



# Franklin Managed Income Fund

Hybrid  
December 31, 2019

## Fund Fact Sheet | Share Class: Advisor

### Fund Description

The fund seeks to maximize income to support monthly distributions while maintaining the prospects for capital appreciation. The fund invests in a diversified portfolio of stocks and debt securities and employs a managed distribution policy that is intended to provide level monthly payments.

### Fund Overview

<b>Total Net Assets [All Share Classes]</b>	\$3,908 million
<b>Fund Inception Date</b>	7/3/2006
<b>Dividend Frequency</b>	Monthly
<b>Number of Issuers</b>	113

### Share Class Information

Share Class	CUSIP	NASDAQ Symbol
Advisor	353 612 658	FBFZX
A	353 612 682	FBLAX
C	353 612 674	FBMCX
R	353 612 666	FBFQX
R6	353 612 575	FBFRX

### Fund Management

	Years with Firm	Years of Experience
Edward D. Perks, CFA	27	27
Brendan Circle, CFA	5	9
Todd Brighton, CFA	19	19
Alan Muschott, CFA	21	21
Shawn Lyons, CFA	23	24

### Maximum Sales Charge

Advisor Class: None

### Total Annual Operating Expenses

Share Class	With Waiver	Without Waiver
Advisor	0.68%	0.71%

### 30-Day Standardized Yield

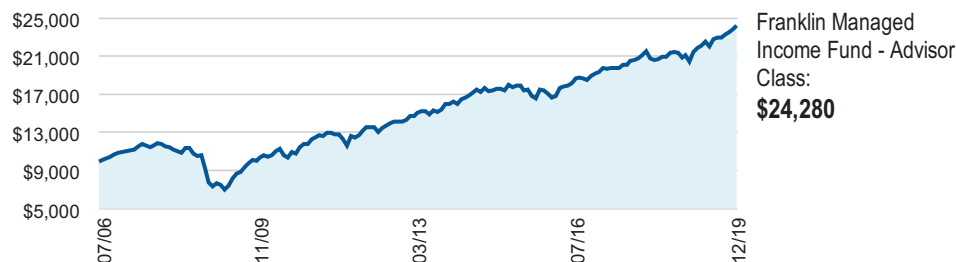
Share Class	With Waiver	Without Waiver
Advisor	2.15%	2.15%

### Asset Allocation (%)

Fixed Income	48.23
Equity	32.91
Convertibles	14.79
Cash & Cash Equivalents	4.07

### Performance

#### Growth of a \$10,000 Investment (from 07/03/2006-12/31/2019)



### Total Returns % (as of 12/31/2019)

Share Class	CUMULATIVE YTD	AVERAGE ANNUAL					Since Inception	Inception Date
		1 Yr	3 Yrs	5 Yrs	10 Yrs			
Advisor	18.31	18.31	8.03	6.63	8.56	6.79	7/3/2006	

### Calendar Year Total Returns %

Share Class	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Advisor	18.31	-2.99	9.85	12.22	-2.57	7.79	13.41	12.99	3.54	15.35
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
	38.02	-32.64	4.56	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Effective March 1, 2019, the Franklin Balanced Fund repositioned to become an income strategy. The fund changed its name to Franklin Managed Income Fund, as well as its dividend policy, investment management fees and primary benchmark.

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](http://franklintempleton.com) for the most recent month-end performance.

Advisor Class shares do not have sales charges or 12b-1 fees and are offered only to certain eligible investors as stated in the prospectus.

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 February 29, 2020. Fund investment results reflect the expense reduction and fee waiver; without these reductions, the results would have been lower.

### Top Ten Holdings (% of Total)

Issuer Name	
GOVERNMENT OF THE UNITED STATES OF AMERICA	7.84
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION	3.81
JPMORGAN CHASE & CO	2.59
BANK OF AMERICA CORP	2.29
INTEL CORP	2.12
MORGAN STANLEY	2.09
WELLS FARGO & CO	1.94
APPLE INC	1.87
CVS HEALTH CORP	1.80
BROADCOM INC	1.79

### Fund Measures


Average Weighted Maturity	5.04 Years
Standard Deviation (3 Yrs) - Advisor Class	5.52%
Beta (3 Yrs, vs. Blended 50% MSCI USA High Dividend Yield Index + 25% ICE BofAML US Corporate & High Yield Index + 25% Bloomberg Barclays US Aggregate Index) - Advisor Class	0.93

## Composition of Fund

Sector—Equity	% of Total
Information Technology	12.54
Financials	8.30
Health Care	5.67
Industrials	4.58
Energy	3.52
Communication Services	3.31
Consumer Staples	2.96
Consumer Discretionary	2.93
Utilities	2.04
Others	1.86

Sector—Fixed Income	% of Total
Corporate	34.28
Government/Agency	13.42
Loans	0.53
Cash & Cash Equivalents	4.07

## Morningstar Rating™—Advisor Class

**Overall Morningstar Rating™**  As of December 31, 2019 the fund's Advisor Class shares received a 4 star overall Morningstar Rating™, measuring risk-adjusted returns against 643, 570 and 420 U.S.-domiciled US Fund Allocation--50% to 70% Equity funds over the 3-, 5- and 10- year periods, respectively. A fund's overall rating is derived from a weighted average of the performance figures associated with its 3-, 5- and 10-year (if applicable) rating metrics.

## 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.

**Managed Distribution Policy Risks** - The Franklin Managed Income Fund is not guaranteed to achieve its investment goal of making monthly distributions while maintaining prospects for capital appreciation 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.

## Glossary

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

**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.

Indexes are unmanaged, and one cannot invest directly in an index. They do not reflect any fees, expenses or sales charges.

The 25% US Corp and High Yield + 25% US Agg + 50% US High Div Yield Index is composed of the blended 25% ICE BofAML US Corporate & High Yield Index + 25% Bloomberg Barclays US Aggregate Index + 50% MSCI US High Dividend Yield Index.

All MSCI data is provided "as is." The Fund described herein is not sponsored or endorsed by MSCI. In no event shall MSCI, its affiliates or any MSCI data provider have any liability of any kind in connection with the MSCI data or the Fund described herein. Copying or redistributing the MSCI data is strictly prohibited.

**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.

**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.

**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.

**Fund Measures:** Source: FactSet. The portfolio characteristics listed are based on the fund's underlying holdings, and do not necessarily reflect the fund's characteristics.

**Morningstar Rating™:** Source: Morningstar®, 12/31/19. For each mutual fund and ETF with at least a 3-year history, Morningstar calculates a Morningstar Rating™ based on how a fund ranks on a Morningstar Risk-Adjusted Return measure against other funds in the same category. This measure takes into account variations in a fund's monthly performance, and does not take into account the effects of sales charges and loads, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 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. The weights are: 100% 3-year rating for 36-59 months of total returns, 60% 5-year rating/40% 3-year rating for 60-119 months of total returns, and 50% 10-year rating/30% 5-year rating/20% 3-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent 3-year period actually has the greatest impact because it is included in all three rating periods. The Fund's Advisor Class shares received a Morningstar Rating of 3, 3 and 4 star(s) for the 3-, 5- and 10-year periods, respectively. Morningstar Rating™ is for the named share class only; other classes may have different performance characteristics. **Past performance is not an indicator or a guarantee of future performance.** Source: ©Morningstar. Important data provider notices and terms available at [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com).