



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.

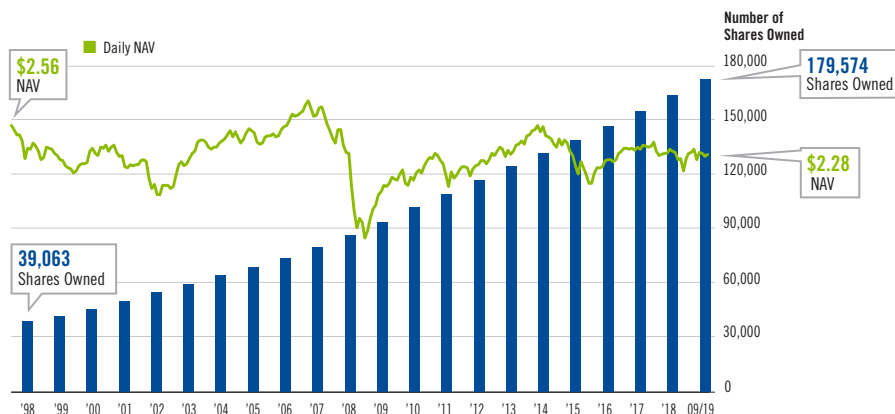
Let's assume on March 31, 1998, you invested \$100,000 in Franklin Income Fund–Advisor Class, when its net asset value (NAV) hit a 25-year high of \$2.56 per share. Over the years that followed, the market experienced the collapse of the dot-com bubble in the early 2000s and the housing and credit crisis 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 fund's NAV as of December 31, 2019, was still lower than its all-time high, the reinvested dividends and capital gain distributions would have turned that \$100,000 initial investment into **\$424,073**.¹ That's a cumulative total return of **324%**.¹ What's more, by staying invested, you would have increased your total shares owned by **366%** and the monthly dividend payment by **209%**.²

TOTAL SHARES OF FRANKLIN INCOME FUND–ADVISOR CLASS GREW BY 360%

Hypothetical \$100,000 Investment Assuming Reinvestment of Dividends and Capital Gains¹

March 31, 1998–December 31, 2019



3/31/98–12/31/19

	Beginning Value	Ending Value
NAV Per Share	\$2.56	\$2.33
Account Value	\$100,000	\$424,073
Total Shares Owned ²	39,063	182,006
Monthly Dividend ²	\$598	\$1,848
Average Annual Total Return		6.87%
Cumulative Total Return		324.07%

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 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.

Advisor Class shares are only offered to certain eligible investors as stated in the prospectus. They are offered without sales charges or Rule 12b-1 fees.

1. Source: © 2020 Morningstar. Important data provider notices and terms available at www.franklintempletondatasources.com. Past performance is no guarantee of future results.

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

FRANKLIN INCOME FUND

Average Annual Total Returns

Periods Ended December 31, 2019

	1-Year	5-Year	10-Year	15-Year	20-Year	Since Inception (8/31/48)
Advisor Class (FRIAX) ³	16.02%	5.14%	7.33%	6.16%	7.63%	10.11%
Class A Without Sales Charge (FKIQX) ⁴	15.69%	4.84%	7.11%	5.95%	7.43%	10.01%
Class A With 3.75% Sales Charge (FKIQX) ^{4,5}	11.35%	4.04%	6.70%	5.68%	7.23%	9.96%
Blended 50% MSCI USA High Dividend Yield Index + 25% Bloomberg Barclays High Yield Very Liquid Index + 25% Bloomberg Barclays US Aggregate Index ¹	17.28%	7.73%	9.72%	7.78%	7.32%	N/A
S&P 500 Index ¹	31.49%	11.70%	13.56%	9.00%	6.06%	9.82%

	As of January 31, 2020		30-Day Standardized Yield ⁶		Distribution Rate ⁷	
Total Annual Operating Expenses	Advisor Class	Class A	Advisor Class	Class A	Advisor Class	Class A
	0.47%	0.72%	3.32%	2.94%	5.32%	4.88%

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Stay the Course with Franklin Templeton

Staying the course and maintaining a long-term investment perspective through short-term volatility 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 portfolio includes a substantial portion of higher-yielding, lower-rated corporate bonds and some floating rate loans, which are also higher-yielding and lower-rated. These investments have more credit risk than investment-grade securities and are subject to increased risk of default and potential 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. Stock prices fluctuate, sometimes rapidly and dramatically, due to factors affecting individual companies, particular industries or sectors, or general market conditions. Foreign investing involves additional risks such as currency and market volatility, as well as political and social instability. 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 performance figures and ranking information, if quoted.

3. Effective 12/31/96, the fund began offering Advisor Class shares. For periods prior to the fund's Advisor Class inception date, a restated figure is used based on the fund's oldest share class, Class A1 performance, excluding the effect of Class A1's maximum initial sales charge but reflecting the effect of the Class A1 Rule 12b-1 fees; and for periods after the fund's Advisor Class inception date, actual Advisor Class performance is used, reflecting all charges and fees applicable to that class.

4. Effective 9/10/18 Class A shares closed to new investors, were renamed Class A1 shares, and a new Class A share with a different expense structure became available. Class A performance shown has been calculated as follows: (a) for periods prior to 9/10/18, a restated figure is used based on the fund's Class A1 performance and including any Rule 12b-1 rate differential as exists between Class A1 and Class A; and (b) for periods after 9/10/18, actual Class A performance is used, reflecting all charges and fees applicable to that class. On 5/1/94, the fund implemented a Rule 12b-1 plan, which affects subsequent performance.

5. Prior to 3/1/19, these shares were offered at a higher initial sales charge of 4.25%; thus actual returns would have differed. Total returns with sales charges have been restated to reflect the current maximum initial sales charge of 3.75%.

6. The fund's 30-day standardized yield is calculated over a trailing 30-day period using the yield to maturity on bonds and/or the dividends accrued on stocks. It may not equal the fund's actual income distribution rate, which reflects the fund's past dividends paid to shareholders.

7. Based on the annualization of the fund's December 2019 dividend and maximum offering price per share on 01/31/20.

The MSCI USA High Dividend Yield Index is designed to reflect the performance of mid- and large-cap equities (excluding REITs) with higher dividend income, which is sustainable and persistent, than average dividend yields of securities in the MSCI USA Index, its parent index. The Bloomberg Barclays US High Yield Very Liquid Index (VLI) is a component of the US Corporate High Yield Index designed to track a more liquid component of the USD-denominated, high yield, fixed-rate corporate bond market.



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Franklin Income Fund Symbols:

Advisor: FRIAX
Class A: FKIQX
Class A1: FKINX
Class C: FCISX
Class R: FISRX
Class R6: FNCFX