin Resources, Inc. The second part, the base prospectus, gives more general information about securities we may offer from time to time, some of which do not apply to the notes we are offering. Generally, when we refer to the prospectus, we are referring to both parts of this document combined. If the description of the notes in the prospectus supplement differs from the description in the base prospectus, the description in the prospectus supplement supersedes the description in the base prospectus.

Unless otherwise expressly stated herein or the context otherwise requires, all references in this prospectus to Franklin Resources, we, us, our, our company or the company refer to Franklin Resources, Inc., a Delaware corporation and its direct and indirect subsidiaries. However, for purposes of the section entitled Description of the Notes, whenever we refer to Franklin Resources, we, us, our, our company or the company we are referring only to Franklin Resources, Inc. and not to any of its direct or indirect subsidiaries. When used herein, unless the context otherwise makes clear, our funds means all of the Franklin Templeton®, Mutual Series®, Bissett®, Fiduciary Trust™, Darby®, Balanced Equity Management® and K2® mutual funds.

**NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA**

In any Member State of the European Economic Area ( EEA ) that has implemented the Prospectus Directive, this prospectus supplement and the accompanying prospectus are only addressed to and are only directed at qualified investors in that Member State within the meaning of the Prospectus Directive.

This prospectus supplement and the accompanying prospectus have been prepared on the basis that any offer of notes in any Member State of the EEA which has implemented the Prospectus Directive (each, a Relevant Member State ) will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of notes. Accordingly any person making or intending to make any offer in that Relevant Member State of notes which are the subject of the offering contemplated in this prospectus supplement and the accompanying prospectus may only do so in circumstances in which no obligation arises for the Company or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither the Company nor any underwriter has authorized, nor do they authorize, the making of any offer of notes in circumstances in which an obligation arises for the Company or any underwriter to publish a prospectus for such offer.

For the purposes of this provision, the expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression 2010 PD Amending Directive means Directive 2010/73/EU. Each person in a Relevant Member State who receives any communication in respect of, or who acquires any notes under, the offering contemplated in this prospectus supplement and the accompanying prospectus will be deemed to have represented, warranted and agreed to and with the Company and each underwriter that:

(a) it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive (a qualified investor ); and (b) in the case of any notes acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the notes acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, or in circumstances in which the prior consent of the underwriters has been given to the offer or resale; or (ii) where notes have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those notes to it is not treated under the Prospectus Directive as having been made to such

persons.

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For the purposes of this representation, the expression an offer to the public in relation to any notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any notes to be offered so as to enable an investor to decide to purchase or subscribe for the notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

## **NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM**

This prospectus supplement and the accompanying prospectus are only being distributed to and are only directed at (i) persons who are outside the United Kingdom or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order) or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as relevant persons). The notes are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire the notes will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this prospectus supplement and the accompanying prospectus or any of their contents.

## **WHERE YOU CAN FIND MORE INFORMATION**

We file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission, or the SEC. You may read and copy materials on file with the SEC at the SEC's public reference room, located at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of its public reference room. Our SEC filings are also available to the public on the SEC's Internet site at <http://www.sec.gov>. Our SEC filings can also be found on our website ([www.franklinresources.com](http://www.franklinresources.com)). However, the information on our website is not incorporated by reference in, and is not a part of, this prospectus supplement, the accompanying prospectus or our SEC filings.

## **INCORPORATION BY REFERENCE**

The SEC allows us to incorporate by reference information that we file with the SEC, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus supplement. The information that we file later with the SEC may update and supersede the information in this prospectus and in the information we incorporate by reference. We incorporate by reference the documents listed below and any filings made with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act of 1934, or the Exchange Act, after the date of this prospectus supplement and before all of the securities offered by this prospectus supplement are sold (excluding any portions of such documents that have been furnished but not filed for purposes of the Exchange Act):

our Annual Report on Form 10-K for the fiscal year ended September 30, 2014;

our Quarterly Report on Form 10-Q for the fiscal quarter ended December 31, 2014;



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our Definitive Proxy Statement on Schedule 14A filed on January 22, 2015 but only to the extent that such information was incorporated by reference into our Annual Report on Form 10-K for the year ended September 30, 2014; and

our Current Report on Form 8-K filed on March 12, 2015.

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We will provide without charge to each person, including any beneficial owner, to whom this prospectus is delivered, upon written or oral request, a copy of any or all of the foregoing documents, and any other documents that are incorporated herein by reference (other than exhibits unless we specifically have incorporated those exhibits by reference in this prospectus supplement or the accompanying prospectus). Requests for such documents should be directed to our principal executive office, located at:

Franklin Resources, Inc.  
  
One Franklin Parkway  
  
San Mateo, California 94403  
  
Attention: Corporate Secretary  
  
Telephone: (650) 312-2000

**FORWARD-LOOKING INFORMATION**

This prospectus and the documents that we incorporate by reference contain certain statements that are, or may be considered to be, forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Exchange Act. In addition, we may make other written and oral communications from time to time that contain such statements. Forward-looking statements include statements as to industry trends and our future expectations and other matters that do not relate strictly to historical facts and are based on certain assumptions by our management. We generally indicate these statements by words or phrases such as *may*, *will*, *anticipate*, *estimate*, *plan*, *expect*, *believe*, *intend*, *could*, *should*, *foresee*, *continue* and similar words or phrases. All of these forward-looking statements are subject to risks, uncertainties and assumptions, which we describe under the caption *Risk Factors* or in the documents we incorporate by reference. Consequently, actual events and results may vary significantly from those included in or contemplated or implied by our forward-looking statements. Such statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions. While forward-looking statements are our best prediction at the time that they are made, you should not rely on them. The forward-looking statements included in this prospectus supplement, the accompanying prospectus or the relevant incorporated document are made only as of the date of this prospectus, the accompanying prospectus or the relevant incorporated document, as the case may be, and, except as required by law, we undertake no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

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**PROSPECTUS SUPPLEMENT SUMMARY**

*The following summary is qualified in its entirety by the more detailed information included elsewhere or incorporated by reference into this prospectus supplement or the accompanying prospectus. Because this is a summary, it may not contain all the information that may be important to you. You should read the entire prospectus supplement and the accompanying prospectus, including the information incorporated by reference, including the section entitled "Risk Factors" in our Annual Report on Form 10-K and our Quarterly Report on Form 10-Q, and the financial statements and related notes thereto, before making an investment decision.*

**Franklin Resources, Inc.**

**General**

We are a holding company that, together with our various subsidiaries, operates as Franklin Templeton Investments<sup>®</sup>. We are a global investment management organization committed to the aim of delivering strong investment performance for our clients by drawing on the experience and perspective gained throughout our more than 65 years in the investment management business. We believe in the value of active investment management, and plan to continue to build on our strengths while pursuing new growth opportunities. Our common stock is traded on the New York Stock Exchange under the ticker symbol **BEN**, and is included in the Standard & Poor's 500 Index. We offer investment choices under our Franklin<sup>®</sup>, Templeton<sup>®</sup>, Mutual Series<sup>®</sup>, Bissett<sup>®</sup>, Fiduciary Trust, Darby<sup>®</sup>, Balanced Equity Management<sup>®</sup> and K2<sup>®</sup> brand names.

We provide investment management and related services to investors in jurisdictions worldwide through products that include U.S.- and non-U.S.-registered open-end and closed-end funds, unregistered funds, and institutional, high net-worth and separately-managed accounts (collectively, our **SIPs**). As of February 28, 2015, we had \$894.1 billion in assets under management. In addition to investment management, our services include fund administration, sales, distribution, marketing, shareholder servicing, trustee, custody and other fiduciary services. We offer a broad range of SIPs under equity, hybrid, fixed-income and cash management funds and accounts, including alternative investment products, that meet a variety of specific investment needs of individual and institutional investors. We also provide sub-advisory services to certain investment products sponsored by other companies which may be sold to the public under the brand names of those companies or on a co-branded basis.

The business and regulatory environments in which we operate remain complex, uncertain and subject to change. We are subject to various laws, rules and regulations globally that impose restrictions, limitations and registration, reporting and disclosure requirements on our business and add complexity to our global compliance operations. In September 2014, we deregistered as a bank holding company with the Board of Governors of the Federal Reserve System after limiting the operations of Fiduciary Trust Company International and Franklin Templeton Bank & Trust, F.S.B. to trust and fiduciary activities. Fiduciary Trust is now a New York state-chartered limited purpose trust company and FTB&T is a federal savings association.

Our principal executive offices are located at One Franklin Parkway, San Mateo, California 94403. Our telephone number is (650) 312-2000.





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Trustee	The Bank of New York Mellon Trust Company, N.A.
Additional Notes	From time to time, without the consent of the holders of the notes, we may issue additional debt securities having the same ranking and the same interest rate, maturity and other terms as the notes. Any additional debt securities having those similar terms, together with the notes offered hereby, will constitute a single series of debt securities under the indenture.
Use of Proceeds	We intend to use approximately \$                      million of the net proceeds of this offering to pay down our outstanding 3.125% notes due May 2015 and any remainder for general corporate purposes. The foregoing does not constitute a notice of redemption for or an obligation to issue a notice of redemption for our outstanding notes.
Form and Denomination	The notes will be in book-entry form only and registered in the name of a nominee of The Depository Trust Company ( DTC ). The notes will initially be limited to \$                      in aggregate principal amount. The notes will be issued in fully registered form only, in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.
Risk Factors	Investing in the notes involves substantial risks. See Risk Factors beginning on page S-8 for a description of certain risks that you should consider before investing in the notes.

**Table of Contents****SUMMARY HISTORICAL FINANCIAL AND OTHER DATA**

The following table presents our summary historical financial and other data as of and for the fiscal years ended September 30, 2014, 2013 and 2012 and as of and for the three months ended December 31, 2014 and 2013. We derived the summary financial data as of and for the fiscal years ended September 30, 2014, 2013 and 2012 from our annual audited consolidated financial statements. The summary financial data as of and for the three months ended December 31, 2014 and 2013 have been derived from our unaudited condensed consolidated financial statements which, in the opinion of management, have been prepared on the same basis as the annual audited consolidated financial statements and include all adjustments, consisting only of normal recurring adjustments, necessary for a fair statement of the results for the unaudited interim periods presented. You should read this data along with our consolidated financial statements and the related notes incorporated in this prospectus supplement by reference and Management's Discussion and Analysis of Financial Condition and Results of Operations incorporated in this prospectus supplement by reference. See Incorporation by Reference. The results of interim periods are not necessarily indicative of results that may be expected for the full year.

	As of and for the Three Months Ended December 31,		As of and for the Year Ended September 30,		
	2014	2013	2014	2013	2012
<b>Summary of Operations (in millions)</b>					
Operating revenues	\$ 2,064.3	\$ 2,109.5	\$ 8,491.4	\$ 7,985.0	\$ 7,101.0
Operating income	782.0	813.1	3,221.2	2,921.3	2,515.2
Operating margin	37.9%	38.5%	37.9%	36.6%	35.4%
Net income attributable to Franklin Resources, Inc.	566.4	603.8	2,384.3	2,150.2	1,931.4
<b>Financial Data (at period end) (in millions)</b>					
Total assets	\$ 16,296.8	\$ 15,909.3	\$ 16,357.1	\$ 15,390.3	\$ 14,751.5
Cash and cash equivalents(1)	7,758.0	6,552.2	7,476.8	6,186.0	5,784.3
Debt(1)	1,198.3	1,197.8	1,198.2	1,197.7	1,566.1
Franklin Resources, Inc. stockholders' equity	11,555.8	10,507.1	11,584.1	10,073.1	9,201.3
Operating cash flows	572.4	324.7	2,138.0	2,035.7	1,066.2
<b>Assets Under Management (in billions)</b>					
Ending	\$ 880.1	\$ 879.1	\$ 898.0	\$ 844.7	\$ 749.9
Average	894.1	865.9	887.9	808.2	705.7
Net new flows	(3.5)		(4.6)	24.3	(2.3)
Net flows	11.6	9.7	17.0	45.6	16.1
<b>Per Common Share<sup>(2)</sup></b>					
Earnings					
Basic	\$ 0.91	\$ 0.96	\$ 3.79	\$ 3.37	\$ 2.99
Diluted	0.91	0.96	3.79	3.37	2.98
Cash dividends	0.65	0.12	0.48	1.39	1.03
<b>Employee Headcount</b>	9,368	9,065	9,266	9,002	8,558

(1) Excludes balances of consolidated sponsored investment products and variable interest entities.

(2) All per share amounts have been adjusted retroactively to reflect the three-for-one split of common stock distributed to common stockholders in the form of a stock dividend in July 2013.

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**RISK FACTORS**

*You should carefully consider the following risks and the specific risks described in our Annual Report on Form 10-K for the fiscal year ended September 30, 2014, our subsequent Quarterly Report on Form 10-Q and any risk factors set forth in our other filings with the SEC pursuant to Sections 13(a), 13(c) or 15(d) of the Exchange Act, which are incorporated herein by reference, before making an investment decision.*

**Risks Related to the Notes**

Our holding company structure results in structural subordination of our debt and may affect our ability to make payments on notes.

The notes are obligations exclusively of Franklin Resources, Inc. We are a holding company and, accordingly, substantially all of our operations are conducted through our subsidiaries. As a result, our cash flow and our ability to service our debt, including the notes, depend upon the earnings of our subsidiaries. In addition, we depend on the distribution of earnings, loans or other payments by our subsidiaries to us.

Our subsidiaries are separate and distinct legal entities. Our subsidiaries have no obligation to pay any amounts due on the notes or to provide us with funds for our payment obligations. In addition, any payment of dividends, distributions, loans or advances by our subsidiaries to us could be subject to statutory or contractual restrictions, including regulatory capital requirements. Payments to us by our subsidiaries will also be contingent upon our subsidiaries' earnings and business considerations. Our right to receive any assets of any of our subsidiaries, as an equity holder of such subsidiaries, upon their liquidation or reorganization, and therefore the right of the holders of the notes to participate in those assets, will be effectively subordinated to the claims of that subsidiary's creditors, including trade creditors, and to that subsidiary's preferred stockholders, if any. The notes do not restrict the ability of our subsidiaries to incur additional indebtedness or issue preferred stock. In addition, the notes are unsecured. Thus, even if we were a creditor of any of our subsidiaries, our rights as a creditor would be subordinate to any security interest in the assets of our subsidiaries and any indebtedness of our subsidiaries senior to that held by us.

***The notes are unsecured.***

The notes are unsecured. The indenture for the notes does not restrict our ability to incur additional indebtedness, including secured indebtedness generally. Holders of any secured indebtedness will have claims that are prior to your claims as holders of the notes, to the extent of the value of the assets securing such indebtedness, in the event of any bankruptcy, liquidation or similar proceeding involving us.

***We may issue additional notes.***

Under the terms of the indenture, we may from time to time without notice to, or the consent of, the holders of the notes, create and issue additional notes of a new or existing series, which notes, if of an existing series, will be equal in rank to the notes of that series in all material respects, and the new notes may be consolidated and form a single series with such notes and have the same terms as to status, redemption or otherwise as such notes.



*The notes do not restrict our ability to incur additional debt or to take other actions that could negatively affect holders of the notes.*

We are not restricted under the terms of the notes from incurring additional unsecured indebtedness, including other senior indebtedness and while the covenants applicable to the notes restrict our ability to incur certain types of secured indebtedness, those restrictions are subject to various important limitations and exceptions. In addition, the limited covenants applicable to the notes do not restrict our ability to pay dividends, issue or repurchase stock or other securities or require us to achieve or maintain any minimum financial results

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relating to our financial position or results of operations. In addition, the notes will not be subject to redemption or repurchase upon a change of control. Our ability to recapitalize, incur additional debt and take a number of other actions that are not limited by the terms of the notes could have the effect of diminishing our ability to make payments on the notes when due. Although the notes do not contain such financial and other restrictive covenants, future indebtedness could include such covenants. If we incur additional indebtedness or other liabilities, our ability to pay our obligations on our outstanding indebtedness could be adversely affected.

### ***There is no public market for the notes.***

We have not applied and do not intend to apply for listing of the notes on any securities exchange or automated quotation system. As a result, we can give no assurances concerning the liquidity of any market that may develop for the notes offered hereby, your ability to sell the notes, or the price at which you would be able to sell them. If a market for the notes does not develop, you may be unable to resell the notes for an extended period of time, if at all. If a market for the notes does develop, it may not continue or it may not be sufficiently liquid to allow holders to resell any of the notes. Consequently, you may not be able to liquidate your investment readily, and lenders may not readily accept the notes as collateral for loans.

### ***The market price of the notes may be volatile.***

The market price of the notes will depend on many factors that may vary over time and some of which are beyond our control, including our financial performance, the amount of indebtedness we and our subsidiaries have outstanding, market interest rates, the market for similar securities, competition and general economic conditions. The capital and credit markets continue to experience volatility and disruption worldwide.

As a result of these factors, you may only be able to sell your notes at a price below that you believe to be appropriate, including a price below the price you paid for them.

### ***An increase in interest rates could result in a decrease in the relative value of the notes.***

In general, as market interest rates rise, notes bearing interest at a fixed rate generally decline in value because the premium, if any, over market interest rates will decline. Consequently, if you purchase the notes and market interest rates increase, the market value of your notes may decline. We cannot predict the future level of market interest rates.

### ***Ratings of the notes may not reflect all risks of an investment in the notes.***

We expect that the notes will be rated by at least one nationally recognized statistical rating organization. The ratings of the notes will primarily reflect our financial strength and will change in accordance with the rating of our financial strength. Any rating is not a recommendation to purchase, sell, or hold the notes. The ratings do not correspond to market price or suitability for a particular investor. In addition, ratings at any time may be lowered or withdrawn in their entirety.



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**USE OF PROCEEDS**

We estimate the net proceeds to us from the sale of the notes will be approximately \$ \_\_\_\_\_, after deducting the underwriting discount and the other expenses of the offering payable by us. We intend to use approximately \$ \_\_\_\_\_ million of the net proceeds of this offering to pay down our outstanding 3.125% notes due May 2015 and any remainder for general corporate purposes. The foregoing does not constitute a notice of redemption for or an obligation to issue a notice of redemption for our outstanding notes.

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**RATIO OF EARNINGS TO FIXED CHARGES**

The following table sets forth our ratio of adjusted earnings to fixed charges for each of the periods indicated: