

Franklin Moderate Allocation Fund

Advisor Class: FMTZX Class A: FMTIX Class C: FTMTX Class R: FTMRX Class R6: FTMLX

Target Risk | Factsheet as of December 31, 2025

Investment Overview

The fund seeks the highest level of long-term total return consistent with an acceptable level of risk. The manager allocates assets among broad asset classes by investing primarily in a distinctly weighted combination of other funds, predominately other Franklin Templeton affiliated mutual funds and exchange-traded funds. Under normal market conditions, the portfolio managers will allocate 60% to equity funds and 40% to fixed-income funds. The fund is designed for investors seeking a moderate level of risk with an intermediate investment horizon.

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 | 15.29 | 14.02 | 7.01 | 7.97 | 6.82 | 15.29 | 14.02 | 7.01 | 7.97 | 6.82 | 12/31/1996 |
| Class A | 15.03 | 13.73 | 6.75 | 7.70 | 6.63 | 8.68 | 11.61 | 5.55 | 7.10 | 6.42 | 12/31/1996 |
| Class C | 14.11 | 12.89 | 5.94 | 6.90 | 5.81 | 13.11 | 12.89 | 5.94 | 6.90 | 5.81 | 12/31/1996 |
| Class R | 14.70 | 13.45 | 6.47 | 7.43 | 6.36 | 14.70 | 13.45 | 6.47 | 7.43 | 6.36 | 12/31/1996 |
| Class R6 | 15.38 | 14.11 | 7.09 | 8.07 | 6.97 | 15.38 | 14.11 | 7.09 | 8.07 | 6.97 | 12/31/1996 |
| Benchmark 1 | 16.71 | 13.94 | 5.91 | 7.72 | — | 16.71 | 13.94 | 5.91 | 7.72 | — | — |
| Benchmark 2 | 22.34 | 20.65 | 11.19 | 11.72 | — | 22.34 | 20.65 | 11.19 | 11.72 | — | — |
| Benchmark 3 | 8.42 | 4.29 | -1.87 | 1.50 | — | 8.42 | 4.29 | -1.87 | 1.50 | — | — |

Cumulative Total Returns (% Without Sales Charge)

| | 3-Mo | YTD | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---------------|------|-------|-------|-------|-------|--------|-------|-------|-------|-------|-------|------|
| Advisor Class | 2.51 | 15.29 | 15.29 | 12.07 | 14.71 | -15.97 | 12.64 | 12.72 | 17.68 | -4.57 | 15.20 | 5.26 |
| Class A | 2.44 | 15.03 | 15.03 | 11.80 | 14.37 | -16.14 | 12.38 | 12.37 | 17.40 | -4.82 | 14.98 | 4.94 |
| Class C | 2.21 | 14.11 | 14.11 | 10.96 | 13.62 | -16.85 | 11.55 | 11.57 | 16.52 | -5.54 | 14.10 | 4.25 |
| Class R | 2.42 | 14.70 | 14.70 | 11.55 | 14.12 | -16.37 | 12.05 | 12.17 | 17.05 | -5.04 | 14.69 | 4.71 |
| Class R6 | 2.53 | 15.38 | 15.38 | 12.15 | 14.82 | -15.91 | 12.74 | 12.76 | 17.81 | -4.49 | 15.40 | 5.34 |
| Benchmark 1 | 2.11 | 16.71 | 16.71 | 9.67 | 15.57 | -17.25 | 8.86 | 13.94 | 18.67 | -6.06 | 17.22 | 5.99 |
| Benchmark 2 | 3.29 | 22.34 | 22.34 | 17.49 | 22.20 | -18.36 | 18.54 | 16.25 | 26.60 | -9.42 | 23.97 | 7.86 |
| Benchmark 3 | 0.35 | 8.42 | 8.42 | -1.34 | 6.05 | -16.01 | -4.51 | 9.02 | 7.13 | -1.36 | 7.69 | 2.84 |

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.

Share Class Details

| | CUSIP | Ticker | Sales Charges (%) | | Expenses (%) | |
|---------------|-----------|--------|-------------------|------|--------------|------|
| | | | Max | CDSC | Gross | Net |
| Advisor Class | 35472P869 | FMTZX | 0.00 | — | 0.60 | 0.60 |
| Class A | 35472P307 | FMTIX | 5.50 | — | 0.85 | 0.85 |
| Class C | 35472P406 | FTMTX | 0.00 | 1.00 | 1.60 | 1.60 |
| Class R | 35472P885 | FTMRX | 0.00 | — | 1.10 | 1.10 |
| Class R6 | 35472P422 | FTMLX | 0.00 | — | 0.55 | 0.53 |

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 04/30/2026 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 | Quarterly |
| Morningstar Category | Moderate Allocation |
| Lipper Classification | Mixed-Asset Target Allocation |
| Turnover (fiscal yr) | 38% |

Benchmark(s)

- 1—Linked Franklin Moderate Allocation Fund Benchmark-NR
- 2—MSCI All Country World Index-NR
- 3—Bloomberg Multiverse Index

Fund Characteristics

| | Fund |
|-------------------|----------------|
| Total Net Assets | \$1.72 Billion |
| Number of Issuers | 21 |

Risk Statistics (3-Year—Advisor Class vs. Linked Franklin Moderate Allocation Fund Benchmark-NR)

| | Fund | Benchmark 1 |
|------------------------|------|-------------|
| Beta | 0.94 | — |
| R-Squared | 0.95 | — |
| Sharpe Ratio | 1.09 | 1.03 |
| Standard Deviation (%) | 8.52 | 8.88 |
| Alpha (%) | 0.60 | — |

Asset Allocation (% of Total)

| | Fund |
|-----------------------------|-------|
| U.S. Equity | 47.80 |
| U.S. Fixed Income | 27.97 |
| Global ex-U.S. Equity | 15.89 |
| Global ex-U.S. Fixed Income | 4.46 |
| Alternatives | 3.36 |
| Cash & Cash Equivalents | 0.52 |

Top Securities (% of Total)

| | Fund |
|--|-------|
| Franklin U.S. Core Equity (IU) Fund | 23.42 |
| Franklin U.S. Core Bond ETF | 14.04 |
| Franklin Growth Fund, Class R6 | 7.48 |
| Franklin U.S. Treasury Bond ETF | 7.10 |
| Franklin Investment Grade Corporate ETF | 6.85 |
| Franklin International Core Equity (IU) Fund | 6.60 |
| Putnam Large Cap Value Fund | 6.22 |
| Franklin U.S. Large Cap Multifactor Index ETF | 5.52 |
| Franklin Emerging Market Core Equity (IU) Fund | 3.51 |
| Putnam Large Cap Growth Fund | 2.69 |

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 Management

| | Years with Firm | Years of Experience |
|--------------------|-----------------|---------------------|
| Thomas Nelson, CFA | 18 | 34 |
| Berkeley Belknap | 6 | 32 |
| Laura Green, CFA | 18 | 18 |

What should I know before investing?

All investments involve risks, including possible loss of principal. The **allocation** of assets among different strategies, asset classes and investments may not prove beneficial or produce the desired results. Investments in **underlying funds** are subject to the same risks as, and indirectly bear the fees and expenses of, the underlying funds. **Equity securities** are subject to price fluctuation and possible loss of principal. **Small- and mid-cap stocks** involve greater risks and volatility than large-cap stocks. **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. 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. **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.

Important Information

Effective January 1, 2015, Franklin Moderate Allocation Fund increased target allocation to equity funds by 5% (from 55% to 60%) and correspondingly decreased the target allocation to fixed income funds (from 45% to 40%). The fund's investment goal remains the same. On January 1, 2013, the fund changed its target allocation, with short-term investments (formerly a targeted allocation of 10%) combined into the fixed income allocations; such a change can impact performance. The fund's investment goal remained the same. The risk/reward potential is based on the fund's goal and level of risk. It is not indicative of the fund's actual or implied performance or portfolio composition, which may change on a continuous basis.

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Asset Allocation: Alternatives Funds refers to the fund's investments in underlying Franklin commodities and hedge funds.

The **Bloomberg Multiverse Index** provides a broad-based measure of the global fixed-income bond market. The **Linked Franklin Moderate Allocation Fund Benchmark-NR** reflects the performance of 38.5% S&P 500 Index, 16.5% MSCI EAFE Index, 35% Bloomberg U.S. Aggregate Index and 10% Payden & Rygel 90 Day U.S. T-Bill Index from fund inception to 12/31/2000; 38.5% S&P 500 Index, 16.5% MSCI EAFE Index-NR, 35% Bloomberg U.S. Aggregate Index and 10% Payden & Rygel 90 Day U.S. T-Bill Index from 1/1/2001 to 12/31/2012; 38.5% S&P 500 Index, 16.5% MSCI EAFE Index-NR and 45% Bloomberg U.S. Aggregate Index from 1/1/2013 to 12/31/14; and 60% MSCI AC World Index-NR and 40% Bloomberg Multiverse Index thereafter. Such a change can impact performance. The **MSCI All Country World Index** is a market capitalization-weighted index that is designed to measure equity market performance of developed and emerging markets. Important data provider notices and terms available at www.franklintempletondatasources.com. All data is subject to change.

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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.