

**Report of Organizational Actions
Affecting Basis of Securities**

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name Franklin Investors Securities Trust - Franklin Real Return Fund		2 Issuer's employer identification number (EIN) 20-1557930	
3 Name of contact for additional information Shareholder Services		4 Telephone No. of contact (800) 632-2301	5 Email address of contact N/A
6 Number and street (or P.O. box if mail is not delivered to street address) of contact One Franklin Parkway; Attn: Fund Tax Department		7 City, town, or post office, state, and ZIP code of contact San Mateo, CA 94403	
8 Date of action 1/31/2020		9 Classification and description Multiple classes of shares issued by a single mutual fund / regulated investment company	
10 CUSIP number See Statement 1	11 Serial number(s) N/A	12 Ticker symbol See Statement 1	13 Account number(s) 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 Total Return Fund ("the Acquiring Fund"), of substantially all of the assets of Franklin Investors Securities Trust - Franklin Real Return Fund ("the Target Fund") in exchange solely for full and fractional Class A, Class C, 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 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 ended January 31, 2020.

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.

Signature ▶ **Signed copy is maintained by the issuer** Date ▶ 3/12/2020

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 Investors Securities Trust– Franklin Real Return Fund
 EIN: 20-1557930
 For the year ended January 31, 2020
 Attachment to Form 8937

Attachment to Form 8937

Form 8937 Part II Line 15

Franklin Investors Securities Trust – Franklin Real Return Fund (Acquired Fund)				Franklin Investors Securities Trust – Franklin Total Return Fund (Acquiring Fund)				Merger Ratio
Ticker	CUSIP	Class	NAV	Ticker	CUSIP	Class	NAV	
FRRAX	353 612 724	A	9.8578	FKBAX	353 612 856	A	10.0200	0.98381
FRRCX	353 612 591	C	9.7504	FCTLX	353 612 757	C	9.9400	0.98093
FRRRX	353 612 526	R6	9.9186	FRERX	353 612 518	R6	10.0900	0.98301
FARRX	353 612 716	Advisor	9.9018	FBDAX	353 612 849	Advisor	10.0800	0.98232

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 Total Return Fund shares received in the merger equal to the aggregate basis of that shareholder's Franklin Investors Securities Trust – Franklin Real Return Fund shares surrendered in the merger.

The number of **Franklin Investors Securities Trust – Franklin Total Return Fund** shares received for each share of Franklin Investors Securities Trust – Franklin Real Return Fund shares given up in exchange is as follows:

- 0.98381 shares of Franklin Investors Securities Trust – Franklin Total Return Fund Class A shares for one Franklin Investors Securities Trust – Franklin Real Return Fund Class A share
- 0.98093 shares of Franklin Investors Securities Trust – Franklin Total Return Fund Class C shares for one Franklin Investors Securities Trust – Franklin Real Return Fund Class C share
- 0.98301 shares of Franklin Investors Securities Trust – Franklin Total Return Fund Class R6 shares for one Franklin Investors Securities Trust – Franklin Real Return Fund Class R6 share

Franklin Investors Securities Trust– Franklin Real Return Fund

EIN: 20-1557930

For the year ended January 31, 2020

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- 0.98232 shares of Franklin Investors Securities Trust – Franklin Total Return Fund Advisor Class shares for one Franklin Investors Securities Trust – Franklin Real Return Fund Advisor Class share