

**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 Strategic Series - Franklin Flexible Alpha Bond Fund		47-4257137	
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	
12/6/2019		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 Statement 1	N/A	See Statement 1	N/A

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 July 17, 2019, the tax free reorganization consisted of (i) the acquisition by Franklin Investors Securities Trust - Franklin Low Duration Total Return Fund ("the Acquiring Fund"), of substantially all of the assets of Franklin Strategic Series - Franklin Flexible Alpha Bond Fund ("the Target Fund") in exchange solely for full and fractional Class A, Class C, Class R, Class R6 and Advisor Class Shares of beneficial interest, with no par value, of the Acquiring Fund; (ii) the distribution of Acquiring Fund shares to the holders of Class A, Class C, Class R, Class R6 and Advisor Class shares of beneficial interest, with no par value, of the Target Fund, respectively, according to their respective interests in the Target Fund, in complete liquidation of the Target Fund; and (iii) the dissolution of the Target 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 Statement 1

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 Statement 1.

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 the tax year 2019.

Sign Here 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.

Signed copy is maintained by the issuer

Signature ▶ _____ Date ▶ 1/21/2020

Print your name ▶ Chelsea Brissenden Title ▶ Assistant Treasurer - Tax

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 Strategic Series – Franklin Flexible Alpha Bond Fund
 EIN: 47-4257137
 For the year ended December 6, 2019
 Attachment to Form 8937

Attachment to Form 8937

Form 8937 Part II Line 15

Franklin Strategic Series – Franklin Flexible Alpha Bond Fund (Acquired Fund)				Franklin Investors Securities Trust – Franklin Low Duration Total Return Fund (Acquiring Fund)				Merger Ratio
Ticker	CUSIP	Class	NAV	Ticker	CUSIP	Class	NAV	
FABFX	354 713 232	A	9.5242	FLDAX	353 612 690	A	9.6300	0.98901
FABDX	354 713 224	C	9.4570	FLDCX	353 612 583	C	9.5900	0.98613
FABMX	354 713 216	R	9.5104	FLDRX	353 612 377	R	9.6400	0.98656
FABNX	354 713 190	R6	9.5220	FLRRX	353 612 534	R6	9.6900	0.98266
FZBAX	354 713 182	Advisor	9.5204	FLDZX	353 612 617	Advisor	9.6900	0.98250

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 Investors Securities Trust – Franklin Low Duration Total Return Fund shares received in the merger equal to the aggregate basis of that shareholder's Franklin Strategic Series – Franklin Flexible Alpha Bond Fund shares surrendered in the merger.

The number of **Franklin Investors Securities Trust – Franklin Low Duration Total Return Fund** shares received for each share of Franklin Strategic Series – Franklin Flexible Alpha Bond Fund shares given up in exchange is as follows:

- 0.98901 shares of Franklin Investors Securities Trust – Franklin Low Duration Total Return Fund Class A shares for one Franklin Strategic Series – Franklin Flexible Alpha Bond Fund Class A share
- 0.98613 shares of Franklin Investors Securities Trust – Franklin Low Duration Total Return Fund Class C shares for one Franklin Strategic Series – Franklin Flexible Alpha Bond Fund Class C share
- 0.98656 shares of Franklin Investors Securities Trust – Franklin Low Duration Total Return Fund Class R shares for one Franklin Strategic Series – Franklin Flexible Alpha Bond Fund Class R share

Franklin Strategic Series – Franklin Flexible Alpha Bond Fund

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For the year ended December 6, 2019

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- 0.98266 shares of Franklin Investors Securities Trust – Franklin Low Duration Total Return Fund Class R6 shares for one Franklin Strategic Series – Franklin Flexible Alpha Bond Fund Class R6 share
- 0.98250 shares of Franklin Investors Securities Trust – Franklin Low Duration Total Return Fund Advisor Class shares for one Franklin Strategic Series – Franklin Flexible Alpha Bond Fund Advisor Class share