



# Franklin Convertible Securities Fund

Hybrid  
September 30, 2019

## Fund Fact Sheet | Share Class: Advisor

### Fund Description

The fund seeks to maximize total return, consistent with reasonable risk, by investing at least 80% of its net assets in convertible securities. Convertible securities are bonds or preferred stock that may be converted into common stock.

### Fund Overview

<b>Total Net Assets [All Share Classes]</b>	\$3,877 million
<b>Fund Inception Date</b>	4/15/1987
<b>Dividend Frequency</b>	Quarterly
<b>Number of Issuers</b>	77

### Share Class Information

Share Class	CUSIP	NASDAQ Symbol
Advisor	353 612 641	FCSZX
A	353 612 104	FISCX
C	353 612 880	FROTX
R6	353 612 484	FCSKX

### Fund Management

	Years with Firm	Years of Experience
Alan Muschott, CFA	21	21
Matt Quinlan	13	24
Eric Webster, CFA	7	7

### Maximum Sales Charge

Advisor Class: None

### Total Annual Operating Expenses

Share Class	With Waiver	Without Waiver
Advisor	0.60%	0.62%

### 30-Day Standardized Yield

Share Class	With Waiver	Without Waiver
Advisor	1.90%	1.87%

### Asset Allocation (%)

Convertibles	97.23
Cash & Cash Equivalents	2.77

### Performance

#### Growth of a \$10,000 Investment (from 04/15/1987-09/30/2019)



### Total Returns % (as of 9/30/2019)

Share Class	CUMULATIVE YTD	AVERAGE ANNUAL				Since Inception	Inception Date
		1 Yr	3 Yrs	5 Yrs	10 Yrs		
Advisor	17.34	6.59	12.81	9.68	10.95	9.48	4/15/1987

### Calendar Year Total Returns %

Share Class	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Advisor	4.56	18.24	7.96	1.03	4.62	23.50	13.60	-5.27	20.70	50.18
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
	-35.23	0.50	12.15	6.93	16.02	35.44	-15.55	0.81	15.36	21.15

Franklin Convertible Securities Fund closed to new investors with limited exceptions on 8/29/18. Existing investors may continue to purchase additional shares of the fund.

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 a fee waiver associated with any investment 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 fee waiver; without this waiver, the results would have been lower.

### Top Ten Holdings (% of Total)

Issuer Name	% of Total
SEMPRA ENERGY	2.35
INSULET CORP	2.31
MICROCHIP TECHNOLOGY INC	2.31
RH	2.09
ILLUMINA INC	2.05
WAYFAIR INC	2.04
AXA SA	2.02
SERVICENOW INC	1.98
WORKDAY INC	1.95
DEXCOM INC	1.94

### Fund Measures

Standard Deviation (3 Yrs) - Advisor Class	9.70%
Beta (3 Yrs, vs.ICE BofAML All Total Return Alternatives U.S. Convertibles Index) - Advisor Class	1.04

## Composition of Fund

Geographic	% of Total	Sector	% of Total
United States	84.20	Information Technology	39.60
China	4.78	Health Care	20.08
France	2.02	Consumer Discretionary	10.28
Argentina	1.90	Communication Services	10.18
Israel	1.63	Utilities	5.42
Netherlands	1.55	Industrials	4.80
Mexico	1.14	Materials	2.59
Cash & Cash Equivalents	2.77	Financials	2.02
		Consumer Staples	1.65
		Energy	0.61
		Cash & Cash Equivalents	2.77

## Morningstar Rating™—Advisor Class

**Overall Morningstar Rating™** As of September 30, 2019 the fund's Advisor Class shares received a 5 star overall Morningstar Rating™, measuring risk-adjusted returns against 75, 60 and 45 U.S.-domiciled Convertibles 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. Convertible securities are subject to the risks of stocks when the underlying stock price is high relative to the conversion price (because more of the security's value resides in the conversion feature) and debt securities when the underlying stock price is low relative to the conversion price (because the conversion feature is less valuable). A convertible security is not as sensitive to interest rate changes as a similar non-convertible debt security, and generally has less potential for gain or loss than the underlying stock. The fund may invest in high-yielding, fixed income securities. High yields reflect the higher credit risk associated with these lower-rated securities and, in some cases, the lower market prices for these instruments. Interest rate movements may affect the fund's share price and yield. 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. The fund may also invest in foreign securities, which involve special risks, including political uncertainty and currency volatility. These and other risks are described more fully 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.

**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.

The index data referenced herein is the property of Intercontinental Exchange ("ICE") and/or its licensors and has been licensed for use by Franklin Templeton. ICE and its licensors accept no liability in connection with this use. See [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com) for a full copy of the Disclaimer.

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

**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.

**Advisor:** Effective 5/15/08, the fund began offering Advisor Class Shares. For periods prior to the fund's Advisor Class inception date, a restated figure is used based on the fund's oldest share class, Class A performance, excluding the effect of Class A's maximum initial sales charge but reflecting the effect of the Class A Rule 12b-1 fees; and for periods after the fund's Advisor Class inception date, actual Advisor Class performance is used, reflecting all charges and fees applicable to that class.

**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.

**Composition of Fund:** Percentage may not equal 100% due to rounding.

**Morningstar Rating™:** Source: Morningstar®, 9/30/19. 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 5, 5 and 5 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).