



# Franklin Convertible Securities Fund

Hybrid  
December 31, 2014

## Fund Fact Sheet

### Fund Description

The fund seeks to maximize total return, consistent with reasonable risk, by investing at least 80% of its net assets in convertible securities. Convertible securities are bonds or preferred stock that may be converted into common stock.

### Fund Overview

<b>Total Net Assets [All Share Classes]</b>	\$2,041 million
<b>Fund Inception Date</b>	4/15/1987
<b>Dividend Frequency</b>	Quarterly
<b>Number of Issuers</b>	76

### Share Class Information

Share Class	CUSIP	NASDAQ Symbol
A	353 612 104	FISX
C	353 612 880	FROTX
R6	353 612 484	N/A
Advisor	353 612 641	FCSZX

### Fund Management

	Years with Firm	Years of Experience
Alan Muschott, CFA	16	16
Matt Quinlan	9	19
Blair Schmicker, CFA	7	10

### Maximum Sales Charge

**Class A:** 5.75% initial sales charge  
**Class C:** 1.00% contingent deferred sales charge (CDSC) in the first year only

### Total Annual Operating Expenses

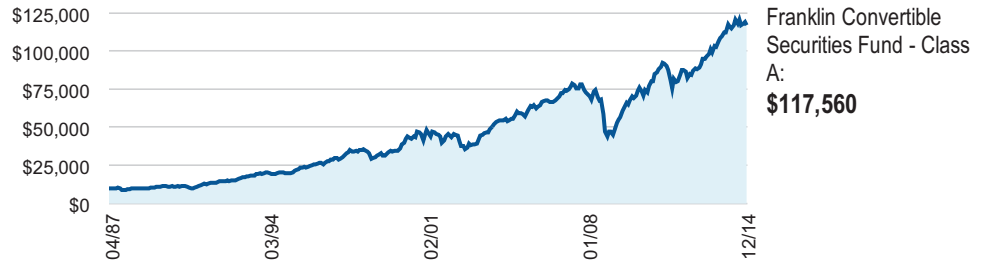
Share Class	Expense Ratio
A	0.88%
C	1.63%

### Asset Allocation (%)

Convertible Bonds	79.22
Convertible Preferred	20.04
Stocks	0.38
Cash & Cash Equivalents	0.36

### Performance

#### Growth of a \$10,000 Investment - Without Sales Charge (from 04/15/1987-12/31/2014)



### Total Returns % (as of 12/31/2014)

Share Class	YTD	AVERAGE ANNUAL				Since Inception	Inception Date
		1 Yr	3 Yrs	5 Yrs	10 Yrs		
A With Sales Charge	-1.65	-1.65	11.17	9.35	6.19	9.07	4/15/1987
A Without Sales Charge	4.34	4.34	13.39	10.65	6.82	9.30	4/15/1987
C With Sales Charge	2.54	2.54	12.53	9.81	6.02	7.71	10/2/1995
C Without Sales Charge	3.52	3.52	12.53	9.81	6.02	7.71	10/2/1995

### Calendar Year Total Returns % - Without Sales Charge

Share Class	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
A	4.34	23.20	13.39	-5.58	20.50	49.72	-35.38	0.50	12.15	6.93
	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
	16.02	35.44	-15.55	0.81	15.36	21.15	-6.98	20.27	16.33	24.19

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](http://franklintempleton.com) for the most recent month-end performance.

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

### Top 10 Holdings (% of Total)

Issuer Name	Percentage
ELECTRONIC ARTS INC	2.57
LAM RESEARCH CORP	2.55
BIOMARIN PHARMACEUTICAL INC	2.51
TRULIA INC	2.27
JARDEN CORP	2.21
FOREST CITY ENTERPRISES INC	2.21
OMNICARE INC	2.17
JDS UNIPHASE CORP	2.08
INTEL CORP	2.04
MGM MIRAGE	2.04

### Fund Measures

Standard Deviation (3 Yrs)	8.07
Beta (3 Yrs; vs. BofA Merrill Lynch All Total Return Alternatives U.S. Convertibles Index)	0.90

## Composition of Fund

## ■ Franklin Convertible Securities Fund

Geographic	% of Total	Sector	% of Total
United States	93.61	Information Technology	39.09
China	1.91	Health Care	17.69
Mexico	1.45	Consumer Discretionary	14.73
Russia	0.98	Utilities	5.31
Canada	0.68	Industrials	5.26
Ireland	0.40	Materials	4.99
Cash & Cash Equivalents	0.36	Energy	4.55
Luxembourg	0.33	Financials	3.35
Argentina	0.29	Consumer Staples	3.12
		Other	1.92

## What Are the Risks

All investments involve risks, including possible loss of principal. The fund may invest in high-yielding, fixed income securities. High yields reflect the higher credit risk associated with these lower-rated securities and, in some cases, the lower market prices for these instruments. Interest rate movements may affect the fund's share price and yield. Bond prices generally move in the opposite direction of interest rates. As the prices of bonds in the fund adjust to a rise in interest rates, the fund's share price may decline. The fund may also invest in foreign securities, which involve special risks, including political uncertainty and currency volatility. These and other risks are described more fully in the fund's prospectus.

## Glossary

**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 risk; the larger the standard deviation, the greater the likelihood (and risk) that a fund's performance will fluctuate.

## 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.

Source for Index: FactSet. Indexes are unmanaged and one cannot invest directly in an index.

Source: BofA Merrill Lynch, used with permission.

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

Class A: Prior to 8/3/98, fund shares were offered at a lower initial sales charge; thus, actual returns may have differed. 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. Class C Shares have higher annual fees and expenses than Class A Shares.

**Top 10 Holdings:** The portfolio manager for the fund reserves the right to withhold release of information with respect to holdings that would otherwise be included.

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