



Franklin Income Fund

Hybrid
December 31, 2018

Fund Fact Sheet | Share Classes: A, C

Fund Description

The fund seeks to maximize income, while maintaining prospects for capital appreciation, by investing in a diversified portfolio of stocks and bonds.

Fund Overview

Total Net Assets [All Share Classes]	\$69,222 million
Fund Inception Date	8/31/1948
Dividend Frequency	Monthly, on the 3rd business day
Number of Issuers	183

Share Class Information

Share Class	CUSIP	NASDAQ Symbol
Advisor	353 496 847	FRIAX
A	353 496 490	FKIQX
C	353 496 805	FCISX
R	353 496 722	FISRFX
R6	353 496 631	FNCFX

Fund Management

	Years with Firm	Years of Experience
Edward D. Perks, CFA	26	26
Matt Quinlan	13	24
Todd Brighton, CFA	18	14
Richard Hsu, CFA	22	23

Maximum Sales Charge

Class A: 4.25% initial sales charge
Class C: 1.00% contingent deferred sales charge (CDSC) in the first year only

Total Annual Operating Expenses

Share Class	With Waiver	Without Waiver
A	0.72%	0.73%
C	1.12%	1.13%

30-Day Standardized Yield

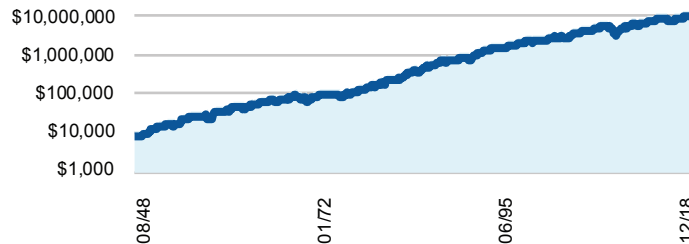
Share Class	With Waiver	Without Waiver
A	4.39%	4.39%
C	4.17%	4.17%

Asset Allocation (%)

Fixed Income	51.35
Equity	32.57
Convertibles	15.33
Cash & Cash Equivalents	0.75

Performance

Growth of a \$10,000 Investment - Without Sales Charge (from 08/31/1948-12/31/2018)



Total Returns % (as of 12/31/2018)

Share Class		CUMULATIVE					AVERAGE ANNUAL		Since Inception	Inception Date
		YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs				
A	With Sales Charge	-9.77	-9.77	4.38	1.77	8.30	9.87	8/31/1948		
	Without Sales Charge	-5.77	-5.77	5.91	2.65	8.78	9.94	8/31/1948		
C	With Sales Charge	-6.63	-6.63	5.63	2.21	8.31	6.81	5/1/1995		
	Without Sales Charge	-5.73	-5.73	5.63	2.21	8.31	6.81	5/1/1995		

Calendar Year Total Returns % - Without Sales Charge

Share Class	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
A	-5.77	8.41	16.28	-7.82	4.11	14.22	13.67	2.82	12.90	34.99
C	-5.73	8.22	15.52	-8.61	3.55	14.00	12.97	2.28	12.23	34.77

Share Class	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
A	-30.52	5.30	19.10	1.84	12.16	30.94	-1.08	0.63	20.57	-0.76
C	-30.77	4.35	18.89	1.32	11.56	30.16	-1.54	0.14	19.89	-0.81

Performance data represents past performance, which does not guarantee future results. Current performance may differ from figures shown. The fund's investment returns and principal values 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/(800) 342-5236 or visit franklintempleton.com for the most recent month-end performance.

If the sales charge had been included, the return would have been lower.

The fund has a fee waiver associated with any investment it makes in a Franklin Templeton money fund and/or other Franklin Templeton fund, contractually guaranteed through January 31, 2019. Fund investment results reflect the fee waiver; without this waiver, the results would have been lower.

Top Ten Holdings (% of Total)

Issuer Name	
GOVERNMENT OF THE UNITED STATES OF AMERICA	8.31
COMMUNITY HEALTH SYSTEMS INC	3.81
TENET HEALTHCARE CORP	2.92
CHESAPEAKE ENERGY CORP	2.76
JPMORGAN CHASE & CO	2.71
WELLS FARGO & CO	2.66
SOFTBANK GROUP CORP	2.31
BANK OF AMERICA CORP	2.06
WEATHERFORD INTERNATIONAL PLC	2.00
BAUSCH HEALTH COS INC	1.70


Fund Measures

Average Weighted Maturity	5.67 Years
Standard Deviation (3 Yrs) - Class A	6.77%
Beta (3 Yrs, vs. S&P 500 Index) - Class A	0.54

Composition of Fund

Sector—Equity	% of Total	Sector—Fixed Income	% of Total
Financials	7.85	High Yield Corporates	29.87
Information Technology	7.40	Investment Grade Corporates	8.64
Utilities	6.21	U.S. Treasury	8.20
Energy	5.30	Floating-Rate Loans	3.82
Health Care	4.80	International Bonds	0.12
Consumer Discretionary	4.23	Others	0.70
Materials	3.75		
Communication Services	2.69		
Consumer Staples	2.69		
Others	2.97		

Morningstar Rating™—Class A

Overall Morningstar Rating™  As of December 31, 2018 the fund's Class A shares received a 4 star overall Morningstar Rating™, measuring risk-adjusted returns against 463, 367 and 261 U.S.-domiciled US Fund Allocation--30% to 50% Equity funds over the 3-, 5- and 10- year periods, respectively. A fund's overall rating is derived from a weighted average of the performance figures associated with its 3-, 5- and 10-year (if applicable) rating metrics.

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 principal. 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.

Glossary

Average Weighted Maturity: An estimate of the number of years to maturity, taking the possibility of early payments into account, for the underlying holdings.

Beta: A measure of the fund's volatility relative to the market, as represented by the stated Index. A beta greater than 1.00 indicates volatility greater than the market.

Standard Deviation: A measure of the degree to which a fund's return varies from the average of its previous returns. The larger the standard deviation, the greater the likelihood (and risk) that a fund's performance will fluctuate from the average return.

Important Information

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.

Information is historical and may not reflect current or future portfolio characteristics. All portfolio holdings are subject to change.

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Indexes are unmanaged, and one cannot invest directly in an index. They do not reflect any fees, expenses or sales charges.

Fund Management: CFA® and Chartered Financial Analyst® are trademarks owned by CFA Institute.

Performance: The fund offers other share classes subject to different fees and expenses, which will affect their performance.

Class A: 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. Effective 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.

30-Day Standardized Yield: 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.

This standardized yield quote for this new Class A share will be first calculated/made available for the period ended 10/31/18. Please visit franklintempleton.com after 10/31/18 for this standardized yield quote.

Top Ten Holdings: The portfolio manager for the fund reserves the right to withhold release of information with respect to holdings that would otherwise be included.

Fund Measures: Source: FactSet. The portfolio characteristics listed are based on the fund's underlying holdings, and do not necessarily reflect the fund's characteristics. Average weighted maturity data pertains to the fixed income component of the fund.

Composition of Fund: Percentage may not equal 100% due to rounding.

Morningstar Rating™: Source: Morningstar®, 12/31/18. For each mutual fund and ETF with at least a 3-year history, Morningstar calculates a Morningstar Rating™ based on how a fund ranks on a Morningstar Risk-Adjusted Return measure against other funds in the same category. This measure takes into account variations in a fund's monthly performance, and does not take into account the effects of sales charges and loads, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. The weights are: 100% 3-year rating for 36-59 months of total returns, 60% 5-year rating/40% 3-year rating for 60-119 months of total returns, and 50% 10-year rating/30% 5-year rating/20% 3-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent 3-year period actually has the greatest impact because it is included in all three rating periods. The Fund's Class A shares received a Morningstar Rating of 5, 2 and 4 star(s) for the 3-, 5- and 10-year periods, respectively. Morningstar Rating™ is for the named share class only; other classes may have different performance characteristics. **Past performance is not an indicator or a guarantee of future performance.** Source: ©Morningstar. Important data provider notices and terms available at www.franklintempletondatasources.com.

The Morningstar Rating™ for Class A shares is based on Morningstar's extended performance calculation. This means that, for a share class that doesn't have a 1, 3-, 5-, or 10-year performance history, the rating shown is a hypothetical Morningstar Rating based first on the oldest active surviving share class of the fund and then any dormant or liquidated share classes. If more than one share class has the earliest inception date, Morningstar selects the share class that is freely available to investors, that is not currency-hedged, and has the lowest fee.