

# Franklin Income Fund

# A RECORD OF IMPRESSIVE RETURNS FOLLOWING DOWN YEARS

For the past **65** calendar years, Franklin Income Fund–Class A had positive returns in **53** years (82% of the time) and **12** years of negative returns. Additionally, if you look at the periods following down years, you'll see how well the fund rebounded. Please keep in mind that past performance does not guarantee future results.

	Year	Total Return Without Sales Charges <sup>1</sup>
19.09%	1949	18.06%
4-year avg. annual total return	1950	23.52%
total letuin	1951	16.24%
	1952	18.65%
_	1953	-2.87%
16.59%	1954	40.82%
Subsequent 3-year avg. annual	1955	12.28%
total return	1956	0.22%
_	1957	-14.05%
20.81%	1958	42.24%
Subsequent 4-year avg. annual	1959	11.57%
total return	1960	9.38%
	1961	22.71%
_	1962	-8.44%
13.60%	1963	13.37%
Subsequent	1964	14.37%
3-year avg. annual total return	1965	13.07%
	1966	-6.51%
18.32%	1967	15.05%
Subsequent	1968	21.68%
2-year avg. annual ∟ total return		

	Year	Total Return Without Sales Charges <sup>1</sup>
	1969	-16.84%
8.84%	1970	3.04%
Subsequent 3-year avg. annual	1971	19.96%
total return	1972	4.31%
	1973	-4.21%
	1974	-12.34%
16.05%	1975	25.82%
Subsequent 15-year avg. annual	1976	22.63%
total return	1977	8.66%
	1978	8.36%
	1979	28.56%
	1980	19.58%
	1981	1.14%
	1982	36.07%
	1983	15.35%
	1984	15.51%
	1985	18.36%
	1986	19.65%
	1987	4.87%
	1988	8.81%
	1989	12.67%
	1989	12.07%

	Year	Total Return Without Sales Charges <sup>1</sup>
	1990	-8.77%
25.51%	1991	41.15%
Subsequent 3-year avg. annual	1992	15.24%
total return	1993	21.53%
	1994	-6.38%
12.12%	1995	21.29%
Subsequent I-year avg. annual	1996	10.45%
total return	1997	16.85%
	1998	0.95%
	1999	-0.74%
10.17%	2000	20.59%
Subsequent 2-year avg. annual	2001	0.65%
total return	2002	-1.06%
13.42%	2003	30.96%
Subsequent -year avg. annual	2004	12.17%
total return	2005	1.85%
	2006	19.12%
	2007	5.31%
	2008	-30.51%
15.27%	2009	35.01%
Subsequent 5-year avg. annual	2010	12.91%
total return	2011	2.83%
	2012	13.68%
	2013	14.23%

If the maximum 4.25% initial sales charge had been included, the returns would have been lower.

Performance data represents past performance, which does not guarantee future results. Current performance may differ from figures shown. The fund's investment return and principal value 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.

1. Periods ended 12/31 of each year noted.

### Consider Franklin Income Fund

Since its inception in 1948, Franklin Income Fund has followed a flexible strategy, investing in a wide array of bonds, dividend-paying stocks and convertible securities, with no set proportions on its allocations among any type of security. This flexibility allows the fund to actively select securities that managers believe present the best opportunities as market conditions change, which has contributed to the fund's strong, long-term performance history.

## **AVERAGE ANNUAL TOTAL RETURNS**

Periods Ended December 31, 2013

FRANKLIN TEMPLETON

**INVESTMENTS** 

#### With Sales Charge<sup>2</sup>

	1-Year	3-Year	5-Year	10-Year	20-Year	Since Inception (Date)	30-Day Standardized Yield³
Class A	9.35%	8.48%	14.33%	6.84%	7.79%	10.47% (8/31/48)	3.37%
Class C	13.00%	9.62%	14.78%	6.82%	_	8.08% (5/1/95)	3.01%

**Sales Charges:** Class A: Maximum 4.25% initial sales charge; Class C: 1% contingent deferred sales charge (CDSC) in the first year only.

Total Annual Operating Expenses<sup>4</sup>: Class A: 0.64%; Class C: 1.14%.

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- 2. Class A: On 5/1/94, the fund implemented a Rule 12b-1 plan, which affects subsequent performance. Class C: Prior to 1/1/04, these shares were offered with an initial sales charge; thus actual returns would have differed. The fund offers other share classes, subject to different fees and expenses that will affect their performance. Please see the fund's prospectus for more information about fees and expenses.
- 3. The 30-Day Standardized Yield reflects an estimated yield to maturity. It should be regarded as an estimate of the fund's rate of investment income, and it may not equal the fund's actual income distribution rate, which reflects the fund's past dividends paid to shareholders. High yields reflect the higher credit risks associated with certain lower-rated securities in the fund's portfolio, and in some cases, the lower market prices for these instruments.
- 4. The fund has a fee waiver associated with its investments in a Franklin Templeton money fund, contractually guaranteed through at least its current fiscal year end. Fund investment results reflect the fee waiver; without this reduction, the results would have been lower.

#### WHAT ARE THE RISKS?

Retirement

All investments involve risks, including possible loss of principal. The fund's portfolio includes a substantial portion of higher-yielding, lower-rated corporate bonds because of the relatively higher yields they offer. These securities carry a greater degree of credit risk relative to investment-grade securities. Bond prices generally move in the opposite direction of interest rates. Thus, as the prices of bonds in the fund adjust to a rise in interest rates, the fund's share price may decline. Changes in the financial strength of a bond issuer or in a bond's credit rating may affect its value. Floating-rate loans are lower-rated, higher-yielding instruments, which are subject to increased risk of default and can potentially result in loss of principal. Stock prices fluctuate, sometimes rapidly and dramatically, due to factors affecting individual companies, particular industries or sectors, or general market conditions. These and other risk considerations are discussed in the fund's prospectus.

This flyer must be preceded or accompanied by a Franklin Income Fund summary prospectus and/or prospectus. Please read a prospectus carefully before you invest or send money. Investors should carefully consider a fund's investment goals, risks, charges and expenses before investing. The fund's performance will be updated each quarter with standardized figures and ranking information, if quoted.

Separately Managed Accounts

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