



Compounding in Action— Franklin Income Fund

Why Staying the Course May Make Sense over the Long Term

How can you use the power of compounding to help offset short-term volatility? By reinvesting distributions from funds that pay dividends or capital gains, you'll accumulate more shares, which in turn may generate more distributions.

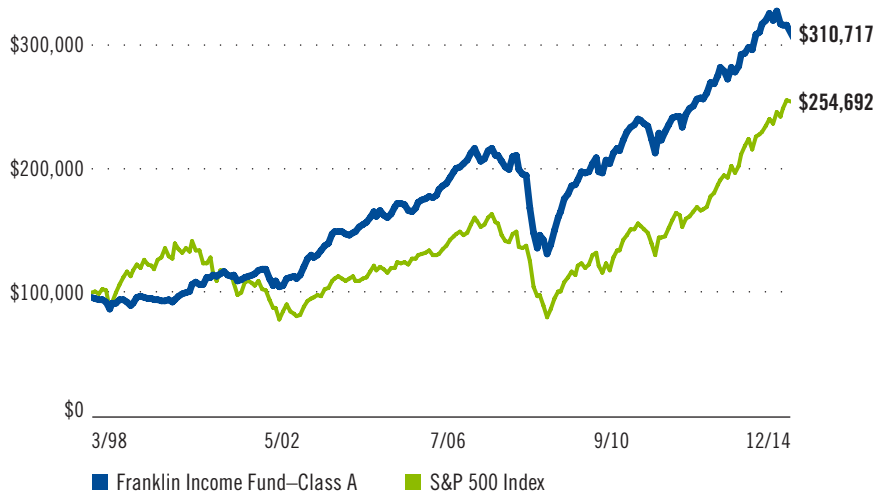
Let's assume on March 31, 1998, you invested \$100,000 in Franklin Income Fund—Class A, when its net asset value (NAV) hit a 25-year high of \$2.57 per share. Over the years that followed, the market experienced the collapse of the dot com bubble in the early 2000s and the housing and credit crisis in 2008/2009. Franklin Income Fund's NAV fell to an all-time low in March 2009. You may have asked yourself, "Why should I stay invested?"

Over time, however, the benefits would have become clearer. Even though the NAV was again over \$2 as of December 31, 2014, the reinvested dividends and capital gain distributions would have turned that \$100,000 initial investment into **\$310,717**.¹ That's a cumulative total return of over 210% (with 3.50% sales charge).¹ What's more, by staying invested, you would have increased your total shares owned by over **244%** and the monthly dividend payment by over **128%**.²

FRANKLIN INCOME FUND

Growth of a Hypothetical \$100,000 Investment¹

3/31/98–12/31/14 (Class A, With 3.50% Sales Charge)



3/31/98–12/31/14¹

	Beginning Value	Ending Value
NAV Per Share	\$2.57	\$2.40
Account Value		
(with 3.5% sales charge)	\$100,000	\$310,717
Total Shares Owned²	37,594	129,465
Monthly Dividend²	\$564	\$1,289
With 3.50% Sales Charge		
Average Annual Total Return		7.00%
Cumulative Total Return		210.72%
Without Sales Charge		
Average Annual Total Return		7.22%
Cumulative Total Return		221.60%

The fund's Class A total returns assume a 3.50% sales charge (for initial purchases of \$100,000 but less than \$250,000). Performance data represents past performance, which does not guarantee future results. Current performance may differ from the figures shown. A 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 most recent month-end performance.

This hypothetical chart and table do not take into account federal, state or municipal taxes. If taxes were taken into account, the hypothetical values shown would be reduced.

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2. Number of shares will vary, depending upon current market conditions; past distributions are not indicative of future trends.

FRANKLIN INCOME FUND—CLASS A^{3,4}

Average Annual Total Returns

Periods Ended December 31, 2014

	1-Year	5-Year	10-Year	15-Year	20-Year	Since Inception (8/31/48)
Without Sales Charge	4.12%	9.44%	6.52%	8.33%	8.60%	10.44%
S&P 500 Index	13.69%	15.45%	7.67%	4.24%	9.85%	11.38%
With Maximum 4.25% Sales Charge	-0.41%	8.51%	6.07%	8.00%	8.37%	10.37%

Total Annual Operating Expenses: Class A: 0.62%

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Stay the Course with Franklin Templeton

Staying the course and maintaining a long-term investment perspective through market cycles has historically been an effective way to build wealth. Talk to your financial advisor to learn more about Franklin Income Fund.

WHAT ARE THE RISKS?

All investments involve risks, including possible loss of principal.

The fund's share price and yield will be affected by interest rate movements. 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. The fund's portfolio includes a substantial portion of higher-yielding, lower-rated corporate bonds because of the relatively higher yields they offer. Floating rate loans are lower-rated, higher-yielding instruments, which are subject to increased risk of default and can potentially result in loss of principle. These securities carry a greater degree of credit risk relative to investment-grade securities. 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.

Investors should carefully consider a fund's investment goals, risks, charges and expenses before investing. To obtain a summary prospectus and/or prospectus, which contains this and other information, talk to your financial advisor, call us at (800) DIAL BEN/342-5236 or visit franklintempleton.com. Please carefully read a prospectus before you invest or send money.

3. On 5/1/94, the fund implemented a Rule 12b-1 plan, which affects subsequent performance. 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.

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 waiver, the results would be lower.



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- Mutual Funds
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Franklin Income Fund Symbols:
 Class A: FKINX
 Class B: FBICX
 Class C: FCISX
 Class R: FISRX
 Advisor: FRIAX