



Franklin Adjustable U.S. Government Securities Fund

Fixed Income
September 30, 2019

Fund Fact Sheet | Share Classes: A, C

Fund Description

The fund seeks a high level of current income, while providing lower volatility of principal than a fund that invests in fixed-rate securities. The fund invests predominantly in adjustable-rate mortgage securities (ARMS) that are issued or guaranteed by the U.S. government, its agencies or instrumentalities. The fund's investments may include securities issued by government-sponsored entities, such as Fannie Mae and Freddie Mac.

Fund Overview

Total Net Assets [All Share Classes] \$703 million

Fund Inception Date 10/20/1987

Dividend Frequency Accrued daily and paid monthly on the last business day

Number of Holdings 1,671

Share Class Information

Share Class	CUSIP	NASDAQ Symbol
Advisor	353 612 625	FAUZX
A	353 612 302	FISAX
A1	353 612 476	FAUGX
C	353 612 732	FCSCX
R6	353 612 492	FAURX

Fund Management

	Years with Firm	Years of Experience
Paul Varunok	18	27
Roger Bayston, CFA	28	33

Maximum Sales Charge

Class A: 2.25% 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	0.96%	0.97%
C	1.36%	1.37%

30-Day Standardized Yield

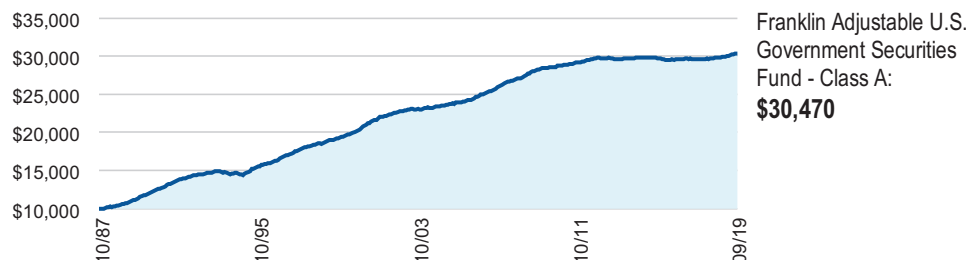
Share Class	With Waiver	Without Waiver
A	1.74%	1.73%

Asset Allocation (%)

Fixed Income	90.39
Cash & Cash Equivalents	9.61

Performance

Growth of a \$10,000 Investment - Without Sales Charge (from 10/20/1987-09/30/2019)



Total Returns % (as of 9/30/2019)

Share Class		YTD	AVERAGE ANNUAL					Since Inception	Inception Date
			1 Yr	3 Yrs	5 Yrs	10 Yrs			
A	With Sales Charge	-0.66	-0.31	0.13	-0.06	0.51	3.48	10/20/1987	
	Without Sales Charge	1.68	2.03	0.87	0.40	0.75	3.55	10/20/1987	
C	With Sales Charge	0.38	0.63	0.43	-0.03	0.34	1.29	7/1/2003	
	Without Sales Charge	1.38	1.62	0.43	-0.03	0.34	1.29	7/1/2003	

Calendar Year Total Returns % - Without Sales Charge

Share Class	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
A	0.77	0.00	0.09	-0.68	0.65	-0.16	1.42	1.73	1.29	4.35
C	0.36	-0.51	-0.31	-1.08	0.36	-0.67	1.13	1.20	0.99	3.81

Share Class	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
A	3.59	5.04	4.15	2.06	1.80	1.23	3.41	6.43	6.68	4.38
C	3.29	4.48	3.75	1.68	1.38	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.

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 February 29, 2020. Fund investment results reflect the fee waiver; without this waiver, the results would have been lower.

Fund Measures

Average Duration	0.72 Years
Average Weighted Maturity	3.57 Years
Standard Deviation (3 Yrs) - Class A	0.37%

What Are the Risks?

All investments involve risks, including possible loss of principal. Interest rate movements, unscheduled mortgage prepayments and other risk factors will 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 a 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. These and other risk considerations are discussed in the fund's prospectus.

Glossary

Average Duration: A measure of the sensitivity of the price (the value of principal) of a fixed-income investment to a change in interest rates. Duration is expressed as a number of years. The weighted average duration of a fund reflects the effective duration of the underlying issues, based on the size of each holding.

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

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.

Fund Description: Although U.S. government-sponsored entities may be chartered or sponsored by Acts of Congress, their securities are neither issued nor guaranteed by the U.S. government. Please see the fund's prospectus for a detailed discussion regarding various levels of credit support for government agency or instrumentality securities. The fund's yield and share price are not guaranteed and will vary with market conditions. Securities owned by the fund, but not shares of the fund, are guaranteed by the U.S. government, its agencies or instrumentalities as to timely payment of principal and interest.

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 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.