

Franklin U.S. Government Securities Fund

Advisor Class: FUSAX Class A: FKFSX Class C: FRUGX Class R: FUSRX Class R6: FGORX
Government | Factsheet as of December 31, 2025

Investment Overview

The fund's investment goal is income. Since 1983, the fund has invested substantially in Government National Mortgage Association securities, or Ginnie Maes (GNMAs). These securities carry a guarantee backed by the full faith and credit of the U.S. government as to timely payment of principal and interest.

Average Annual Total Returns (%)

| | Without Sales Charges | | | | | With Sales Charges | | | | | Inception Date |
|---------------|-----------------------|------|-------|-------|-----------|--------------------|------|-------|-------|-----------|----------------|
| | 1-Yr | 3-Yr | 5-Yr | 10-Yr | Inception | 1-Yr | 3-Yr | 5-Yr | 10-Yr | Inception | |
| Advisor Class | 7.15 | 4.04 | -0.16 | 1.04 | 5.45 | 7.15 | 4.04 | -0.16 | 1.04 | 5.45 | 5/31/1970 |
| Class A | 6.92 | 3.79 | -0.40 | 0.82 | 5.34 | 2.91 | 2.48 | -1.16 | 0.44 | 5.27 | 5/31/1970 |
| Class C | 6.53 | 3.39 | -0.79 | 0.40 | 3.15 | 5.53 | 3.39 | -0.79 | 0.40 | 3.15 | 5/1/1995 |
| Class R | 6.65 | 3.53 | -0.65 | 0.55 | 4.58 | 6.65 | 3.53 | -0.65 | 0.55 | 4.58 | 5/31/1970 |
| Class R6 | 7.25 | 4.20 | -0.05 | 1.17 | 5.72 | 7.25 | 4.20 | -0.05 | 1.17 | 5.72 | 5/31/1970 |
| Benchmark | 6.50 | 4.40 | 0.64 | 1.76 | — | 6.50 | 4.40 | 0.64 | 1.76 | — | — |

Cumulative Total Returns (% Without Sales Charge)

| | 3-Mo | YTD | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---------------|------|------|------|-------|------|--------|-------|------|------|-------|------|------|
| Advisor Class | 1.28 | 7.15 | 7.15 | 0.56 | 4.50 | -10.16 | -1.91 | 3.61 | 5.56 | 0.43 | 0.90 | 0.82 |
| Class A | 1.22 | 6.92 | 6.92 | 0.31 | 4.26 | -10.42 | -2.16 | 3.38 | 5.34 | 0.29 | 0.74 | 0.67 |
| Class C | 1.13 | 6.53 | 6.53 | -0.10 | 3.84 | -10.86 | -2.42 | 2.80 | 4.93 | -0.23 | 0.25 | 0.34 |
| Class R | 1.16 | 6.65 | 6.65 | 0.06 | 3.99 | -10.64 | -2.41 | 3.10 | 5.06 | -0.07 | 0.39 | 0.48 |
| Class R6 | 1.31 | 7.25 | 7.25 | 0.86 | 4.59 | -10.20 | -1.80 | 3.71 | 5.87 | 0.55 | 1.04 | 0.95 |
| Benchmark | 1.15 | 6.50 | 6.50 | 2.44 | 4.30 | -7.73 | -1.69 | 5.73 | 5.20 | 1.43 | 1.14 | 1.05 |

Performance data quoted represents past performance, which does not guarantee future results. Current performance may be lower or higher than the figures shown. Principal value and investment returns will fluctuate, and investors' shares, when redeemed, may be worth more or less than the original cost. Performance would have been lower if fees had not been waived in various periods. Total returns assume the reinvestment of all distributions and the deduction of all fund expenses. Returns with sales charge reflect a deduction of the stated maximum sales charge. An investor cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses or sales charges. Returns for periods of less than one year are not annualized. All classes of shares may not be available to all investors or through all distribution channels. For current month-end performance, please visit franklintempleton.com.

The fund began offering Advisor Class shares on 12/31/1996, the fund began offering R Class shares on 1/2/2002, the fund began offering R6 Class shares on 5/1/2013, and the fund began offering A Class shares on 9/10/2018. Performance quotations have been calculated as follows: (a) for Advisor Class periods prior to 12/31/1996, a restated figure is used based on the fund's Class A1 performance; for R Class periods prior to 1/2/2002, a restated figure is used based on the fund's Class A1 performance; for R6 Class periods prior to 5/1/2013, a restated figure is used based on the fund's Class Advisor performance; for A Class periods prior to 9/10/2018, a restated figure is used based on the fund's Class A1 performance. The performance was adjusted to take into account differences in class-specific operating expenses and maximum sales charges. (b) For periods after share class offering, performance for the specific share class is used, reflecting the expenses and maximum sales charges applicable to that class.

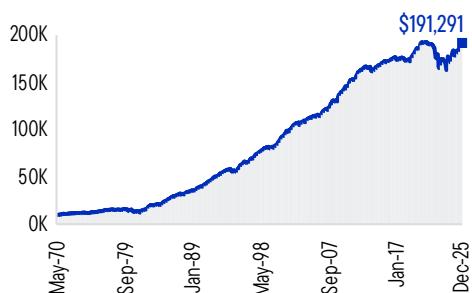
Share Class Details

| | Sales Charges (%) | | Expenses (%) | | 30-Day SEC Yield (%) | | | |
|---------------|-------------------|--------|--------------|------|----------------------|------|----------------|-------------|
| | CUSIP | Ticker | Max | CDSC | Gross | Net | Without Waiver | With Waiver |
| Advisor Class | 353496821 | FUSAX | 0.00 | — | 0.61 | 0.60 | 3.14 | 3.14 |
| Class A | 353496482 | FKFSX | 3.75 | — | 0.86 | 0.85 | 2.78 | 2.78 |
| Class C | 353496862 | FRUGX | 0.00 | 1.00 | 1.26 | 1.25 | 2.49 | 2.49 |
| Class R | 353496714 | FUSRX | 0.00 | — | 1.11 | 1.10 | 2.64 | 2.64 |
| Class R6 | 353496623 | FGORX | 0.00 | — | 0.52 | 0.51 | 3.24 | 3.25 |

Gross expenses are the fund's total annual operating expenses as of the fund's prospectus available at the time of publication. Actual expenses may be higher and may impact portfolio returns. Net expenses reflect contractual fee waivers, expense caps and/or reimbursements, which cannot be terminated prior to 01/31/2026 without Board consent. Additional amounts may be voluntarily waived and/or reimbursed and may be modified or discontinued at any time without notice. There is a 1% CDSC on any Class C shares you sell within 12 months of purchase.

Growth of \$10,000

Advisor Class Shares—Inception through 31st December 2025
Excluding Effects of Sales Charges



Fund Overview

| | |
|----------------------------|----------------------------|
| Dividend Frequency, if any | Monthly |
| Morningstar Category | Government Mortgage-Backed |
| lipper Classification | GNMA Funds |
| Turnover (fiscal yr) | 31% |

Benchmark(s)

Bloomberg US Government - Intermediate Index

| Fund Characteristics | Fund |
|---------------------------|----------------|
| Total Net Assets | \$2.08 Billion |
| Number of Holdings | 582 |
| Weighted Average Maturity | 6.45 Years |
| Effective Duration | 5.42 Years |

Risk Statistics (3-Year—Advisor Class)

| Risk Statistics | Fund |
|------------------------|-------|
| Beta | 1.54 |
| R-Squared | 0.86 |
| Sharpe Ratio | -0.12 |
| Standard Deviation (%) | 6.04 |

Coupon Allocation (% of Par Value Total)

| | Fund |
|------|-------|
| 0-1% | 1.33 |
| 1-2% | 7.49 |
| 2-3% | 30.56 |
| 3-4% | 16.82 |
| 4-5% | 18.43 |
| 5-6% | 23.00 |
| 6-7% | 2.33 |
| 7-8% | 0.04 |

Portfolio Management

| | Years with Firm | Years of Experience |
|-----------------------|-----------------|---------------------|
| Michael V Salm | 28 | 36 |
| Jatin Misra, PhD, CFA | 21 | 21 |
| Neil Dhruv | 23 | 23 |

What should I know before investing?

All investments involve risks, including possible loss of principal. Fixed income securities involve interest rate, credit, inflation and reinvestment risks, and possible loss of principal. As interest rates rise, the value of fixed income securities falls.

Asset-backed, mortgage-backed or mortgage-related securities are subject to prepayment and extension risks.

Changes in the credit rating of a bond, or in the credit rating or financial strength of a bond's issuer, insurer or guarantor, may affect the bond's value. These and other risks are discussed 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. **R-squared** measures the strength of the linear relationship between the fund and its benchmark. R-squared at 1 implies perfect linear relationship and zero implies no relationship exists. **Sharpe Ratio** refers to a risk-adjusted measure calculated using standard deviation and excess returns to determine reward per unit of risk. The higher the ratio, the greater the risk-adjusted performance.

Standard Deviation: 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. The **30-day SEC yield** is calculated using the net income (interest and dividends) per share earned over a trailing 30-day period (annualized), divided by the fund's share price at the end of that period. It may not equal the fund's actual income distribution rate, which reflects the fund's past dividends paid to shareholders. **Turnover** is a measure of the fund's trading activity which represents the portion of the fund's holdings that has changed over a twelve-month period through the fiscal year end. There is no assurance that the fund will maintain its current level of turnover. **Weighted**

Average Maturity: An estimate of the number of years to maturity, taking the possibility of early payments into account, for the underlying holdings. **Effective Duration** is a duration calculation for bonds with embedded options. Effective duration takes into account that expected cash flows will fluctuate as interest rates change. Duration measures the sensitivity of price (the value of principal) of a fixed-income investment to a change in interest rates. The higher the duration number, the more sensitive a fixed-income investment will be to interest rate changes.

Important Information

CFA® and Chartered Financial Analyst® are trademarks owned by CFA Institute.

The **Bloomberg U.S. Government Intermediate Index** is the intermediate component of the Bloomberg U.S. Government Index, which includes public obligations of the U.S. Treasury with at least one year to final maturity and publicly issued debt of U.S. government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. government. Important data provider notices and terms available at www.franklintempletondatasources.com. All data is subject to change.

Source: Bloomberg Indices.

Franklin Distributors, LLC. Member FINRA/SIPC.

© Franklin Templeton. All rights reserved.

Before investing, carefully consider a fund's investment objectives, risks, charges and expenses. You can find this and other information in each prospectus, or summary prospectus, if available, at www.franklintempleton.com. Please read it carefully.