

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
Franklin Investors Securities Trust-Franklin Limited Maturity U.S. Gov't Securities Fund		94-6600096	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
Shareholder Services	(800) 632-2301	N/A	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and Zip code of contact	
One Franklin Parkway; Attn: Fund Tax Department		San Mateo, CA 94403	
8 Date of action		9 Classification and description	
6/18/2014		Multiple classes of shares issued by a single mutual fund/ regulated investment company	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
See Attachment		See Attachment	

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ In accordance with the Plan of Reorganization, on June 18, 2014, the tax free reorganization consisted of
(i) the acquisition by Franklin Investors Securities Trust, on behalf of Franklin Adjustable U.S. Government Securities Fund,
of substantially all of the assets of Franklin Limited Maturity U.S. Gov't Securities Fund
in exchange solely for full and fractional Class A1, Class R6 and Advisor Class shares
of beneficial interest, with no par value, of Franklin Adjustable U.S. Government Securities Fund;
(ii) the distribution of Franklin Adjustable U.S. Government Securities Fund shares to the
holders of Class A, Class R6 and Advisor Class shares of beneficial interest of Franklin Limited Maturity U.S.
Gov't Securities Fund respectively, according to their respective interests in Franklin Limited
Maturity U.S. Gov't Securities Fund in complete liquidation of Franklin Limited Maturity U.S. Gov't Securities Fund;
and (iii) the dissolution of Franklin Limited Maturity U.S. Gov't Securities Fund.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ See Attachment

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ There was no change in aggregate basis as a result of the above described organizational action.
For additional details see attachment.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ _____

IRC Sections 354(a), 357(a), 358(a), 361(a), 361(c), 362(b), 368(a), 1032(a), 1223(1), and 1223(2)

18 Can any resulting loss be recognized? ▶ No loss can be recognized as a result of this event.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ _____

The above described organizational action is reportable in tax year 2014.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

SIGNED COPY IS MAINTAINED BY ISSUER

Date ▶ _____

Print your name ▶

Title ▶

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no.	

Franklin Investors Securities Trust - Franklin Limited Maturity U.S. Gov't Securities Fund
 EIN: 94-6600096
 FYE: 2014
 Attachment to Form 8937

Attachment to Form 8937

Form 8937 Part II Line 15

Franklin Limited Maturity U.S. Gov't Securities Fund (Acquired Fund)				Franklin Adjustable U.S. Government Securities Fund (Acquiring Fund)				Merger Ratio
Ticker	CUSIP	Class	NAV	Ticker	CUSIP	Class	NAV	
FRGVX	353 612 203	A	9.9441	--	353 612 476	A1	8.68	1.14563
FLMRX	353 612 542	R6	9.9598	--	353 612 492	R6	8.69	1.14612
FSUAX	353 612 864	Advisor	9.9364	FAUZX	353 612 625	Advisor	8.69	1.14343

NAVs shown are as of immediately prior to the merger.

Merger Ratio is the number of Acquiring Fund shares received per one Acquired Fund share surrendered.

Effect on Basis

Each shareholder has an aggregate basis in Franklin Adjustable U.S. Government Securities Fund shares received in the merger equal to the aggregate basis of that shareholder's Franklin Limited Maturity U.S. Gov't Securities Fund shares surrendered in the merger.

The number of Franklin Adjustable U.S. Government Securities Fund shares received for each share of Franklin Limited Maturity U.S. Gov't Securities Fund shares given up in the exchange is as follows:

- 1.14563 shares of Franklin Adjustable U.S. Government Securities Fund Class A1 shares for one Franklin Limited Maturity U.S. Gov't Securities Fund Class A share
- 1.14612 shares of Franklin Adjustable U.S. Government Securities Fund Class R6 shares for one Franklin Limited Maturity U.S. Gov't Securities Fund Class R6 share
- 1.14343 shares of Franklin Adjustable U.S. Government Securities Fund Advisor Class shares for one Franklin Limited Maturity U.S. Gov't Securities Fund Advisor Class share