HYBRID

Franklin Balanced Fund

A FULL-SERVICE PORTFOLIO—

BALANCING A MIX OF STOCKS AND BONDS

FRANKLIN TEMPLETON INVESTMENTS

The Strategy

FRANKLIN BALANCED FUND SEEKS BOTH INCOME AND CAPITAL APPRECIATION. It offers investors a broadly diversified, all-in-one portfolio covering a variety of industries and asset classes, including dividend-paying stocks, high-quality corporate bonds and convertible securities.

1] FLEXIBLE AND DIVERSIFIED

The fund helps investors diversify by employing a bottom-up investment process with the flexibility to invest across sectors, market caps and asset classes, including equities, fixed income and convertible securities. Driven by the fundamental research of Franklin Templeton's equity and fixed income sector analysts, recommendations are evaluated through specific portfolio criteria, such as valuation, financial strength, market opportunity, competitive position and management strength.

In its pursuit of income, the fund invests at least 25% of its total assets in a combination of corporate, agency and government bonds issued in the U.S. and other countries, as well as dividend-paying common stocks and convertible securities. In addition, the fund seeks capital appreciation by investing at least 25% of its total assets in equity securities of companies from a variety of industries.

2] INTEGRATED RESEARCH LEVERAGING EQUITY AND FIXED INCOME TEAMS

Franklin Equity Group's specialized sector analysts work in conjunction with the Franklin Templeton Fixed Income Group® to understand the entire capital structure of an organization. In this process, we attempt to find opportunities and manage financial risks that might not otherwise be apparent.

The depth and breadth of our research team helps the fund maintain its diversified approach. We consider such factors as a company's experience and managerial strength, its responsiveness to changes in interest rates and business conditions, its debt maturity schedules and borrowing requirements, and its relative value based on such factors as anticipated cash flow, interest or dividend coverage, asset coverage and earnings.

"With Franklin Balanced Fund, we try to identify solid investments with the potential to deliver attractive risk-adjusted total returns. We seek to profit from long-term investments maintaining a fundamental view that differs from the "market consensus" regarding growth potential or valuation."

EDWARD D. PERKS, CFA, LEAD PORTFOLIO MANAGER

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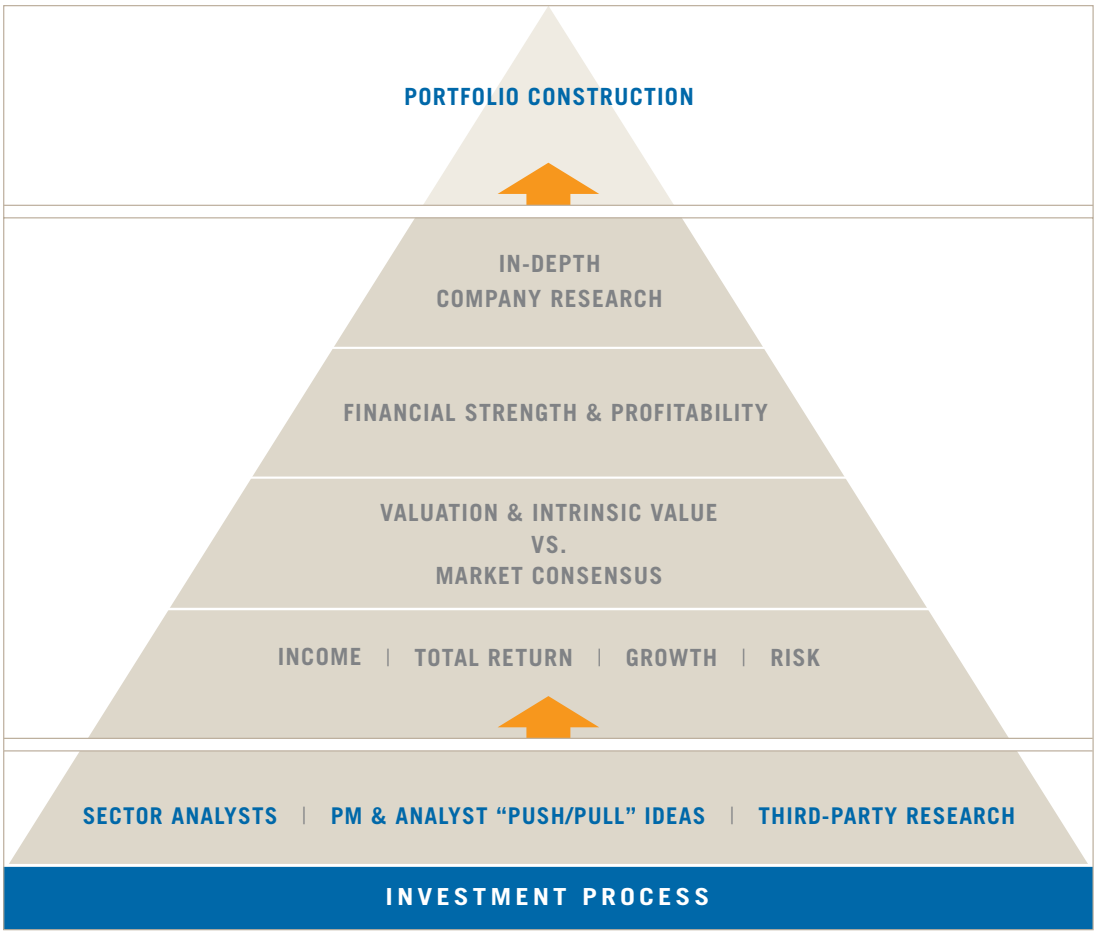
NOT FDIC INSURED | MAY LOSE VALUE | NO BANK GUARANTEE

3] SEEKS TO BUILD AN OPTIMAL PORTFOLIO CONSTRUCTION ONE SECURITY AT A TIME

For securities that meet our initial considerations, detailed analysis is conducted and investment criteria are evaluated on a security-by-security basis. The fund's portfolio managers leverage the inputs from the research process to develop a diversified portfolio consistent with reasonable risk. The team's disciplined approach to portfolio construction also involves an evaluation of the potential impact of buy and sell decisions on the overall portfolio.



Diversification does not assure or guarantee better performance and cannot eliminate the risk of investment losses.

The Benefits

1] BROAD DIVERSIFICATION

Top Ten Equity Sector Weightings[1]

As of December 31, 2013

Sector	% of Total Net Assets	Sector	% of Total Net Assets
Materials	18.00%	Utilities	7.77%
Energy	16.35%	Consumer Discretionary	6.53%
Industrials	15.05%	Consumer Staples	6.14%
Information Technology	14.15%	Health Care	5.09%
Financials	7.94%	Telecommunication Services	2.98%

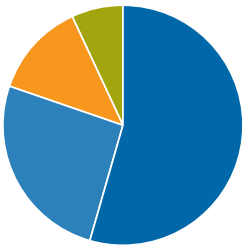
Bond Quality Weightings[2]

As of December 31, 2013

Rating	% of Fixed Income	Rating	% of Fixed Income
AAA	0.01%	BB+	4.88%
A+	0.94%	BB	4.08%
A	1.03%	BB-	9.96%
A-	4.26%	B+	6.89%
BBB+	10.50%	B	7.40%
BBB	24.98%	B-	2.61%
BBB-	21.36%	CCC+	1.08%

Asset Class Breakdown[1]

As of December 31, 2013



Performance data represents past performance, which does not guarantee future results. Current performance may differ from the figures shown. The fund's investment return and principal value will change with market conditions, and you may have a gain or a loss when you sell your shares. Please call Franklin Templeton Investments at (800) DIAL BEN/342-5236 or visit ***franklintempleton.com*** *for the most recent month-end performance.*

1. Portfolio holdings are subject to change. For the fund's most recent portfolio information, please call Franklin Templeton Investments at (800) DIAL BEN/342-5236 or visit **franklintempleton.com**. The portfolio manager for the fund reserves the right to withhold release of information with respect to holdings that would otherwise be included in the top 10 holdings list. Due to rounding, the asset class chart may not equal 100%.

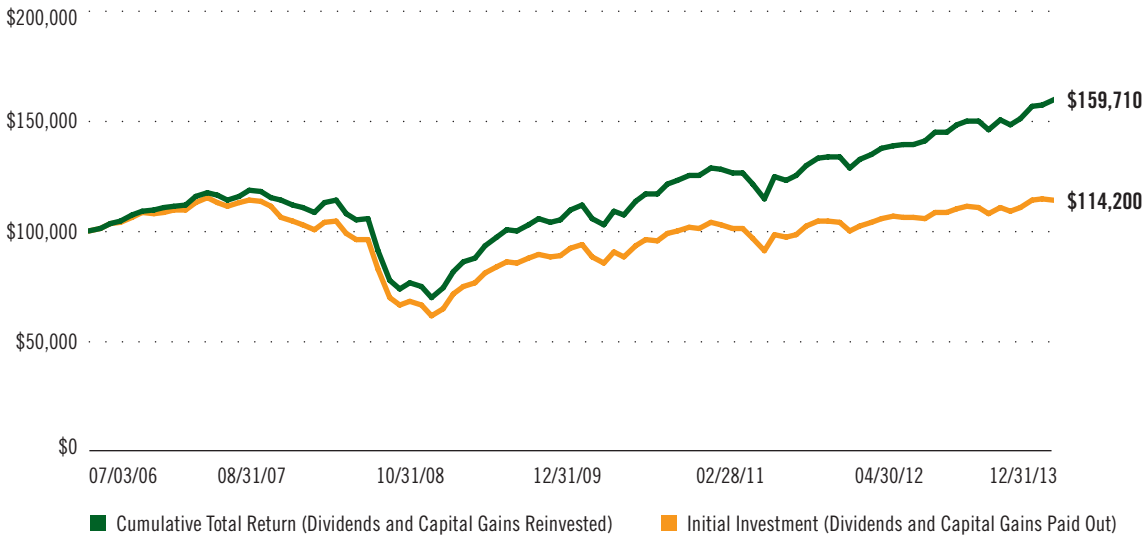
2. Ratings shown are assigned by one or more Nationally Recognized Statistical Rating Organizations ('NRSRO'), such as Standard & Poor's, Moody's and Fitch. The ratings are an indication of an issuer's creditworthiness and typically range from AAA or Aaa (highest) to D (lowest). When ratings from all three agencies are available, the middle rating is used; when two are available, the lowest rating is used; and when only one is available, that rating is used. Foreign government bonds without a specific rating are assigned the country rating provided by an NRSRO, if available. If listed, the NR category consists of rateable securities that have not been rated by an NRSRO; the N/A category consists of non-rateable securities (e.g., equities). Cash and equivalents (defined as bonds with stated maturities, or that can be redeemed at intervals, of seven days or less) as well as derivatives are excluded from this breakdown. As a result, the chart does not reflect the fund's total net assets.

3. As of December 31, 2013.

2] MONTHLY INCOME AND GROWTH POTENTIAL

While seeking to deliver attractive monthly income, the fund also offers the potential for capital growth, as well as diversification benefits. This combination in a single product makes this an attractive, stand-alone core portfolio holding, especially during periods of market uncertainty. It can also be used to help supplement other portfolio holdings to provide a diversified source of income.

Cumulative Total Return of a $100,000 Investment (Without Sales Charge)
Franklin Balanced Fund–Class A (July 3, 2006–December 31, 2013)



If the fund's 5.75% initial sales charge had been included, the returns would have been lower.

3] HIGHLY EXPERIENCED PORTFOLIO MANAGEMENT TEAM

The fund's portfolio management team has over 65 years of combined investment experience, and includes leaders culled from both the Franklin Equity Group and Franklin Templeton Fixed Income Group®.[3]

PORTFOLIO MANAGERS

Edward J. Perks, CFA
21 years industry experience

Brent Loder
8 years industry experience

Blair Schmicker, CFA
10 years industry experience

Alan E. Muschott, CFA
15 years industry experience

Shawn Lyons, CFA
18 years industry experience

The Results

MORNINGSTAR RATING™[4]

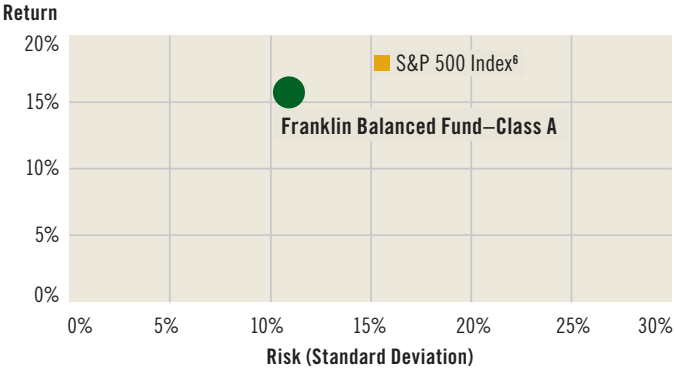
As of December 31, 2013 the fund's Class A shares received a 3-star overall Morningstar Rating™, measuring risk-adjusted returns against 739 and 674 U.S.-domiciled Moderate Allocation funds over the 3- and 5-year periods, respectively. A fund's overall rating is derived from a weighted average of the performance figures associated with its 3- and 5-year rating metrics.

UPSIDE POTENTIAL WITH A RECORD OF LOWER VOLATILITY

Diversifying its assets across dividend-paying stocks, high-quality bonds and other asset classes, may help reduce the fund's overall portfolio volatility and improve chances of earning more consistent returns over the long term, as illustrated in the chart below.

Risk vs. Return[5]

5-Year Period Ended December 31, 2013



If the fund's sales charge had been included, the returns would have been lower.

Performance data represents past performance, which does not guarantee future results. Current performance may differ from the figures shown. The fund's investment return and principal value will change with market conditions, and you may have a gain or a loss when you sell your shares. Please call Franklin Templeton Investments at (800) DIAL BEN/342-5236 or visit ***franklintempleton.com*** *for the most recent month-end performance.*

Average Annual Total Returns (Periods Ended December 31, 2013)

With Sales Charges[8]

	Inception Date	1-Year	3-Year	5-Year	Since Inception
Class A	7/3/06	6.56	7.38	14.42	5.61
Class C	7/3/06	11.22	8.78	14.99	5.71

Without Sales Charges

	1-Year	3-Year	5-Year	Since Inception
Class A	13.10	9.54	15.79	6.45
Class C	12.22	8.78	14.99	5.71

Calendar Year Total Returns–Class A (Without Sales Charge)

2013	2012	2011	2010	2009	2008	2007
13.10%	12.57%	3.23%	15.13%	37.58%	-32.82%	4.15%

If the fund's sales charge had been included, the returns would have been lower.

30-Day Standardized Yield[9] (As of December 31, 2013)

Class A	1.90%	**Class C**	1.33%

Sales Charges: *Class A: Maximum 5.75% initial sales charge; Class C: 1% contingent deferred sales charge in the first year only.*

Total Annual Operating Expenses: *Class A: 1.17%; Class C: 1.87%*

4. Source: © 2014 Morningstar. For each fund with at least a 3-year history, Morningstar calculates a risk-adjusted return measure that accounts for variation in a fund's monthly performance (including the effects of all sales charges), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive a Morningstar Rating™ of 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. (Each share class is counted as a fraction of one fund and rated separately.) As of December 31, 2013, the fund received Morningstar Ratings of 3 and 3 stars for the 3- and 5-year periods, respectively. **Past performance does not guarantee future results.** Morningstar Rating™ is for Class A shares only; other classes may have different performance characteristics.

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7. Volatility is measured by the annualized standard deviation of monthly total returns.

8. The fund offers other share classes, subject to different fees and expenses, which will affect its performance.

9. 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.

Franklin Templeton Investments

Gain From Our Perspective®

Franklin Templeton's distinct multi-manager structure combines the specialized expertise of three world-class investment management groups—Franklin, Templeton and Mutual Series.

SPECIALIZED EXPERTISE

Each of our portfolio management groups operates autonomously, relying on its own research and staying true to the unique investment disciplines that underlie its success.

Franklin. Founded in 1947, Franklin is a recognized leader in fixed income investing and also brings expertise in growth- and value-style U.S. equity investing.

Templeton. Founded in 1940, Templeton pioneered international investing and, in 1954, launched what has become the industry's oldest global fund. Today, with offices in over 25 countries, Templeton offers investors a truly global perspective.

Mutual Series. Founded in 1949, Mutual Series is dedicated to a unique style of value investing, searching aggressively for opportunity among what it believes are undervalued stocks, as well as arbitrage situations and distressed securities.

TRUE DIVERSIFICATION

Because our management groups work independently and adhere to different investment approaches, Franklin, Templeton and Mutual Series funds typically have distinct portfolios. That's why our funds can be used to build truly diversified allocation plans covering every major asset class.

RELIABILITY YOU CAN TRUST

At Franklin Templeton Investments, we seek to provide investors with strong risk-adjusted returns over the long term, as well as the reliable, accurate and personal service that has helped us become one of the most trusted names in financial services.

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. As the prices of bonds in the fund adjust to a rise in interest rates, the fund's share price may decline. 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 described more fully in the prospectus.

< GAIN FROM OUR PERSPECTIVE® >

VALUE | BLEND | GROWTH | SECTOR | GLOBAL | INTERNATIONAL | **HYBRID** | ALTERNATIVE | ASSET ALLOCATION | FIXED INCOME | TAX-FREE INCOME

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Franklin Templeton Investments

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Franklin Balanced Fund

Symbols:

Class A: FBLAX

Class C: FBMCX

Class R: 353 612 666

Advisor: 353 612 658

This brochure must be preceded or accompanied by a Franklin Balanced Fund summary prospectus and/or prospectus. Please carefully read a prospectus before you invest or send money. Investors should carefully consider a fund's investment goals, risks, charges and expenses before investing. The fund's performance will be updated each quarter with standardized figures and ranking information, if quoted.

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