FRANKLIN TEMPLETON

Franklin Managed Income Fund

Advisor Class: FBFZX Class A: FBLAX Class C: FBMCX Class R: FBFQX Class R6: FBFRX | **Multi-Asset Income** | Factsheet as of June 30, 2026

Investment Overview

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.

Average Annual Total Returns (%)

	Without Sales Charges					With Sales Charges					Inception
	1-Yr	3-Yr	5-Yr	10-Yr	Inception	1-Yr	3-Yr	5-Yr	10-Yr	Inception	Date
Advisor Class	12.75	9.00	5.47	7.26	6.72	12.75	9.00	5.47	7.26	6.72	7/3/2006
Class A	12.59	8.74	5.21	7.00	6.43	6.39	6.70	4.03	6.40	6.13	7/3/2006
Class C	11.61	7.90	4.42	6.19	5.66	10.61	7.90	4.42	6.19	5.66	7/3/2006
Class R	12.20	8.46	4.95	6.73	6.20	12.20	8.46	4.95	6.73	6.20	7/3/2006
Class R6	12.90	9.10	5.55	7.35	6.83	12.90	9.10	5.55	7.35	6.83	7/3/2006
Benchmark 1	9.74	8.97	4.67	6.30	—	9.74	8.97	4.67	6.30	—	—
Benchmark 2	3.79	4.16	0.08	1.54	—	3.79	4.16	0.08	1.54	—	—

Cumulative Total Returns (% Without Sales Charge)

	3-Mo	YTD	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Advisor Class	2.29	6.27	10.55	5.15	7.89	-6.94	15.46	5.62	18.31	-2.99	9.85	12.22
Class A	2.31	6.16	10.29	4.89	7.63	-7.16	15.15	5.42	17.89	-3.16	9.51	11.98
Class C	1.99	5.74	9.46	4.03	6.86	-7.88	14.29	4.60	17.07	-3.91	8.79	11.07
Class R	2.17	6.02	10.00	4.63	7.36	-7.38	14.83	5.14	17.66	-3.40	9.30	11.59
Class R6	2.39	6.38	10.62	5.13	7.98	-6.86	15.54	5.70	18.39	-2.82	9.95	12.34
Benchmark 1	2.55	4.91	9.54	7.02	7.16	-8.74	10.24	5.50	17.06	-1.49	12.14	10.71
Benchmark 2	0.67	0.62	7.30	1.25	5.53	-13.01	-1.54	7.51	8.72	0.01	3.54	2.65

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 Class R6 shares on 5/1/2013. Performance quotations have been calculated as follows: (a) for Class R6 periods prior to 5/1/2013, a restated figure is used based on the fund's Advisor Class 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. For performance reporting purposes, the inception date is the date of effectiveness of the fund's registration statement or the first day the fund commenced operations.

Share Class Details

			Sales Charges (%)		Expenses (%)		30-Day SEC Yield (%)	
	CUSIP	Ticker	Max	CDSC	Gross	Net	Without Waiver	With Waiver
Advisor Class	353612658	FBFZX	0.00	—	0.66	0.66	3.35	3.37
Class A	353612682	FBLAX	5.50	—	0.91	0.91	2.92	2.94
Class C	353612674	FBMCX	0.00	1.00	1.66	1.66	2.34	2.36
Class R	353612666	FBFQX	0.00	—	1.16	1.16	2.85	2.86
Class R6	353612575	FBFRX	0.00	—	0.59	0.59	3.41	3.41

Gross expenses are the fund's total annual operating expenses as of the fund's prospectus available at the time of publication. Net expenses are capped under a contractual agreement, which cannot be terminated prior to 02/28/2027 without Board consent. Actual expenses may be higher and may impact portfolio returns. There is a 1% CDSC on any Class C shares you sell within 12 months of purchase.

Morningstar Rating™

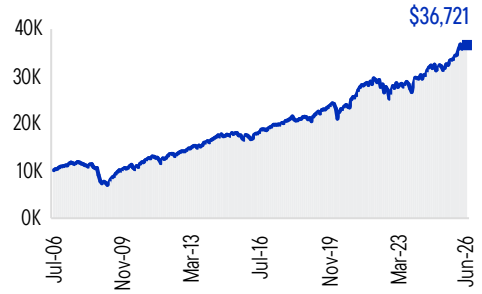
Overall Rating as of June 30, 2026

★★★★ Advisor Class

As of 06/30/2026 the fund's Advisor Class shares received a 4 star overall Morningstar rating™, measuring risk-adjusted returns against 209, 202 and 166 Moderately Conservative Allocation 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. The number of funds in the category for the Overall Rating are listed under the 3-year period.

Growth of $10,000

Advisor Class Shares—Inception through June 30, 2026
Excluding Effects of Sales Charges



Fund Overview

Dividend Frequency, if any	Monthly
Morningstar Category	Moderately Conservative Allocation
Lipper Classification	Mixed-Asset Target Allocation
Turnover (fiscal yr)	42%

Benchmark(s)

1—Linked 60% Bloomberg U.S. Aggregate Index & 40% MSCI USA High Dividend Yield Index
2—Bloomberg U.S. Aggregate Index

Fund Characteristics

Fund	
Total Net Assets	$3.43 Billion
Number of Issuers	124
Price to Book	3.46x
Price to Earnings (12-Month Trailing)	23.52x
Average Weighted Maturity	7.60 Years
Effective Duration	5.68 Years

Not FDIC Insured | No Bank Guarantee | May Lose Value

Asset Allocation (% of Total)

	Fund
Fixed Income	49.78
Equity	40.58
Convertibles/Equity-Linked Notes	8.60
Cash & Cash Equivalents	1.05

Top Holdings (% of Total)

	Fund
GOVT NATL MORTG ASSN	6.16
UNITED STATES TREASURY BOND	3.62
FREDDIE MAC POOL	3.15
FANNIE MAE POOL	2.88
SOUTHERN CO/THE	2.40
TEXAS INSTRUMENTS INC	2.23
PROCTER & GAMBLE CO/THE	1.92
MORGAN STANLEY	1.84
CISCO SYSTEMS INC	1.80
ABBVIE INC	1.64

Sector Allocation (Fixed Income as a % of Total)

	Fund
Investment Grade Corporates	33.56
Mortgage-Backed Securities	12.06
U.S. Treasuries	4.15

Sector Allocation (Equity as a % of Total)

	Fund
Information Technology	8.32
Health Care	6.81
Energy	5.49
Utilities	5.29
Industrials	5.25
Consumer Staples	5.22
Financials	4.87
Consumer Discretionary	3.76
Materials	2.34
Communication Services	1.83

Portfolio Management

	Years with Firm	Years of Experience
Edward D. Perks, CFA	33	33
Brendan Circle, CFA	11	15
Todd Brighton, CFA	25	25

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. **Equity securities** are subject to price fluctuation and possible loss of principal. The manager may consider **environmental, social and governance (ESG) criteria** in the research or investment process; however, ESG considerations may not be a determinative factor in security selection. In addition, the manager may not assess every investment for ESG criteria, and not every ESG factor may be identified or evaluated. These and other risks are discussed in the fund's prospectus.**Managed Distribution Policy Risks** - The fund is not guaranteed to achieve its investment goal 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 professional 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 professional 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.

Glossary

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. **Price to Book:** The price per share of a stock divided by its book value (i.e., net worth) per share. For a portfolio, the value represents a weighted average of the stocks it holds. **Price to Earnings (12-Month Trailing)** is the share price of a stock, divided by its per-share earnings over the past year. For a portfolio, the value represents a weighted average of the stocks it holds. **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.

Portfolio Data Information

Holdings are provided for informational purposes only and should not be construed as a recommendation to purchase or sell any security.

Portfolio breakdown percentages may not total 100% and may be negative due to rounding, use of any derivatives, unsettled trades or other factors.

Important Information

Effective 3/1/2019, 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 fee and primary benchmark.

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The **MSCI USA High Dividend Yield Index** is designed to reflect the performance of mid- and large-cap equities (excluding REITs) with higher dividend income, which is sustainable and persistent, than average dividend yields of securities in the MSCI USA Index, its parent index. The **Bloomberg US Aggregate Index** is comprised of investment-grade, U.S. dollar-denominated government, corporate, and mortgage- and asset-backed issues having at least one year to maturity. The **Linked 60% Bloomberg U.S. Aggregate Index & 40% MSCI USA High Dividend Yield Index** reflects the performance of the Blended 50% MSCI USA High Dividend Yield Index + 25% ICE BofA US Corporate & High Yield Index + 25% Bloomberg US Aggregate Index from fund inception through 2/28/2025 and 40% MSCI USA High Dividend Index & 60% Bloomberg US Aggregate thereafter.

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Morningstar Rating™: Source: Morningstar®, 06/30/2026. 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 2, 4 and 4 star(s) for the 3-, 5- and 10-year periods, respectively. Franklin Templeton provides this fund's Morningstar Rating™ for Advisor Class shares only. Other share classes may have different Morningstar ratings. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

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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.