



# The power of income

How Franklin Income Fund's dividends have helped investors achieve different goals





**“We started Franklin Income Fund in 1948 because we wanted to offer people an investment that was well diversified and was focused on seeking to deliver regular income while still delivering some growth potential. Simply put, we wanted the fund to help people pay for the big goals they have in life—college for the kids, retirement, plus any surprises that may come along the way.**

**During my tenure as the fund’s portfolio manager, I’m proud to say that I met many shareholders who had been invested in Franklin Income Fund for many years, even decades.**

**I have always considered that loyalty to be one of the best testaments to the fund’s success.”**

**Charles B. Johnson**

Former Lead Portfolio Manager of Franklin Income Fund  
and Former Chairman of Franklin Resources, Inc.<sup>1</sup>

1. Franklin Resources, Inc. [NYSE:BEN] is a global investment management organization operating as Franklin Templeton. Franklin Templeton provides global and domestic investment management to retail, institutional and sovereign wealth clients in 155 countries. Through specialized teams, the company has expertise across all asset classes—including equity, fixed income, alternative and custom solutions. The company’s more than 1,500 investment professionals are supported by its integrated, worldwide team of risk management professionals and global trading desk network. The California-based company has more than 77 years of investment experience and \$1.68 trillion in assets under management as of December 31, 2025.

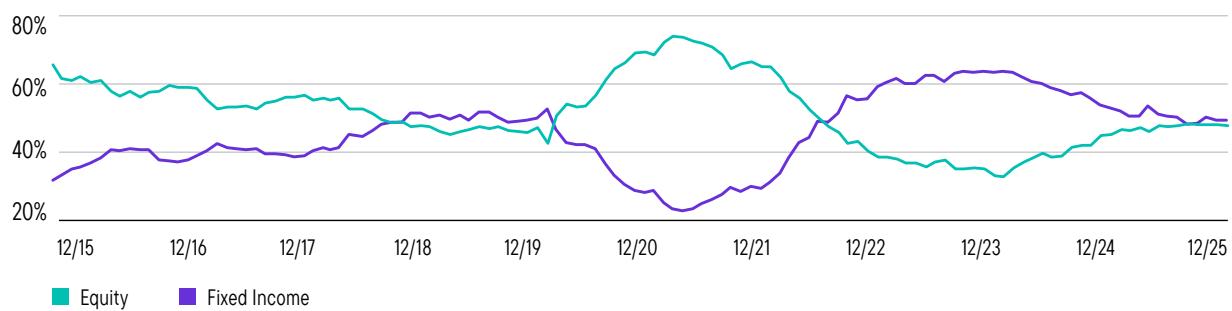
# 77 years of dividends and counting

## An uncommon portfolio

**Franklin Income Fund has paid uninterrupted dividends for 77 years.** The fund has accomplished this long-running stream of income by investing in a flexible portfolio comprised primarily of bonds and dividend-paying stocks. It may sound like a simple recipe, but the fund's managers continually adjust the mix in an attempt to deliver regular income to investors. The fund's proprietary approach creates a unique portfolio that typically would be difficult to replicate with passive investments.

### Franklin Income Fund Asset Allocation<sup>2</sup>

10-Year Period Ended December 31, 2025



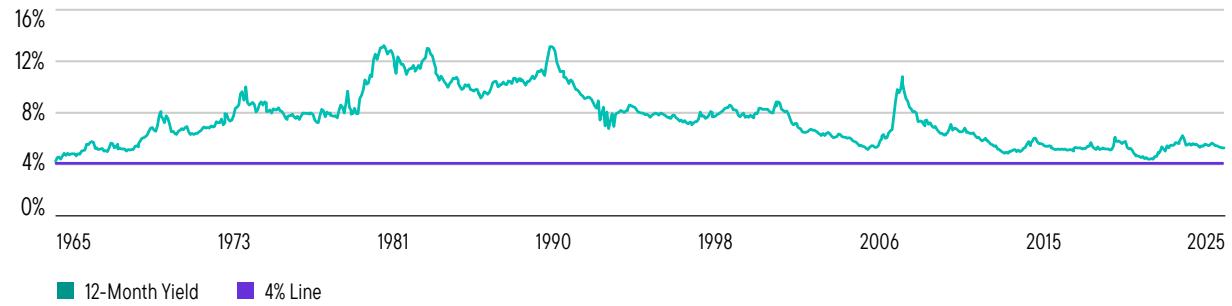
## With uncommon results

Franklin Income Fund's 12-month yield has been 4% or higher since 1965. The fund's managers continually seek out what they believe to be the best income opportunities in any market environment.

### A 12-Month Yield over 4% since 1965<sup>3</sup>

#### Franklin Income Fund (Class A)

February 28, 1965–December 31, 2025



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2. Source: Franklin Templeton. Information is historical and may not reflect current or future portfolio characteristics. Portfolio holdings are subject to change without notice and may not represent current or future portfolio composition.

3. The 12-month yield reflects the sum of income distributions over the preceding 12-month period divided by the NAV at the end of the period. Effective 9/10/18 Class A shares closed to new investors, were renamed Class A1 shares, and a new Class A share with a different expense structure became available. Class A performance shown has been calculated as follows: (a) for periods prior to 9/10/18, a restated figure is used based on the fund's Class A1 performance and including any Rule 12b-1 rate differential as exists between Class A1 and Class A; and (b) for periods after 9/10/18, actual Class A performance is used, reflecting all charges and fees applicable to that class. On 5/1/94, the fund implemented a Rule 12b-1 plan, which affects subsequent performance.

# Four different investor goals— four powerful income stories

Individual investors have different income preferences and use income differently to reach their goals. The next four pages look at four hypothetical investors using different tactics with Franklin Income Fund.



## Mary: Just the dividends please

**Main goal:** Retirement income from fund dividends, not from the sale of fund shares.

**Investment tactic:** Lump-sum investment/taking fund dividends on a monthly basis.



## Bob: Monthly income my way

**Main goal:** Retirement income that increases annually to adjust for inflation.

**Investment tactic:** Lump-sum investment/systematic withdrawal plan adjusted annually for inflation.



## Greg and Jan: Income when we need it

**Main goal:** Having the flexibility to take income periodically to meet different needs.

**Investment tactic:** Reinvest distributions as a default, but “turn on” the fund dividends and take them in cash during the holidays.



## Jim: Investing now for income later

**Main goal:** To build savings that he can draw income from later.

**Investment tactic:** Make regular monthly investments now, reinvesting all fund dividends and capital gains. Later—take the monthly fund dividends.

*Characters and investment stories are hypothetical and for illustrative purposes only. These hypothetical investment strategies do not guarantee future performance or results or achievement of objectives.*

# 1 | Just the dividends please



## Mary's story

Retired and 62 years old, she wants an investment that will produce monthly dividend income checks. She is not comfortable with selling fund shares to generate income. The illustration below shows the hypothetical income she would have received during different decades.

**Interesting fact:** According to a study by the Employee Benefits Research Institute (EBRI), at least half of retirees restrict their spending to match their regular income (income that does not include sales of retirement plan assets).<sup>4</sup>

## Here's how Franklin Income Fund would have produced dividends for Mary over the decades

### Franklin Income Fund (Class A) Yearly Dividend Payout on a \$100,000 Initial Investment Decade by Decade

Based on a Hypothetical Investment in Franklin Income Fund (Class A) with 3.25% sales charge from 1950–2025<sup>5</sup>

	1950s	1960s	1970s	1980s	1990s	2000s	2010s	1/31/20–12/31/25
<b>Initial Investment Amount</b>	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
<b>Year 1</b>	\$5,591	\$4,651	\$6,526	\$9,358	\$10,264	\$8,090	\$6,750	\$4,862
<b>Year 2</b>	\$5,988	\$4,791	\$6,526	\$11,439	\$10,264	\$8,191	\$6,610	\$4,515
<b>Year 3</b>	\$6,374	\$4,961	\$6,718	\$13,526	\$9,371	\$7,423	\$6,446	\$5,111
<b>Year 4</b>	\$6,393	\$4,770	\$6,916	\$13,367	\$8,481	\$7,166	\$6,044	\$5,322
<b>Year 5</b>	\$8,310	\$5,130	\$7,049	\$12,914	\$8,582	\$7,204	\$5,629	\$5,475
<b>Year 6</b>	\$7,059	\$6,144	\$7,288	\$13,110	\$8,695	\$6,986	\$5,605	\$5,475
<b>Year 7</b>	\$6,875	\$6,434	\$7,145	\$13,495	\$8,798	\$6,716	\$5,605	
<b>Year 8</b>	\$7,456	\$6,988	\$7,505	\$13,616	\$8,836	\$7,087	\$5,605	
<b>Year 9</b>	\$8,603	\$7,302	\$7,615	\$13,760	\$8,936	\$7,714	\$5,577	
<b>Year 10</b>	\$10,080	\$7,610	\$9,210	\$13,833	\$8,981	\$7,283	\$5,493	
<b>Total Dividend Income for the Decade</b>	\$72,728	\$58,780	\$72,497	\$128,417	\$91,207	\$73,861	\$59,366	\$30,760
<b>Ending Account Value, After Taking Fund Dividends in Cash</b>	\$215,211	\$118,142	\$113,279	\$131,571	\$108,110	\$100,567	\$109,305	\$105,506
<b>10-Yr Treasury Bonds</b> Total income generated for the decade, from the same initial investment <sup>6</sup>	\$31,500	\$47,700	\$78,800	\$103,300	\$79,300	\$64,500	\$38,334	\$19,185

**Performance data quoted represents past performance, which does not guarantee future results.** For current month-end performance, please visit [franklintempleton.com](http://franklintempleton.com).

Treasury bonds, if held to maturity, offer a fixed rate of return and fixed principal value; their interest payments and principal are guaranteed. **Dividends are subject to change and not guaranteed.**

4. Source: Employee Benefit Research Institute 2018 estimates from Health and Retirement Study (HRS).

5. The fund offers other share classes subject to different fees and expenses, which will affect their performance. Returns reflect the current sales charge breakpoint of 3.25%. Prior to 3/1/19, these shares were offered at a higher initial sales charge, thus actual returns would have differed. Effective 9/10/18 Class A shares closed to new investors, were renamed Class A1 shares, and a new Class A share with a different expense structure became available. Class A performance shown has been calculated as follows: (a) for periods prior to 9/10/18, a restated figure is used based on the fund's Class A1 performance and including any Rule 12b-1 rate differential as exists between Class A1 and Class A; and (b) for periods after 9/10/18, actual Class A performance is used, reflecting all charges and fees applicable to that class.

6. Sources: Federal Reserve, FactSet. 10-Yr Treasury income data for the 1950s is based on the yield as of 5/29/53, which is the earliest date available.

## 2 | Monthly income my way



### Bob's story

Bob is also retired and wants to generate monthly income, however, he prefers using a systematic withdrawal plan (selling fund shares each month). He also wants to increase the withdrawals by 2% each year to adjust for inflation. Bob understands that if he withdraws less than a fund's dividend payout, he can reinvest the dividends and potentially still see his investment grow.

**Interesting fact:** Social Security payments only replace about 42% of the average American's pre-retirement income. This percentage is even lower for people who earned higher-than-average income during their careers.<sup>7</sup>

### Here's how Bob could have taken systematic withdrawals from Franklin Income Fund (Class A)

**\$500,000 Initial Investment and 4% Annual Systematic Withdrawal (Distributed Proportionately Each Month),  
2% Annual Increase in Withdrawal Amount, Reinvested Dividends and Capital Gains<sup>8,9</sup>**

30-Year Period Ended December 31, 2025<sup>10,11</sup>

Period End	Withdrawal <sup>8</sup>	Shares Owned	Market Value
12/31/95	\$0	215,192	\$500,000
12/31/96	\$20,000	224,620	\$530,868
12/31/97	\$20,400	235,990	\$597,877
12/31/98	\$20,808	246,455	\$582,398
12/31/99	\$21,224	258,723	\$556,947
12/31/00	\$21,649	273,993	\$647,387
12/31/01	\$22,082	288,392	\$629,395
12/31/02	\$22,523	301,218	\$600,052
12/31/03	\$22,974	314,687	\$759,141
12/31/04	\$23,433	327,508	\$826,079
12/31/05	\$23,902	340,192	\$817,156
12/31/06	\$24,380	355,607	\$946,660
12/31/07	\$24,867	374,969	\$971,871
12/31/08	\$25,365	391,759	\$654,665
12/31/09	\$25,872	411,658	\$852,633
12/31/10	\$26,390	428,245	\$934,063
12/31/11	\$26,917	444,349	\$933,559
12/31/12	\$27,456	460,605	\$1,032,159
12/31/13	\$28,005	474,725	\$1,149,208
12/31/14	\$28,565	486,652	\$1,168,268
12/31/15	\$29,136	499,647	\$1,049,463
12/31/16	\$29,719	514,214	\$1,187,988
12/31/17	\$30,313	527,931	\$1,256,556
12/31/18	\$30,920	542,115	\$1,154,704
12/31/19	\$31,538	556,807	\$1,302,927
12/31/20	\$32,169	573,052	\$1,312,289
12/31/21	\$32,812	598,374	\$1,507,901
12/31/22	\$33,468	615,159	\$1,390,260
12/31/23	\$34,138	634,969	\$1,473,129
12/31/24	\$34,820	655,793	\$1,541,114
12/31/25	\$35,517	679,161	<b>\$1,691,111</b>
<b>Total Withdrawals</b>		<b>\$811,362</b>	
			<b>Ending Market Value</b>

An investor participating in a systematic withdrawal plan should review, every year, the results being obtained and the value of remaining shares. Based on this annual review, the individual can increase or decrease the amount of the monthly withdrawals if that seems appropriate. The results of such a program vary substantially depending on the fund's investment performance during the period the program is in effect. The rate or amount chosen for withdrawal determines the value remaining at the end of the period. In a period of declining market values, continued withdrawals could eventually exhaust the principal.

The hypothetical scenario does not take into account federal, state or municipal taxes. If taxes were taken into account, the hypothetical values shown would have been lower.

**Performance data quoted represents past performance, which does not guarantee future results.**

*Dividends will vary depending on the fund's income; past distributions are not indicative of future trends.*

7. Source: Social Security Administration, January 2026.

8. It is important to note that the amounts withdrawn do not represent dividends or income, but rather the proceeds from the sale of shares. Sufficient shares are sold from the shareholder's account at the time of each withdrawal to provide for such payments.

9. All calculations include reinvestment of dividends and capital gains. No sales charge applies at the \$500,000 breakpoint. See page 8 of this brochure for the fund's standardized performance figures. **Past performance is not an indicator or a guarantee of future performance.**

10. Although this hypothetical illustration represents a 30-year period, a retirement period could last more than 30 years. Investing in a Franklin Templeton fund does not guarantee one's retirement income needs will be met.

11. The fund offers other share classes subject to different fees and expenses, which will affect their performance. Effective 9/10/18 Class A shares closed to new investors, were renamed Class A1 shares, and a new Class A share with a different expense structure became available. Class A performance shown has been calculated as follows: (a) for periods prior to 9/10/18, a restated figure is used based on the fund's Class A1 performance and including any Rule 12b-1 rate differential as exists between Class A1 and Class A; and (b) for periods after 9/10/18, actual Class A performance is used, reflecting all charges and fees applicable to that class.

### 3 | Income when we need it



#### Greg and Jan's story

Greg and Jan are married with three kids and want an investment that provides the flexibility to take income when they need it, which for them, is around the holidays.

**Interesting fact:** Albert Einstein once said, "Compound interest is the eighth wonder of the world. He who understands it, earns it ... he who doesn't ... pays it."<sup>12</sup>

**Here's how Franklin Income Fund could have produced holiday income for Greg and Jan, while still growing**

**\$100,000 Initial Investment (Class A) with 3.25% Sales Charge, Taking Dividends and Capital Gains in Cash October through December and Reinvesting the Rest of the Year**

15-Year Period Ended December 31, 2025

Year	Income Reinvested									Income Taken as Cash Dividend			Year End Account Value
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
2011	\$532	\$513	\$516	\$518	\$521	\$523	\$526	\$529	\$532	\$535	\$535	\$674	\$97,652
2012	\$535	\$537	\$540	\$543	\$546	\$549	\$552	\$555	\$558	\$561	\$561	\$561	\$109,286
2013	\$561	\$544	\$547	\$549	\$552	\$525	\$527	\$529	\$532	\$534	\$534	\$534	\$123,177
2014	\$534	\$511	\$513	\$515	\$517	\$519	\$521	\$524	\$526	\$528	\$528	\$528	\$126,674
2015	\$528	\$530	\$532	\$534	\$537	\$539	\$541	\$543	\$546	\$548	\$548	\$548	\$115,163
2016	\$548	\$551	\$554	\$556	\$559	\$562	\$564	\$567	\$569	\$572	\$572	\$572	\$132,125
2017	\$572	\$574	\$577	\$579	\$582	\$584	\$587	\$589	\$592	\$594	\$594	\$594	\$141,438
2018	\$594	\$597	\$599	\$602	\$604	\$607	\$610	\$612	\$615	\$605	\$605	\$605	\$131,571
2019	\$605	\$608	\$611	\$613	\$616	\$619	\$621	\$624	\$627	\$629	\$629	\$629	\$150,266
2020	\$629	\$632	\$635	\$637	\$641	\$644	\$647	\$650	\$653	\$656	\$656	\$656	\$153,341
2021	\$656	\$612	\$614	\$617	\$619	\$615	\$617	\$619	\$621	\$623	\$623	\$4,225	\$174,557
2022	\$623	\$626	\$677	\$679	\$682	\$685	\$687	\$690	\$693	\$696	\$696	\$1,127	\$162,219
2023	\$754	\$757	\$761	\$764	\$768	\$771	\$775	\$778	\$782	\$785	\$785	\$785	\$173,543
2024	\$808	\$812	\$815	\$819	\$823	\$827	\$831	\$835	\$839	\$842	\$842	\$842	\$183,271
2025	\$842	\$846	\$850	\$854	\$858	\$862	\$866	\$870	\$873	\$877	\$877	\$1,495	\$202,276

The hypothetical scenario does not take into account federal, state or municipal taxes. If taxes were taken into account, the hypothetical values shown would have been lower.

**Performance data quoted represents past performance, which does not guarantee future results.**

Dividends will vary depending on the fund's income; past distributions are not indicative of future trends.

12. Stock markets can fluctuate significantly in response to company, industry, political, regulatory, market or economic developments.

# 4 | Investing now for income later



## Jim's story

Jim is 31 and wants an investment that will grow over time and allow him to draw income later.

He wants to invest \$1,000 initially and add \$100 a month. This dollar-cost averaging approach<sup>13</sup> combined with reinvesting dividends and capital gains, should help his investment grow. Ultimately, he can take the dividends in cash to produce an income stream during retirement.

**Interesting fact:** The law governing Social Security benefit amounts may change because, by 2034, the payroll taxes collected will be enough to pay only about 81 percent of scheduled benefits.<sup>14</sup>

Here's how Franklin Income Fund (Class A) would have worked for Jim over various time periods

 <b>Growing the investment</b> \$1,000 initial investment plus \$100 monthly (Class A) All distributions reinvested <sup>15</sup>					 <b>Taking the income</b> No further monthly investments Take dividends in cash <sup>15</sup>				
Time Period <sup>16</sup>	Total Investment	Income Reinvested	Capital Gains Reinvested	Final Value	Time Period <sup>16</sup>	Initial Value	Total Dividends Paid Out	Capital Gains Reinvested	Final Value
1950–1970	\$25,000	\$28,020	\$21,358	\$58,968 ➔ 1970–1990	1970–1990	\$58,968	\$148,263	\$33,085	\$79,665
1960–1980	\$25,000	\$31,804	\$13,356	\$70,053 ➔ 1980–2000	1980–2000	\$70,053	\$169,125	\$23,007	\$108,204
1970–1990	\$25,000	\$77,474	\$12,080	\$96,947 ➔ 1990–2010	1990–2010	\$96,947	\$211,526	\$22,178	\$146,114
1980–2000	\$25,000	\$57,867	\$6,531	\$95,607 ➔ 2000–2020	2000–2020	\$95,607	\$118,427	\$6,692	\$98,866
1990–2010	\$25,000	\$35,201	\$3,824	\$61,765 ➔ 2010–2025	2010–2025	\$61,765	\$52,964	\$1,692	\$72,260

The hypothetical scenario does not take into account federal, state or municipal taxes. If taxes were taken into account, the hypothetical values shown would have been lower.

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Dividends will vary depending on the fund's income; past distributions are not indicative of future trends.

13. Dollar-cost averaging does not assure a profit or protect against loss in declining markets. Investors should consider their ability to make regular investments during all market conditions.

14. Source: Social Security Administration, *Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds*, 2025.

15. Past performance is not an indicator or a guarantee of future performance.

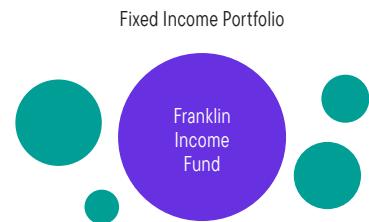
16. The fund offers other share classes subject to different fees and expenses, which will affect their performance. Hypothetical reflects the maximum current sales charge of 3.75%. Prior to 3/1/19, these shares were offered at a higher initial sales charge, thus actual returns would have differed. Effective 9/10/18 Class A shares closed to new investors, were renamed Class A1 shares, and a new Class A share with a different expense structure became available. Class A performance shown has been calculated as follows: (a) for periods prior to 9/10/18, a restated figure is used based on the fund's Class A1 performance and including any Rule 12b-1 rate differential as exists between Class A1 and Class A; and (b) for periods after 9/10/18, actual Class A performance is used, reflecting all charges and fees applicable to that class.

# Three different ways Franklin Income Fund could fit in a larger portfolio

## Using income as the core

**Strategy:** As part of a larger fixed income portfolio, Franklin Income Fund could act as the primary income engine. Fixed income investments with a low correlation<sup>17</sup> to Franklin Income Fund, and a lower standard deviation,<sup>18</sup> could be added to round out the overall portfolio.

**Potential benefits:** A high level of income, with lower volatility than a 100% investment in the fund.



## Consider income as an asset class

**Strategy:** Reduce the equity and bond positions in a traditional balanced portfolio and include a position in Franklin Income Fund.

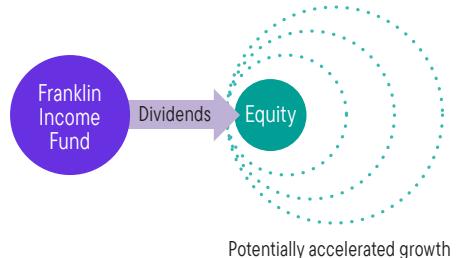
**Potential benefits:** Active management of a portfolio dedicated to income generation.



## Create the potential for dividend-fueled growth

**Strategy:** Redirect Franklin Income Fund dividends into an equity fund to potentially accelerate the growth of a portfolio.

**Potential benefits:** By redirecting Franklin Income Fund's monthly dividend into another investment focused on growth, investors can effectively dollar-cost average on a monthly basis and eliminate the issues associated with trying to time the market.



### Dividends are subject to change and not guaranteed.

*Determining your financial goals may not be too complicated, but developing an appropriate asset allocation plan and strategy designed to help you meet those goals can be. Working with a financial professional can help. They offer market knowledge and planning expertise, and will take into account your individual investment needs to create an investment strategy tailored to your specific investment goals and risk tolerance. Chances are your financial professional will also want to review your portfolio with you regularly to determine if adjustments are needed to keep your asset allocation plan on target or make changes as your life goals/circumstances change.*

<sup>17</sup> Correlation is a statistical measure of how two investments move in relation to each other. The relationship between two variables can also change over time and may have periods of positive correlation as well.

<sup>18</sup> Standard deviation is used to measure risk. It is a statistical measure of how far an investment return deviates from its historical average.

# Franklin Income Fund historical performance

## Average Annual Total Returns (%)<sup>19</sup>

Periods Ended December 31, 2025

	1-Year	5-Year	10-Year	Since Inception (Date)
<b>Advisor Class (FRIAX)</b>	12.02	7.88	7.76	9.88 (8/31/48)
<b>Class A (FKIQX)</b>				
With Sales Charge	7.96	6.84	7.06	9.72 (8/31/48)
Without Sales Charge	12.17	7.66	7.47	9.77 (8/31/48)
<b>Class C (FCISX)</b>				
With Sales Charge	10.43	7.24	7.06	7.01 (5/1/95)
Without Sales Charge	11.43	7.24	7.06	7.01 (5/1/95)

## Yields and Distribution Rates (%)

As of December 31, 2025

	30-Day SEC Yield <sup>20</sup>		
	Without Waiver	With Waiver	Distribution Rate <sup>21</sup>
<b>Advisor Class</b>	3.54	3.54	5.44
<b>Class A</b>	3.16	3.16	5.00
<b>Class C</b>	2.89	2.89	4.71

### Sales charges:

**Advisor Class:** none; **Class A:** maximum 3.75% initial sales charge; **Class C:** 1% contingent deferred sales charge (CDSC) in the first year only.

### Total annual operating expense:<sup>22</sup>

**Advisor Class:** gross 0.47%, net 0.46%

**Class A:** gross 0.72%, net 0.71%

**Class C:** gross 1.12%, net 1.11%

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19. The fund began offering Advisor Class shares on 12/31/96 and the fund began offering A Class shares on 9/10/18. Performance quotations have been calculated as follows: (a) for Advisor Class periods prior to 12/31/96, a restated figure is used based on the fund's Class A1 performance and for A Class periods prior to 9/10/18, a restated figure is used based on the fund's Class A1 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.

20. The fund's 30-day SEC yield is calculated using the net income (interest and dividends) per share earned over a trailing 30-day period (annualized), divided by the fund's share price at the end of that period. It may not equal the fund's actual income distribution rate, which reflects the fund's past dividends paid to shareholders.

21. Distribution Rate is calculated by annualizing the most recent distribution amount paid, divided by the NAV as of the date indicated. The Distribution Rate calculation includes income and return of capital, and excludes special distributions. The Distribution Rate is not guaranteed, subject to change, and is not a quotation of fund performance.

22. 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 1/31/26 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.



**“Upon joining the management team of Franklin Income Fund in 2002, I worked closely with Charlie Johnson, a strong partnership that continued after I became lead portfolio manager in 2004. Today, I work with an experienced team and we continue to seek to generate a high level of income for people both before and after they retire. We believe the fund is a very versatile investment that can help investors reach a variety of goals.”**

**Ed Perks, CFA**  
Franklin Income Fund  
Portfolio Manager since 2002

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#### **WHAT ARE THE RISKS?**

**All investments involve risks, including possible loss of principal. Low-rated, high-yield bonds** are subject to greater price volatility, illiquidity and possibility of default. **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. **Changes in the credit rating** of a bond, or in the credit rating or financial strength of a bond's issuer, insurer or guarantor, may affect the bond's value. **Equity securities** are subject to price fluctuation and possible loss of principal. **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.

All fund distributions will vary depending upon current market conditions, and past distributions are not indicative of future trends.

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#### **Franklin Income Fund Symbols:**

Class A: FKIQX  
Class A1: FKINX  
Class C: FCISX  
Class R: FISRX  
Class R6: FNCFX  
Advisor: FRIAX