

# Franklin Equity Income Fund

Advisor Class: FEIX Class A: FISEX Class C: FRET Class R: FREIX Class R6: FEIQX

Equity Income | Factsheet as of March 31, 2025

## Investment Overview

The fund's investment goal is to maximize total return by emphasizing high current income and long-term capital appreciation, consistent with reasonable risk. The fund normally invests at least 80% of its net assets in equity securities, with a focus on financially-strong "blue chip" companies, and the remainder of its assets in other equity-related instruments such as convertible securities and equity-linked notes.

## 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	9.71	7.28	15.84	9.62	9.07	9.71	7.28	15.84	9.62	9.07	3/15/1988
Class A	9.42	7.01	15.55	9.35	8.95	3.40	5.02	14.26	8.73	8.78	3/15/1988
Class C	8.62	6.22	14.68	8.52	7.20	7.63	6.22	14.68	8.52	7.20	10/2/1995
Class R	9.14	6.74	15.26	9.09	8.57	9.14	6.74	15.26	9.09	8.57	3/15/1988
Class R6	9.79	7.36	15.94	9.73	9.35	9.79	7.36	15.94	9.73	9.35	3/15/1988
Benchmark 1	7.18	6.64	16.15	8.79	—	7.18	6.64	16.15	8.79	—	—
Benchmark 2	8.25	9.06	18.59	12.50	—	8.25	9.06	18.59	12.50	—	—

## Cumulative Total Returns (% Without Sales Charge)

	3-Mo	YTD	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Advisor Class	0.45	0.45	18.32	9.30	-6.59	25.53	5.89	25.80	-4.46	16.26	12.03	-0.60
Class A	0.42	0.42	17.99	9.04	-6.84	25.23	5.61	25.48	-4.67	15.96	11.75	-0.90
Class C	0.23	0.23	17.12	8.23	-7.55	24.28	4.80	24.51	-5.36	15.07	10.92	-1.61
Class R	0.32	0.32	17.72	8.78	-7.07	24.90	5.35	25.22	-4.86	15.68	11.50	-1.15
Class R6	0.47	0.47	18.41	9.38	-6.51	25.62	6.03	25.85	-4.33	16.41	12.20	-0.53
Benchmark 1	2.14	2.14	14.37	11.46	-7.54	25.16	2.80	26.54	-8.27	13.66	17.34	-3.83
Benchmark 2	-4.27	-4.27	25.02	26.29	-18.11	28.71	18.40	31.49	-4.38	21.83	11.96	1.38

**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](http://franklintempleton.com).

The fund began offering Advisor Class shares on 5/15/2008, the fund began offering R Class shares on 8/1/2002, and the fund began offering R6 Class shares on 5/1/2013. Performance quotations have been calculated as follows: (a) for Advisor Class periods prior to 5/15/2008, a restated figure is used based on the fund's Class A performance; for R Class periods prior to 8/1/2002, a restated figure is used based on the fund's Class A performance; for R6 Class periods prior to 5/1/2013, a restated figure is used based on the fund's Class Advisor 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

	CUSIP	Ticker	Sales Charges (%)		Expenses (%)	
			Max	CDSC	Gross	Net
Advisor Class	353612633	FEIX	0.00	—	0.59	0.58
Class A	353612401	FISEX	5.50	—	0.84	0.83
Class C	353612807	FRET	0.00	1.00	1.59	1.58
Class R	353612740	FREIX	0.00	—	1.09	1.08
Class R6	353612567	FEIQX	0.00	—	0.51	0.50

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 02/28/2026 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.

## Morningstar Rating™

Overall Rating as of March 31, 2025

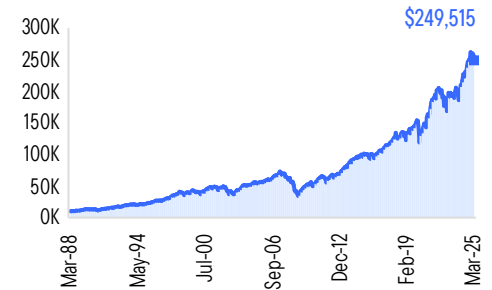
★★★★ Advisor Class

★★★★ Class A

As of 03/31/2025 the fund's Advisor Class and Class A shares received a 4 star overall Morningstar rating™, measuring risk-adjusted returns against 1092, 1030 and 808 Large Value 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.

## Growth of \$10,000

Advisor Class Shares—Inception through March 31, 2025  
Excluding Effects of Sales Charges



## Fund Overview

Dividend Frequency, if any	Quarterly
Morningstar Category	Large Value
Lipper Classification	Equity Income Funds
Turnover (fiscal yr)	30%

## Benchmark(s)

- 1—Russell 1000 Value Index
- 2—S&P 500 Index

## Fund Characteristics

	Fund
Total Net Assets	\$4.10 Billion
Number of Issuers	68
Average Market Cap (Millions USD)	\$241,287
Price to Book	3.24x
Price to Earnings (12-Month Trailing)	22.39x

## Risk Statistics (3-Year—Advisor Class vs. Russell 1000 Value Index)

	Fund	Benchmark 1
Beta	0.90	—
R-Squared	0.97	—
Sharpe Ratio	0.19	0.14
Standard Deviation (%)	15.33	16.76
Alpha (%)	0.73	—
Information Ratio	0.21	—
Tracking Error (%)	3.04	—

Top Holdings (% of Total)

	Fund
JPMORGAN CHASE & CO	4.27
CHEVRON CORP	3.76
MORGAN STANLEY	2.92
PROCTER & GAMBLE CO/THE	2.91
BANK OF AMERICA CORP	2.90
UNITEDHEALTH GROUP INC	2.90
JOHNSON & JOHNSON	2.88
CHARLES SCHWAB CORP/THE	2.54
DUKE ENERGY CORP	2.52
EATON CORP PLC	2.25

Sector Allocation (% of Total)

	Fund	Benchmark 1
Financials	21.30	23.24
Health Care	14.86	14.78
Industrials	13.57	14.06
Consumer Staples	10.09	8.15
Energy	9.46	7.09
Information Technology	8.83	8.65
Utilities	6.74	4.81
Consumer Discretionary	4.19	5.76
Other	7.83	13.46
Cash & Cash Equivalents	3.12	0.00

Portfolio Management

	Years with Firm	Years of Experience
Matt Quinlan	19	30
Alan Muschott, CFA	26	26

What should I know before investing?

All investments involve risks, including possible loss of principal. Equity securities are subject to price fluctuation and possible loss of principal. Distributions are not guaranteed and are subject to change. Investments in equity-linked notes often have risks similar to their underlying securities, which could include management risk, market risk and, as applicable, foreign securities and currency risks. Convertible securities are subject to the risks of stocks when the underlying stock price is high relative to the conversion price and debt securities when the underlying stock price is low relative to the conversion price. International investments are subject to special risks, including currency fluctuations and social, economic and political uncertainties, which could increase volatility. These risks are magnified in emerging markets. 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.

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. **Alpha** is the annualized percentage difference between a portfolio's actual returns and its expected performance given its level of market risk, as measured by beta. **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. **Tracking Error** measure of the deviation of the return of a fund compared to the return of a benchmark over a fixed period of time. Expressed as a percentage. The more passively the investment fund is managed, the smaller the tracking error. **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 Market Capitalization:** A determination of a company's value, calculated by multiplying the total number of company stock shares outstanding by the price per share. For a portfolio, the value represents a weighted average based on the stocks held. **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.

Important 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](http://www.franklintempleton.com). Please read it carefully.