



Franklin Strategic Income Fund

Multi-Sector
September 30, 2019

Fund Fact Sheet | Share Class: Advisor

Fund Description

The fund seeks to provide a high level of current income. Its secondary goal is capital appreciation over the long term. The fund is a multi-sector income fund that invests primarily in U.S. and foreign debt securities.

Fund Overview

Total Net Assets [All Share Classes]	\$4,716 million
Fund Inception Date	5/24/1994
Dividend Frequency	Monthly on the 2nd business day
Number of Holdings	706

Share Class Information

Share Class	CUSIP	NASDAQ Symbol
Advisor	354 713 737	FKSAX
A	354 713 505	FRSTX
C	354 713 836	FSGCX
R	354 713 554	FKSRX
R6	354 713 323	FGKNX

Fund Management

	Years with Firm	Years of Experience
Sonal Desai, PhD	9	25
Roger Bayston, CFA	28	33
Patricia O'Connor, CFA	22	23

Maximum Sales Charge

Advisor Class: None

Total Annual Operating Expenses

Share Class	With Waiver	Without Waiver
Advisor	0.64%	0.69%

30-Day Standardized Yield

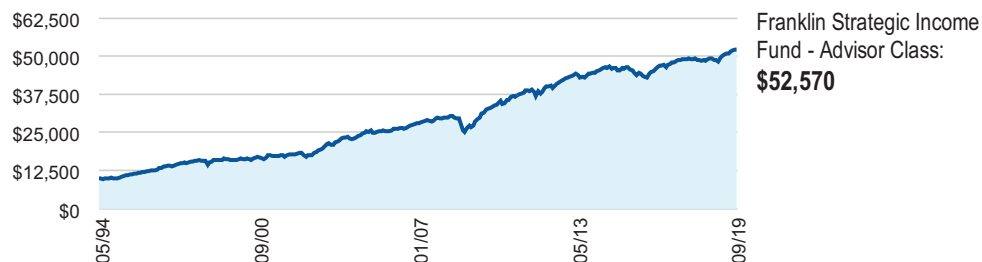
Share Class	With Waiver	Without Waiver
Advisor	4.37%	4.34%

Asset Allocation (Market Value %)

Fixed Income	99.73
Equity	0.77
Cash & Cash Equivalents	-0.50

Performance

Growth of a \$10,000 Investment (from 05/24/1994-09/30/2019)



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	7.74	5.40	3.72	2.62	4.90	6.76	5/24/1994

Calendar Year Total Returns %

Share Class	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Advisor	-1.63	4.76	8.24	-4.02	1.92	3.45	12.62	2.91	11.24	25.72
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
	-10.62	6.12	8.36	1.75	10.23	22.38	4.85	5.67	2.96	2.41

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 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 August 31, 2020. Fund investment results reflect the fee waiver; without this waiver, the results would have been lower.

Fund Measures

Average Duration	4.45 Years
Average Weighted Maturity	5.18 Years
Standard Deviation (3 Yrs) - Advisor Class	2.58%

Composition of Fund

■ Franklin Strategic Income Fund ■ Bloomberg Barclays U.S. Aggregate Index

Geographic (Notional Exposure)	% of Total
United States	80.59 / 91.81
China	3.15 / 0.17
Canada	1.65 / 1.14
Spain	1.64 / 0.12
Australia	1.54 / 0.23
Indonesia	1.47 / 0.04
Russia	1.33 / 0.00
Mexico	1.31 / 0.54
Brazil	1.15 / 0.07
Others	12.17 / 5.86
Cash & Cash Equivalents	-0.50 / 0.00

Sector (Notional Exposure)	% of Total
High Yield Corporates	21.15 / 0.00
International Bonds	18.36 / 3.82
Bank Loans	12.66 / 0.00
Residential Mortgage-Backed Securities	12.50 / 0.00
Investment Grade Corporates	10.65 / 24.93
Collateralized Loan Obligations	10.57 / 0.00
Agency Mortgage-Backed Securities	9.13 / 26.95
Treasury Inflation-Protected Securities	3.88 / 0.00
Interest Rate Derivatives	-3.68 / 0.00
Others	10.77 / 44.30
Cash & Cash Equivalents	-0.50 / 0.00

Portfolio Data Disclosures

Market value figures reflect the trading value of the investments. Notional exposure figures are intended to estimate the portfolio's exposure, including any hedged or increased exposure through certain derivatives held in the portfolio (or their underlying reference assets). Interest Rate Derivatives sector consists of Treasury, interest rate and other derivatives that are primarily used for duration management. Average Duration and Average Weighted Maturity reflect certain derivatives held in the portfolio (or their underlying reference assets). Portfolio breakdown percentages may not total 100% and may be negative due to rounding, use of any derivatives, unsettled trades or other factors.

What Are the Risks?

All investments involve risks, including possible loss of principal. Bond prices generally move in the opposite direction of interest rates. Thus, as the prices of bonds in the fund adjust to a rise in interest rates, the fund's share price may decline. Changes in the financial strength of a bond issuer or in a bond's credit rating may affect its value. High yields reflect the higher credit risks associated with certain lower-rated securities held in the portfolio. Floating-rate loans and high-yield corporate bonds are rated below investment grade and are subject to greater risk of default, which could result in loss of principal—a risk that may be heightened in a slowing economy. The risks of foreign securities include currency fluctuations and political uncertainty. Investments in developing markets involve heightened risks related to the same factors, in addition to those associated with their relatively small size and lesser liquidity. Investing in derivative securities and the use of foreign currency techniques involve special risks as such may not achieve the anticipated benefits and/or may result in losses to the fund. These and other risk considerations are discussed in the fund's prospectus.

Glossary

Average Duration: A measure of the sensitivity of the price (the value of principal) of a fixed-income investment to a change in interest rates. Duration is expressed as a number of years. The weighted average duration of a fund reflects the effective duration of the underlying issues, based on the size of each holding.

Average Weighted Maturity: An estimate of the number of years to maturity, taking the possibility of early payments into account, for the underlying holdings.

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.

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 8/12/99, 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.

Fund Measures: First call/fixed-to-floating date used as maturity date for certain perpetual hybrid securities.