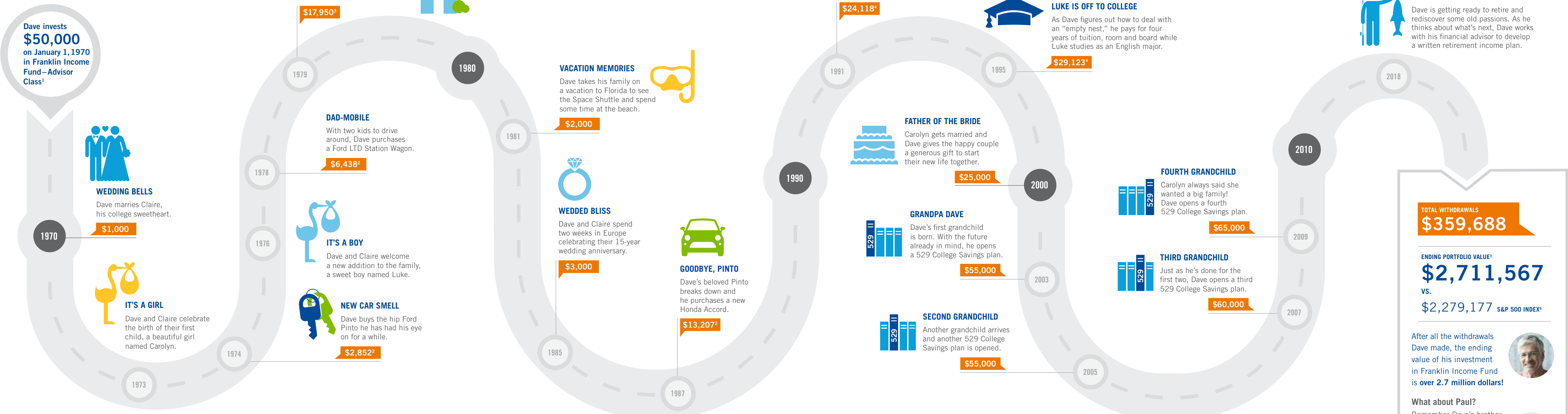


Dave's journey

A hypothetical illustration



% Annual Total Returns—Advisor Class ¹																																															
'70	'71	'72	'73	'74	'75	'76	'77	'78	'79	'80	'81	'82	'83	'84	'85	'86	'87	'88	'89	'90	'91	'92	'93	'94	'95	'96	'97	'98	'99	'00	'01	'02	'03	'04	'05	'06	'07	'08	'09	'10	'11	'12	'13	'14	'15	'16	'17
3.04	19.96	4.31	-4.21	-12.34	25.82	22.63	8.66	8.36	28.56	19.58	1.14	36.07	15.35	15.51	18.36	19.65	4.87	8.81	12.67	-8.77	41.15	15.24	21.53	-6.38	21.29	10.45	16.85	0.95	-0.74	20.59	0.65	-1.06	30.96	12.17	1.85	19.12	5.31	-30.51	35.01	12.91	2.83	13.68	14.23	4.12	-7.81	16.29	8.41

Average Annual Total Returns ⁹ (Periods Ended June 30, 2018)		1-Year	3-Year	5-Year	10-Year	Since Inception (8/31/48)
Advisor Class (FRIAX)¹⁰		4.08%	5.34%	5.81%	6.21%	10.19%
Class A (FKINX)¹¹	With Maximum 4.25% Initial Sales Charge	-0.36%	3.70%	4.80%	5.58%	10.06%
	Without Sales Charge	3.90%	5.16%	5.71%	6.06%	10.12%

Performance data represents past performance, which does not guarantee future results. Current performance may differ from figures shown. The fund's investment returns and principal values will change with market conditions, and you may have a gain or a loss when you sell your shares. Please call Franklin Templeton Investments at (800) DIAL BEN/342-5236 or visit franklintempleton.com for the most recent month-end performance. Advisor Class shares are only offered to certain eligible investors as stated in the prospectus. They are offered without sales charges or Rule 12b-1 fees. The fund offers multiple share classes, which are subject to different fees and expenses that will affect their performance. Please see the prospectus for details.

Not FDIC Insured | May Lose Value | No Bank Guarantee

IMPORTANT LEGAL INFORMATION
The figures shown represent performance of a hypothetical investment and withdrawals to illustrate how this fund may fit as part of a well-diversified retirement income investment portfolio. The hypothetical illustration is provided for general educational purposes only and does not constitute investment or tax advice. *It's important to note that the amounts withdrawn do not represent dividends or income, but, rather, the proceeds from the sale of shares. This illustration assumes sufficient shares are sold from the shareholder's account at the time of each withdrawal to provide for the withdrawal amount. Please note that this hypothetical investment does not take into account federal, state or municipal taxes. If taxes were taken into account, the hypothetical values shown would have been lower. The results of the withdrawals could vary substantially depending on investment performance of the fund during the period. The amount chosen for withdrawal impacts the value remaining at the end of the period. In a period of declining market values, continued withdrawals could eventually exhaust the principal. If withdrawals were made at other times and/or in different amounts, the results will be different. Investing in a Franklin Templeton fund does not guarantee one's retirement income needs would be met.*

CAROLYN IS OFF TO COLLEGE

For the next four years, he pays her tuition, room and board as she prepares for her career in the field of Accounting.

LUKE IS OFF TO COLLEGE
As Dave figures out how to deal with an "empty nest," he pays for four years of tuition, room and board while Luke studies as an English major.

FATHER OF THE BRIDE
Carolyn gets married and Dave gives the happy couple a generous gift to start their new life together.

GRANDPA DAVE
Dave's first grandchild is born. With the future already in mind, he opens a 529 College Savings plan.

SECOND GRANDCHILD
Another grandchild arrives and another 529 College Savings plan is opened.

THIRD GRANDCHILD
Just as he's done for the first two, Dave opens a third 529 College Savings plan.

FOURTH GRANDCHILD
Carolyn always said she wanted a big family! Dave opens a fourth 529 College Savings plan.

WHAT'S NEXT?
Dave is getting ready to retire and rediscover some old passions. As he thinks about what's next, Dave works with his financial advisor to develop a written retirement income plan.

TOTAL WITHDRAWALS
\$359,688

ENDING PORTFOLIO VALUE*
\$2,711,567

vs.
\$2,279,177 S&P 500 INDEX*

After all the withdrawals Dave made, the ending value of his investment in Franklin Income Fund is over 2.7 million dollars!

What about Paul?
Remember Dave's brother, Paul, invested in CDs⁷ to be safe. Without making any withdrawals, his investment grew to \$694,191.*

**It's important to note that CDs are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000 and offer a fixed rate of return, whereas fund shares are not insured and are subject to loss. The S&P 500 Index is considered representative of the U.S. stock market and returns do not reflect the deduction of fees or sales charges. Indexes are unmanaged and one cannot invest directly in an index.*

This communication is general in nature and provided for educational and informational purposes only. It should not be considered or relied upon as legal, tax or investment advice or an investment recommendation, or as a substitute for legal or tax counsel. Any investment products or services named herein are for illustrative purposes only, and should not be considered an offer to buy or sell, or an investment recommendation for, any specific security, strategy or investment product or service. Always consult a qualified professional or your own independent financial advisor for personalized advice or investment recommendations tailored to your specific goals, individual situation, and risk tolerance.

1. \$50,000 in 1970 would be worth \$326,089 in today's dollars (2017). Source: United States Department of Labor, Bureau of Labor Statistics Inflation Calculator. As of January 2018. http://www.bls.gov/data/inflation_calculator.htm
2. Source: Kelley Blue Book. Historical prices for a new Ford Pinto Sedan in 1974, Ford LTD Wagon in 1978 and Honda Accord LX in 1987.
3. Source: U.S. Census Bureau—New Residential Sales. 25% down payment on an average home price of \$71,800 for a new single family home in 1979.
4. Figure is the aggregate cost of college tuition, fees, room and board for a public 4-year university during the respective 4-academic year period. The illustration assumes that withdrawal of the cost for each academic year was made at the end of the applicable calendar year. Source: The College Board, Trends in College Pricing © 2018 The College Board, www.collegeboard.com. Table 2—Average Tuition and Fees and Board in Current Dollars and in 2015 Dollars, 1971–72 to 2015–16 (Enrollment Weighted).
5. Hypothetical Franklin Income Fund ending portfolio value for the period 1/1/70–12/31/17 assumes a \$50,000 initial investment on 1/1/70, Advisor Class without Sales Charge, withdrawals made at the end of each applicable year, and the reinvestment of all dividends and capital gains at net asset value.

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