



Franklin LifeSmart Retirement Income Fund—Class A, C

Target Date
Multi-Asset
December 31, 2019

Product Profile

Product Details¹

Fund Assets	\$51,346,166.45
Fund Inception Date	08/01/2006
Number of Holdings	9
NASDAQ Symbol	FTRAX
Investment Style	Target Date
Lipper Classification	Retirement Income Funds
Morningstar Category™	Target-Date Retirement
Dividend Frequency	Monthly

	Inception Date
Class A	08/01/2006
Class C	08/01/2006

	CUSIP	NASDAQ Symbol
Class A	354 72P 653	FTRAX
Class C	354 72P 646	FRTCX

	Maximum Sales Charges
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 With Waiver	Without Waiver
Class A	0.71%	1.41%
Class C	1.46%	2.16%

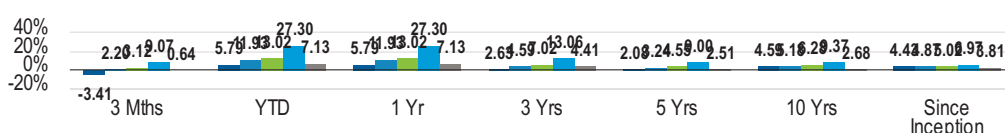
Fund Description

The fund seeks to make monthly distributions, while preserving the investors' capital over the long term. The fund has a strategic allocation of assets primarily among equity and fixed-income underlying fund investments (largely Franklin Templeton funds) and an income generation strategy, which will include derivatives. The fund also employs a managed distribution policy that is designed to provide regular level monthly payments (in retirement plans that permit such cash distributions or if the fund is held outside of a qualified plan).

Performance Data^{2,3}

Average Annual Total Returns^{4,5} (%)

	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception
Class A - With Sales Charges	-3.41	5.79	5.79	2.63	2.08	4.59	4.43
Class A - Without Sales Charges	2.20	11.93	11.93	4.59	3.24	5.18	4.87
Class C - With Sales Charges	0.95	10.14	10.14	3.80	2.48	4.42	4.12
Class C - Without Sales Charges	1.95	11.14	11.14	3.80	2.48	4.42	4.12
Blended Benchmark	3.12	13.02	13.02	7.02	4.55	6.28	5.02
MSCI All Country World Index	9.07	27.30	27.30	13.06	9.00	9.37	6.97
Bloomberg Barclays Multiverse Index	0.64	7.13	7.13	4.41	2.51	2.68	3.81



- Class A - With Sales Charges
- Class A - Without Sales Charges
- Blended Benchmark
- MSCI All Country World Index
- Bloomberg Barclays Multiverse Index

Performance data represents past performance, which does not guarantee future results. Current performance may differ from 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 at (800) DIAL BEN/342-5236 or visit franklintempleton.com for the most recent month-end performance.

The fund has an expense reduction and a fee waiver associated with any investments it makes in a Franklin Templeton money fund and/or other Franklin Templeton fund, contractually guaranteed through 04/30/2020. Fund investment results reflect the expense reduction and fee waiver; without these reductions, the results would have been lower.

1. All holdings are subject to change. Holdings of the same issuers have been combined.
2. The fund offers other share classes subject to different fees and expenses, which will affect their performance. Please see the prospectus for details.
3. Source for Index: FactSet. Indexes are unmanaged, and one cannot invest directly in an index. They do not reflect any fees, expenses or sales charges.
4. Periods shorter than one year are shown as cumulative total returns.
5. Since inception return for the benchmark is calculated to the fund inception date.

Not FDIC Insured | May Lose Value | No Bank Guarantee

Calendar Year Returns (% Without Sales Charges)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Class A	11.93	-2.48	4.84	5.25	-2.59	3.07	12.27	9.20	-0.82	12.77
Class C	11.14	-3.29	4.07	4.50	-3.32	2.39	11.46	8.44	-1.51	11.91
Blended Benchmark	13.02	-3.38	12.24	4.55	-2.51	6.44	11.09	9.66	2.66	10.55
MSCI All Country World Index	27.30	-8.93	24.62	8.49	-1.84	4.71	23.44	16.80	-6.86	13.21
Bloomberg Barclays Multiverse Index	7.13	-1.36	7.69	2.84	-3.29	0.47	-2.19	4.84	5.55	5.84

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

Portfolio Manager Insight⁶

Performance Review

QUARTERLY KEY PERFORMANCE DRIVERS

HELPED	<p>Asset allocation strengthened relative performance as the portfolio was overweight equities and underweight fixed income. From our perspective, corporate earnings and supportive liquidity conditions support global equities.</p> <p>Within equities, regional positioning—including a US overweight and international underweight—modestly contributed to relative returns. We see the US as a defensive region, which continues to benefit in a declining global growth environment due to fewer imbalances and deleveraging risks than in other regions.</p> <p>Select underlying bond funds benefited relative performance. Investors sought out higher quality corporate bonds, which helped performance for Vanguard Intermediate-Term Corporate Bond ETF. Templeton Global Total Return Fund's relative outperformance was primarily attributable to interest-rate strategies, including underweighted duration exposure in the United States.</p>
HURT	<p>A preference for US bonds relative to their global peers dampened relative results. With regards to government bonds outside the United States, we remain concerned over sustained demand from global investors, low term premiums and supply dynamics.</p> <p>Franklin Income Fund provided a high level of current income. However, relative to a blended benchmark, the fund's equity underweight and dividend yield focus dampened relative results, as did a hedge on the S&P 500 Index[®].</p> <p>We preferred defensive positioning in US equity. The information technology and other growth-related sectors led US equity markets in the quarter. As a result, quality-oriented Franklin LibertyQ U.S. Equity ETF lagged due to this style headwind.</p>

Outlook & Strategy

- In an effort to improve performance consistency and potential in fixed income, we liquidated or reduced allocations in select underlying funds and reallocated the proceeds to Franklin Liberty U.S. Core Bond ETF.
- As we approached the end of 2019, we adopted a less cautious stance of equities. While concerns remain about growth momentum, capital investment plans and the potential for renewed market volatility, these worries were offset by more supportive liquidity conditions and corporate earnings. Our preference still lies with the United States, where growth remains stronger than in other developed markets.

6. The information provided is not a complete analysis of every material fact regarding any country, market, industry, security or fund. Because market and economic conditions are subject to change, comments, opinions and analyses are rendered as of the date of this material and may change without notice. A portfolio manager's assessment of a particular security, investment or strategy is not intended as individual investment advice or a recommendation or solicitation to buy, sell or hold any security or to adopt any investment strategy; it is intended only to provide insight into the fund's portfolio selection process. Holdings are subject to change.

Portfolio Diversification

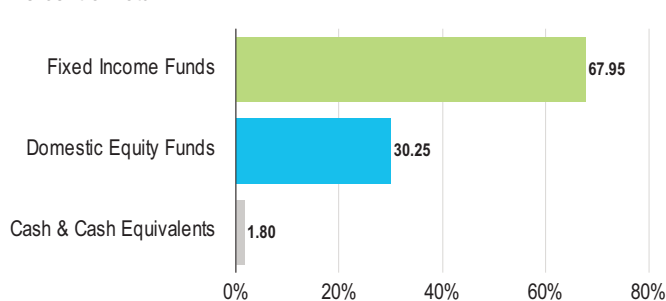
Top Ten Holdings⁷

Percent of Total

Top Holdings	%
Franklin Income Fund, Class R6	20.14
Franklin U.S. Government Securities Fund, Class R6	19.90
Franklin Liberty U.S. Core Bond ETF	19.77
Franklin LibertyQ U.S. Equity ETF	10.11
iShares Core U.S. Aggregate Bond ETF	9.90
UBS AG London Branch, senior note, 144A, 5/07/21	5.05
Vanguard Intermediate-Term Corporate Bond ETF	4.96
Credit Suisse AG, senior note, 2/08/21	4.81
Templeton Global Total Return Fund, Class R6	3.55

Asset Allocation⁸

Percent of Total



Supplemental Performance Statistics

Supplemental Risk Statistics⁹

Class A

	3 Yrs	5 Yrs	10 Yrs
Standard Deviation (%)	3.83	4.89	6.67
Tracking Error (%)	2.62	3.44	2.77
Information Ratio	-0.93	-0.38	-0.39
Beta	0.70	0.74	0.97
Sharpe Ratio	0.77	0.45	0.69

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Investment Philosophy

Franklin LifeSmart Retirement Income Fund is a diversified portfolio that employs an asset allocation strategy combined with an income generation strategy, designed for investors in retirement. The fund employs a managed distribution policy that seeks to provide regular level monthly payments from investors' investment.

Investment Process

The fund seeks a tactical, risk-focused asset allocation among underlying funds by using multiple asset classes, global exposure and diverse income sources bolstered by the broad income research capabilities at Franklin Templeton. To generate additional income, fund may engage in direct covered call and indirect covered call strategies, in addition to equity index futures and exchange-traded and OTC put options on equity indices, equity ETFs and equity index futures for hedging purposes.

Investment Team

Portfolio Manager	Years with Firm	Years Experience
Thomas Nelson, CFA, Director of Portfolio Management	12	28
May Tong, CFA, SVP/Portfolio Manager	1	18

Beta: A measure of the magnitude of a portfolio's past share-price fluctuations in relation to the ups and downs of the overall market (or appropriate market index). The market (or index) is assigned a beta of 1.00, so a portfolio with a beta of 1.20 would have seen its share price rise or fall by 12% when the overall market rose or fell by 10%.

Information Ratio: In investing terminology, the ratio of expected return to risk. Usually, this statistical technique is used to measure a manager's performance against a benchmark. This measure explicitly relates the degree by which an investment has beaten the benchmark to the consistency by which the investment has beaten the benchmark.

7. All holdings are subject to change. Holdings of the same issuers have been combined.

8. Information is historical and may not reflect current or future portfolio characteristics. Percentage may not equal 100% due to rounding. All holdings are subject to change.

9. Beta, Information Ratio and Tracking Error information are measured against the Blended Benchmark.

Sharpe Ratio: To calculate a Sharpe ratio, an asset's excess returns (its return in excess of the return generated by risk-free assets such as Treasury bills) are divided by the asset's standard deviation.

Standard Deviation: A measure of the degree to which returns vary from the average of its previous returns. The larger the standard deviation, the greater the likelihood (and risk) that performance will fluctuate from the average return.

Tracking Error: Measure of the deviation of the return of a product compared to the return of a benchmark over a fixed period of time. Expressed as a percentage. The more passively the investment is managed, the smaller the tracking error.

What Are The Risks?

All investments involve risks, including possible loss of principal. Since the fund invests in underlying funds, including exchanged-traded funds (ETFs), which may engage in a variety of investment strategies involving certain risks, the Franklin LifeSmart Retirement Income Fund is subject to those same risks. Stock prices fluctuate, sometimes rapidly and dramatically, due to factors affecting individual companies, particular industries or sectors, or general market conditions. Bond prices generally move in the opposite direction of interest rates. Thus, as the prices of bonds in the fund adjust to a rise in interest rates, the fund's share price may decline. Foreign investing carries additional risks such as currency and market volatility and political or social instability, risks which are heightened in developing countries. Investments in equity-linked notes (ELNs) often have risks similar to their underlying securities, which could include management, market, and, as applicable, foreign securities and currency risks. In addition, ELNs are subject to certain debt securities risks, such as interest rate and credit risks, as well as counterparty and liquidity risk. Investments in equity index-linked notes (ILNs) often have risks similar to securities in the underlying index, which could include management risk, market risk and, as applicable, foreign securities and currency risks. Investments in derivatives involve costs and can create economic leverage, which may result in significant volatility and cause the fund to participate in losses (as well as gains) that exceed the fund's initial investment.

Managed Distribution Policy Risks - The Franklin LifeSmart Retirement Income Fund is not guaranteed to achieve its investment goals of preserving capital while making monthly distributions nor is there any guarantee that the fund will provide sufficient income at or through the investor's retirement. In addition, some of its distributions may be treated in part as a return of capital which will decrease shareholders' cost basis in the fund and affect the amount of any capital gain or loss that they realize when selling or exchanging fund shares. The annual payout rate may be adjusted higher or lower from year to year, and could vary substantially over time. It is possible for the fund to suffer substantial investment losses and simultaneously experience Managed Distribution Policy Risks: The Franklin LifeSmart Retirement Income Fund is not guaranteed to achieve its investment goals of preserving capital while making monthly distributions nor is there any guarantee that the fund will provide sufficient income at or through the investor's retirement. In addition, some of its distributions may be treated in part as a return of capital which will decrease shareholders' cost basis in the fund and affect the amount of any capital gain or loss that they realize when selling or exchanging fund shares. The annual payout rate may be adjusted higher or lower from year to year, and could vary substantially over time. It is possible for the fund to suffer substantial investment losses and simultaneously experience additional asset reductions as a result of its distributions to shareholders under the managed distribution policy. Investors who hold the fund within a tax-advantaged retirement account should consult their tax advisors to discuss tax consequences of receiving cash distributions. In addition, use of the fund or election of the option to receive distribution payments in cash may be restricted in certain retirement plans by the terms of the governing plan documents and/or the discretion of the plan administrator. Investors are strongly advised to consult with their financial advisor for assistance before selecting the appropriate fund, based on their goals and personal situations, including time horizon, retirement income needs, risk tolerance, and tax bracket. These and other risks are described more fully in the fund's prospectus.

Important Legal 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.

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**Franklin Templeton Distributors, Inc.**

One Franklin Parkway
San Mateo, CA 94403-1906
(800) DIAL BEN/342-5236
franklintempleton.com