

Fund Fact Sheet | Share Classes: A, C
Fund Description

The Fund seeks to maximize total return. Under normal market conditions, the Fund invests at least 80% of its net assets in equity securities of companies operating in the real estate industry, predominantly in the United States, including: companies qualifying under federal tax law as real estate investment trusts (REITs); and companies that derive at least half of their assets or revenues from the ownership, construction, management, operation, development or sale of commercial or residential real estate (such as real estate operating or service companies, homebuilders, lodging providers, and developers).

Fund Overview

| | |
|---|--|
| Total Net Assets [All Share Classes] | \$460 million |
| Fund Inception Date | 1/3/1994 |
| Distribution Frequency | Quarterly in March, June, September and December |
| Number of Issuers | 40 |

Share Class Information

| Share Class | CUSIP | NASDAQ Symbol |
|-------------|-------------|---------------|
| Advisor | 354 602 302 | FRLAX |
| A | 354 602 104 | FREEX |
| C | 354 602 203 | FRRSX |
| R6 | 354 602 500 | FSEX |

Fund Management

| | Years with Firm | Years of Experience |
|-------------------|-----------------|---------------------|
| Wilson Magee | 8 | 37 |
| Daniel Scher | 16 | 19 |
| Murat Sensoy, CFA | 6 | 16 |

Maximum Sales Charge

Class A: 5.50% initial sales charge

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

Total Annual Operating Expenses

| Share Class | |
|-------------|-------|
| A | 1.05% |
| C | 1.80% |

Asset Allocation (%)

| | |
|-------------------------|-------|
| Equity | 99.01 |
| Cash & Cash Equivalents | 0.99 |

Performance
Growth of a \$10,000 Investment - Without Sales Charge (from 01/03/1994-03/31/2019)

Total Returns % (as of 3/31/2019)

| Share Class | YTD | AVERAGE ANNUAL | | | | | Since Inception | Inception Date |
|------------------------|-------|----------------|-------|-------|--------|------|-----------------|----------------|
| | | 1 Yr | 3 Yrs | 5 Yrs | 10 Yrs | | | |
| A With Sales Charge | 9.97 | 11.22 | 2.21 | 6.65 | 16.08 | 8.39 | 1/3/1994 | |
| A Without Sales Charge | 16.40 | 17.68 | 4.16 | 7.87 | 16.74 | 8.63 | 1/3/1994 | |
| C With Sales Charge | 15.16 | 15.77 | 3.37 | 7.06 | 15.85 | 7.93 | 5/1/1995 | |
| C Without Sales Charge | 16.16 | 16.77 | 3.37 | 7.06 | 15.85 | 7.93 | 5/1/1995 | |

Calendar Year Total Returns % - Without Sales Charge

| Share Class | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|-------------|-------|------|------|------|-------|------|-------|------|-------|-------|
| A | -6.41 | 3.94 | 4.77 | 3.86 | 30.04 | 2.17 | 15.79 | 9.23 | 26.90 | 17.16 |
| C | -7.12 | 3.14 | 3.97 | 3.09 | 29.10 | 1.42 | 15.00 | 8.36 | 25.84 | 16.34 |

| Share Class | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 |
|-------------|--------|--------|-------|-------|-------|-------|------|------|-------|-------|
| A | -38.12 | -27.78 | 21.28 | 13.22 | 32.13 | 37.64 | 1.70 | 7.64 | 30.84 | -5.63 |
| C | -38.58 | -28.32 | 20.40 | 12.37 | 31.14 | 36.66 | 0.89 | 6.93 | 29.88 | -6.31 |

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 Ten Holdings (% of Total)

| Issuer Name | |
|-------------------------------------|------|
| SIMON PROPERTY GROUP INC | 6.89 |
| PROLOGIS INC | 6.53 |
| EQUITY RESIDENTIAL | 5.49 |
| AVALONBAY COMMUNITIES INC | 4.46 |
| WELLTOWER INC | 4.17 |
| REALTY INCOME CORP | 3.74 |
| BOSTON PROPERTIES INC | 3.56 |
| ALEXANDRIA REAL ESTATE EQUITIES INC | 3.45 |
| DIGITAL REALTY TRUST INC | 3.41 |
| CAMDEN PROPERTY TRUST | 3.26 |

Fund Measures

| | |
|--|--------|
| Standard Deviation (3 Yrs) - Class A | 13.56% |
| Beta (3 Yrs, vs.S&P US Property Index) - Class A | 0.98 |

Composition of Fund

■ Franklin Real Estate Securities Fund ■ S&P U.S. Property Index

| Geographic | % of Total |
|-------------------------|----------------|
| United States | 99.01 / 100.00 |
| Cash & Cash Equivalents | 0.99 / 0.00 |

| Sector | % of Total |
|--------------------------------|---------------|
| Residential | 16.42 / 15.89 |
| Office Space | 15.27 / 13.28 |
| Industrial Property | 11.31 / 10.55 |
| Healthcare Property | 10.62 / 12.71 |
| Triple Net | 8.70 / 10.72 |
| Regional Malls | 7.55 / 7.83 |
| Specialty | 7.42 / 5.96 |
| Hotels, Resorts & Cruise Lines | 6.43 / 5.96 |
| Shopping Centers | 6.15 / 6.23 |
| Others | 9.14 / 10.88 |
| Cash & Cash Equivalents | 0.99 / 0.00 |

What Are the Risks?

All investments involve risks, including possible loss of principal. Franklin Real Estate Securities Fund's concentration in real estate securities involves special risks, such as declines in the value of real estate and increased susceptibility to adverse economic or regulatory developments affecting the sector. The fund's investments in REITs involves additional risks, since REITs typically are invested in a limited number of projects or in a particular market segment they are more susceptible to adverse developments affecting a single project or market segment than more broadly diversified investments. 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 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: Prior to 9/10/18, these shares were offered at a higher initial sales charge of 5.75%; thus actual returns would have differed. Total returns with sales charges have been restated to reflect the current maximum initial sales charge of 5.50%. Class C: Prior to 1/1/04, these shares were offered with an initial sales charge; thus actual returns would have differed.

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.

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