FRANKLIN TEMPLETON INVESTMENTS

# Franklin Convertible Securities Fund

Hybrid
March 31, 2015

**Fund Fact Sheet | Share Classes: A, C, Advisor**

## 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

| | |
|---|---|
| **Total Net Assets [All Share Classes]** | $2,126 million |
| **Fund Inception Date** | 4/15/1987 |
| **Dividend Frequency** | Quarterly |
| **Number of Issuers** | 75 |

## Share Class Information

| Share Class | CUSIP | NASDAQ Symbol |
|---|---|---|
| A | 353 612 104 | FISCX |
| 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 | 20 |
| Blair Schmicker, CFA | 7 | 11 |

## Maximum Sales Charge

**Class A**: 5.75% initial sales charge
**Class C**: 1.00% contingent deferred sales charge (CDSC) in the first year only
**Advisor Class**: None

## Total Annual Operating Expenses

| Share Class | |
|---|---|
| A | 0.88% |
| C | 1.63% |
| Advisor | 0.63% |

## 30-Day Standardized Yield

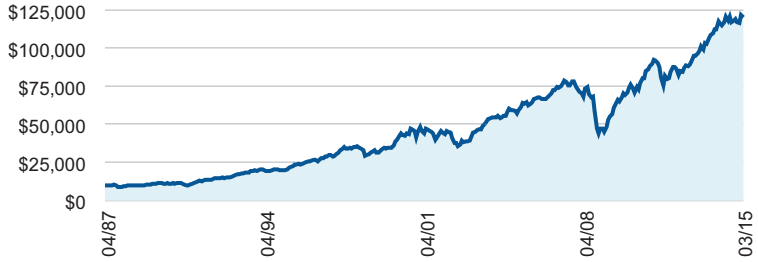
| Share Class | |
|---|---|
| A | 1.58% |
| C | 0.91% |
| Advisor | 1.93% |

## Asset Allocation (%)

| | |
|---|---|
| Convertible Bonds | 77.25 |
| Convertible Preferred | 20.55 |
| Cash & Cash Equivalents | 1.84 |
| Stocks | 0.36 |

## Performance

**Growth of a $10,000 Investment - Without Sales Charge (from 04/15/1987-03/31/2015)**




Franklin Convertible Securities Fund - Class A:
**$120,728**

## Total Returns % (as of 3/31/2015)

| | | CUMULATIVE | AVERAGE ANNUAL | | | | | |
|---|---|---|---|---|---|---|---|---|
| Share Class | | YTD | 1 Yr | 3 Yrs | 5 Yrs | 10 Yrs | Since Inception | Inception Date |
| A | With Sales Charge | -3.23 | -2.10 | 8.96 | 8.91 | 6.77 | 9.09 | 4/15/1987 |
| | Without Sales Charge | 2.69 | 3.85 | 11.13 | 10.20 | 7.41 | 9.32 | 4/15/1987 |
| C | With Sales Charge | 1.50 | 2.10 | 10.30 | 9.37 | 6.60 | 7.74 | 10/2/1995 |
| | Without Sales Charge | 2.50 | 3.08 | 10.30 | 9.37 | 6.60 | 7.74 | 10/2/1995 |
| Advisor | | 2.74 | 4.13 | 11.41 | 10.48 | 7.60 | 9.39 | 4/15/1987 |

## 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 |
| C | 3.52 | 22.31 | 12.54 | -6.24 | 19.50 | 48.67 | -35.88 | -0.19 | 11.30 | 6.16 |
| Advisor | 4.62 | 23.50 | 13.60 | -5.27 | 20.70 | 50.18 | -35.23 | 0.50 | 12.15 | 6.93 |

| Share Class | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 | 1998 | 1997 | 1996 | 1995 |
|---|---|---|---|---|---|---|---|---|---|---|
| A | 16.02 | 35.44 | -15.55 | 0.81 | 15.36 | 21.15 | -6.98 | 20.27 | 16.33 | 24.19 |
| C | 15.10 | 34.51 | -16.17 | 0.00 | 14.60 | 20.27 | -7.66 | 19.31 | 15.52 | N/A |
| Advisor | 16.02 | 35.44 | -15.55 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

*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.*

## Top 10 Holdings (% of Total)

| Issuer Name | |
|---|---|
| ELECTRONIC ARTS INC | 3.02 |
| FOREST CITY ENTERPRISES INC | 2.31 |
| JARDEN CORP | 2.24 |
| PALO ALTO NETWORKS INC | 2.20 |
| LAM RESEARCH CORP | 2.19 |
| TRULIA INC | 2.16 |
| OMNICARE INC | 2.11 |
| SALIX PHARMACEUTICALS LTD | 2.10 |
| BIOMARIN PHARMACEUTICAL INC | 2.02 |
| SALESFORCE.COM INC | 1.99 |

## Fund Measures

| | |
|---|---|
| Standard Deviation (3 Yrs) - Class A | 7.94 |
| Beta (3 Yrs; vs. BofA Merrill Lynch All Total Return Alternatives U.S. Convertibles Index) - Class A | 0.95 |

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**Not FDIC Insured | May Lose Value | No Bank Guarantee**

## Composition of Fund

■ Franklin Convertible Securities Fund

| Geographic | % of Total |
|---|---|
| United States | 92.20 |
| Cash & Cash Equivalents | 1.84 |
| China | 1.84 |
| Mexico | 1.35 |
| Russia | 0.93 |
| Canada | 0.65 |
| Ireland | 0.64 |
| Luxembourg | 0.28 |
| Argentina | 0.28 |

| Sector | % of Total |
|---|---|
| Information Technology | 38.74 |
| Health Care | 20.08 |
| Consumer Discretionary | 12.70 |
| Industrials | 5.02 |
| Utilities | 4.84 |
| Materials | 4.35 |
| Energy | 4.34 |
| Financials | 3.40 |
| Consumer Staples | 3.02 |
| Other | 3.50 |

## 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.
**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. Advisor shares do not have sales charges or 12b-1 fees and are offered only to certain eligible investors as stated in the prospectus.
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. Advisor: Effective 5/1/08, 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 A performance, excluding the effect of Class A's maximum initial sales charge but reflecting the effect of the Class A 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.
**30-Day Standardized Yield**: 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.
**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.


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