

Franklin Real Estate Securities Fund



Advisor Class: **FRLAX** Class A: **FREEX** Class C: **FRRSX** Class R6: **FSERX**

Real Estate Factsheet as of March 31, 2024

Investment Overview

The fund seeks to maximize total return. Under normal market conditions, the fund invests at least 80% of its net assets in equity securities of companies operating in the real estate industry, predominantly in the United States, including: companies qualifying under federal tax law as real estate investment trusts (REITs); and companies that derive at least half of their assets or revenues from the ownership, construction, management, operation, development or sale of commercial or residential real estate (such as real estate operating or service companies, homebuilders, lodging providers, and developers).

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	5.44	2.15	3.73	5.91	8.07	5.44	2.15	3.73	5.91	8.07	1/3/1994
Class A	5.22	1.91	3.48	5.65	7.76	-0.57	0.01	2.32	5.05	7.56	1/3/1994
Class C	4.41	1.14	2.70	4.86	7.01	3.42	1.14	2.70	4.86	7.01	5/1/1995
Class R6	5.75	2.42	3.95	6.13	8.42	5.75	2.42	3.95	6.13	8.42	1/3/1994
Benchmark 1	8.68	1.87	3.66	6.17	—	8.68	1.87	3.66	6.17	—	—
Benchmark 2	8.68	1.87	3.83	—	—	8.68	1.87	3.83	—	—	—

Cumulative Total Returns (% Without Sales Charge)

	3-Mo	YTD	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Advisor Class	-2.15	-2.15	10.31	-25.48	41.05	-3.28	27.48	-6.19	4.17	5.06	4.10	30.45
Class A	-2.18	-2.18	10.05	-25.68	40.65	-3.51	27.17	-6.41	3.94	4.77	3.86	30.04
Class C	-2.37	-2.37	9.23	-26.25	39.59	-4.25	26.24	-7.12	3.14	3.97	3.09	29.10
Class R6	-2.09	-2.09	10.62	-25.31	41.35	-3.13	27.67	-6.02	4.45	5.29	4.32	30.74
Benchmark 1	-1.15	-1.15	11.96	-26.12	40.56	-4.55	26.32	-3.92	4.35	8.44	2.36	29.60
Benchmark 2	-1.15	-1.15	11.96	-26.12	40.56	-4.55	29.03	-4.59	9.05	—	—	—

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 www.franklintempleton.com. The fund began offering Advisor Class shares on 12/31/1996, 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 12/31/1996, 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.

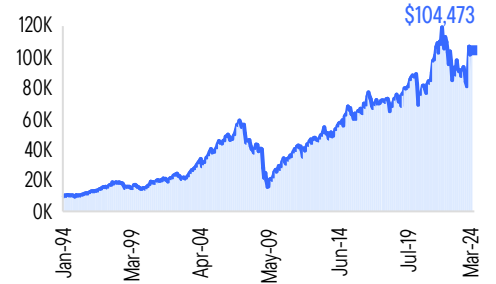
Share Class Details

	CUSIP	Ticker	Sales Charges (%)		Expenses (%)	
			Max	CDSC	Gross	Net
Advisor Class	354602302	FRLAX	0.00	—	0.80	0.80
Class A	354602104	FREEX	5.50	—	1.05	1.05
Class C	354602203	FRRSX	0.00	1.00	1.80	1.80
Class R6	354602500	FSERX	0.00	—	0.62	0.57

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 08/31/2024 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 March 31, 2024
Excluding Effects of Sales Charges



Fund Overview

Dividend Frequency, if any	Quarterly
Morningstar Category	Real Estate
Lipper Classification	Real Estate Funds
Turnover (fiscal yr)	11%

Benchmark(s)

- 1—Linked MSCI US IMI Real Estate 25/50/ S&P US Property Index
- 2—MSCI US IMI Real Estate 25/50 Index

Fund Characteristics

	Fund
Total Net Assets	\$285.46 Million
Number of Issuers	34
Average Market Cap (Millions USD)	\$46,356
Price to Book	2.37x
Price to Earnings (12-Month Trailing)	35.37x

Risk Statistics (3-Year—Advisor Class vs. Linked MSCI US IMI Real Estate 25/50/ S&P US Property Index)

	Fund	Benchmark 1
Beta	0.98	—
R-Squared	0.99	—
Sharpe Ratio	-0.03	-0.04
Standard Deviation (%)	21.18	21.46
Alpha (%)	0.24	—
Information Ratio	0.14	—
Tracking Error (%)	1.97	—

Top Equity Issuers (% of Total)

	Fund
PROLOGIS INC	10.39
AMERICAN TOWER CORP	8.77
EQUINIX INC	7.83
PUBLIC STORAGE	6.00
WELLTOWER INC	5.45
REALTY INCOME CORP	5.28
AMERICAN HOMES 4 RENT	3.66
VICI PROPERTIES INC	3.58
AVALONBAY COMMUNITIES INC	3.55
EQUITY LIFESTYLE PROPERTIES INC	2.93

Geographic Allocation (% of Total)

	Fund
United States	99.13
Cash & Cash Equivalents	0.87

Sector Allocation (% of Total)

	Fund	Benchmark 2
Industrial Property	14.37	12.16
Towers/Infrastructure	13.15	11.85
Residential	11.94	10.88
Triple Net	11.03	9.78
Data Centers	10.59	9.04
Health Care Property	9.03	8.08
Storage Property	6.00	6.56
Real Estate Services	2.88	7.14
Other	20.14	24.51
Cash & Cash Equivalents	0.87	0.00

Portfolio Management

	Years with Firm	Years of Experience
Blair Schmicker, CFA	16	20
Daniel Scher	21	17

What should I know before investing?

All investments involve risks, including possible loss of principal. To the extent the portfolio invests in a **concentration of certain securities, regions or industries**, it is subject to increased volatility. **Real estate investment trusts (REITs)** are closely linked to the performance of the real estate markets. REITs are subject to illiquidity, credit and interest rate risks, and risks associated with small- and mid-cap investments. 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. **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. Please read it carefully.